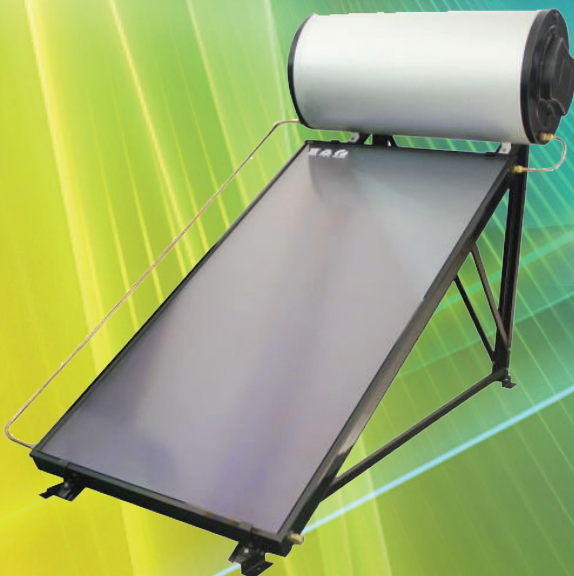
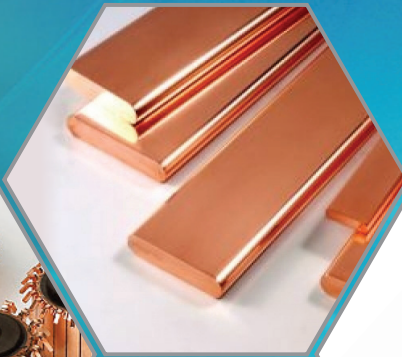
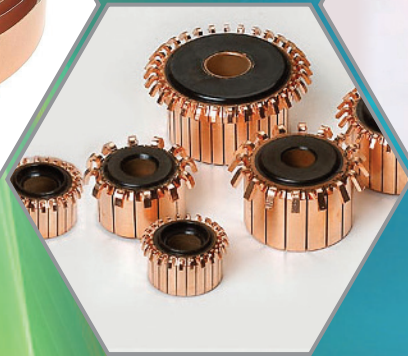




# BHAGYANAGAR INDIA LIMITED

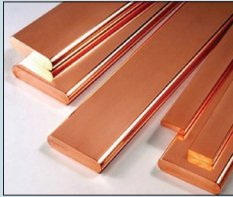
34<sup>th</sup> Annual Report  
2018-19



Auto and Electrical Components

Copper - Sheet, Pipes, Foils and Bus Bars

# COPPER PRODUCT RANGE



## Copper Flats / Copper Bus Bars

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



## Paper Insulated Copper Conductor (PICC)

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



## Copper Foils

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



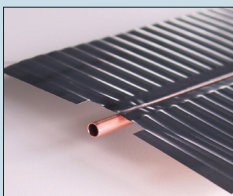
## Copper Nugget

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



## Copper Wires & Rods

Diameter: 1.1mm – 100mm
Applications: Automobiles



## Solar Fins

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

## BOARD OF DIRECTORS

G Mangilal Surana	-	Chairman Emeritus
Narender Surana	-	Managing Director
Devendra Surana	-	Managing Director
O Swaminatha Reddy	-	Independent Director
R Surender Reddy	-	Independent Director
Kamlesh Gandhi	-	Independent Director
D Venkatasubbiah	-	Independent Director
Madhumathi Suresh	-	Independent Director
N Krupakar Reddy	-	Whole-time Director

### STATUTORY COMMITTEES

#### AUDIT COMMITTEE

Kamlesh Gandhi	-	Chairman
O Swaminatha Reddy	-	Member
R Surender Reddy	-	Member
Devendra Surana	-	Member

#### NOMINATION & REMUNERATION COMMITTEE:

R Surender Reddy	-	Chairman
O Swaminatha Reddy	-	Member
D Venkatasubbiah	-	Member

#### STAKEHOLDERS RELATIONSHIP COMMITTEE:

D Venkatasubbiah	-	Chairman
Narender Surana	-	Member
Devendra Surana	-	Member

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

Narender Surana	-	Chairman
Devendra Surana	-	Member
D Venkatasubbiah	-	Member

#### CHIEF FINANCIAL OFFICER

Surendra Bhutoria

#### COMPANY SECRETARY

Rachna Kewliya

#### BANKERS

Kotak Mahindra Bank Limited • RBL Bank Limited  
ICICI Bank Limited • State Bank of India

#### STATUTORY AUDITORS

##### Luharuka & Associates

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

#### INTERNAL AUDITORS

##### Sekhar & Co.,

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

#### COST AUDITORS

##### BVR & Associates (For the FY 2018-19)

H.No. 6-3-628/3, Flat No. 101, R.V. Naipunya Apts  
Anand Nagar Colony, Khairatabad  
Hyderabad – 500 004

##### Lavanya & Associates (For the FY 2019-20)

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

#### SECRETARIAL AUDITOR

##### Rakhi Agarwal

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

#### REGISTRAR & TRANSFER AGENT:

##### Karvy Fintech Private Limited

Karvy Selenium Tower B,  
Plot No 31 & 32  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032  
Tel No.040-67162222  
E-mail: einward.ris@karvy.com  
Web Site : www.karvy.com  
Regd.office: Karvy House 46, Avenue 4, Street  
No.1, Banjara Hills, Hyderabad - 500 034

#### WORKS

##### Copper Division

- i. **Bhagyanagar India Limited**  
Plot No. P-9/13(1) & P-9/14,  
IDA Nacharam, Hyderabad – 500076.
- ii. **Harinam Wires**  
Plot No. P 9/13 (A),(B),(C)  
Industrial Development Area,  
Nacharam, Hyderabad – 500076.
- iii. **Hardware Park**  
Plot No. 228, Raviyal Village,  
Maheshwaram Mandal  
R.R Dist, Hyderabad – 532 409

#### Non-Conventional Energy

##### Wind Power

Kapatgudda, Gadag District,  
Karnataka – 582 101

#### REGISTERED OFFICE:

##### Bhagyanagar India Limited

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

# CONTENTS

❖ Notice.....	4
❖ Director's Report.....	15
❖ Report on Corporate Governance.....	40
❖ Independent Auditors' Report.....	58
❖ Balance Sheet.....	64
❖ Statement of Profit & Loss.....	65
❖ Cash Flow Statement.....	67
❖ Significant Accounting Policies.....	69
❖ Notes on Financial Statements.....	75

## CONSOLIDATED FINANCIAL STATEMENTS

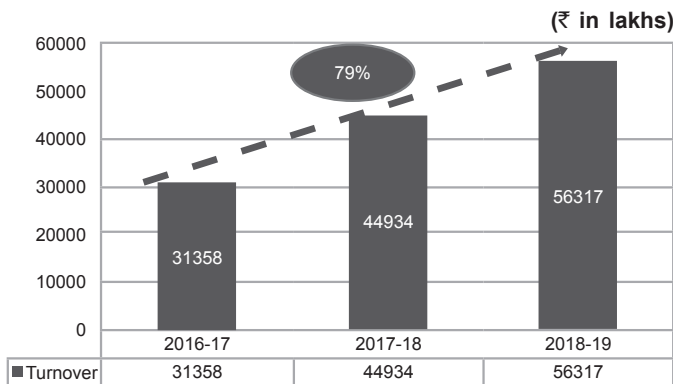
❖ Independent Auditor's Report.....	91
❖ Balance Sheet.....	96
❖ Statement of Profit & Loss.....	97
❖ Cash Flow Statement.....	99
❖ Significant Accounting Policies.....	101
❖ Notes on Financial Statements.....	109
❖ Information related to Subsidiary / Associate Companies (AOC - 1).....	124
❖ Attendance Slip	
❖ Proxy Form	

## FINANCIAL PERFORMANCE

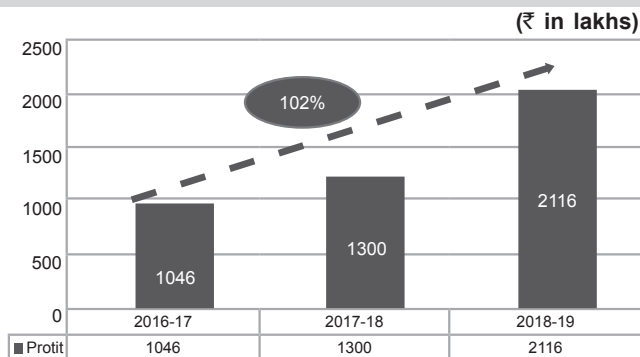
(₹ in lakhs)

Particulars	FY 19	FY 18	FY 17
Revenue from operations	56,924	44,687	29,277
Other Income	96	1,154	896
EBIDTA	2,205	2,424	2,109
Depreciation	374	361	344
EBIT	1832	2,063	1,765
Interest	762	382	597
Less: Amortisation and Forex loss	194	2	655
PBT	875	1,679	513
Tax	225	392	29
Net Profit	649	1,286	485

### COPPER TURNOVER – A GLIMPSE



### COPPER PROFIT – A GLIMPSE



## MILESTONES

- Continuous profit making company since 1985 despite facing major recessions.
- Impeccable track record in terms of financial, statutory, suppliers and employees obligation. Never delayed its obligation even by a day.
- Has successfully completed 1<sup>st</sup> Phase of expansion plan of its copper division through a 100% subsidiary with total capital expenditure of Rs. 38.47 Cr incurred till 31<sup>st</sup> March, 2019.

## NOTICE OF 34<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34<sup>th</sup> Annual General Meeting of the members of Bhagyanagar India Limited will be held on Saturday the 21<sup>st</sup> September, 2019 at 10.00 AM at the Hotel Parklane, 115, Parklane, Secunderabad-500 003, Telangana to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2019, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G Mangilal Surana, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **Re-appointment of Shri O.Swaminatha Reddy as an Independent Director of the Company:**

To consider and if though fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of members of the Company be and is hereby accorded to the re-appointment of Shri O.Swaminatha Reddy (DIN-00006391) as an Independent Director of the Company, not liable to retire by rotation, for his second term of five consecutive years w.e.f. 21<sup>st</sup> September, 2019 as well as to continue to hold the position of Non-Executive Independent Director beyond seventy five years of age.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution”.

4. **Re-appointment of Shri R.Surender Reddy as an Independent Director of the Company:**

To consider and if though fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as

amended from time to time, approval of members of the Company be and is hereby accorded to the re-appointment of Shri R.Surender Reddy (DIN-00083972) as an Independent Director of the Company, not liable to retire by rotation, for his second term of five consecutive years w.e.f. 21<sup>st</sup> September, 2019 as well as to continue to hold the position of Non-Executive Independent Director beyond seventy five years of age.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution”.

5. **Re-appointment of Shri Kamlesh Gandhi as an Independent Director of the Company:**

To consider and if though fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of members of the Company be and is hereby accorded to the re-appointment of Shri Kamlesh Gandhi (DIN-00004969) as an Independent Director of the Company, not liable to retire by rotation, for his second term of five consecutive years w.e.f. 21<sup>st</sup> September, 2019.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution”.

6. **Re-appointment of Smt. Madhumathi Suresh as an Independent Director of the Company:**

To consider and if though fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of members of the Company be and is hereby accorded to the re-appointment of Smt. Madhumathi Suresh (DIN-07124113) as an Independent Director of the Company, not liable to retire by rotation, for her second term of five consecutive years w.e.f. 23<sup>rd</sup> March, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to

do all acts, deeds and things, necessary and expedient to give effect to this resolution”.

**7. To raise funds through issue of Shares/Convertible Securities/ADR/GDR/FCCB's/ECB's etc**

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

“**RESOLVED THAT** pursuant to the provisions of Section 42, 62 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debenture) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, as applicable, and/or Foreign Exchange Management Act, 1999 (including any statutory modification(s) or reenactment thereof), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India), Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Deposit Receipt Mechanism) Scheme, 1993, as amended and the applicable Rules, Regulations, Notifications and Circulars, if any, issued by Securities and Exchange Board of India (SEBI) from time to time, including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the ICDR Regulations), Reserve Bank of India (RBI), Government of India or any other competent Authority and clarifications, if any, issued thereon from time to time by appropriate authorities, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other concerned and appropriate authorities, and other applicable laws, if any, and relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approval(s), consent(s), permission(s) and / or sanction(s), if any, of the Government of India, RBI, SEBI and any other appropriate Authority(ies), Bank(s), Institution(s) or Body(ies), as may be necessary and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, as are accepted, the Board of Directors of the Company, (hereinafter referred to as the “Board”, which term shall be deemed to include any duly constituted Committee thereof), be and is hereby authorized to create, offer, issue and allot Equity Shares/Securities in one or more tranches, in the course of domestic or international offerings, by way of Follow-on Public Offer (FPO) and/or by way of a Qualified Institutions Placement (QIP) in terms of the Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time and/or Equity Shares in the form of Global Depository Receipts (GDRs), and/or American Depository Receipts (ADRs), and/ or External Commercial Borrowings (ECBs) with rights of conversion into shares, and/ or Foreign Currency Convertible Bonds (FCCBs) and/ or Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPS/CCPS), convertible into Equity Shares of the Company with voting rights or with differential rights as to voting, dividend or otherwise in accordance with such rules and subject

to such conditions as may be prescribed or any other instrument convertible into Equity Shares with voting rights or with differential voting rights as to voting, dividend or otherwise (hereinafter referred to as the “Securities”), to be subscribed to, by International and/ or Indian Banks, Institutions, Institutional Investors, Mutual Funds, companies, other Corporate Bodies, Resident/Non-Resident Indians, Foreign Nationals and other eligible Investors, as may be decided by the Board, (hereinafter referred to as “Investors”), whether or not such Investors are members of the Company or not (including the provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company, group/associate company(ies) as may be permitted by the ICDR Regulations from time to time), at such time or times, at such price or prices, at discount / premium to the market or prices in such manner and on such terms and conditions including security, rate of interest etc. including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors, as may be determined by the Board at the time of such issue and allotment, considering the then prevailing market conditions and other relevant factors wherever necessary, upto an aggregate of **US\$ 50 million** in any foreign currency or in Rupees (inclusive of such premium as may be determined) and such issue and allotment be made at such time or times, in such tranche or tranches, in such currency or currencies, in such manner and on such terms and conditions (including, if necessary, in relation to security on convertible debt instruments) as may be decided and deemed appropriate by the Board in its sole discretion at the time of issue / allotment.”

“**RESOLVED FURTHER THAT** in case of QIP, pursuant to Chapter VIII of the ICDR Regulations, the allotment of Equity Shares/ Securities shall only be made to Qualified Institutional Buyers at a price including a discount of not more than 5% (or such discount as may be prescribed by SEBI from time to time) within the meaning of Chapter VIII of ICDR Regulations and such securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this Resolution.”

“**RESOLVED FURTHER THAT** the Company and/ or any agency or body authorized by the Company, may issue receipts/certificates representing the underlying securities and/ or Equity Shares issued by the Company with such features and attributes as are prevalent in International Capital Markets for instruments of this nature and provide for the tradability or free transferability thereof as per the domestic/ international practices, norms and regulations, and under the norms and practices prevalent in the International Markets.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot, from time to time, such number of Equity Shares at such premium as may be decided by the Board in its absolute discretion, upon conversion of such Securities or as

may be necessary in accordance with the terms of the offering, including additional Equity Shares, and all such shares shall rank pari- passu with the then existing Equity Shares of the Company in all respects including to dividend.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to any issue and/or allotment of Equity Shares in the Company or Securities or instruments or Securities representing or convertible into Equity Shares in the Company, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion, deem necessary, appropriate or desirable for such purpose, including, without limitation, determining the form and manner of the issue, the class of investors to whom the Equity Shares/ Securities are to be issued and allotted, number of Equity Shares/Securities to be allotted in each tranche, issue price, face value, premium amount on issue/conversion of Securities/ exercise of warrants/redemption of Securities, rate of interest, redemption period, to appoint Lead Managers, Merchant Bankers, Global Business Coordinators, Book Runners, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodians, Registrars, Trustees, Bankers and all other agencies, to enter into or execute all such agreements/ arrangements / MOUs/documents with any such agencies, as may be necessary; to list the Securities and the Equity Shares to be issued on conversion of the said Securities on any Indian and/or Foreign Stock Exchange(s), as it may in its absolute discretion deem fit.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares or Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have

given their approval thereto expressly by the authority of the aforesaid Resolution.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Whole-time Director(s) or any Director(s) or any other Officer(s) of the Company to implement the aforesaid Resolution.”

**8. To approve and ratify the remuneration of Cost Auditors for the financial year 2019-20:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), the cost audit fees of ₹ 25,000 (Rupees Twenty Five Thousand Only) to be paid to M/s Lavanya & Associates, Cost Accountants in practice, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2019-20 be and is hereby ratified and approved.

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

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

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

Place: Secunderabad  
Date : 07.08.2019



**NOTES:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and such proxy need not be a member of the company. Proxies, in order to be valid and effective, must be delivered at the registered office of the company not later than forty-eight hours before the commencement of the meeting.**  
Pursuant to provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising such representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16.09.2019 to 21.09.2019 (both days inclusive) for the purpose of annual closure.
4. The Company's Equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 and National Stock Exchange of India Ltd., Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 and the Company has paid the Listing Fees to the said Stock Exchanges.
5. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to nominations, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Karvy Fintech Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy Fintech Private Limited
7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Karvy Fintech Private Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
10. Regulation 36 of SEBI (LODR) Regulations, 2015 permits sending of soft copies of annual reports to all those members who have registered their email addresses for the purpose.  
  
The Companies Act, 2013 has also recognized serving of documents to any member through electronic mode. In terms of the circular No. NSDL/CIR/III/10/2012 dated March 9, 2012 issued by National Securities Depository Limited, email addresses made available by the Depository for your respective DPs accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices/ documents including those covered under Section 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the applicable rules. In light of the requirements prescribed by the aforesaid circulars, for those members whose Depository Participant accounts do not contain the details of their email addresses, printed copies of the Annual Report would be dispatched.
11. Shareholders are requested to furnish their e-mail IDs to enable the Company to forward all the requisite information in electronic mode and support the green initiative. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and made available to the Company shall be the registered email IDs unless communication is received to the contrary.
12. The Securities and Exchange Board of India (SEBI) vide its circular dated 20<sup>th</sup> April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Karvy / the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
13. **Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:** Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), all shares on which dividend has not been claimed for seven consecutive years or more shall be transferred to IEPF Authority

The Company has transferred 18,788 equity shares to Investor Education and Protection Fund during the financial year ended 31<sup>st</sup> March, 2019.

To Claim the equity shares and dividend which were transferred to the Investor Education and Protection Fund, the shareholders are requested to visit the website of the Company i.e., [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com) to know the procedure for claiming Shares and Dividend transferred to the Investor Education and Protection Fund Authority.

It may be noted that unclaimed dividend for the financial year 2011-12 declared on 29.09.2012 is due to be transferred to the IEPF by 04.10.2019. The Company has already communicated individual notices to the concerned shareholders on 05.07.2019 at their registered addresses whose shares are liable to be transferred to IEPF Authority advising them to claim their unclaimed dividend on or before 4<sup>th</sup> October, 2019. The details of such shares due to be transferred to the IEPF have been uploaded on company's website at <http://www.bhagyanagarindia.com/investor-relations.php>

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

14. The members whose names appear on the Register of Members/ list of beneficial owners as on 14<sup>th</sup> September, 2019 are eligible to participate in e-voting on the resolutions set forth in this notice.
15. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting.
16. The Companies (Management and Administration) Rules, 2015 provide that the electronic voting period shall close at 5:00 PM, on the date preceding the AGM. Accordingly, the e-voting will be available at the <https://evoting.karvy.com>. The remote e-voting period will commence at 9:00 A.M. (IST) on 17<sup>th</sup> September, 2019 and will end at 5:00 P.M. (IST) on 20<sup>th</sup> September, 2019. The remote e-voting will not be allowed beyond the aforesaid period and time, and the remote e-voting module shall be disabled by M/s Karvy Fintech Private Limited, the agency engaged by the company to provide e-voting facility.
17. The member(s) who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
18. In order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set forth in their Notice; the Company is enclosing a Ballot form with the Notice. Resolution (s) passed by the members through ballot forms, remote e-voting and voting at the AGM are deemed to have passed as if they have been passed at the AGM.
19. The Company has appointed Mrs. Rakhi Agarwal, Company Secretary in Practice, Hyderabad to act as Scrutinizer to scrutinize the poll at the Annual General Meeting, remote e-voting process and through ballot form in a fair and transparent manner.
20. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at M/s Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No 31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
21. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail ids with the Company/their respective Depository Participant along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company/their respective Depository Participant are being forwarded the login ID and password for e-voting along with process, manner and instruction by e-mail.
- 22. Process and manner of voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and as per the requirements of the SEBI (LODR) Regulations 2015, Company is pleased to provide the facility to the Members to exercise their right to vote through electronic voting services provided by Karvy Fintech Private Limited.

The instructions for E-voting are as follows:

  - (i) To use the following URL for e-voting: <https://evoting.karvy.com>
  - (ii) Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
  - (iii) Enter the login credentials. The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.

- (iv) After entering the details appropriately, click on LOGIN.
- (v) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (e-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) You need to login again with the new credentials.
- (vii) On successful login, the system will prompt you to select the EVENT i.e., Bhagyanagar India Limited.
- (viii) On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
- (ix) Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- (x) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- (xi) Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (xii) The Portal will be open for voting from 9.00 a.m. on 17.09.2019 to 5.00 p.m. on 20.09.2019.
- (xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Toll Free No. 18003454001.
- (xiv) **Corporate / Institutional Members** (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format)

of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [cs@surana.com](mailto:cs@surana.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."

23. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e., 14.09.2019 may obtain the USER ID and Password in the manner as mentioned below:
- a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> E-Voting Event number+ Folio No. or DP ID Client ID to 9212993399
- |                      |                                    |
|----------------------|------------------------------------|
| Example for NSDL     | MYEPWD <SPACE><br>IN12345612345678 |
| Example for CDSL     | MYEPWD <SPACE><br>1402345612345678 |
| Example for Physical | MYEPWD <SPACE><br>XXX1234567890    |
- b. If e-mail address or mobile number of the member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - c. Member may call Karvy's toll free number 1-800-3454-001.
  - d. Member may send an e-mail request to [einward.ris@karvy.com](mailto:einward.ris@karvy.com)
24. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of Special Businesses set out above is annexed herewith.

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

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

Place: Secunderabad  
Date : 07.08.2019

## EXPLANATORY STATEMENT

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

### Item Nos. 3 to 6:

The shareholders of the Company at the Annual General Meeting held on 22<sup>nd</sup> September, 2014 have appointed Shri O.Swaminatha Reddy, Shri R.Surender Reddy and Shri Kamlesh Gandhi as Independent Directors of the Company for a period of 5 years i.e., from 22<sup>nd</sup> September, 2014 to 21<sup>st</sup> September, 2019 ('first term') whereas Smt.Madhumathi Suresh was appointed by shareholders as an Independent Director of the Company on 30.09.2015 for a period of 5 years w.e.f. 23.03.2015 to 22.03.2020 ('first term') in terms of Sections 149(10) and 149(11) of the Act.

A notice under Section 160 of the Companies Act, 2013 has been received from member(s) of the Company proposing to reappoint Shri O.Swaminatha Reddy, Shri R.Surender Reddy, Shri Kamlesh Gandhi and Smt.Madhumathi Suresh ('said directors') as Independent Directors of the Company. The Company has also received from said Directors i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri O Swaminatha Reddy and Shri R.Surender Reddy have attained more than 75 years of age. As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has to obtain approval of members by way of a special resolution for appointing or continuing the directorship as a Non-Executive Independent Director beyond seventy five years of age.

In the opinion of the Board, the said directors fulfil the conditions for appointment of Independent Director as specified in the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015') and are independent of the management. Considering given background and experience and contributions made by them during their tenure beneficial to the Company, the Board of Directors at their meeting held on 7th August, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation proposed for re-appointment Shri O Swaminatha Reddy, Shri R.Surender Reddy and Shri Kamlesh Gandhi for a second term of five consecutive years w.e.f. 21<sup>st</sup> September, 2019 and whereas Smt.Madhumathi Suresh for a second term of five consecutive years w.e.f 22.03.2020, who are not liable to retire by rotation.

The profiles and other details of Shri O.Swaminatha Reddy, Shri R.Surender Reddy, Shri Kamlesh Gandhi and Smt. Madhumathi Suresh are set out here into the notice.

Copy of the draft letter of appointment as Independent Directors setting out the terms and conditions of appointment are available for inspection without any fee by the members at the Registered Office of the Company.

The Board of Directors recommend the special resolutions set out at Item Nos. 3 to 6 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof except Shri O.Swaminatha Reddy, Shri R.Surender Reddy, Shri Kamlesh Gandhi and Smt Madhumathi Suresh, have any concern or interest, financial or otherwise, in the resolution at Item Nos. 3 to 6 of this Notice.

### Item No.07:

The resolution contained in the AGM Notice relates to a proposal by the Company to create, offer, issue and allot Securities through further public offerings, preferential allotments, qualified institutions placements, issuance of Global Depository Receipts, American Depository Receipts and such other Securities in such manner as stated in the resolution. The Company intends to issue Securities for a value of up to US\$ 50 million. Subject to applicable laws and regulations, the Company intends to use the net proceeds of the Issue primarily for making acquisition, expansion and modernization of existing facilities, working capital requirements and general corporate purpose.

The Special Resolution also seeks to empower the Board of Directors to undertake a qualified institutions placement with qualified institutional buyers as defined by SEBI (ICDR) Regulations. The Board of Directors may in their discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI (ICDR) Regulations for raising the funds for the expansion plans of the company, without the need for fresh approval from the shareholders. In case of an issuance of Securities to qualified institutional buyers, whether or not such investors are existing members of the Company, through a qualified institutions placement under Chapter VIII of the SEBI (ICDR) Regulations, the final price at which the Securities will be offered will be subject to investor response and prevailing market conditions, and computed in accordance with the relevant provisions of Chapter VIII of the SEBI (ICDR) Regulations. Furthermore, a discount of 5% to the floor price of the Equity Shares, or such other discount as may be permitted under Chapter VIII of the SEBI (ICDR) Regulations may also be contemplated at the time of issuance, for which authorization is being taken from the shareholders of the Company through this Special Resolution. The detailed terms and conditions of the issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors and other experts in accordance with the applicable provisions of law.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies or otherwise as the Board in its absolute discretion deem fit. The consent of the Shareholders is being sought pursuant to the provisions of Section 62(1)(c) and Section 42 of the Companies Act, 2013 and other applicable provisions and rules of the Companies Act, 2013, to the extent notified and in force, and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 executed by the Company with the Stock Exchanges where the Equity Shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited. Section 62(1)(c) of the Companies Act, 2013 provides, inter-alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in accordance with the Act unless the shareholders in a general meeting decide otherwise. The special resolution seeks the consent and authorization of the members to the Board to make the proposed issue of Securities and in the event it is decided to issue Securities convertible into Equity Shares, to issue to the holders of such convertible Securities in such manner and such number of Equity Shares on conversion as may be required to be issued in accordance with the terms of the issue.

The Board of Directors believe that the issue of Securities to investors who are/ are not Shareholders of the Company is in the interest of the Company and therefore recommends the resolution for your approval.

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

**Item No.08:**

The Board of Directors, on recommendation of the Audit committee, at their meeting held on 23.05.2019 has approved the appointment and remuneration of the M/s. Lavanya & Associates, Cost Accountants in practice, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31.03.2020 on a remuneration of ₹ 25,000/- (Twenty Five Thousand).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.08 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31.03.2020.

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

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

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

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

Place: Secunderabad  
Date : 07.08.2019

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

**1) Shri G.Manglil Surana, Chairman Emeritus (Non-Executive Director):**

<b>Name of Director</b>	<b>Shri G.Manglil Surana</b>
DIN	00078987
Date of Birth	08.11.1930
Qualification	B.Com, LL.B.
Expertise in specific functional areas	Shri.G.Manglil Surana, graduate in Commerce and law from Osmania University, is the founder of Surana Group and Chairman Emeritus of the Company. He had around 5 decades of rich experience in the Ferrous & Non-Ferrous metal industry in his capacity as promoter, Director, Partner of the various units belongs to the Surana Group. Shri G.M Surana was the former Chairman of the Federation of Andhra Pradesh Chamber of Commerce and Industry (FAPCCI), former Director of Indian Overseas Bank, former Director of Andhra Pradesh State Trading Corporation, (APSTC), besides being the Member of Govt. Advisory Board, Minimum Wages Board. He is actively involved in various philanthropic activities.
Inter-se relationship with other Directors and Key Managerial Personnel	Father of Shri Narendra Surana and Shri Devendra Surana, Managing Directors of the Company.
Nature of appointment (appointment/ reappointment)	Retires by Rotation and offers himself for re-appointment.
List of other Companies in which Directorship is held as on 31 <sup>st</sup> March, 2019.	<ol style="list-style-type: none"> <li>1. Surana Solar Limited</li> <li>2. Bhagyanagar Green Energy Limited</li> <li>3. Bhagyanagar Metals Limited</li> <li>4. Globecom Infotech Private Limited</li> </ol>
Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31 <sup>st</sup> March, 2019.	Nil

**2) Shri O.Swaminatha Reddy, Independent Director:**

<b>Name of Director</b>	<b>Shri O.Swaminatha Reddy</b>
DIN	00006391
Date of Birth	25.12.1930
Qualification	B.Com (Hons), FCA
Expertise in specific functional areas	Shri O Swaminatha Reddy a Commerce graduate and Fellow member of The Institute of Chartered Accountants of India , New Delhi, being the former Chairman of Andhra Bank and also former Chairman and Managing Director of APSFC, he has a rich vast banking and industrial experience spanning over decades. He has been the Director of the Company since 1994, and guiding the Company in the areas of financial decision making and Management policies.
Inter-se relationship with other Directors and Key Managerial Personnel	Not related to other Directors and Key Managerial Personnel
Nature of appointment (appointment/ reappointment)	Re-appointment
List of other Companies in which Directorship is held as on 31 <sup>st</sup> March, 2019.	<ol style="list-style-type: none"> <li>1. Sagar Cements Ltd</li> <li>2. Surana Solar Limited</li> <li>3. The KCP Limited</li> <li>4. Tembhu Power Private Limited</li> <li>5. Sagar Power Limited</li> <li>6. Km Power Private Limited</li> <li>7. Sagar Cements (R) Limited</li> </ol>
Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31 <sup>st</sup> March, 2019.	<ol style="list-style-type: none"> <li>1. Sagar Cements Ltd (Chairman of Audit Committee &amp; Member of Remuneration Committee)</li> <li>2. Surana Solar limited (Chairman of Audit Committee &amp; Member of Remuneration Committee)</li> </ol>

3) **Shri R.Surender Reddy, Independent Director**

<b>Name of Director</b>	<b>Shri R.Surender Reddy,</b>
DIN	00083972
Date of Birth	10.10.1931
Qualification	B.Com
Expertise in specific functional areas	A Graduate, having almost three decades of experience in various fields of Industry. He was well known for his social and political activities in the State of Andhra Pradesh. He has been guiding the Company as an Independent Director since 1989.
Inter-se relationship with other Directors and Key Managerial Personnel	Not related to other Directors and Key Managerial Personnel
Nature of appointment (appointment/reappointment)	Re-appointment
List of other Companies in which Directorship is held as on 31 <sup>st</sup> March, 2019.	<ol style="list-style-type: none"> <li>1. Surya Lakshmi Cotton Mills Ltd</li> <li>2. Suryalata Spinning Mills Limited</li> <li>3. Surana Solar Limited</li> <li>4. Lakshmi Finance And Industrial Corporation Ltd</li> <li>5. Hyderabad Race Club</li> </ol>
Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31 <sup>st</sup> March, 2019.	<ol style="list-style-type: none"> <li>1. Suryalata Spinning Mills Ltd. (Chairman of Audit Committee)</li> <li>2. Surya Lakshmi Cotton Mills Ltd. (Chairman of Audit Committee &amp; Member of Remuneration Committee)</li> <li>3. Lakshmi Finance &amp; Industries Corpn. Ltd. (Chairman of Audit Committee, Member of Remuneration Committee &amp; Stakeholder Relationship Committee)</li> <li>4. Surana Solar Limited (Member of Audit Committee &amp; Chairman of Remuneration Committee)</li> </ol>

4) **Shri Kamlesh Gandhi, Independent Director:**

<b>Name of Director</b>	<b>Shri Kamlesh Gandhi</b>
DIN	00004969
Date of Birth	16.06.1950
Qualification	B.Com
Expertise in specific functional areas	<p>He is the part of Capital and Financial Markets in India for the past 32 years and have been a member of the BSE for 14 years from 1981 to 1995. He was a director on the Board of Association of Merchant Bankers of India (AMBI) for 4 years from inception of the Association. He is now on the board after being elected.</p> <p>As a merchant Banker Instrumental in raising funds for over 250 capital issues and involved in placement of equities of several companies with retail, high net worth and Institutional Investors, both domestic and overseas. Have traveled extensively to West Asian Countries, UK, North America and the Far East Asian countries in connection with these activities. He has extensive contacts in the corporate and financial Circles. Have had frequent interactions with officials in the Ministry of Finance, Reserve Bank of India and Securities and Exchange Board of India. He has participated in many seminars as speaker in India and Overseas on Investments matter in context with the Indian Capital Market. He is the Guest Speaker at training Institutes of Banks and Bankers Training College of RBI, on Merchant Banking Activities.</p> <p>He was a Non-Executive Director of Several Companies including Dr. Reddy's Group, Rasi Group and Kirloskar Group. He is involved in advising several NRI investors including many high net worth NRI's.</p>
Inter-se relationship with other Directors and Key Managerial Personnel	Not related to other Directors and Key Managerial Personnel

Nature of appointment (appointment/ reappointment)	Re-Appointment
List of other Companies in which Directorship is held as on 31 <sup>st</sup> March, 2019.	<ol style="list-style-type: none"> <li>1. Kirloskar electric Company Limited</li> <li>2. NCL Industries Ltd</li> <li>3. Sundaram Clayton Limited</li> <li>4. NCL Alltek &amp; Seccolor Limited</li> </ol>
Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31 <sup>st</sup> March, 2019.	<ol style="list-style-type: none"> <li>1. Kirloskar Electric Company Limited (Chairman of Audit Committee)</li> <li>2. NCL Industries Ltd (Chairman of Audit Committee)</li> <li>3. NCL Alltek &amp; Seccolor Limited (Member of Audit Committee and Remuneration Committee )</li> </ol>

#### 5) Smt. Madhumathi Suresh, Independent Director

<b>Name of Director</b>	<b>Smt. Madhumathi Suresh</b>
DIN	07124113
Date of Birth	25.06.1963
Qualification	B.Com (Hons), FCA
Expertise in specific functional areas	<p>She graduated with Honors in Commerce standing first in the University and was the recipient of the Vasavi Gold Medal from the Indian Institute of Management and Commerce, Hyderabad. She then took up the Chartered Accountancy course and after qualifying as a Chartered Accountant has been Partner in the Firm of M/s. Sekhar &amp; Suresh, Secunderabad for the last over 28 years, in charge of Bank, Corporate and Tax Audits. She also holds a Diploma in Information Systems Audit awarded by the Institute of Chartered Accountants of India.</p> <p>An active Rotarian she is a Past President of the Rotary Club of Secunderabad. An excellent Speaker, she has addressed a number of Rotary Seminars, Workshops and Youth Festivals.</p>
Inter-se relationship with other Directors and Key Managerial Personnel	Not related to other Directors and Key Managerial Personnel.
Nature of appointment (appointment/ reappointment)	Re-appointment
List of other Companies in which Directorship is held as on 31 <sup>st</sup> March, 2019.	<ol style="list-style-type: none"> <li>1. Surana Solar Limited</li> <li>2. Gowra Leasing and Finance Limited</li> </ol>
Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31 <sup>st</sup> March, 2019.	Nil



## DIRECTORS' REPORT

To the Members of  
**Bhagyanagar India Limited**

The Directors have pleasure in presenting the 34<sup>th</sup> Annual Report of your Company and the Audited financial statements for the financial year ended 31<sup>st</sup> March 2019 together with Auditors' Report thereon.

### FINANCIAL RESULTS:

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

(Amount in ₹)

Particulars	Standalone Results		Consolidated Results	
	2019	2018	2019	2018
Sales and other Income	5,70,19,50,273	458,40,48,786	5,70,20,62,105	458,40,63,786
EBIDTA	22,05,45,183	24,23,89,531	22,14,22,963	24,23,56,073
<b>LESS :</b>				
Loss on Foreign Exchange Fluctuation	1,94,40,591	2,43,464	1,94,40,591	2,43,464
Depreciation	3,73,84,099	3,61,24,508	3,93,98,712	3,76,30,339
Interest	7,62,12,439	3,81,50,522	7,66,05,120	3,81,53,322
Amortisation of FCMITDA	-	-	-	-
Extraordinary Items	-	-	-	-
Profit before Taxation	8,75,07,874	16,78,71,037	8,59,78,360	16,63,28,948
Provision for Taxation : Current Tax	2,01,42,448	3,40,97,481	2,02,04,000	3,40,97,481
Deferred Tax	28,79,320	33,00,668	28,79,320	33,00,668
MAT Credit	(4,98,770)	18,24,460	(4,98,770)	18,24,460
Tax of earlier years	-	-	-	-
Profit after Tax	6,49,84,876	12,86,48,428	6,33,93,810	12,71,06,339
Less: Non-Controlling Interest				
Add: Change in Interest of Associate Companies				(5,27,657)
Add: Divestment on account of Demerger				(6,94,42,726)
Surplus brought forward from previous year	85,54,92,692	77,68,44,264	80,53,49,190	79,82,13,232
Balance available for appropriation	92,04,77,568	90,54,92,692	86,87,43,000	85,53,49,188
Transfer to General Reserves	5,00,00,000	5,00,00,000	5,00,00,000	5,00,00,000
Balance c/f to Balance Sheet	87,04,77,568	85,54,92,692	81,87,43,000	80,53,49,188

### PERFORMANCE AND OPERATIONS:

During the year 2018-19, the Company's total revenue is increased by 24.39% as that of previous year.

### BUSINESS OUT LOOK:

The Company will remain focused on copper business and continue to add further value added products in line with the requirement of our OEM customers. We are looking at a minimum of 10% volume growth in this year. The Company received a major boost since the implementation of GST and Demonitisation. With the advent of uniform tax structure (GST) across the country and abolition of CST, our competitiveness in terms of pricing has gone up. The company's disadvantage against tax free territories like Silvassa will no longer apply. Post demonitisation, the customer base has increased and diversified.

### EXPANSION PLANS AND PROGRESS:

The company's competitiveness in terms of pricing has gone up post GST and volumes have increased substantially. With the kind of growth mode and in order to meet the demand, the expansion is being done through a 100% subsidiary company viz., Bhagyanagar Copper Private Limited (BCPL) with a capacity to 24000 MT from the existing 15000 MT. BCPL has 65.28 Acres of land at Shabhashpally Village, Shivampet Mandal, Medak District, Telangana where copper plant has been set up with capacity utilisation of 4000 MT in the first year of operation and commenced its commercial operations effective from 1<sup>st</sup> March, 2019. It is proposed to be increased by 9000 MT per annum in a phased manner. Currently. The total capital investment is made around ₹ 38.47 Crores as of 31.03.2019 including term loan of ₹ 10 Crores from Kotak Mahindra Bank. The Company is targeting consolidated turnover of ₹ 1000 Crores in next 2 to 3 years.

**SUBSIDIARIES/ ASSOCIATES:**

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

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

**CONSOLIDATED FINANCIAL STATEMENTS:**

The consolidated financial statements are prepared and annexed in accordance with the Accounting Standards 21 and 23 as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and Guidelines issued by Securities and Exchange Board of India ("SEBI") also forms part of this Annual Report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com) and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders at their request.

**SECRETARIAL STANDARDS:**

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

**SHARECAPITAL:**

The paid-up Share Capital of the Company as on 31<sup>st</sup> March, 2019 is ₹ 6,39,90,000 divided into 3,19,95,000 equity shares of ₹ 2/- each.

**TRANSFER TO RESERVES:**

An amount of ₹ 5 Crores from the net profits for the financial year under review is proposed to be carried to General Reserves.

**DIVIDEND:**

The Board of Directors have not recommended dividend for the financial year 2018-19 to retain the maximum possible cash in the system. The Company is constrained to skip the dividend in view of the impeding cash out flow on account of ECB repayment obligations and the proposed expansion plans.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (a) That the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31<sup>st</sup> March, 2019 and of the profit and loss of the company for that period;
- (c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the directors have prepared the annual accounts for the financial year 31<sup>st</sup> March, 2019 on a going concern basis; and
- (e) That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

**NOMINATION AND REMUNERATION POLICY:**

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

**PARTICULARS OF LOANS, GUARANTEES, SECURITIES AND INVESTMENTS:**

The details of Loans, Guarantees, Securities and Investments made during the financial year ended 31<sup>st</sup> March, 2019 are given in the notes to the Financial Statements in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

**RELATED PARTY TRANSACTIONS:**

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

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

**AUDIT COMMITTEE:**

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

**EXTRACT OF ANNUAL RETURN:**

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

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

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

**RISK MANAGEMENT POLICY:**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

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

In compliance with requirements of Section 135 of the Companies Act, 2013, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended 31<sup>st</sup> March, 2019 in the format prescribed under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure III.

**BOARD EVALUATION**

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

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

Further the first term of appointment of Shri O.Swaminatha Reddy, Shri R.Surender Reddy and Shri Kamlesh Gandhi will expire on 21.09.2019. The Board of Directors of the

Company at their meeting held on 7<sup>th</sup> August, 2019, on the recommendation of the Nomination & remuneration Committee, and by considering their experience and contributions made by them and on the basis of the report of performance evaluation, recommended for approval of the members for re-appointment of Shri O.Swaminatha Reddy, Shri R.Surender Reddy and Shri Kamlesh Gandhi as Independent Directors of the Company for second term of five years effective from 21<sup>st</sup> September, 2019.

Further the term of appointment of Smt. Madhumathi Suresh as an Independent Director of the Company will expire on 22<sup>nd</sup> March, 2020. The Board of Directors of the Company at their meeting held on 7<sup>th</sup> August, 2019, on the recommendation of the Nomination & remuneration Committee and on the basis of the report of performance evaluation, recommended for the approval of the Members, the re-appointment of Smt. Madhumathi Suresh as Independent Director for a further period of Five years from 22<sup>nd</sup> March, 2020 to 21<sup>st</sup> March, 2025.

Shri D.Venkata Subbaiah, Independent Director of the Company is willing to retire from the Board due to his old age and whose term of appointment is upto this Annual General Meeting. Shri D.Venkata Subbaiah, in his long association with the Company, has made valuable contribution to the company and guided the Board in right manner.

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

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

#### **MEETINGS OF THE BOARD:**

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

#### **DEPOSITS:**

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

#### **LISTING OF EQUITY SHARES:**

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

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

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the Financial Year 2019-20.

#### **STATUTORY AUDITORS:**

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

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

There are no qualifications, reservations or adverse remarks made by M/s. Luharuka & Associates, Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31<sup>st</sup> March, 2019.

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

#### **INTERNAL AUDITORS:**

The Board of Directors of the Company have re-appointed M/s Sekhar & Co., Chartered Accountants as Internal Auditors to conduct Internal Audit for the financial year ended 31<sup>st</sup> March, 2020.

#### **COST AUDITORS:**

M/s Lavanya & Associates, Cost Accountants, Hyderabad, has been appointed by the Board, on recommendations of Audit Committee, as Cost Auditor for conducting audit of the cost accounts maintained by the Company relating to Base Metals and Electricity for the financial year 2019-20.

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

#### **SECRETARIAL AUDITORS:**

The Board of Directors of the Company appointed Mrs. Rakhi Agarwal, Company Secretary in Practice, Hyderabad, to conduct Secretarial Audit for the financial year 2019-20.

The Secretarial Audit Report of Mrs. Rakhi Agarwal, Company Secretary in Practice for the financial year 2018-19, is annexed herewith as Annexure-VI.

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

#### **CORPORATE GOVERNANCE:**

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

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

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

#### **VIGIL MECHANISM :**

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

#### **PARTICULARS OF EMPLOYEES :**

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **PARTICULARS OF REMUNERATION :**

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

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

<b>Name of the Director</b>	<b>Ratio to Median Remuneration</b>
Shri Devendra Surana, MD	43.80
Shri N. Krupakar Reddy, WTD	2.48

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

<b>Name of Person</b>	<b>% increase in remuneration</b>
Shri Devendra Surana, MD	80.00
Shri N.Krupakar Reddy, WTD	24.39
Shri Surendra Bhutoria, CFO	13.31
Mrs. Rachna Kewliya, CS*	NA

\* Appointed as Company Secretary w.e.f 19.06.2018

- (iii) The percentage increase in the median remuneration of employees in the financial year – 5.93%
- (iv) The number of permanent employees on the rolls of company – 145.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any

exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in 2018-19 was 9.50%. Percentage increase in the managerial remuneration for the year was 52.19%.

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

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

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

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

#### **CHANGE IN NATURE OF BUSINESS :**

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

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

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

#### **MATERIAL CHANGES AND COMMITMENTS :**

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31<sup>st</sup> March, 2019 to which the financial statements relates and the date of signing of this report.

#### **HUMAN RESOURCES :**

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

#### **ISO 9001-2008 CERTIFICATION :**

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

#### **POLICY ON SEXUAL HARRASSEMENT :**

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

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

**CAUTIONARY STATEMENT :**

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**ACKNOWLEDGEMENTS:**

The Directors take this opportunity to place on record their sincere thanks to the suppliers, customers, strategic partners,

Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

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

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

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

Place : Secunderabad

Date : 07.08.2019

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

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

**FORM A**

**1. CONSERVATION OF ENERGY:**

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

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

**2. TECHNOLOGY ABSORPTION**

: Efforts made in technology absorption as per Form-B

**FORM B**

(Disclosure of particulars with respect to Technology Absorption)

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

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

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

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

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

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

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

Used	:	₹ 14,78,05,202
Earned	:	₹ 2,00,47,976

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

Place : Secunderabad  
Date : 07.08.2019

**NARENDER SURANA  
MANAGING DIRECTOR  
DIN-00075086**

**DEVENDRA SURANA  
MANAGING DIRECTOR  
DIN-00077296**

## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY'S OVERVIEW

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

#### 1. Copper Products: Auto and Electrical Components, Copper-Sheet, Pipes, Foils and Bus Bars

##### 1.1 Introduction:

The Company started as manufacturer of pure copper commodity products a few years back has today morphed into a full-fledged value added play in Auto and Electrical Components, Solar and Electrical Engineering.

The Company which initially into the manufacture of copper rods with capacity of 12000 MTs has today being converted into manufacture of Copper Rods, Foils, Pipes, Sheets, Strips, Bus Bars and Insulated Conductors etc.

However, most importantly, we are now manufacturing of value added products such as Copper Field Coils (for Auto Electrical), Copper Fins (for Solar Water Heaters) and Busbars for Electrical Engineering with regular supplies to various OEMs such as Lucas, TVS Limited, MICO, Commutator, Emvee Solar, Amar Raja Batteries, HBL Nife and many other leading OEMs.

##### 1.2 Industry Analysis:

Indian domestic refined copper production has fallen significantly mainly because of the shutdown of Sterlite's Tuticorin plant which used to account for 40 per cent of the country's copper smelting capacity. The export of copper and copper products has fallen 69.4 per cent in FY'19 over the last fiscal. Domestic industry relies heavily on imports of copper concentrate from far off countries, particularly from South Africa in a big way. This increases cost of production. The duty on copper concentrate is presently 2.5 per cent while the finished goods are coming at zero duty. There is a situation of inverted duty structure. Government has to consider removal of this duty in order to help the industry become globally competitive.

The Copper and Copper Alloy products have shown impressive growth in the last decade. Copper because of its high electrical conductivity and heat transfer characteristics finds wide application in the form of rods, tubes, strips, flats and wires. The megatrends such as urbanization, building and construction sector,

Electric Vehicles (EVs) and energy infrastructure are driving copper demand going forward. Government of India has indicated that it would be in national interests to move towards EVs in the country by 2030, which in turn expected to open huge opportunities for Indian EV market. The evolving market will have a substantial impact on copper demand.

##### 1.3 Opportunities and Risks:

The fundamental growth drivers of the country's economy as well as copper industry continue to remain strong despite the pressures of slowdown and inflationary conditions prevalent till recently in the nation and also globally. The copper industry in the country is continuously attracting investments from domestic and foreign investors. The risk to the segments in which the company operates are volatility in exchange rate & metal prices.

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

##### 1.4 Business outlook:

With the good macro-economic situation of our country we are expecting this year to be a very good year. The situation post GST introduction looks very favourable for our company and the company will have much higher competitiveness against our competition in territories like Silvasa, Baddi etc. New value added products introduced by the company is getting good traction from OEM customers across various sectors such as Automobile, Electrical Switch Gears, Heaters etc. The company always has exposure to foreign exchange against our imports. The macroeconomic factors and the stability in the rupee parity also augurs very well for the company.

In order to meet the demand, the expansion is being done through a 100% subsidiary company viz., Bhagyanagar Copper Private Limited (BCPL) with a capacity to 24,000 MT from the existing 15000 MT. BCPL has 65.28 Acres of land at Shabhashpally Village, Shivampet Mandal, Medak District, Telangana where copper plant has been set up with capacity utilisation of 4000 MT in the first year of operation and commenced its commercial operations effective from 1<sup>st</sup> March, 2019. It is proposed to be increased by 9000 MT per annum in a phased manner. The Company is targeting consolidated turnover of Rs.1000 Crores in next 2 to 3 years.



**2. Non-conventional energy - Wind Power:**

Wind power generation capacity in India has significantly increased in recent years. As of 31<sup>st</sup> March, 2018 the total installed wind power capacity was 36.625 GW, the fourth largest installed wind power capacity in the world. Wind power accounts for nearly 10% of India's total installed power generation capacity and generated 62.03 TWh in the fiscal year 2018-19, which is nearly 4% of total electricity generation. The capacity utilisation factor is nearly 19% in the fiscal year 2018-19. 70% of wind generation is during the five months duration from May to September coinciding with Southwest monsoon duration.

Wind power costs in India are decreasing rapidly. Concerns over the viability of low tender bids and land acquisition and grid connection issues plaguing developers of wind power projects. The expectation for developers to launch low bids, despite substantial project implementation challenges, is set to remain a hurdle to India deploying enough renewables projects to meet ambitious expansion plans.

**OUTLOOK:**

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. India has the potential to generate about 3-5 GW per annum, given the presence of the right policy framework and ecosystem. The coming years will be more predictable and hence, more suitable for upgrading the sector further.

**INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

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

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

**FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:****A. FINANCIAL PERFORMANCE:****Capital Structure:**

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

**Reserves and Surplus:**

The Reserves and Surplus of the Company as on 31.03.2019 stand at ₹ 115,81,74,091 as compared to ₹ 109,31,89,215 in the previous year.

**Fixed Assets:**

During the year, the Company has added Fixed Assets amounting to ₹ 2, 07, 66,347 making the gross fixed assets as on 31.03.2019 to ₹ 108, 30, 69,865.

**Inventories:**

Inventories, as on 31<sup>st</sup> March, 2019, amounting to ₹ 95,81,01,593 as against ₹ 36,83,55,158 in the previous year.

**Sundry Debtors:**

3Sundry debtors increased to ₹ 37,81,58,235 as on 31<sup>st</sup> March, 2019 as against ₹ 34,58,88,314 in the previous year. These debtors are considered good and realizable.

**Cash and Bank Balances:**

Cash and Bank balances stood at ₹ 3,61,93,180 as against ₹ 15,04,08,127 in the previous years which include amounts deposited with banks as Security.

**Loans and Advances:**

Long Term Loans and Advances increased to ₹ 9,48,28,864 as against ₹ 1,20,28,219 in the previous year.

**Current Liabilities:**

Current Liabilities for the financial year ended 31.03.2019 is ₹ 107,85,95,606 as against ₹ 34,58,86,736 in the previous Year.

**B. OPERATIONAL RESULTS :****Turnover:**

During the year 2018-19, the turnover of the Company was ₹ 569,23,79,051 as compared to ₹ 446,86,96,453 in the previous year.

The Income from other sources as on 31<sup>st</sup> March, 2019 was ₹ 95,71,222 as compared to ₹ 11,53,52,333 in the previous year.

**Depreciation:**

The Company has provided a sum of ₹ 3,73,84,099 towards depreciation for the year as against ₹ 3,61,24,508 in the previous year.

**Provision for Tax:**

The Company has provided a current tax of ₹ 2,01,42,448 as against ₹ 3,40,97,481 in the previous year.

**Net Profit:**

The Net Profit of the Company after tax is ₹ 6,49,84,876 as against ₹ 12,86,48,428 in the previous year.

**Earnings Per Share:**

The Earnings Per Share of the Company as on 31<sup>st</sup> March, 2019 is ₹ 2.03 per share for Face Value of ₹ 2 as against ₹ 4.02 per share for face value of ₹ 2 in the previous year.

**C. Key Financial Ratios :**

Ratios	2019	2018	Change
Debtors Turnover (no. of days)	21	24	-15%
Inventory Turnover (no.of days)	61	30	104%
Interest Coverage Ratio	2.89	6.35	-54%
Current Ratio	1.42	2.89	-51%
Debt Equity Ratio	0.00	0.14	-100%
Operating Profit Margin	3.71	2.84	30%
Net Profit Margin	1.14	2.88	-60%
Return on Net Worth	5.00	11.00	-52%

**Note:**

- Inventory Turnover: Due to higher imports which has high lead time, Inventory holding period has gone up
- Interest Coverage Ratio: As the inventory levels have gone up, Utilization of working capital limits have also gone up resulting into increase in finance cost.
- Current Ratio: Increase in utilization of working capital facilities as well as all the ECB instalments falling due within a year has impacted the current ratio which is still at comfortable level.
- Debt Equity Ratio: As the company does not have any major long term liabilities the debt- Equity Ratio is nil.
- Operating Profit Margin: Operating profits have gone up marginally due to raw material procurement policy of the company.
- Net Profit Margin & Return on Net Worth: The Company had high other income during FY 2017-2018 due to profit on sale of Goa factory land. Therefore the net profits margin has come down.

**D. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:**

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

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

**E. CAUTIONARY STATEMENT:**

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

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

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

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

Place : Secunderabad  
 Date : 07.08.2019

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

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

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

2. The composition of the CSR Committee:

Sl. No.	Name	Designation
1	Shri Narender Surana	Chairman (Executive Director)
2	Shri Devendra Surana	Member (Executive Director)
3	D Venkatasubbaiah	Member (Independent Director)

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

Net Profit	For the financial year ended 31 <sup>st</sup> March (Amount in ₹)		
	2017-18	2016-17	2015-16
	7,53,54,385	2,49,03,275	2,47,90,006
Average Net Profit for the preceding three financial years	4,16,82,555		

4. Prescribed CSR Expenditure (2% of the amount as in item No. 3 above) : ₹ 8,33,651.

5. Details of CSR spent during the financial year:

(a) total amount to be spent for the financial year : ₹ 8,33,651

(b) Amount spent during the year : ₹ 1,00,000

(c) Amount unspent, if any : ₹ 733,651

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

Sl. No.	CSR project / activity identified	Sector in which the Project is covered	Projects / Programmes 1. Local area/ others- 2. Specify the state and district where projects or programmes were undertaken	Amount outlay (budget) project/ programs wise (₹)	Amount spent on the project / programs Subheads: 1) Direct expenditure on project, 2) Overheads	Cumulative spend up to the reporting period	Amount spent: Direct/ through implementing agency*
1	Providing the aids and appliances to special-abled persons of the Society including artificial limbs, calipers, other Aids and Appliances to special-abled persons of the Society across India.	Promoting health care including preventive health care services	The Society is located at King Koti, Hyderabad, Telangana State	50,000	50,000	50,000	The Company has donated an amount of Rs. 50,000/- to Bhagwan Mahaveer Viklang Sahayata Samiti

2.	Helping to improve public services for the poor and undeserved people, NGOs and Government in terms of technical, public health & legal services with a goal to create a just and equitable world.	Promoting health care including preventive health care services	The Foundation is located in J P Nagar, Bangalore	50,000	50,000	1,00,000	The Company has donated an amount of Rs. 50,000/- to Samanvaya Foundation.
<b>TOTAL</b>				<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	

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

The Company is making the efforts to identify the projects for spending the unspent amount. The Board approved that unspent amount will be carried forward to the next financial year 2019-20.

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

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

Place : Secunderabad  
Date : 07.08.2019

**NARENDER SURANA  
CHAIRMAN OF THE COMMITTEE**

**DEVENDRA SURANA  
MEMBER OF THE COMMITTEE**

**FORM NO. AOC-2**

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

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

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or Transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	<b>Surana Solar Limited</b> (Common Directors are holding more than 2% of the Share Capital of the Company)	Purchase of Solar Modules	01.04.2018 to 31.03.2019	₹ 628.34 lakhs	26.05.2018	-
2	<b>Surana Solar Systems Private Limited.</b> (Common Directors)	Purchase of Solar Power	01.04.2018 to 31.03.2019	₹ 261.79 lakhs	26.05.2018	-
3	<b>Bhagyanagar Copper Private Limited.</b> (Wholly-Owned Subsidiary)	Sale of Copper Scrap	01.04.2018 to 31.03.2019	₹ 27.44 lakhs	09.02.2019	

For and on behalf of the Board of Directors

Place : Secunderabad  
Date : 07.08.2019

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

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

## EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2019  
[Pursuant to Section 92(3) of the Companies Act, 2013, and  
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### FORM NO. MGT – 9

#### I. REGISTRATION AND OTHER DETAILS:

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

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

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

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Manufacture of Copper and other copper products and alloys	24201	99.05

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

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

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

##### i) Category-wise Shareholding:

Category Code	Category of Shareholder	No. of shares held at the beginning of the year 01/04/2018				No. of shares held at the end of the year 31/03/2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>									
<b>(1)</b>	<b>INDIAN</b>									
(a)	Individual /HUF	17777961	0	17777961	55.56	17895739	0	17895739	55.93	0.37
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	5565704	0	5565704	17.40	5565704	0	5565704	17.40	0.00

Category Code	Category of Shareholder	No. of shares held at the beginning of the year 01/04/2018				No. of shares held at the end of the year 31/03/2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(1) :</b>	<b>23343665</b>	<b>0</b>	<b>23343665</b>	<b>72.96</b>	<b>23461443</b>	<b>0</b>	<b>23461443</b>	<b>73.33</b>	<b>0.37</b>
<b>(2)</b>	<b>FOREIGN</b>									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Total A=A(1)+A(2)</b>	<b>23343665</b>	<b>0</b>	<b>23343665</b>	<b>72.96</b>	<b>23461443</b>	<b>0</b>	<b>23461443</b>	<b>73.33</b>	<b>0.37</b>
<b>(B)</b>	<b>PUBLIC SHARE-HOLDING</b>									
<b>(1)</b>	<b>INSTITUTIONS</b>									
(a)	Mutual Funds /UTI	0	250	250	0.00	0	250	250	0.00	0.00
(b)	Financial Institutions / Banks	272979	0	272979	0.85	273059	0	273059	0.85	0.00
(c)	Central Government/ State Government(s)	88350	0	88350	0.28	88350	0	88350	0.28	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	<b>361329</b>	<b>250</b>	<b>361579</b>	<b>1.13</b>	<b>361409</b>	<b>250</b>	<b>361659</b>	<b>1.13</b>	<b>0.00</b>
<b>(2)</b>	<b>NON-INSTITUTIONS</b>									
(a)	Bodies Corporate	732123	3757	735880	2.30	477604	3757	481361	1.50	-0.80
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 2 lakh	5162042	239315	5401357	16.88	5194292	209649	5403941	16.89	0.01
	(ii) Individuals holding nominal share capital in excess of ₹ 2 lakh	1771514	0	1771514	5.54	1928735	0	1928735	6.03	0.49
(c)	Others									
	Clearing Members	38315	0	38315	0.12	13928	0	13928	0.04	-0.08
	I E P F	144632	0	144632	0.45	163420	0	163420	0.51	0.06
	NBFC	0	0	0	0.00	0	0	0	0.00	0.00
	Non Resident Indians	176923	0	176923	0.55	148443	0	148443	0.46	-0.09
	NRI Non-Repatriation	20885	0	20885	0.07	31820	0	31820	0.10	0.03
	Trusts	250	0	250	0.00	250	0	250	0.00	0.00

Category Code	Category of Shareholder	No. of shares held at the beginning of the year 01/04/2018				No. of shares held at the end of the year 31/03/2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(2) :</b>	<b>8046684</b>	<b>243072</b>	<b>8289756</b>	<b>25.91</b>	<b>7958492</b>	<b>213406</b>	<b>8171898</b>	<b>25.54</b>	<b>-0.37</b>
	<b>Total B=B(1)+B(2):</b>	<b>8408013</b>	<b>243322</b>	<b>8651335</b>	<b>27.04</b>	<b>8319901</b>	<b>213656</b>	<b>8533557</b>	<b>26.68</b>	<b>-0.36</b>
	<b>Total (A+B) :</b>	<b>31751678</b>	<b>243322</b>	<b>31995000</b>	<b>100.00</b>	<b>31781344</b>	<b>213656</b>	<b>31995000</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by custodians, against which Depository Receipts have been issued:									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A+B+C) :</b>	<b>31751678</b>	<b>243322</b>	<b>31995000</b>	<b>100.00</b>	<b>31781344</b>	<b>213656</b>	<b>31995000</b>	<b>100.00</b>	

**ii) Shareholding of Promoters:**

Sl. No	Shareholders Name	Shareholding at the beginning of the year (as on 01.04.2018)			Shareholding at the end of the year (as on 31.03.2019)			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Advait Surana	161,541	0.50	-	161,541	0.50	-	0.00
2	Devendra Surana	31,34,660	9.80	-	31,34,660	9.80	-	0.00
3	Devendra Surana (HUF)	67,500	0.21	-	67,500	0.21	-	0.00
4	G M Surana (MHUF)	1,78,775	0.56	-	1,78,775	0.56	-	0.00
5	G M Surana (HUF)	1,66,380	0.52	-	1,66,380	0.52	-	0.00
6	GM Surana	17,10,990	5.35	-	17,10,990	5.35	-	0.00
7	Manish Surana	23,37,513	7.31	-	23,37,214	7.30	-	-0.01
8	Mitali Surana	3,00,000	0.94	-	3,00,000	0.94	-	0.00
9	Namrata Surana	18,70,335	5.85	-	18,70,435	5.85	-	0.00
10	Narender Surana	31,81,468	9.94	-	32,35,370	10.11	-	0.17
11	Narender Surana (HUF)	1,06,500	0.33	-	1,06,500	0.33	-	0.00
12	Nivruthi Surana	3,47,500	1.09	-	3,47,500	1.09	-	0.00
13	Rahul Surana	14,04,500	4.39	-	14,04,500	4.39	-	0.00
14	Shresha Surana	5,59,000	1.75	-	5,83,483	1.82	-	0.07
15	Sunita Surana	15,56,831	4.87	-	15,72,181	4.91	-	0.04
16	Vinita Surana	6,94,468	2.17	-	7,18,710	2.25	-	0.08
17	Surana Infocom Pvt Ltd	43,41,581	13.57	-	43,41,581	13.57	-	0.00
18	Surana Telecom and Power Limited	11,45,166	3.58	-	11,45,166	3.58	-	0.00
19	Bhagyanagar Securities Private Limited	78,957	0.24	-	78,957	0.24	-	0.00
	<b>Total</b>	<b>2,33,43,665</b>	<b>72.96</b>	<b>-</b>	<b>2,34,61,443</b>	<b>73.33</b>	<b>-</b>	<b>0.37</b>



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

Sl. No	Name of the Share Holder	Shareholding at the beginning of the year (as on 01.04.2018)		Increase/ Decrease in Shareholding during the year			Shareholding at the end of the year (as on 31.03.2019)	
		No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1.	Surana Infocom Private Limited	4341581	13.57	01/04/2018			4341581	13.57
				-	-	No Change	4341581	13.57
				31/03/2019			4341581	13.57
2.	Narender Surana	3181468	9.94	01/04/2018			3181468	9.94
				20/04/2018	-5500	Sale	3175968	9.93
				18/05/2018	5523	Purchase	3181491	9.94
				22/06/2018	1000	Purchase	3182491	9.95
				13/07/2018	-3000	Sale	3179491	9.94
				20/07/2018	-2000	Sale	3177491	8.40
				31/08/2018	280	Purchase	3177771	8.40
				07/09/2018	5100	Purchase	3182871	8.40
				05/10/2018	3273	Purchase	3186144	8.40
				12/10/2018	3	Purchase	3186147	8.40
				14/12/2018	3286	Purchase	3189433	8.40
				28/12/2018	407	Purchase	3189840	8.40
				31/12/2018	10000	Purchase	3199840	8.40
				04/01/2019	12090	Purchase	3211930	8.40
				11/01/2019	5954	Purchase	3217884	8.40
				18/01/2019	4494	Purchase	3222378	8.34
				25/01/2019	3549	Purchase	3225927	8.30
01/02/2019	8141	Purchase	3234068	8.23				
08/02/2019	105	Purchase	3234173	8.20				
22/02/2019	1197	Purchase	3235370	8.17				
31/03/2019			3235370	10.11				
3.	Devendra Surana	3134660	9.80	01/04/2018			3134660	9.80
				-	-	No Change	3134660	9.80
				31/03/2019			3134660	9.80
4	Manish Surana	2337513	7.31	01/04/2018			2337513	7.31
				20/07/2018	-5000	Sale	2332513	7.29
				31/12/2018	206	Purchase	2332719	7.29
				04/01/2019	891	Purchase	2333610	7.29
				25/01/2019	3604	Purchase	2337214	7.30
				31/03/2019			2337214	7.30
5	Namrata Surana	1870335	5.85	01/04/2018			1870335	5.85
				04/01/2019	100	Purchase	1870435	5.85
				31/03/2019			1870435	5.85
6	G M Surana	1710990	5.35	01/04/2018			1710990	5.35
				-	-	No Change	1710990	5.35
				31/03/2019			1710990	5.35
7	Shresha Surana	559000	1.75	01/04/2018			559000	1.75
				20/07/2018	7000	Purchase	566000	1.77
				04/01/2019	4210	Purchase	570210	1.78
				11/01/2019	10405	Purchase	580615	1.81
				18/01/2019	1725	Purchase	582340	1.82

Sl. No	Name of the Share Holder	Shareholding at the beginning of the year (as on 01.04.2018)		Increase/ Decrease in Shareholding during the year			Shareholding at the end of the year (as on 31.03.2019)	
		No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
				25/01/2019	43	Purchase	582383	1.82
				01/02/2019	900	Purchase	583283	1.82
				08/02/2019	200	Purchase	583483	1.82
				31/03/2019			583483	1.82
8	Sunita Surana	1556831	4.87	01/04/2018			1556831	4.87
				20/04/2018	-6500	Sale	1550331	4.85
				18/05/2018	9262	Purchase	1559593	4.87
				25/05/2018	13260	Purchase	1572853	4.92
				08/06/2018	1316	Purchase	1574169	4.92
				20/07/2018	-5000	Sale	1569169	4.90
				04/01/2019	-2	Sale	1569167	4.90
				01/02/2019	2261	Purchase	1571428	4.91
				08/02/2019	1253	Purchase	1572681	4.92
				15/03/2019	-500	Sale	1572181	4.91
				31/03/2019			1572181	4.91
9	Rahul Surana	1404500	4.39	01/04/2018			1404500	4.39
				-	-	No Change	1404500	4.39
				31/03/2019			1404500	4.39
10	Surana Telecom and Power Limited	1145166	3.58	01/04/2018			1145166	3.58
				-	-	No Change	1145166	3.58
				31/03/2019			1145166	3.58
11	Nivruthi Surana	347500	1.09	01/04/2018			347500	1.09
				-	-	No Change	347500	1.09
				31/03/2019			347500	1.09
12	Mitali Surana	300000	0.94	01/04/2018			300000	0.94
				-	-	No Change	300000	0.94
				31/03/2019			300000	0.94
13	G M Surana (MHUF)	178775	0.56	01/04/2018			178775	0.56
				-	-	No Change	178775	0.56
				31/03/2019			178775	0.56
14	G M Surana (HUF)	166380	0.52	01/04/2018			166380	0.52
				-	-	No Change	166380	0.52
				31/03/2019			166380	0.52
15	Advait Surana	161541	0.50	01/04/2018			161541	0.50
				-	-	No Change	161541	0.50
				31/03/2019			161541	0.50
16	Narender Surana(HUF)	106500	0.33	01/04/2018			106500	0.33
				-	-	No Change	106500	0.33
				31/03/2019			106500	0.33
17	Bhagyanagar Securities Pvt Limited	78957	0.25	01/04/2018			78957	0.25
				-	-	No Change	78957	0.25
				31/03/2019			78957	0.25
18	Devendra Surana (HUF)	67500	0.21	01/04/2018			67500	0.21
				-	-	No Change	67500	0.21
				31/03/2019			67500	0.21

Sl. No	Name of the Share Holder	Shareholding at the beginning of the year (as on 01.04.2018)		Increase/ Decrease in Shareholding during the year			Shareholding at the end of the year (as on 31.03.2019)	
		No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
19	Vinita Surana	694468	2.17	01/04/2018			694468	2.17
				20/04/2018	-1330	Sale	693138	2.17
				25/05/2018	9200	Purchase	702338	2.20
				14/09/2018	1000	Purchase	703338	2.20
				11/01/2019	1312	Purchase	704650	2.20
				25/01/2019	500	Purchase	705150	2.20
				08/02/2019	5026	Purchase	710176	2.22
				15/02/2019	8534	Purchase	718710	2.25
				31/03/2019			718710	2.25

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

Sl. No	Name of the Share Holder	Shareholding at the beginning of the Year		Increase / Decrease in shareholding			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	Date	No. of shares	Reason	No of Shares	% of total shares of the company
1	Sambhav Munoth	823000	2.57	01/04/2018			823000	2.57
				31/03/2019			823000	2.57
2	Dundoo Ajit Kumar	158431	0.50	01/04/2018			158431	0.50
				13/04/2018	15080	Purchase	173511	0.54
				04/05/2018	5000	Purchase	178511	0.56
				11/05/2018	1508	Purchase	180019	0.56
				22/06/2018	5898	Purchase	185917	0.58
				06/07/2018	12263	Purchase	198180	0.62
				10/08/2018	1535	Purchase	199715	0.62
				17/08/2018	3737	Purchase	203452	0.64
				14/09/2018	7099	Purchase	210551	0.66
				21/09/2018	1131	Purchase	211682	0.66
				28/09/2018	16696	Purchase	228378	0.71
				05/10/2018	7199	Purchase	235577	0.74
				12/10/2018	13233	Purchase	248810	0.78
				19/10/2018	3072	Purchase	251882	0.79
				26/10/2018	6186	Purchase	258068	0.81
				02/11/2018	1753	Purchase	259821	0.81
				09/11/2018	3409	Purchase	263230	0.82
				16/11/2018	5820	Purchase	269050	0.84
23/11/2018	18538	Purchase	287588	0.90				
30/11/2018	17123	Purchase	304711	0.95				
07/12/2018	11563	Purchase	316274	0.99				
14/12/2018	3022	Purchase	319296	1.00				
31/03/2019			319296	1.00				
3	Arun Kumar Jain	279165	0.87	01/04/2018			279165	0.87
				31/03/2019			279165	0.87

Sl. No	Name of the Share Holder	Shareholding at the beginning of the Year		Increase / Decrease in shareholding			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	Date	No. of shares	Reason	No of Shares	% of total shares of the company
4	General Insurance Corporation of India	272709	0.85	01/04/2018			272709	0.85
				31/03/2019			272709	0.85
5	Vaibhav Mutha	257500	0.80	01/04/2018			257500	0.80
				31/03/2019			257500	0.80
6	Narender Munoth	261774	0.82	01/04/2018			261774	0.82
				20/04/2018	-12000	Sale	249774	0.78
				31/03/2019			249774	0.78
7	Investor Education And Protection Fund Authority	144632	0.45	01/04/2018			144632	0.45
				28/12/2018	16477	Purchase	161109	0.50
				11/01/2019	2311	Purchase	163420	0.51
				31/03/2019			163420	0.51
8	Eureka Credit Finance Private Limited	0	0	01/04/2018			0	0.00
				18/01/2019	36363	Purchase	36363	0.11
				25/01/2019	17789	Purchase	54152	0.17
				01/02/2019	15848	Purchase	70000	0.22
				15/02/2019	4335	Purchase	74335	0.23
				22/02/2019	-74335	Sale	0	0.00
				15/03/2019	20092	Purchase	20092	0.06
				22/03/2019	-20092	Sale	0	0.00
				30/03/2019	100278	Purchase	100278	0.31
				31/03/2019			100278	0.31
9	Andhra Pradesh Industrial Development Corporation	88350	0.28	01/04/2018			88350	0.28
				31/03/2019			88350	0.28
10	Dilipkumar Lakhi	75019	0.23	01/04/2018			75019	0.23
				31/03/2019			75019	0.23

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Director	Shareholding at the beginning of the year (as on 01.04.2018)		Change in Shareholding during the year		Shareholding at the end of the year (as on 31.03.2019)	
		No. of Shares	% of total/ shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
1	G. M. Surana	17,10,990	5.35	-	-	17,10,990	5.35
2	Narender Surana	31,81,468	9.94	53902	-	32,35,370	10.11
3	Devendra Surana	31,34,660	9.80	-	-	31,34,660	9.80
4	R. Surender Reddy	7,500	0.02	-	-	7,500	0.02
5	O. Swaminatha Reddy	-	-	-	-	-	-
6	Kamlesh Gandhi	-	-	-	-	-	-
7	D. Venkata Subbiah	-	-	-	-	-	-
8	Madhumathi Suresh	-	-	-	-	-	-
9	N. Krupakar Reddy	-	-	-	-	-	-

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

\*Resigned as Company Secretary W.e.f.18.06.2018

# Appointed as Company Secretary w.e.f 19.06.2018

#### V. INDEBTEDNESS:

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

(Amount in ₹)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	45,63,55,447	-	-	45,63,55,447
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	47,02,368	-	-	47,02,368
<b>Total (i+ii+iii)</b>	<b>46,10,57,815</b>	-	-	<b>46,10,57,815</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	57,89,98,438	-	-	57,89,98,438
Reduction	-	-	-	-
<b>Net Change</b>	<b>57,89,98,438</b>	-	-	<b>57,89,98,438</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,035,782,002	-	-	1,035,782,002
ii) Interest due but not paid	42,74,251	-	-	42,74,251
<b>Total (i+ii+iii)</b>	<b>1,040,056,253</b>	-	-	<b>1,040,056,253</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

##### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Narender Surana, Managing Director	Devendra Surana, Managing Director	N.Krupakar Reddy, Whole Time Director	Total Amount (₹ )
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Nil	1,06,25,806	5,51,167	<b>1,11,76,973</b>
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify....				
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>Nil</b>	<b>1,06,25,806</b>	<b>5,51,167</b>	<b>1,11,76,973</b>

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

Sl. No.	Particulars of remuneration	Name of Director					Total Amount (₹)
		R. Surender Reddy	O.Swaminatha Reddy	D. Venkata Subbiah	Kamlesh Gandhi	Madhumati Suresh	
1	Sitting Fee for attending Board/ Committee Meetings	70,000	90,000	50,000	90,000	40,000	3,40,000
2	Commission	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-
<b>Total (B)(1)</b>		<b>70,000</b>	<b>90,000</b>	<b>50,000</b>	<b>90,000</b>	<b>40,000</b>	<b>3,40,000</b>

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

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

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

Sl. No.	Particulars of Remuneration	Surendra Bhutoria (CFO)	Badarish H Chimalgi, (Company Secretary)*	Rachna Kewliya (Company Secretary)#	Total Amount (₹)
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	19,74,000	1,66,452	2,86,211	24,26,663
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-		-
2	Stock Options	-	-		-
3	Sweat Equity	-	-		-
4	Commission - as % of profit - Others, specify	-	-		-
5	Others, please specify	-	-		-
<b>Total (C)</b>		<b>19,74,000</b>	<b>1,66,452</b>	<b>2,86,211</b>	<b>24,26,663</b>

\* Resigned as Company Secretary w.e.f. 18.06.2018

# Appointed as Company Secretary w.e.f. 19.06.2018

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

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

For and on behalf of the Board of Directors

Place : Secunderabad  
Date : 07.08.2019**NARENDER SURANA**  
**MANAGING DIRECTOR**  
DIN-00075086**DEVENDRA SURANA**  
**MANAGING DIRECTOR**  
DIN-00077296

## FORM NO MR 3 SECRETARIAL AUDIT REPORT

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

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

To  
The members of  
**Bhagyanagar India Limited**

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

1. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
2. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 ("Audit Period") according to the provisions of:
  - i) The Companies Act, 2013 (the Act) and the rules made there-under;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the Extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not applicable during the audit period.
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable during the audit period.
    - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable during the audit period
    - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable during the audit period
    - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the audit period
    - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable during the audit period
  - vi) The Company's main business is into manufacture of copper, ferrous and non-ferrous metals and non-conventional energy (wind). Accordingly, the following industry specific major laws are applicable to the Company:



- (a) The Electricity Act, 2003
- (b) Hazardous Wastes (Management and Handling) Rules, 1989
- (c) Environment Protection Act, 1986

vii) I have also examined compliance with the applicable clauses of the following:

- (a) The Listing Agreement entered into by the Company with the Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (b) Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board and General Meetings of the Company.

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

3. I, further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- (b) Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
- (c) It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.

4. I, further report that during the audit period, there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc.

Place : Hyderabad  
Date : 07.08.2019

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

## REPORT ON CORPORATE GOVERNANCE

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

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

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

### 2. BOARD OF DIRECTORS:

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

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

In terms of compliance with the regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations, 2015", the Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at March 31, 2019, the Board of Directors ("Board") comprises of Nine Directors, of which six are Non-Executive Directors and three are Executive Directors. The Company has Five Independent Non-Executive Directors. Independent Directors including Women Director; Independent Directors comprise half of the total strength of the Board. The composition and category of the Board of Directors is as follows:

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

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

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2019 has been set out here below:

Sl. No	Name of Director	No. of Board Meetings		Attendance at last AGM on 24.09.2018
		Held	Attended	
1	Shri G Mangilal Surana	5	4	Absent
2	Shri Narender Surana	5	5	Present
3	Shri Devendra Surana	5	5	Present
4	Shri O Swaminatha Reddy	5	5	Present
5	Shri R Surender Reddy	5	4	Present
6	Shri Kamlesh Gandhi	5	5	Present

Sl. No	Name of Director	No. of Board Meetings		Attendance at last AGM on 24.09.2018
		Held	Attended	
7	Shri D Venkata Subbaiah	5	5	Present
8	Smt Madhumathi Suresh	5	4	Present
9	Shri N Krupakar Reddy	5	5	Present

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

Sl. No.	Name of the Director	Directorship in other listed entities (category of directorship)	Other Directorships	*Other Committee Membership	*Other Committee Chairmanship
1	Shri G Mangilal Surana	Surana Solar Limited (Non-Independent, Non-Executive)	4	-	-
2	Shri Narender Surana	Surana Solar Limited (Non-Independent, Non-Executive)	18	5	-
		Surana Telecom and Power Ltd (Managing Director)			
		Bhagyanagar Properties Limited (Non-Independent, Non-Executive)			
3	Shri Devendra Surana	Surana Solar Limited (Non-Independent, Non-Executive)	18	3	-
		Surana Telecom and Power Ltd (Non-Independent, Non-Executive)			
		Bhagyanagar Properties Limited (Non-Independent, Non-Executive)			
4	Shri O Swaminatha Reddy	Surana Solar Limited (Independent, Non-Executive)	7	0	3
		The K C P Limited (Independent, Non-Executive)			
		Sagar Cements Ltd (Independent, Non-Executive)			
5	Shri R Surender Reddy	Surana Solar Limited (Independent, Non-Executive)	6	2	4
		Surya Lakshmi Cotton Mills Ltd (Independent, Non-Executive)			
		Suryalata Spinning Mills Limited (Independent, Non-Executive)			
		Lakshmi Finance And Industrial Corporation Ltd (Independent, Non-Executive)			
6	Shri Kamlesh Gandhi	Kirloskar Electric Company Ltd (Independent, Non-Executive)	4	1	2
		NCL Industries Ltd (Independent, Non-Executive)			
		Sundaram -Clayton Limited (Independent, Non-Executive)			
7	Shri D Venkata Subbaiah	Surana Telecom And Power Ltd (Independent, Non-Executive)	3	2	2
		Bhagyanagar Properties Limited (Independent, Non-Executive)			
		Aishwarya Technologies And Telecom limited (Independent, Non-Executive)			
8	Shri N Krupakar Reddy	-	4	0	0
9	Smt. Madhumathi Suresh	Surana Solar Limited (Independent, Non-Executive)	2	-	-
		Gowra Leasing And Finance Ltd (Independent, Non-Executive)			

\* includes Audit Committee and Stakeholder Relationship Committee only.

- The number of total directorships is in accordance with Section 165 of the Companies Act, 2013.
- The Number of Directorships, Committee memberships and Chairmanships of all listed and unlisted companies are within the limits as per Regulation 26 of SEBI (LODR) Regulations, 2015.

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

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Five Board Meetings were held during the financial year ended 31.03.2019, as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed One Hundred and Twenty days.

The dates on which the Board meetings were held are:

26.05.2018	06.08.2018	24.09.2018	03.11.2018	09.02.2019
------------	------------	------------	------------	------------

**e) Disclosure of relationship between directors inter-se**

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

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

The number of equity shares of the Company held by the non-executive directors, as on 31.03.2019 are as follows:

Sl. No	Name of the Director	No of Equity Shares
1	Shri. G Mangilal Surana	17,10,990
2	Shri. O Swaminatha Reddy	Nil
3	Shri. R Surender Reddy	7,500
4	Shri. Kamlesh Gandhi	Nil
5	Shri. D Venkata Subbaiah	Nil
6	Smt. Madhumathi Suresh	Nil

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

Your Company follows a structured orientation and familiarisation programme through various reports/codes/ internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. During the year 2018-19, Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. Independent Directors have been taken through various aspects of Business and operations. The framework on familiarisation programme has been posted in the website of the Company. The details of familiarization program is available on the website: <http://www.bhagyanagarindia.com/pdf/corporategovernance/policies /Familiarisation-Programme-for-ID.pdf>

**h) The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:**

- Knowledge - understand the Company's business, policies, and culture (including its mission, vision, Values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates.
- Behavioural Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders.
- Strategic thinking and decision making
- Financial Skills
- Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the Business.

**i) Confirmation from the Board:**

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

**j) No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the financial year ended 31<sup>st</sup> March, 2019.****BOARD COMMITTEES:**

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

**3. AUDIT COMMITTEE:****(a) Brief description of terms of reference:**

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

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

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

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

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

During the period under review, the Audit Committee was re-constituted with appointment of Shri Devendra Surana, Managing Director as member, in place of Shri G.Mangilal Surana, who resigned from the Committee.

As on March 31, 2019, the Audit Committee of the Board comprises of three (3) Independent Directors and one (1) Executive Director. The Chairperson of the Audit Committee is Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

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

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

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

- During the financial year ended March 31, 2019, four Audit Committee meetings were held on:

26.05.2018	06.08.2018	03.11.2018	09.02.2019
------------	------------	------------	------------

- All the recommendations made by the Audit Committee were accepted by the Board unanimously.
- **Attendance at the Audit Committee Meeting:**

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

The Managing Director, CFO, Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The Chairman of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.

**4. NOMINATION & REMUNERATION COMMITTEE:**

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

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

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

The Nomination and Remuneration Committee was constituted by the Board with 3 Independent Directors. The following is the composition of the Committee.

Sl. No	Name of Director	Designation
1.	Shri. R Surender Reddy	Chairman (Independent Director)
2.	Shri. O Swaminatha Reddy	Member (Independent Director)
3.	Shri. D Venkata Subbaiah	Member (Independent Director)

- The Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.
- Shri R.Surender Reddy, Chairman of the Committee was present at the last Annual General Meeting.

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

During the period from April 1, 2018 to March 31, 2019, Nomination and Remuneration Committee Meetings were held on 26.05.2018, 06.08.2018 and 09.02.2019 .

S. No	Name of the Director	Number of Meetings	
		Held	Attended
1.	Shri. R Surender Reddy	3	2
2.	Shri. O Swaminatha Reddy	3	3
3.	Shri. D Venkata Subbaiah	3	3

**d. Performance evaluation of Directors.**

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

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

**e. Nomination and Remuneration policy**

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

**5. Independent Directors' Meeting:**

A separate meeting of the Independent Directors was held on 9<sup>th</sup> February, 2019 under the Chairmanship of Shri R.Surender Reddy, Independent Director, inter alia, to discuss evaluation of the performance of Non-independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

**6. REMUNERATION OF DIRECTORS**

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

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

Following are the details of Sitting Fees paid to the Non-executive Directors during the Financial Year ended 31<sup>st</sup> March, 2019:

S. No.	Name of Director	Sitting Fees paid (₹)
1.	Shri G Mangilal Surana	40,000
2.	Shri O Swaminatha Reddy	90,000
3.	Shri R Surender Reddy	70,000
4.	Shri Kamlesh Gandhi	90,000
5.	Shri D.Venkata Subbaiah	50,000
6.	Smt. Madhumathi Suresh	40,000
<b>Total</b>		<b>3,80,000</b>

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

The remuneration paid to the Managing Director / Whole-time Director during the year is as follows:  
(Amount in ₹)

Name of Director	Designation	Salary	HRA	Total
Shri. Narender Surana	Managing Director	Nil	Nil	Nil
Shri.Devendra Surana	Managing Director	70,83,871	35,41,935	1,06,25,806
Shri.N. Krupakar Reddy	Whole-time Director	5,51,167	Nil	5,51,167
<b>TOTAL</b>		<b>76,35,038</b>	<b>35,41,935</b>	<b>1,11,76,973</b>

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

**7. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

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

**(b) Composition:**

During the period under review, the Stakeholders Relationship Committee was re-constituted with appointment of Shri D Venkatasubbiah, Independent Director in place of Shri G.Mangilal Surana who resigned from the Committee w.e.f. 09.02.2019.

The Composition as on 31.03.2019 is as follows:

SI. No.	Name of Director	Designation
1.	Shri. D Venkatasubbiah	Chairman (Independent Director)
2.	Shri. Narender Surana	Member (Executive Director)
3.	Shri. Devendra Surana	Member (Executive Director)

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

Mrs. Rachna Kewliya, Company Secretary is acting as Compliance Officer of the Company.

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

During the financial year ended March 31, 2019, the Company has received and resolved 7 complaints.

**(e) Number of complaints not resolved to the satisfaction of shareholders is Nil.**

**(f) There were no pending complaints as at the year end.**



**8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE****(a) Brief description of terms of reference:**

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

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

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

**Meetings held:**

During the year under review, two meetings were held on 28<sup>th</sup> May, 2018 and 09<sup>th</sup> February, 2019.

**Composition and Attendance during the year:**

The CSR Committee of the Company is constituted in accordance with the provisions of Section 135 of the Act. The composition of the CSR Committee and the details of the Meetings attended by the members during the year are given below:

S. No	Name of the Director	Designation	Number of Meetings	
			Held	Attended
1.	Narender Surana	Chairman	2	2
2.	Devendra Surana	Member	2	2
3.	D.Venkata Subbaiah	Member	2	2

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

Year	Date	Time	Venue
2017-18 33 <sup>rd</sup> AGM	24 <sup>th</sup> September, 2018	10.00 A.M	The Grand Solitaire Hotel, 1-240, 41 & 43, SD Road, Parklane, Secunderabad-500 003
2016-17 32 <sup>nd</sup> AGM	26 <sup>th</sup> September, 2017	10.00 A.M	The Grand Solitaire Hotel, 1-240, 41 & 43, SD Road, Parklane, Secunderabad-500 003
2015-16 31 <sup>st</sup> AGM	30 <sup>th</sup> September, 2016	10.00 A.M	The Grand Solitaire Hotel, 1-240, 41 & 43, SD Road, Parklane, Secunderabad-500 003

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

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

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

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

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

**2015-16:** In the AGM held on 30<sup>th</sup> September, 2016 the Company has passed Special Resolutions as follows:

- (i) To authorize the Board to raise the funds through issue of convertible securities/GDRs/ADRs/FCCBs / ECBs etc.

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

No Special Resolution was passed through Postal Ballot during the FY 2018-19.

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

**10. MEANS OF COMMUNICATION:**

**(a) Quarterly Financial Results:**

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

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

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

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

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

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

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

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

There are no presentations made to the investors/ analysts.

**(f) Website:**

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

**11. GENERAL SHAREHOLDER INFORMATION:**

<b>Annual General Meeting</b>	<b>Date</b> : 21 <sup>st</sup> September, 2019 <b>Time</b> : 10.00 AM <b>Venue</b> : Hotel Parklane, 115, Parklane, Secunderabad-500003
<b>Financial Year</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March.
<b>Date of Book Closure</b>	16.09.2019 to 21.09.2019 (both days inclusive)
<b>Dividend Payment Date</b>	N.A.
<b>The Company's equity shares are listed at</b>	<b>BSE Ltd</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
<b>Scrip/Stock Code</b>	512296 on BSE BHAGYANGR on NSE
<b>ISIN Number for NSDL &amp; CDSL</b>	INE458B01036

The Listing fees for the year 2019-20 has been paid to the above stock exchanges.

**(a) MARKET PRICE DATA:**

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr' 2018	58.70	37.40	58.70	42.75
May' 2018	48.15	40.25	48.25	36.00
Jun' 2018	43.50	36.00	43.20	36.00
Jul' 2018	53.45	35.80	53.90	35.85
Aug' 2018	41.50	34.25	41.35	34.80
Sep' 2018	36.40	29.15	36.90	29.05
Oct' 2018	33.60	26.55	33.25	27.00
Nov' 2018	33.00	28.70	33.00	29.25
Dec' 2018	32.55	26.20	32.55	27.95
Jan' 2019	37.60	28.75	37.90	30.30
Feb' 2019	36.10	28.65	34.80	25.25
Mar' 2019	35.70	29.60	34.60	29.60

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

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

	02 <sup>nd</sup> April, 2018	29 <sup>th</sup> March, 2019	% Change
Company Share Price(closing)	43.75	31.95	-26.97
SENSEX (closing)	33255.36	38672.91	16.29

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

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

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

**M/s KARVY FINTECH PRIVATE LIMITED**

Karvy Selenium Tower B, Plot No 31 & 32,

Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032

Phone # +91-40-67161526

Email ID: einward.ris@karvy.com/ nageswara.raop@karvy.com

**(e) Share Transfer System**

Shares in physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, Karvy Fintech Private Limited at the addresses given above or at the registered office of the Company. The physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid transfers are approved by Stakeholders Grievance Committee and are noted at Board Meetings.

However as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

**(f) Distribution of shareholding :**
**Shareholding Pattern as on 31<sup>st</sup> March, 2019**

Sl. No	Description	Total Shares	% Equity
1	Promoters	1,78,95,739	55.93
2	Promoters Bodies Corporate	55,65,704	17.40
3	Resident Individuals	7332676	22.92
4	Bodies Corporates	4,81,361	1.50
5	Indian Financial Institutions/Banks	2,73,059	0.85
6	Non Resident Indians	1,48,443	0.46
7	I E P F	1,63,420	0.51
8	Government	88,350	0.28
9	Clearing Members	13,928	0.04
10	Non Resident Indian Non Repatriable	31,820	0.10
11	Mutual Funds	250	0.00
12	Trusts	250	0.00
	<b>Total:</b>	<b>3,19,95,000</b>	<b>100.00</b>

**Distribution of shareholding as on 31.03.2019:**

Shares holding of nominal value of	No. of Shareholders	No. of Shares	% of total shares
1-5000	11,119	2908706	9.09
5001- 10000	208	7,63,613	2.39
10001- 20000	83	5,96,159	1.86
20001- 30000	22	2,69,032	0.84
30001- 40000	9	1,57,699	0.49
40001- 50000	13	2,98,607	0.93
50001- 100000	14	4,81,457	1.5
100001& Above	41	265,19,727	82.89
<b>Total</b>	<b>11509</b>	<b>3,19,95,000</b>	<b>100.00</b>

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

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

3,17,81,344 equity shares were dematerialized representing 99.33% of the total paid up equity share capital of the Company as on 31.03.2019.

**(h)** There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on the date of 31.03.2019.

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

Commodity such as copper forms a major part of Business of the Company and hence commodity Price risk is one of the important risk of the Company. The Company has robust framework in place to protect its interest from risks arising out of Market Volatility. Almost 70% to 80% of the inventory is always hedged on the MCX thereby insulating it from any volatility risk.

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

(j) **Plant Locations:**

<b>Copper Division</b> <b>Bhagyanagar India Limited</b> Plot No. P-9/13(1) & P-9/14 IDA, Nacharam, Hyderabad – 500 076 <b>Harinam Wires (Copper Unit)</b> Plot No. P-9/13, (A), (B), (C), Industrial Development Area Nacharam, Hyderabad–500 076.	<b>Hardware Park</b> Plot No. 22B, Raviryal Village, Maheshwaram Mandal, R. R Dist, Hyderabad – 532 409 <b>Wind Power Division</b> Kapatguda, Gadag District, Karnataka (9MW)
--	---

(k) **Address for correspondence**

Sl. No.	Shareholders Correspondence for	Address
1.	Transfer/Dematerialization/ Consolidation /Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	<b>M/s. Karvy Fintech Pvt. Ltd.</b> Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Phone # +91-40-67161526 Email ID: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> / <a href="mailto:nageswara.raop@karvy.com">nageswara.raop@karvy.com</a> Website : <a href="http://www.karvy.com">www.karvy.com</a>
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	<b>Company Secretary</b> Bhagyanagar India Limited 5 <sup>th</sup> Floor, Surya Towers, S.P.Road, Secunderabad – 500 003. Ph Nos. 040 - 27845119/ 44665750 E-mail : <a href="mailto:cs@surana.com">cs@surana.com</a> <a href="mailto:Investorservices_bil@surana.com">Investorservices_bil@surana.com</a> Website: <a href="http://www.bhagyanagarindia.com">www.bhagyanagarindia.com</a>

(l) **Credit ratings obtained by the Company during financial year 2018-19:**

Name of the instrument	Rating
Fund-based - LT-Term Loan/Cash Credit/Line of Credit	CARE BBB+; Stable
Non-fund-based – LT/ST Letter of Credit/Bank Guarantee	CARE BBB+; Stable

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

During the financial year ended 31<sup>st</sup> March, 2019, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to financial statements.

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

None.

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

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

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

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

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

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

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

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

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

The details are provided at point No. 10(i) of this report.

**(h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Nil**

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

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

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

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

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

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

Particulars	Amount (₹)
Fees paid for Statutory Audit for the FY 2018-19	3,50,000
Fee for other services including reimbursement of expenses	2,68,500

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

The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year, no complaint was received by the Company.

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

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

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

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

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

16. **Code of Conduct**

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

17. **CEO and CFO Certification**

In line with the requirements of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Narender Surana, Shri Devendra Surana, Managing Directors, Shri Surendra Bhutoria, Chief Finance Officer have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2019 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

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

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

19. **Unclaimed Dividend:**

Dividends for the financial year ended 31<sup>st</sup> March, 2012 and thereafter, which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 124 of the Companies Act, 2013, Information in respect of the due date for transfer of such unclaimed dividend to the said fund is given below:

Financial Year	Date of Declaration	Due date for transfer	Unclaimed Dividend *(Amount in ₹)
2011-12	29.09.2012	28.10.2019	2,71,200
2012-13	27.09.2013	26.10.2020	3,18,599
2013-14	22.09.2014	21.10.2021	2,56,384
2014-15	30.09.2015	29.11.2022	2,58,382
<b>TOTAL</b>			<b>11,04,565</b>

\* As on 31<sup>st</sup> March, 2019

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

20. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company <http://www.bhagyanagarindia.com/investor-relations.php>
21. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <http://www.bhagyanagarindia.com/investor-relations.php>

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

As per the provisions of Section 124 of the Companies Act, 2013, shares of the shareholders, who has not claimed dividends for a continuous period of 7 years, shall be transferred to Investor Education and Protection Fund Authority account. Accordingly, the Company has transferred 18,788 equity shares to Investor Education and Protection Fund during the financial year ended 31<sup>st</sup> March, 2019.

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

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

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



## DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2019.

For **BHAGYANAGAR INDIA LIMITED**

Place: Secunderabad  
Date: 07.08.2019

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

## CEO AND CFO CERTIFICATION

We hereby certify that:

- a. we have reviewed financial statements and the cash flow statement for the Financial Year ended 31<sup>st</sup> March, 2019 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that there are no:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

For **Bhagyanagar India Limited**

Place: Secunderabad  
Date: 07.08.2019

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

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

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

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

To  
The Members,  
**Bhagyanagar India Limited,**  
Secunderabad.

I, Rakhi Agarwal, Practicing Company Secretary, have examined the Company and Registrar of Companies records, books and papers of Bhagyanagar India Limited (CIN: L27201TG1985PLC012449) having its Registered Office at 5<sup>th</sup> Floor, Surya Towers, Sardar Patel Road, Secunderabad-500003 (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2019.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company and its officers, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on 31<sup>st</sup> March, 2019:

Sl. No	Name of Director	Designation	DIN
1	Shri. G Mangilal Surana	Chairman Emeritus	00078987
2	Shri. Narender Surana	Managing Director	00075086
3	Shri. Devendra Surana	Managing Director	00077296
4	Shri. O Swaminatha Reddy	Independent Director	00006391
5	Shri. R Surender Reddy	Independent Director	00083972
6	Shri. Kamlesh Gandhi	Independent Director	00004969
7	Shri. D Venkata Subbaiah	Independent Director	00006618
8	Smt. Madhumathi Suresh	Independent Director	07124113
9	Shri. N Krupakar Reddy	Whole Time Director	00006580

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

Place: Secunderabad  
Date: 07.08.2019

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

To  
The Members of  
**Bhagyanagar India Limited**

1. The Corporate Governance Report prepared by Bhagyanagar India Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable Criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

**MANAGEMENT'S RESPONSIBILITY**

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

**AUDITOR'S RESPONSIBILITY**

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

**OPINION**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

**OTHER MATTERS AND RESTRICTION ON USE**

10. This Certificate is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

**Ramesh Chand Jain**  
**Partner**

**M.No 023019**

**UDIN: 19023019AAAABL1440**

Place: Secunderabad

Date: 07.08.2019

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
M/s BHAGYANAGAR INDIA LIMITED  
Report on the Audit of Standalone Ind AS Financial Statements**

### Opinion

1. We have audited the accompanying Ind AS Standalone financial statements of **BHAGYANAGAR INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of change in Equity for the year then ended and notes to the standalone financial statements, including the summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income) its cash flows and changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b> (Refer Note no.4(a) to standalone financial Statements)</p> <p>Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer.</p> <p>The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.</p> <p>Revenue is measured net of net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.</p> <p>Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'.</li> <li>• Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.</li> <li>• Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms.</li> <li>• To test cut off selected sample of sales transactions made pre- and post - year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.</li> <li>• Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.</li> <li>• Performed monthly analytical procedures of revenue by streams to identify any unusual trends.</li> <li>• Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</li> </ul>

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

#### **Other Information**

5. The company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does include the Standalone financial statements and our auditor's report thereon.
6. Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtain in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

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

8. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rule, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

- 15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" statement on the matters Specified in paragraphs 3 and 4 of the Order.
- 16. As required by section 143(3) of the Act, we further report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. on the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - g. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - I. The Company has disclosed the impact of pending litigations which would impact its financial position. Refer note No. 34(i) to the financial statement.
    - II. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - III. During the year the Company has transfer the required amount to the Investor Education and Protection Fund and there is no delay in transferring of such sum.

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

Place: Secunderabad  
Date: 23<sup>rd</sup> May, 2019

Rameshchand Jain  
(Partner) Membership No.023019

## Annexure A - to the Auditors' Report

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

1. We have audited the internal financial controls with reference to Standalone Financial Statements of **BHAGYANAGAR INDIA LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

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

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

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

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

#### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to Standalone financial statements were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Secunderabad  
Date: 23<sup>rd</sup> May, 2019

Rameshchand Jain  
(Partner)  
Membership No.023019

**‘Annexure- B’ referred to in Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31st March, 2019, we report that**

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

Name of Statute	Nature of dues	Amount involved in dispute & not paid	Period to which it relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	25,60,007/-	2010-11	Appeal is pending against CESTAT
		20,00,000/-	2011-12	Appeal is pending against CESTAT

- (viii) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of loans from any financial institution or banks and has not issued debenture.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.



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

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

Place: Secunderabad  
Date: 23<sup>rd</sup> May, 2019

Rameshchand Jain  
(Partner)  
Membership No.023019

**Balance Sheet as at 31st March 2019**

(Amount in ₹)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	472,330,463	490,157,501
(b) Financial Assets			
- Investments	6	200,200,000	147,150,000
- Loans	7	94,828,864	12,028,219
(c) Deferred tax assets (net)	8	11,962,368	14,342,918
		<b>779,321,695</b>	<b>663,678,638</b>
<b>Current assets</b>			
(a) Inventories	9	958,101,593	368,355,158
- Trade receivables	10	378,158,235	345,888,314
- Cash and cash equivalents	11	36,193,180	150,408,127
(c) Current Tax Assets (net)	12	10,382,804	11,848,960
(d) Other current assets	13	146,831,224	122,775,279
		<b>1,529,667,036</b>	<b>999,275,838</b>
<b>Total assets</b>		<b>2,308,988,731</b>	<b>1,662,954,476</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	63,990,000	63,990,000
(b) Other Equity	15	1,158,174,091	1,093,189,215
		<b>1,222,164,155</b>	<b>1,157,179,215</b>
<b>Total Equity</b>		<b>1,222,164,155</b>	<b>1,157,179,215</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	16	8,228,970	159,888,525
		<b>8,228,970</b>	<b>159,888,525</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
- Borrowings	17	860,979,936	180,787,500
- Trade Payables	18	35,757,116	22,314,151
- Other Current financial liabilities	19	173,105,912	128,721,970
(b) Other current liabilities	20	7,852,642	13,163,116
(c) Provisions	21	900,000	900,000
		<b>1,078,595,606</b>	<b>345,886,736</b>
<b>Total liabilities</b>		<b>1,086,824,576</b>	<b>505,775,261</b>
<b>Total equity and liabilities</b>		<b>2,308,988,731</b>	<b>1,662,954,476</b>

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

See accompanying notes form an integral part of Standalone financial statements. 30 to 44

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

Chartered Accountants,

Firm Reg No.01882S

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

Partner

M. No. 023019

**Narender Surana**

Managing Director

DIN: 00075086

**Devendra Surana**

Managing Director

DIN: 00077296

**Surendra Bhutoria**

Chief Financial Officer

**Rachna Kewliya**

Company Secretary

Membership No: 48989

Place: Secunderabad,

 Date : 23<sup>rd</sup> May, 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(Amount in ₹)

Particulars		Note No.	For the year 31.03.2019	For the year 31.03.2018
<b>I</b>	<b>INCOME</b>			
	Revenue from Sale of Product		<b>5,685,197,542</b>	4,553,367,331
	Infrastructure Leasing and Sales		7,181,509	10,609,904
			5,692,379,051	4,563,977,235
	Less: Excise Duty		-	95,280,782
	<b>NET REVENUE FROM OPERATIONS</b>	22	<b>5,692,379,051</b>	<b>4,468,696,453</b>
	<b>OTHER INCOME</b>	23	9,571,222	115,352,333
	<b>TOTAL INCOME</b>		<b>5,701,950,273</b>	<b>4,584,048,786</b>
<b>II</b>	<b>EXPENSES</b>			
	Cost of Raw Materials and Components Consumed	24	5,170,134,734	3,990,284,062
	(Increase)/Decrease in Inventories			
	Work-in-Progress and Stock in Trade	25	(85,368,752)	15,313,228
	Employee Benefit Expenses	26	60,031,741	58,537,557
	Finance Costs	27	76,212,439	38,150,522
	Depreciation and Amortisation Expenses	28	37,384,099	36,124,508
	Other Expenses	29	356,048,138	277,767,872
	<b>TOTAL EXPENSES</b>		<b>5,614,442,399</b>	<b>4,416,177,749</b>
<b>IV</b>	<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I - II)</b>		87,507,874	167,871,037
<b>V</b>	<b>AMORTISATION OF INTANGIBLE ASSETS</b>		-	-
<b>VI</b>	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (IV-V)</b>		87,507,874	167,871,037
<b>VII</b>	<b>EXTRAORDINARY ITEMS</b>		-	-
<b>VIII</b>	<b>PROFIT BEFORE TAX (VI+VII)</b>		<b>87,507,874</b>	<b>167,871,037</b>
<b>IX</b>	<b>TAX EXPENSE</b>			
	1. Current Tax		20,142,448	34,097,481
	2. Deferred Tax		2,879,320	3,300,668
	3. MAT Entitlement Credit		(498,770)	1,824,460
<b>X</b>	<b>PROFIT AFTER TAX (VIII-IX)</b>		<b>64,984,876</b>	<b>128,648,428</b>
<b>XI</b>	<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
<b>A</b>	Items that will not be reclassified to profit or loss		-	-
<b>B</b>	Items that will be reclassified to profit or loss		-	-
	<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		-	-
<b>XII</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (X+XI)</b>		<b>64,984,876</b>	<b>128,648,428</b>
<b>XIII</b>	<b>EARNINGS PER EQUITY SHARE</b>			
	1. Basic		2.03	4.02
	2. Diluted		2.03	4.02

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

See accompanying notes form an integral part of Standalone financial statements. 30 to 44

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,  
Firm Reg No.01882S

Rameshchand Jain  
Partner  
M. No. 023019

Narender Surana  
Managing Director  
DIN: 00075086

Devendra Surana  
Managing Director  
DIN: 00077296

Surendra Bhutoria  
Chief Financial Officer

Rachna Kewliya  
Company Secretary  
Membership No: 48989

Place: Secunderabad,  
Date : 23<sup>rd</sup> May, 2019

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

### A. Equity Share capital

Particulars	No of shares	In Rupees
<b>Balance as at 1 April 2017</b>	<b>31,995,000</b>	<b>63,990,000</b>
Changes in equity share capital during 2017-18	-	-
<b>Balance as at 31 March 2018</b>	<b>31,995,000</b>	<b>63,990,000</b>
Balance as at 1 April 2019	31,995,000	63,990,000
Changes in equity share capital during 2018-19	-	-
<b>Balance as at 31 March 2019</b>	<b>31,995,000</b>	<b>63,990,000</b>

### B. Other equity

(Amount in ₹)

Particulars	Reserve & Surplus				
	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Total
<b>Balance at 1 April,2017</b>	<b>776,844,264</b>	<b>150,000,000</b>	<b>16,676,523</b>	<b>21,020,000</b>	<b>964,540,787</b>
Profit for the year	128,648,428	-	-	-	128,648,428
Other Comprehensive Income (net of tax)	-	-	-	-	-
Add: Transferred (to)/from Retained Earnings	(50,000,000)	50,000,000	-	-	-
<b>Balance at 31 March, 2018</b>	<b>855,492,692</b>	<b>200,000,000</b>	<b>16,676,523</b>	<b>21,020,000</b>	<b>1,093,189,215</b>
Balance at 1 April,2018	855,492,692	200,000,000	16,676,523	21,020,000	1,093,189,215
Profit for the year	64,984,876	-	-	-	64,984,876
Other Comprehensive Income (net of tax)	-	-	-	-	-
Add: Transferred (to)/from Retained Earnings	(50,000,000)	50,000,000	-	-	-
<b>Balance at 31 March, 2019</b>	<b>870,477,568</b>	<b>250,000,000</b>	<b>16,676,523</b>	<b>21,020,000</b>	<b>1,158,174,091</b>
Significant accounting policies and key accounting estimates and judgements	1 to 4				
See accompanying notes form an integral part of Standalone financial statements.	30 to 44				

### As per our report of even date attached

#### For Luharuka & Associates

Chartered Accountants,  
Firm Reg No.01882S

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

#### Rameshchand Jain

Partner  
M. No. 023019

#### Narender Surana

Managing Director  
DIN: 00075086

#### Devendra Surana

Managing Director  
DIN: 00077296

Place: Secunderabad,  
Date : 23<sup>rd</sup> May, 2019

**Surendra Bhutoria**  
Chief Financial Officer

**Rachna Kewliya**  
Company Secretary  
Membership No: 48989

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

(Amount in ₹)

Particulars	2018-19		2017-18	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit (Loss) before Tax and Exceptional Items</b>		<b>87,507,874</b>		<b>167,871,037</b>
Adjustments for Non-Operating Activities:				
Depreciation	<b>37,024,099</b>		35,611,878	
Amortisation of lease rent	<b>360,000</b>		512,630	
Foreign Exchange Reserve Amortised			-	
Sundry balance writtern off	<b>3,238,973</b>		6,522,877	
Sundry balance writtern back	<b>(809,811)</b>		(121,062)	
Interest paid	<b>76,212,439</b>		38,150,522	
(Profit)/loss on sale of fixed assets	<b>(2,459,637)</b>		(92,516,652)	
(Profit)/Loss on Sale of Investments	-		127,552	
Dividend received	<b>(661,407)</b>		(635,118)	
Interest received	<b>(5,080,593)</b>	<b>107,824,063</b>	<b>(21,354,605)</b>	(33,701,978)
Operating Profit before Working Capital Changes		<b>195,331,937</b>		<b>134,169,059</b>
<b>Movement in Working Capital</b>				
Increase/ (Decrease) in other current liabilities	<b>(5,310,474)</b>		(22,323,620)	
Increase/ (Decrease) in provisions	-		-	
Increase/ (Decrease) in other financial liabilities	<b>44,383,942</b>		(10,061,582)	
Increase/ (Decrease) in trade payables	<b>14,252,776</b>		6,408,184	
(Increase)/ Decrease in other current assets	<b>(24,055,945)</b>		86,493,497	
(Increase)/ Decrease in trade receivables	<b>(35,508,894)</b>		(21,568,132)	
(Increase)/ Decrease in inventory	<b>(589,746,435)</b>	<b>(595,985,030)</b>	<b>141,738,124</b>	180,686,471
<b>Cash Generation From Operations</b>		<b>(400,653,093)</b>		<b>314,855,530</b>
Direct Taxes (Net)		<b>(18,676,292)</b>		(28,251,702)
<b>Net Cash from Operating Activities (A)</b>		<b>(419,329,385)</b>		<b>286,603,828</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Loans given	<b>(82,800,645)</b>		225,612,555	
Interest received	<b>5,080,593</b>		21,354,605	
Purchase of fixed assets	<b>(20,766,347)</b>		(34,981,775)	
Investment in of Shares & Other Investments (Net)	<b>(53,050,000)</b>		(133,261,013)	
Sale of fixed assets	<b>3,163,188</b>		95,856,498	
Dividend Received	<b>661,407</b>		635,118	

<b>Net Cash from / (Used in) Investing Activities (B)</b>		<b>(147,711,804)</b>		<b>175,215,988</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid	<b>(76,212,439)</b>		(38,150,522)	
(Repayment) of borrowings from bank	<b>529,336,668</b>		(325,446,881)	
Dividend Paid	<b>(149,003)</b>		(207,271)	
(Increase)/Decrease in restricted deposits	<b>7,085,696</b>		7,329,721	
<b>Net Cash (used in) /from Financing Activities (C)</b>		<b>460,060,922</b>		<b>(356,474,953)</b>
<b>Net Increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>				
		<b>(106,980,266)</b>		105,344,863
Opening cash and cash equivalent at the beginning of the year		<b>111,735,504</b>		6,390,641
Closing cash and cash equivalent at the end of the year		<b>4,755,247</b>		111,735,504
<b>Net Increase/(decrease) in cash &amp; cash equivalents</b>		<b>(106,980,266)</b>		<b>105,344,863</b>

Notes :

- Components of cash and cash equivalents

	<b>2018-19</b>	<b>2017-18</b>
Cash in hand	<b>67,053</b>	<b>362,880</b>
Balances with banks	<b>4,688,194</b>	<b>32,372,624</b>
Investment in Liquid Funds	<b>-</b>	<b>79,000,000</b>
	<b>4,755,247</b>	<b>111,735,504</b>
- Accompanied notes to accounts forms an integral part of the Standalone financial statements.

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

**For Luharuka & Associates**

Chartered Accountants,  
Firm Reg No.01882S

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

**Rameshchand Jain**  
Partner  
M. No. 023019

**Narender Surana**  
Managing Director  
DIN: 00075086

**Devendra Surana**  
Managing Director  
DIN: 00077296

Place: Secunderabad,  
Date : 23<sup>rd</sup> May, 2019

**Surendra Bhutoria**  
Chief Financial Officer

**Rachna Kewliya**  
Company Secretary  
Membership No: 48989

## SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

### 1. Corporate Information

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

### 2. Basis of preparation

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

### 3. Recent accounting pronouncements and Use of estimates and judgments:

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

b. Recent accounting pronouncements

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases.

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The effect on adoption of Ind AS 116 would be insignificant in the financial statements.

A. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or

group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

- B. Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

- C. Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not have any impact on account of this amendment

#### 4. Significant Accounting Policies:

##### (a) Revenue Recognition

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

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

##### Other income:

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

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

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



Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

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

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

**(c) Investment Properties**

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

**(d) Intangible Assets**

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

**(e) Depreciation and amortization:**

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

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

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

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

**A liability is current when:**

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

**(g) Financial assets**

Financial assets comprise of cash and cash equivalents.

*Initial recognition:*

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

**Subsequent Measurement:**

- (i) Financial assets measured at amortised cost: Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of

the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

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

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

*Impairment of Financial Assets:*

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

*De-recognition of Financial Assets:*

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

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

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

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

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

**(i) Cash and Cash equivalents**

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

**(j) Financial liabilities**

**Initial recognition and measurement:**

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

**Subsequent measurement:**

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

**De-recognition of financial liabilities:**

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

**(k) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest

cost and other costs that an entity incurs in connection with the borrowing of funds. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**(l) Employee Benefits**

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

**Provident Fund**

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

**Gratuity**

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

**Compensated absences**

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

**Short-term employee benefits**

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

**(m) Income Taxes**

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

**Deferred income tax**

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

**Minimum Alternative Tax (MAT)**

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

**(n) Leases**

**As a lessee**

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received

from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

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

Lease-hold land:

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

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

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

**Contingent liability is disclosed for:**

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

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

**(p) Fair value measurement**

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

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

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

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

**(q) Earnings per share**

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

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

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

## Notes forming part of the Standalone Financial Statements

Note : 5 Property, Plant and Equipment

(Amount in ₹)

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

Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Grand Total
<b>Gross carrying Value as of April 01, 2018</b>	<b>150,312,954</b>	<b>6,334,814</b>	<b>47,889,789</b>	<b>731,587,756</b>	<b>36,561,544</b>	<b>17,129,893</b>	<b>52,251,784</b>	<b>16,179,680</b>	<b>7,589,283</b>	<b>2,010</b>	<b>1,065,839,507</b>
Additions				11,611,506		210,893	8,790,780		153,168		20,766,347
Deletions		360,000	324,000				2,851,989				3,535,989
<b>Gross carrying Value as at March 31, 2019</b>	<b>150,312,954</b>	<b>5,974,814</b>	<b>47,565,789</b>	<b>743,199,262</b>	<b>36,561,544</b>	<b>17,340,786</b>	<b>58,190,575</b>	<b>16,179,680</b>	<b>7,742,451</b>	<b>2,010</b>	<b>1,083,069,865</b>
Accumulated depreciation as at April 01, 2018	-	-	24,054,309	452,490,473	30,144,965	15,115,861	32,082,096	14,556,393	7,235,626	2,010	575,681,733
Depreciation			1,155,832	29,734,623	988,162	432,114	3,823,767	737,364	152,238	-	37,024,100
Accumulated depreciation on disposals			252,545				1,713,886				1,966,431
Accumulated depreciation as at March 31, 2019	-	-	24,957,596	482,225,096	31,133,127	15,547,975	34,191,977	15,293,757	7,387,864	2,010	610,739,402
<b>Carrying Value as at March 31, 2019</b>	<b>150,312,954</b>	<b>5,974,814</b>	<b>22,608,193</b>	<b>260,974,166</b>	<b>5,428,417</b>	<b>1,792,811</b>	<b>23,998,598</b>	<b>885,923</b>	<b>354,587</b>	<b>-</b>	<b>472,330,463</b>
Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31st March 2019											
Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Grand Total
<b>Gross carrying Value as at April 01, 2017</b>	<b>150,312,954</b>	<b>9,021,944</b>	<b>58,617,569</b>	<b>711,257,474</b>	<b>36,561,544</b>	<b>16,007,230</b>	<b>40,059,347</b>	<b>16,179,680</b>	<b>7,542,616</b>	<b>2,010</b>	<b>1,045,562,368</b>
Additions				20,330,282		1,122,663	13,482,163		46,667		34,981,775
Disposals		2,687,130	10,727,780				1,289,726				14,704,636
<b>Gross carrying Value as at March 31, 2018</b>	<b>150,312,954</b>	<b>6,334,814</b>	<b>47,889,789</b>	<b>731,587,756</b>	<b>36,561,544</b>	<b>17,129,893</b>	<b>52,251,784</b>	<b>16,179,680</b>	<b>7,589,283</b>	<b>2,010</b>	<b>1,065,839,507</b>
Accumulated depreciation as at April 01, 2017	-	-	32,415,301	424,062,565	29,166,526	14,497,429	29,913,201	13,819,571	7,045,412	2,010	550,922,015
Depreciation			1,265,928	28,427,908	978,439	618,432	3,394,135	736,822	190,214	-	35,611,878
Accumulated depreciation on disposals			9,626,647				1,225,240				10,851,887
Accumulated depreciation as at March 31, 2018	-	-	24,054,582	452,490,473	30,144,965	15,115,861	32,082,096	14,556,393	7,235,626	2,010	575,682,006
<b>Carrying Value as at March 31, 2018</b>	<b>150,312,954</b>	<b>6,334,814</b>	<b>23,835,207</b>	<b>279,097,283</b>	<b>6,416,579</b>	<b>2,014,032</b>	<b>20,169,688</b>	<b>1,623,287</b>	<b>353,657</b>	<b>-</b>	<b>490,157,501</b>
<b>Carrying Value as at March 31, 2017</b>	<b>150,312,954</b>	<b>9,021,944</b>	<b>26,202,268</b>	<b>287,194,909</b>	<b>7,395,018</b>	<b>1,509,801</b>	<b>10,146,146</b>	<b>2,360,109</b>	<b>497,204</b>	<b>-</b>	<b>494,640,353</b>

## Notes Forming part of Standalone Financial Statements

**Note: 6**
**(Amount in ₹)**

Investments	Sub note	As at 31.03.2019		As at 31.03.2018	
		No.s	Value	No.s	Value
<b>Equity Instruments (Unquoted - At Cost)</b>					
<b>A) Investment in Subsidiaries</b>					
Bhagyanagar Copper Pvt Ltd		20,000,000	200,000,000	14,695,000	146,950,000
(Equity shares of ₹ 10/-each fully paid up)					
<b>SUB - TOTAL (A)</b>		-	<b>200,000,000</b>	-	146,950,000
<b>B) Investment at Fair Value through OCI</b>					
<b>1. Investment in Equity Instruments (Unquoted)</b>					
Mana Effluent Treatment Plant		200	200,000	200	200,000
(Equity shares of ₹ 1000/-each fully paid up)					
<b>SUB - TOTAL (B)</b>			<b>200,000</b>		200000
<b>GRAND TOTAL (A+B)</b>			<b>200,200,000</b>		147150000

During the year the company has divested its stake in Subsidiary Companies - M/s Bhagyanagar Metals Limited, M/s Solar Dynamics Private Limited and Associate Company -M/s Bhagyanagar Cables Private Limited. Further the company has acquired 100% stake in M/s Aanvik Mercantile Private Limited.

**Note: 7**
**(Amount in ₹)**

Loans	Sub note	As at 31.03.2019	As at 31.03.2018
<b>Unsecured, Considered good.</b>			
(a) Security Deposits		10,022,076	9,980,796
(b) Loans and Advances to Related Parties			
(i) Loan to Subsidiary Co's	7(a)	84,806,788	2,047,423
<b>TOTAL</b>		<b>94,828,864</b>	12,028,219

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

7 (a) Loan to Subsidiary Co's:

Name of the Company

Balance as on 31.03.2019

Balance as on 31.03.2018

Bhagyanagar Copper Private Limited

84,806,788

2,047,423

84,806,788

2,047,423

**Note: 8**
**(Amount in ₹)**

Deferred Tax Assets (Net)	Sub note	As at 31.03.2019	As at 31.03.2018
(a) Deferred Tax Asset at the beginning of the year		(1,180,039)	2,120,629
Less: Deferred Tax Asset/ (Liability) for the year, on account of timing difference.		(2,879,320)	(3,300,668)
(b) Others		-	
MAT Credit Entitlement		16,021,727	15,522,957
<b>TOTAL</b>		<b>11,962,368</b>	14,342,918

**Note: 9**
**(Amount in ₹)**

Inventories	Sub note	As at 31.03.2019	As at 31.03.2018
<b>(As Valued and Certified by the Management)</b>			
Raw Materials		833,732,784	329,355,101
Work-in-Progress		124,368,809	39,000,057
<b>TOTAL</b>		<b>958,101,593</b>	368,355,158

## Notes Forming part of Standalone Financial Statements

**Note: 10**

(Amount in ₹)

Trade Receivables	Sub note	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good	10(a)/10(b)	378,158,235	345,888,314
Considered Doubtful		-	-
		378,158,235	345,888,314
Less: Provision for Doubtful Receivables		-	-
<b>TOTAL</b>		<b>378,158,235</b>	<b>345,888,314</b>

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

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

**Note: 11**

(Amount in ₹)

Cash and cash Equivalents	Sub note	As at 31.03.2019	As at 31.03.2018
(a) Cash & Cash Equivalents			
(i) Balances in current account		4,688,194	32,372,624
(ii) Cash On Hand		67,044	362,863
(b) Other Balances			
(i) In Dividend account		1,104,566	1,253,568
(ii) Deposit held to the extent of margin money		30,333,376	37,419,072
(iii) Investment in Liquid Funds		-	79,000,000
<b>TOTAL</b>		<b>36,193,180</b>	<b>150,408,127</b>

**Note: 12**

(Amount in ₹)

Current Tax Assets (Net)	Sub note	As at 31.03.2019	As at 31.03.2018
(a) Income tax Receivable		74,869,472	59,896,580
Less: Provision for Taxes		64,486,668	48,047,620
<b>TOTAL</b>		<b>10,382,804</b>	<b>11,848,960</b>

**Note: 13**

(Amount in ₹)

Other Current Assets	Sub note	As at 31.03.2019	As at 31.03.2018
<b>(Unsecured, Considered Good Unless Otherwise Stated)</b>			
(i) Balances with Statutory Authorities		89,325,530	37,540,702
(ii) Advances To Suppliers		54,174,116	59,286,498
(iii) Sundry Advances		3,331,578	25,948,079
<b>TOTAL</b>		<b>146,831,224</b>	<b>122,775,279</b>

**14 Share Capital**

	As at 31st March 2019		As at 31st March 2018	
	Number	Rupees	Number	Rupees
<b>Authorised</b>				
Equity Shares of ₹.2/- each	125,000,000	250,000,000	125,000,000	250,000,000
<b>Issued</b>				
Equity Shares of ₹.2/- each	31,995,000	63,990,000	31,995,000	63,990,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹.2/- each fully paid	31,995,000	63,990,000	31,995,000	63,990,000
<b>Total</b>	<b>31,995,000</b>	<b>63,990,000</b>	<b>31,995,000</b>	<b>63,990,000</b>

a. Terms /Rights attached to Shareholders

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

## Notes Forming part of Standalone Financial Statements

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

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	31,995,000	63,990,000	31,995,000	63,990,000
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	31,995,000	63,990,000	31,995,000	63,990,000

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

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SURANA INFOCOM PRIVATE LIMITED	4,341,581	13.57	4,341,581	13.57
NARENDER SURANA	3,341,870	10.44	3,181,468	9.94
DEVENDRA SURANA	3,202,160	10.01	3,134,660	9.80
MANISH SURANA	2,337,214	7.30	2,337,513	7.31
NAMRATA SURANA	1,870,435	5.85	1,870,335	5.85
GM SURANA	1,710,990	5.35	1,710,990	5.35
SUNITA SURANA	1,572,181	4.91	1,556,831	4.87
	<b>18,376,431</b>	<b>57.44</b>	<b>18,133,378</b>	<b>56.68</b>

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

### Note : 15

(Amount in ₹)

Other Equity	Sub note	As at 31.03.2019	As at 31.03.2018
<b>General Reserves</b>			
Balance as per Last Account		200,000,000	150,000,000
<b>Add:</b> Transferred from Retained Earnings		50,000,000	50,000,000
		<b>250,000,000</b>	200,000,000
<b>Capital Reserves</b>			
Balance as per Last Account		16,676,523	16,676,523
<b>Balance at the year end</b>		<b>16,676,523</b>	16,676,523
<b>Capital Redemption Reserve</b>			
Balance as per Last Account		21,020,000	21,020,000
<b>Balance at the year end</b>		<b>21,020,000</b>	21,020,000
<b>Retained Earnings</b>		<b>855,492,692</b>	776,844,264
<b>Add:</b> Profit during the year/period		64,984,876	128,648,428
<b>Less:</b> Dividend Tax of Earlier Year		-	-
Amount available for Appropriation		920,477,568	905,492,692
Transfer to General Reserve		50,000,000	50,000,000
<b>Balance at the year end</b>		<b>870,477,568</b>	855,492,692
<b>TOTAL</b>		<b>1,158,174,091</b>	1,093,189,215

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

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

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

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

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



**Note : 16** (Amount in ₹)

Non Current Liabilities - Borrowings	Non Current Portion		Current Maturities*		
	Sub note	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
(a) Term loan from ICICI Bank	a.	-	152,975,420	162,669,880	113,010,382
(b) Car Loan - Kotak Bank	b.	4,942,629	6,913,105	2,669,040	-
(c) Car Loan - Yes Bank	c.	3,286,341	-	1,234,176	2,669,040
<b>TOTAL</b>		<b>8,228,970</b>	<b>159,888,525</b>	<b>166,573,096</b>	<b>115,679,422</b>

\*Current Maturities are included in Note:19 - Other Financial Liabilities.

Notes: Term Loan From ICICI Bank:

Particulars of Nature of Security	Installments Repayable				Current Maturities*			
	Non Current Portion		Non Current Portion		Non Current Portion		Current Maturities*	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	Month	Month
	Month	Month	Month	Month	Month	Month	Month	Month
	USD	USD	USD	USD	USD	USD	USD	USD
ICICI Bank provided ECB amounting to USD 13,560,000 carrying a fixed interest rate of 6.96%. ECB is secured by first charge on certain fixed assets of the company and personal guarantee of Managing Directors. Long Term ECB liability as at 31.03.2019 amounting to USD 23,47,327 is valued at ₹69.17 per USD against ₹ 65.04 per USD. as on 31st March, 2018.	-	-	-	-	-	-	Apr- 19	Apr- 18
Car Loan - Kotak Bank	-	-	-	593,775	593,775	593,775	July-19	July-18
Car Loan from Kotak Bank is availed at the interest rate of 8.04% . The Loan is repayable in 60 equal monthly instalments of ₹ 222,420/- starting on 05-07-2017 and ending on 05-06-2022	-	-	-	824,448	824,448	824,448	Oct-19	Oct-18
Car Loan - Yes Bank	-	-	-	929,104	929,104	929,104	Jan-19	Jan-19
Car Loan from Yes Bank is availed at the interest rate of 8.62% . The Loan is repayable in 60 equal monthly instalments of ₹ 102,848/- starting on 02-09-2018 and ending on 02-08-2023	-	-	-	593,776	593,776	593,776		

## Notes Forming part of Standalone Financial Statements

**Note: 17**
**(Amount in ₹)**

<b>Current Liabilities - Borrowings</b>	<b>Sub note</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Secured</b>			
<b>Working Capital Facilities from Banks</b>			
- Working Capital Demand Loan		100,000,000	-
- Cash Credit		660,230,973	-
- Buyers Credit		100,748,963	180,787,500
<b>TOTAL</b>		<b>860,979,936</b>	<b>180,787,500</b>

Particulars of Nature of Security

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

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

**Note: 18**
**(Amount in ₹)**

<b>Trade Payables</b>	<b>Sub note</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>For Goods &amp; Services</b>			
- Total Outstanding dues of Micro and Small Enterprises		-	-
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises		35,757,116	22,314,151
<b>TOTAL</b>		<b>35,757,116</b>	<b>22,314,151</b>

**Note: 19**
**(Amount in ₹)**

<b>Other Financial Liabilities</b>	<b>Sub note</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
(a) Current Maturities on Long Term Debt (Refer Note:16 (a))		166,573,096	115,679,422.08
(b) Interest Accrued but not due on borrowings		4,274,251	4,702,368
(c) Unclaimed Dividends	a.	1,104,565	1,253,568
(d) Security Deposits		1,154,000	7,086,612
<b>TOTAL</b>		<b>173,105,912</b>	<b>128,721,970</b>

a. These figures do not include any amount due and outstanding to be credited to Investor Education and Protection Fund

**Note: 20**
**(Amount in ₹)**

<b>Other Current Liabilities</b>	<b>Sub note</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
(a) Statutory Dues Payable		1,620,770	2,673,065
(b) Liability for Expenses		3,175,554	3,868,563
(c) Advance from Customers		3,056,318	5,759,899
(d) Accrued Rental Income		-	861,589
<b>TOTAL</b>		<b>7,852,642</b>	<b>13,163,116</b>

**Note: 21**
**(Amount in ₹)**

<b>Provisions</b>	<b>Sub note</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Provision for Employee Benefits-Bonus		900,000	900,000
<b>TOTAL</b>		<b>900,000</b>	<b>900,000</b>

## Notes Forming part of Standalone Financial Statements

Note: 22

(Amount in ₹)

Revenue from Operations	Sub note	For the Year 31.03.2019	For the Year 31.03.2018
(a) Sale of Products			
Copper Products		7,805,555,138	5,353,848,387
Sale of Wind Power		53,506,443	59,902,625
<b>SUB - TOTAL</b>		<b>7,859,061,581</b>	<b>5,413,751,012</b>
Less: Inter-Unit Sales		1,192,573,881	202,354,648
<b>GROSS SALES</b>		<b>6,666,487,700</b>	<b>5,211,396,364</b>
Less: Sales Tax/ GST		981,290,158	658,029,033
<b>NET SALES</b>		<b>5,685,197,542</b>	<b>4,553,367,331</b>
(b) Infrastructure Leasing and Sales		7,181,509	10,609,904
<b>TOTAL</b>		<b>5,692,379,051</b>	<b>4,563,977,235</b>

Note: 23

(Amount in ₹)

Other Income	Sub note	For the Year 31.03.2019	For the Year 31.03.2018
(a) Interest Income			
Interest on Loans, Deposits and Others	a.	5,080,593	21,354,605
(b) Dividend Income		661,407	635,118
(c) Profit on Sale of Sundry Assets		2,459,637	92,516,652
(e) Miscellaneous Income		52,541	263,321
(f) Rental Income		507,233	461,575
(g) Balances no Longer Payable Written Back		809,811	121,062
<b>TOTAL</b>		<b>9,571,222</b>	<b>115,352,333</b>

Notes : Interest on Loans, Deposits and Others

a) Interest Income is net of interest accrued in the earlier years not received.

Note: 24

(Amount in ₹)

Cost of Raw Materials and Components Consumed	Sub note	For the Year 31.03.2019	For the Year 31.03.2018
Opening Stock Raw Materials		329,355,101	455,779,997
Opening Stock Material - In - Transit		-	-
Add: Purchases net of Modvat		6,867,086,298	4,066,213,814
Less: Closing Stock Raw Materials		833,732,784	329,355,101
Less: Inter-Unit Purchases		1,192,573,881	202,354,648
<b>Raw Material Consumed</b>		<b>5,170,134,734</b>	<b>3,990,284,062</b>

## Notes Forming part of Standalone Financial Statements

**Note: 25**

(Amount in ₹)

(Increase)/Decrease in Inventories	Sub note	For the Year 31.03.2019	For the Year 31.03.2018
Opening Stock WIP		39,000,057	51,533,772.00
Opening Stock Finished Goods		-	-
Material in Transit - Stores and Spares		-	967,413
Opening Stock Stores and Spares		-	1,812,100
Less: :Closing Stock WIP		124,368,809	39,000,057
Less: :Closing Stock Stores and Spares		-	-
Less: Material in Transit - Stores and Spares		-	-
<b>(Increase)/Decrease in Stock</b>		<b>(85,368,752)</b>	15,313,228

Notes : forming part of the Standalone Financial Statements

**Note: 26**

(Amount in ₹)

Employee Benefits Expense	Sub note	For the Year 31.03.2019	For the Year 31.03.2018
Salaries, Wages and Other Employee Benefits		55,356,839	53,738,070
Contribution To Provident And Other Funds		4,674,902	4,799,487
<b>TOTAL</b>		<b>60,031,741</b>	58,537,557

**Note: 27**

(Amount in ₹)

Finance Costs	Sub note	For the Year 31.03.2019	For the Year 31.03.2018
Interest Expense			
Cash Credit & Others		50,928,468	8,358,662
Long Term Loan		16,217,228	21,756,671
Financial Charges		9,066,743	8,035,189
<b>TOTAL</b>		<b>76,212,439</b>	38,150,522

**Note: 28**

(Amount in ₹)

Depreciation and Amortisation Expenses	Sub note	For the Year 31.03.2019	For the Year 31.03.2018
Depreciation		37,024,099	35,611,878
Amortisation Expenses - Lease Rent		360,000	512,630
<b>TOTAL</b>		<b>37,384,099</b>	36,124,508

## Notes Forming part of Standalone Financial Statements

Note: 29

(Amount in ₹)

Other Expenses	Sub note	For the Year 31.03.2019	For the Year 31.03.2018
Consumption Of Stores And Spare Parts		36,203,241	14,704,252
Power And Fuel		152,559,685	127,408,941
Rent		1,728,348	1,680,845
Repairs			
Buildings		530,871	447,357
Machinery		57,312,324	55,240,496
Others		7,335,568	3,727,386
Insurance		2,634,276	1,274,891
Rates And Taxes		2,001,607	3,639,857
Packing And Forwarding		26,975,311	24,307,806
Remuneration To Directors		10,625,806	9,085,000
Loss on Sale Of Investment		-	127,552
Foreign Exchange Fluctuation (Net)		19,440,591	243,464
Other Miscellaneous Expenses		37,861,310	35,035,025
Director's Sitting Fees		324,200	405,000
Payments To The Auditor			
for Statutory Audit		335,000	260,000
for Tax Audit		70,000	70,000
for Taxation/Other Matters		70,000	70,000
for Reimbursement Of Expenses		40,000	40,000
<b>TOTAL</b>		<b>356,048,138</b>	<b>277,767,872</b>

### 30. Related Party Disclosure

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

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

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

#### Subsidiary Companies

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

## Notes Forming part of Standalone Financial Statements

### Key Managerial Personnel

- (i) Narender Surana
- (ii) Devendra Surana
- (iii) Surendra Bhutoria
- (iv) Rachna Kewliya (Appointed as CS wef 19<sup>th</sup> June, 2018)
- (v) Badarish H Chimalgi (CS upto 18<sup>th</sup> June, 2018)

### Relatives of Key Managerial Personnel

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

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

(Amount in ₹)				
SI.No.	Nature of Transaction	Name of the Related Parties	2018-19	2017-18
1	Purchase of Goods	Surana Solar Limited	6,28,33,908/-	24,23,318/-
2	Purchase of Solar Power	Surana Solar Systems Pvt Limited	2,61,79,264/-	4,64,34,032/-
3	Sale of Shares	Surana Infocom Private Limited	-	1,35,41,300/-
4.	Investment In shares	Bhagyanagar Copper Private Limited	5,30,50,000/-	14,69,50,000/-
5.	Job Work Charges	Bhagyanagar Copper Pvt Ltd	37,50,512/-	-
6.	Sale of goods	Bhagyanagar Copper Pvt Ltd	27,44,311/-	-
7.	Interest Received	Solar Dynamics Private Limited	-	2,25,11,723/-
		Devendra Surana	1,06,25,806/-	90,00,000/-
		Narender Munoth	-	85,000/-
		N.K.Reddy	5,51,167/-	2,46,000/-
8.	Remuneration – KMP	Surendra Bhutoria	19,74,000/-	18,34,000/-
		Rachna Kewliya	2,86,211/-	-
		Badarish H Chimalgi	1,66,452/-	6,94,839/-
		<b>Total</b>	<b>1,36,03,636/-</b>	<b>11,165,000/-</b>
9.	Remuneration-Relatives of KMP	Namrata Surana	8,40,000/-	6,60,000/-
		Nivriti Surana	7,20,000/-	5,40,000/-
		<b>Total</b>	<b>15,60,000/-</b>	<b>12,00,000/-</b>

SI.No.	Nature of Transaction	Name of the Related Parties	2018-19	2017-18
		<b>Surana Solar Limited</b>		
		Opening Balance	-	-
		Add: Given During the year	-	3,151,579/-
		Less: Recovered During the year	-	3,151,579/-
		<b>Closing Balance</b>		-
	Loans / Advances (given)	<b>Bhagyanagar Properties Limited</b>		
		Opening Balance		(44,828,185)/-
		Add: Given During the year	-	45,144,199/-
		Less: Recovered During the year	-	316,014/-
		<b>Closing Balance</b>	-	-

## Notes Forming part of Standalone Financial Statements

SI.No.	Nature of Transaction	Name of the Related Parties	2018-19	2017-18
		<b>Metropolitan Ventures India Limited</b>		
		Opening Balance		-
		Add: Given During the year		30,780/-
		Less: Recovered During the year		30,780/-
		<b>Closing Balance</b>		-
		<b>Bhagyanagar Metals Limited</b>		
		Opening Balance		8,937,819/-
		Add: Given During the year		-
		Less: Recovered During the year		8,937,819/-
		<b>Closing Balance</b>		-
		<b>Solar Dynamics Private Limited</b>		
		Opening Balance		219,571,071/-
		Add: Given During the year	-	48,964,512/-
		Less: Recovered During the year	-	268,535,583/-
		<b>Closing Balance</b>	-	-
		<b>Surana Telecom and Power Limited</b>		
		Opening Balance		(9,152,573)/-
		Add: Given During the year	-	871,78,021/-
		Less: Recovered During the year	-	78,02,54,48/-
		<b>Closing Balance</b>	-	-
		<b>Bhagyanagar Copper Private Ltd</b>		
		Opening Balance	20,47,423/-	-
		Add: Given During the year	8,27,59,365/-	20,47,423/-
		Less: Recovered During the year	-	-
		<b>Closing Balance</b>	8,48,06,788/-	20,47,423/-
	<b>Loans / Advances (given)</b>			

31. Disclosure required under Section 186(4) of the Companies Act 2013

For details of loans, advances and guarantees given and securities provided to related parties refer Note 30.

32. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.

### 33. Earnings Per Share (EPS)

(Amount in ₹)

Particulars	2018-19	2017-18
Net Profit after Tax	6,49,84,994/-	128,648,428/-
Net Profit after Tax available for equity share holders - For Basic and Diluted EPS	6,49,84,994/-	128,648,428/-
Weighted Average No. Of Equity Shares For Basic EPS (No.s)	31,995,000	31,995,000
Weighted Average No. Of Equity Shares For Diluted EPS (No.s)	31,995,000	31,995,000
Nominal Value of Equity Shares	2/-	2/-
Basic Earnings Per Equity Share	2.03	4.02
Diluted Earnings Per Equity Share	2.03	4.02

## Notes Forming part of Standalone Financial Statements

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

Particulars	As at 31-03-2019	As at 31-03-2018
	Rupees	Rupees
Contingent Liabilities	53,71,077/-	4,560,007/-
<b>Commitments:</b>		
Guarantees issued by banks	17,922,400/-	30,473,848/-

### (ii) Foreign Currency Exposure:

Particulars	As at 31-03-2019	As at 31-03-2018
	USD	USD
Hedged	5,93,776	-
Unhedged	33,06,291	68,69,208

### 35. Retirement and Other Employees Benefits

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

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

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

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

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

Particulars	Gratuity	
	2018-19	2017-18
Current service cost	10,70,282	941,713
Interest cost	10,97,603	121,874
Expected Return on Planned Assets	(12,75,097)	(1,097,425)
Net Actuarial Loss/ (Gain) recognized in the year	4,02,808	13,124,201
Expenses recognised in Statement of Profit & Loss	<b>12,95,596</b>	<b>13,090,363</b>

#### b Change in Present value of obligation during the year ended 31st March, 2019

Particulars	Gratuity	
	2018-19	2017-18
Present Value of obligation as at beginning of the year	14,587,496	1,523,419
Interest Cost	10,97,603	121,874
Current Service Cost	10,70,282	941,713
Benefits Paid-Actuals	(19,31,440)	(1,123,711)
Actuarial (Gain)/ Loss on Obligations	4,02,808	13,124,201
<b>Present Value of obligation as at end of the year</b>	<b>15,226,749</b>	<b>14,587,496</b>



## Notes Forming part of Standalone Financial Statements

### c Change in fair value of Plan Assets during the year ended 31st March, 2019

Particulars	Gratuity	
	2018-19	2017-18
Fair value of Plan Assets as at the beginning of the year	12,958,488	12,958,488
Expected Return on Plan Assets	1,097,425	1,097,425
Contributions	3,979,186	3,979,186
Benefits Paid	(1,123,711)	(1,123,711)
<b>Fair value of Plan Assets as at the end of the year</b>	<b>16,911,388</b>	<b>16,911,388</b>

### d Actuarial Gain/ loss recognized

Particulars	Gratuity	
	2018-19	2017-18
Actuarial (Gain) / Loss for the year -Obligation	4,02,808	13,124,201
Total Loss for the Year	4,02,808	13,124,201
Actuarial (Gain) / Loss recognized in the year	4,02,808	13,124,201

### e Actuarial assumption

Particulars	Gratuity	
	2018-19	2017-18
Discount rate used	7.5%	8%
Salary escalation	6%	6%

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

Sl.No.	Particulars	2018-19	2017-18
i	Copper	4,912,305,082	3,846,960,100
ii	Others	172,460,900	158,637,190
iii	<b>Inter Unit Transfers</b>		
	(a) Copper Rod / Wires	117,26,63,500	198,008,000
	(b) Others	19,903,200	4,346,648
	<b>SUB-TOTAL</b>	<b>6,277,339,863</b>	<b>4,207,951,938</b>
	Less: Inter Unit Purchases	119,25,66,700	202,354,648
	<b>TOTAL</b>	<b>5,084,765,982</b>	<b>4,005,597,290</b>

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

### 37. Details of imported and indigenous raw materials, spares and packing materials consumed (Amount in ₹)

Particulars	2018-19		2017-18	
	Value	% of Total Consumption	Value	% of Total Consumption
Raw materials & Components				
(a) Imported	2,252,525,618	44	1,366,943,909	34
(b) Indigenous	2,832,240,364	56	2,638,653,381	66
<b>TOTAL</b>	<b>5,084,765,982</b>	<b>100</b>	<b>4,005,597,290</b>	<b>100</b>
Stores & Spare Parts (including consumed for repair)				
(a) Imported	1,63,23,326	19	19,442,689	36
(b) Indigenous	6,96,28,480	81	34,957,991	64
<b>TOTAL</b>	<b>8,59,51,806</b>	<b>100</b>	<b>54,400,680</b>	<b>100</b>

## Notes Forming part of Standalone Financial Statements

38.	CIF Value of Imports	(Amount in ₹)					
	<b>Particulars</b>	<b>2018-19</b>		<b>2017-18</b>			
	Raw material / Traded Goods	225,25,25,618		1,366,943,909			
	Stores & Spares	1,63,23,326		19,442,689			
	<b>Total</b>	<b>226,88,48,944</b>		<b>1,386,386,598</b>			
39.	Earnings in Foreign Currency	(Amount in ₹)					
	<b>Particulars</b>	<b>2018-19</b>		<b>2017-18</b>			
	Export Sales	20,047,976		9,546,950			
	<b>Total</b>	<b>20,047,976</b>		<b>9,546,950</b>			
40.	Expenditure in Foreign Currency	(Amount in ₹)					
	<b>Particulars</b>	<b>2018-19</b>		<b>2017-18</b>			
	Travelling	1,73,500		700,398			
	Interest on ECB	1,66,78,852		20,612,895			
	Repayment of ECB	13,09,52,850		75,078,022			
	<b>Total</b>	<b>14,78,05,202</b>		<b>96,391,315</b>			
41.	Segment Reporting:						
	Factors used to identify the reportable segments:						
	The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information						
	<b>SI No.</b>	<b>Reportable segments</b>	<b>Product/Service</b>				
	1.	Manufacturing of Copper Products	Copper Products				
	2.	Wind Power	Generation of Wind Power Energy				
	<b>Particulars</b>	<b>Copper Products</b>		<b>Renewable Energy</b>		<b>Total</b>	
		<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
	<b>REVENUE</b>						
	External Sales	5,63,16,91,099	4,49,34,64,706	5,35,06,443	5,99,02,625	5,68,51,97,542	4,55,33,67,331
	Other Operating income	-	-	-	71,81,509	1,06,09,904	
	<b>Total Revenue</b>	<b>5,63,16,91,099</b>	<b>4,49,34,64,706</b>	<b>5,35,06,443</b>	<b>5,99,02,625</b>	<b>5,69,23,79,051</b>	<b>4,56,39,77,235</b>
	<b>RESULTS</b>						
	Segment results	21,15,69,401	13,00,31,816	1,59,18,483	4,64,24,083	22,74,87,884	17,64,56,000
	Unallocable income/ Expenses					(6,37,67,391)	29,55,60,307
	Operating Profit					16,37,20,313	20,60,22,037
	Interest Expense					7,62,12,439	3,81,51,000
	Profit from Ordinary Activities					8,75,07,874	16,78,71,037
	<b>Net Profit</b>					<b>8,75,07,874</b>	<b>16,78,71,037</b>
	<b>Other Information</b>						
	Segment Assets	1,88,36,29,074	1,06,35,24,000	18,09,37,057	20,95,52,000	2,06,45,65,960	1,27,30,76,000
	Unallocable Assets					24,44,22,717	38,98,78,000
	<b>Total Assets</b>					<b>2,30,89,88,731</b>	<b>1,66,29,54,000</b>

## Notes Forming part of Standalone Financial Statements

Particulars	Copper Products		Renewable Energy		Total	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Segment Liabilities	90,22,36,010	21,24,48,000	5,82,355	5,79,000	90,28,18,365	21,30,27,000
Unallocable Liabilities					17,57,77,241	13,28,59,690
<b>Total Liabilities</b>					<b>1,07,85,95,606</b>	<b>34,58,86,690</b>
Capital Expenditure	1,19,75,567	2,03,30,282	-		1,19,75,567	2,03,30,282
Unallocable Capital Expenditure					87,90,780	1,46,51,493
<b>Total Capital Expenditure</b>					<b>2,07,66,347</b>	<b>3,49,81,775</b>
Depreciation	75,72,068	61,68,716	2,36,52,013	2,36,52,013	3,12,24,081	2,98,20,729
Unallocable Depreciation					61,60,018	61,51,140
<b>Total Depreciation</b>					<b>3,73,84,099</b>	<b>3,59,71,869</b>

#### 42. Financial risk management objectives and policies

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

##### A. Market risk

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

##### Interest rate risk

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

##### B. Credit risk

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

##### Trade receivables

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

##### Financial Instrument and cash deposits

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

##### C. Liquidity risk

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

## Notes Forming part of Standalone Financial Statements

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

						(Amount in ₹)
Year Ended	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total	
<b>31-Mar-19</b>						
Borrowings	-	1,02,75,53,032	82,28,970	-	1,035,782,002	
	-	<b>1,027,553,032</b>	<b>82,28,970</b>	-	<b>1,035,782,002</b>	
<b>31-Mar-18</b>						
Borrowings	-	296,466,922	159,888,525	-	456,355,447	
	-	<b>296,466,922</b>	<b>159,888,525</b>	-	<b>456,355,447</b>	

### 43. Capital Management

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

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

			(Amount in ₹)	
Particulars	31-Mar-19	31-Mar-18		
Borrowings (Long term and Short term including Current maturity of Long term Borrowings) Note 16 & 17	1,03,57,82,002	45,63,55,447		
Other Payable (current and non-current, excluding current maturity of long term borrowings) Note 18,19,20 & 21	5,01,42,574	4,94,19,815		
Less Cash and Cash Equivalents	3,61,93,360	15,04,08,127		
<b>Net Debt</b>	<b>104,97,31,216</b>	<b>35,53,67,135</b>		
Equity Share capital	6,39,90,000	<b>6,39,90,000</b>		
Other Equity	1,15,81,74,091	109,31,89,215		
<b>Total Capital</b>	<b>122,21,64,091</b>	<b>115,71,79,215</b>		
<b>Capital and Net debt</b>	<b>227,18,95,307</b>	<b>151,25,46,350</b>		
<b>Gearing ratio (in %)</b>	<b>46.20</b>	<b>23.49</b>		

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

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,  
Firm Reg No.01882S

For and on behalf of the BOD of Bhagyanagar India Limited

Rameshchand Jain

Partner  
M. No. 023019

Narender Surana

Managing Director  
DIN: 00075086

Devendra Surana

Managing Director  
DIN: 00077296

Surendra Bhutoria

Chief Financial Officer

Rachna Kewliya

Company Secretary  
Membership No: 48989

Place: Secunderabad,  
Date : 23<sup>rd</sup> May, 2019

## Independent Auditors' Report on Consolidated Financial Statements

To the Members of

M/s. **BHAGYANAGAR INDIA LIMITED**

**Report on Audit of the Consolidated Ind AS Financial Statements**

### Opinion

1. We have audited the accompanying consolidated Ind AS financial statements of **BHAGYANAGAR INDIA LIMITED** (herein after referred to as "The Holding Company") and one of its subsidiary **BHAGYANAGAR COPPER PRIVATE LIMITED** (Earlier '**Aanvik Mercantile Private Limited**' ) (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 2019, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement , the consolidated statement of change in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2019, and their consolidated profit including other comprehensive Income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Basis For Opinion

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

### Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b></p> <p>(Refer Note No.4(a) to the Consolidated financial statements)</p> <p>Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer.</p> <p>The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.</p> <p>Revenue is measured net of net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.</p>	<ul style="list-style-type: none"> <li>• Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'.</li> <li>• Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.</li> <li>• Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms.</li> <li>• To test cut off selected sample of sales transactions made pre- and post - year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.</li> <li>• Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.</li> </ul>

<p>Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Performed monthly analytical procedures of revenue by streams to identify any unusual trends.</li> <li>• Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</li> </ul>
<p><b>Refer to Note- 4(b) (Significant Accounting Policies) and Note-5 (Property, plant and equipment) of the enclosed financial statements.</b></p>	<p>Understood, evaluated and tested the design and in relation to Property Plant and Equipment.</p>
<p>The Company capitalized Rs.16,08,13,217/- as Property, plant and equipment in respect of its plants at Shabashpally for manufacture of copper product.</p>	<p>Performed test of details with focus on those items that we considered significant due to their amount or nature and tested a number of items capitalised against underlying supporting documents to ascertain nature of costs and whether they meet the recognition criteria provided in the Ind AS 16, Property, Plant and Equipment in this regard.</p>
<p>Given the significance of the capital expenditure during the year, there is a risk that elements of costs that are ineligible for capitalisation in accordance with the recognition criteria provided in Indian Accounting Standard 16, Property, Plant and Equipment are capitalised.</p>	<p>Reviewed the other costs tested during the course of our audit and debited to Statement of Profit and Loss Account, to ascertain whether these meet the criteria for capitalization.</p> <p>Our procedures as mentioned above did not identify any costs that had been inappropriately capitalised.</p>

#### Other Information

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does include the Consolidated financial statements and our auditor's report thereon.
- Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtain in the audit or other wise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility and those charged with Governance for the Consolidated Financial Statements

- The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Ind AS consolidated financial statements by the Directors of the Holding Company, as aforesaid.
- In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the group are responsible for overseeing the company's financial reporting process of the Group.

#### **Auditors Responsibilities for the audit of Consolidated Financial Statements.**

11. Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
  - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.
13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

16. As required by section 143(3) of the Act, we report, to the extent applicable that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of aforesaid consolidated financial statements.

- b. In our opinion proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the group company.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with relevant books of account and records maintained for the purpose of preparation of consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors of Holding Company as on March 31, 2019, and taken on record by the Board of Directors of Holding Company and the report of the statutory auditors of subsidiary company, incorporated in India, none of the directors of the Group Companies, incorporated in India, is disqualified as on March 31, 2019, from being appointed as a directors in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations which would impact its financial position. Refer note No. 34(i) to the financial statement.
  - (ii) The Group did not have any long-term contracts including derivative contracts as at March 31, 2019; as such the question of commenting on any material foreseeable losses thereon does not arise
  - (iii) There has been no delaying in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company and its Subsidiary Company, incorporated in India.

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

**Rameshchand Jain  
(Partner)  
Membership No.023019**

Place: Secunderabad  
Date: 23rd May, 2019



## Annexure - A to the Auditors' Report

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

- In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of **BHAGYANAGAR INDIA LIMITED** ("the Holding Company") and one of its subsidiary company, **BHAGYANAGAR COPPER PRIVATE LIMITED** (Earlier 'Aanvik Mercantile Private Limited') (together referred to as "the Group"), which are company incorporated in India, as of that date.

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

- The Respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

- Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

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

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

#### Opinion

- In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**Rameshchand Jain**  
(Partner)  
Membership No.023019

Place: Secunderabad  
Date: 23rd May, 2019

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2019**

(Amount in ₹)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	770,986,623	630,015,057
(b) Capital Work-in-Process		-	2,452,605
(c) Financial Assets			
- Investments	6	300,000	300,000
- Loans	7	13,022,076	9,980,796
(d) Deferred tax assets (net)	8	11,962,368	14,342,918
		<b>796,271,067</b>	<b>657,091,376</b>
<b>Current assets</b>			
(a) Inventories	9	980,917,960	368,355,158
- Trade receivables	10	378,158,235	345,888,314
- Cash and cash equivalents	11	40,257,376	150,517,995
(b) Current Tax Assets (net)	12	10,441,476	11,857,442
(c) Other current assets	13	207,700,161	127,817,544
		<b>1,617,475,208</b>	<b>1,004,436,453</b>
<b>Total assets</b>		<b>2,413,746,275</b>	<b>1,661,527,829</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	63,990,000	63,990,000
(b) Other Equity	15	1,155,103,818	1,091,710,006
		<b>1,219,093,882</b>	<b>1,155,700,006</b>
<b>Total Equity</b>		<b>1,219,093,882</b>	<b>1,155,700,006</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	16	96,384,629	159,888,525
		<b>96,384,629</b>	<b>159,888,525</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
- Borrowings	17	860,979,936	180,787,500
- Trade Payables	18	42,475,270	22,314,151
- Other Current financial liabilities	19	184,941,751	128,721,970
(b) Other current liabilities	20	8,970,807	13,215,678
(c) Provisions	21	900,000	900,000
		<b>1,098,267,764</b>	<b>345,939,298</b>
<b>Total liabilities</b>		<b>1,194,652,393</b>	<b>505,827,823</b>
<b>Total equity and liabilities</b>		<b>2,413,746,275</b>	<b>1,661,527,829</b>

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

See accompanying notes form an integral part of Standalone financial statements. 30 to 44

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

**For Luharuka & Associates**

Chartered Accountants,  
Firm Reg No.01882S

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

**Rameshchand Jain**  
Partner  
M. No. 023019

**Narender Surana**  
Managing Director  
DIN: 00075086

**Devendra Surana**  
Managing Director  
DIN: 00077296

Place: Secunderabad,  
Date : 23<sup>rd</sup> May, 2019

**Surendra Bhutoria**  
Chief Financial Officer

**Rachna Kewliya**  
Company Secretary  
Membership No: 48989

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**  
(Amount in ₹)

Particulars		Note No.	For the year 31.03.2019	For the year 31.03.2018
<b>I</b>	<b>INCOME</b>			
	Revenue from Sale of Product		5,685,197,542	4,553,367,331
	Infrastructure Leasing		7,181,509	10,609,904
			<b>5,692,379,051</b>	4,563,977,235
	Less: Excise Duty		-	95,280,782
	<b>NET REVENUE FROM OPERATIONS</b>	22	<b>5,692,379,051</b>	4,468,696,453
	<b>OTHER INCOME</b>	23	<b>9,683,054</b>	115,367,333
	<b>TOTAL INCOME</b>		<b>5,702,062,105</b>	<b>4,584,063,786</b>
<b>II</b>	<b>EXPENSES</b>			
	Cost of Raw Materials and Components Consumed	24	<b>5,170,134,734</b>	3,990,284,062
	(Increase)/Decrease in Inventories			
	Work-in-Progress and Stock in Trade	25	<b>(85,368,752)</b>	15,313,228
	Employee Benefit Expenses	26	<b>60,031,741</b>	58,537,557
	Finance Costs	27	<b>76,605,120</b>	38,153,322
	Depreciation and Amortisation Expenses	28	<b>39,398,712</b>	37,630,339
	Other Expenses	29	<b>355,282,190</b>	277,816,330
	<b>TOTAL EXPENSES</b>		<b>5,616,083,745</b>	<b>4,417,734,838</b>
<b>IV</b>	<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX( I - II)</b>		<b>85,978,360</b>	166,328,948
<b>V</b>	<b>AMORTISATION OF INTANGIBLE ASSETS</b>		-	-
<b>VI</b>	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (IV-V)</b>		<b>85,978,360</b>	166,328,948
<b>VII</b>	<b>EXTRAORDINARY ITEMS</b>			-
<b>VIII</b>	<b>PROFIT BEFORE TAX (VI+VII)</b>		<b>85,978,360</b>	<b>166,328,948</b>
<b>IX</b>	<b>TAX EXPENSE</b>			
	1. Current Tax		<b>20,204,000</b>	34,097,481
	2. Deferred Tax		<b>2,879,320</b>	3,300,668
	3. MAT Entitlement Credit		<b>(498,770)</b>	1,824,460
<b>X</b>	<b>PROFIT AFTER TAX (VIII-IX)</b>		<b>63,393,810</b>	127,106,339
<b>XIII</b>	<b>EARNINGS PER EQUITY SHARE</b>			
	1. Basic		<b>1.98</b>	3.97
	2. Diluted		<b>1.98</b>	3.97

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

See accompanying notes form an integral part of Standalone financial statements. 30 to 44

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

Chartered Accountants,  
Firm Reg No.01882S

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

**Rameshchand Jain**  
Partner  
M. No. 023019

**Narender Surana**  
Managing Director  
DIN: 00075086

**Devendra Surana**  
Managing Director  
DIN: 00077296

**Surendra Bhutoria**  
Chief Financial Officer

**Rachna Kewliya**  
Company Secretary  
Membership No: 48989

Place: Secunderabad,  
Date : 23<sup>rd</sup> May, 2019

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

### A. Equity Share capital

Particulars	No of shares	In Rupees
Balance as at 1 April 2017	31,995,000	63,990,000
Changes in equity share capital during 2017-18	-	-
<b>Balance as at 31 March 2018</b>	<b>31,995,000</b>	<b>63,990,000</b>
Balance as at 1 April 2018	31,995,000	63,990,000
Changes in equity share capital during 2018-19	-	-
Balance as at 31 March 2019	31,995,000	63,990,000

### B. Other equity

(Amount in ₹)

Particulars	Reserve & Surplus				Total
	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	
<b>Balance at 1 April,2017</b>	<b>798,213,232</b>	<b>135,685,379</b>	<b>16,676,523</b>	<b>21,020,000</b>	<b>971,595,134</b>
Profit for the year	127,106,339	-	-	-	127,106,339
Other Comprehensive Income (net of tax)	-	-	-	-	-
Less: Capital Reserve on account of acquisition of subsidiary	(48,601,414)	-	-	-	(48,601,414)
Add/(Less): Change on account of divestment of associate company	(527,657)	-	-	-	(527,657)
Add/(Less): Reversal of profit/ (loss) on account of divestment of subsidiaries	(20,841,312)	14,314,621	-	-	(6,526,691)
Add:Created on account of discontinuation of Subsidiaries/Associates	-	-	48,664,295.00	-	48,664,295
Add: Transferred (to)/from Retained Earnings	(50,000,000)	50,000,000	-	-	-
<b>Balance at 31 March, 2018</b>	<b>805,349,188</b>	<b>200,000,000</b>	<b>65,340,818</b>	<b>21,020,000</b>	<b>1,091,710,006</b>
Balance at 1 April,2018	805,349,188	200,000,000	65,340,818	21,020,000	1,091,710,006
Profit for the year	63,393,810	-	-	-	63,393,810
Add: Transferred (to)/from Retained Earnings	(50,000,000)	50,000,000	-	-	-
<b>Balance at 31 March, 2019</b>	<b>818,742,998</b>	<b>250,000,000</b>	<b>65,340,818</b>	<b>21,020,000</b>	<b>1,155,103,816</b>

Significant accounting policies and key accounting estimates and judgements

1 to 4

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

30 to 44

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,

Firm Reg No.01882S

For and on behalf of the BOD of Bhagyanagar India Limited

**Rameshchand Jain**

Partner

M. No. 023019

**Narender Surana**

Managing Director

DIN: 00075086

**Devendra Surana**

Managing Director

DIN: 00077296

Place: Secunderabad,

Date : 23<sup>rd</sup> May, 2019

**Surendra Bhutoria**

Chief Financial Officer

**Rachna Kewliya**

Company Secretary

Membership No: 48989

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st 2019**

(Amount in ₹)

Particulars	2018-19	2017-18		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit (Loss) before Tax and Exceptional Items	85,978,360	166,328,948		
<b>Adjustments for Non-Operating Activities:</b>				
Depreciation	39,038,712	37,117,709		
Amortisation of lease rent	360,000	512,630		
Sundry balance writtern off	3,238,973	6,522,877		
Sundry balance writtern back	(809,811)	(121,062)		
Interest paid	76,212,439	38,153,322		
(Profit)/loss on sale of fixed assets	(2,459,637)	(92,516,652)		
(Profit)/Loss on Sale of Investments	-	127,552		
Dividend received	(661,407)	(635,118)		
Interest received	(5,080,593)	109,838,676	(21,354,605)	(32,193,347)
Operating Profit before Working Capital Changes	<b>195,817,036</b>	<b>134,135,601</b>		
<b>Movement in Working Capital</b>				
Increase/ (Decrease) in other current liabilities	14,309,122	(22,323,620)		
Increase/ (Decrease) in other financial liabilities	44,383,942	(10,061,582)		
Increase/ (Decrease) in trade payables	14,252,776	(829,853)		
(Increase)/ Decrease in other current assets	(83,035,620)	86,243,614		
(Increase)/ Decrease in trade receiabies	(35,508,894)	(21,568,132)		
(Increase)/ Decrease in inventory	(612,562,802)	(658,161,476)	141,738,124	173,198,551
<b>Cash Generation From Operations</b>	<b>(462,344,440)</b>	<b>307,334,152</b>		
Direct Taxes (Net)	(18,676,292)	(28,251,702)		
<b>Net Cash from Operating Activities (A)</b>	<b>(481,020,732)</b>	<b>279,082,450</b>		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Loans recovered	-	221,676,496		
Interest received	5,080,593	21,354,605		
Purchase of fixed assets	(179,126,959)	(38,125,221)		
Investment in of Shares & Other Investments (Net)	-	13,238,987		
Sale of fixed assets	3,163,188	95,856,498		
Dividend Received	661,407	635,118		
<b>Net Cash from / (Used in) Investing Activities (B)</b>	<b>(170,221,771)</b>	<b>314,636,483</b>		

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st 2019**

(Amount in ₹)

Particulars	2018-19	2017-18
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(76,212,439)	(38,153,322)
Proceeds/(Repayment) from borrowings	617,492,327	(457,414,458)
Dividend Paid	(149,003)	(207,271)
(Increase)/Decrease in restricted deposits	3,153,547	7,329,721
<b>Net Cash (used in) /from Financing Activities (C)</b>	<b>544,284,432</b>	<b>(488,445,330)</b>
<b>Net Increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(106,958,071)</b>	<b>105,273,603</b>
Opening cash and cash equivalent at the beginning of the year	111,845,356	6,571,754
Closing cash and cash equivalent at the end of the year	4,887,285	111,845,356
<b>Net Increase/(decrease) in cash &amp; cash equivalents</b>	<b>(106,958,071)</b>	<b>105,273,602</b>

Notes :

1. Components of cash and cash equivalents	2018-19	2017-18
Cash in hand	131,731	366,484
Balances with banks	4,755,554	32,478,872
Investment in Liquid Funds	-	79,000,000
	<b>4,887,285</b>	<b>111,845,356</b>

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

As per our report of even date attached  
 For Luharuka & Associates  
 Chartered Accountants,  
 Firm Reg No.01882S

For and on behalf of the BOD of Bhagyanagar India Limited

Rameshchand Jain  
 Partner  
 M. No. 023019

Narender Surana  
 Managing Director  
 DIN: 00075086

Devendra Surana  
 Managing Director  
 DIN: 00077296

Place: Secunderabad,  
 Date : 23<sup>rd</sup> May, 2019

Surendra Bhutoria  
 Chief Financial Officer

Rachna Kewliya  
 Company Secretary  
 Membership No: 48989

## SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

### 1. Corporate Information

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

### 2. Basis of preparation and Basis of Consolidation

#### A. Basis of preparation

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

#### B. Basis of Consolidation

The consolidated Ind AS financial statements comprise of the Ind AS financial statements of **Bhagyanagar India Limited** and its only subsidiary company namely, **Bhagyanagar copper Private Limited** (Formerly, known as 'Aanvik Mercantile Private Limited') (collectively referred to as “the company” or “the Group”) as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); Exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: The contractual arrangement with the other vote holders of the investee; Rights arising from other contractual arrangements; The Group's voting rights and potential voting rights, and the size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

#### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it: Derecognises the assets (including goodwill) and liabilities of the subsidiary; Derecognises the carrying amount of any non-controlling interests; Derecognises the cumulative translation differences recorded in equity; Recognises the fair value of the consideration received; Recognises the fair value of any investment retained; Recognises any surplus or deficit in profit or loss, and Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### 3. Recent accounting pronouncements and Use of estimates and judgments:

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

**Ind AS 116 Leases** : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases.

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The effect on adoption of Ind AS 116 would be insignificant in the financial statements.

- A. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.



The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

- B. Amendment to Ind AS 12 – Income taxes :** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

- C. Amendment to Ind AS 19 – plan amendment, curtailment or settlement-** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

**The amendments require an entity:**

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not have any impact on account of this amendment

#### 4. Significant Accounting Policies:

##### (a) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

##### (b) Revenue Recognition

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

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

**Other income:**

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

**(c) Property, Plant and Equipment**

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

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

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

**(d) Investment Properties**

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

**(e) Intangible Assets**

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

**(f) Depreciation and amortization:**

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

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

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

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

A liability is current when:

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

**(h) Financial assets**

Financial assets comprise of cash and cash equivalents.

***Initial recognition:***

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

***Subsequent Measurement:***

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

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

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

***Impairment of Financial Assets:***

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

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

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

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

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

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

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

**(j) Cash and Cash equivalents**

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

**(k) Financial liabilities*****Initial recognition and measurement:***

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

***Subsequent measurement:***

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

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

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

**(l) Borrowing Costs**

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

**(m) Employee Benefits**

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

**Provident Fund**

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

**Gratuity**

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

**Compensated absences**

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

**Short-term employee benefits**

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

**(n) Income Taxes**

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

**Deferred income tax**

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

**Minimum Alternative Tax (MAT)**

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

**(o) Leases****As a lessee**

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

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

**As a lessor**

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

**Lease-hold land:**

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

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

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

Contingent liability is disclosed for:

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

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

(a) Fair value measurement

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

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

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

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

(q) **Earnings per share**

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

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

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

## Notes forming part of the Consolidated Financial Statements

### Note : 5 Property, Plant and Equipment

(Amount in ₹)

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

Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation Equipment	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Plantation	Grand Total
Gross carrying Value as of April 01, 2018	270,543,954	6,334,814	62,571,334	731,587,756	36,561,544	17,129,893	52,942,626	16,179,680	7,589,283	2,010	5,760,000	1,207,202,894
Additions	-	-	22,838,826	122,363,351	27,089,599	210,893	8,837,286	-	239,609	-	-	181,579,564
Deletions	-	(360,000)	(324,000)	-	-	-	(2,851,989)	-	-	-	-	(3,535,989)
<b>Gross carrying Value as at March 31, 2019</b>	<b>270,543,954</b>	<b>5,974,814</b>	<b>85,086,160</b>	<b>853,951,107</b>	<b>63,651,143</b>	<b>17,340,786</b>	<b>58,927,923</b>	<b>16,179,680</b>	<b>7,828,892</b>	<b>2,010</b>	<b>5,760,000</b>	<b>1,385,246,469</b>
Accumulated depreciation as at April 01, 2018	-	-	24,984,140	452,490,473	30,144,965	15,115,861	32,082,369	14,556,393	7,235,626	2,010	576,000	577,187,837
Depreciation	-	-	2,145,107	30,022,731	1,058,669	432,114	3,909,012	737,364	157,716	-	576,000	39,038,713
Accumulated depreciation on disposals	-	-	(252,545)	-	-	-	(1,714,159)	-	-	-	-	(1,966,704)
Accumulated depreciation as at March 31, 2019	-	-	26,876,702	482,513,204	31,203,634	15,547,975	34,277,222	15,293,757	7,393,342	2,010	1,152,000	614,259,846
<b>Carrying Value as at March 31, 2019</b>	<b>270,543,954</b>	<b>5,974,814</b>	<b>58,209,458</b>	<b>371,437,903</b>	<b>32,447,509</b>	<b>1,792,811</b>	<b>24,650,701</b>	<b>885,923</b>	<b>435,550</b>	<b>-</b>	<b>4,608,000</b>	<b>770,986,623</b>
Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31st March 2018												
Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation Equipment	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Plantation	Grand Total
Gross carrying Value as at April 01, 2017	166,695,204	9,021,944	58,617,569	971,409,494	36,561,544	16,007,230	40,059,347	16,179,680	7,542,616	2,010	-	1,322,096,638
Additions	120,231,000	-	14,681,545	20,330,282	-	1,122,663	14,173,005	-	46,667	-	5,760,000	176,345,162
Disposals	(16,382,250)	(2,687,130)	(10,727,780)	(260,152,020)	-	-	(1,289,726)	-	-	-	-	(291,238,906)
<b>Gross carrying Value as at March 31, 2018</b>	<b>270,543,954</b>	<b>6,334,814</b>	<b>62,571,334</b>	<b>731,587,756</b>	<b>36,561,544</b>	<b>17,129,893</b>	<b>52,942,626</b>	<b>16,179,680</b>	<b>7,589,283</b>	<b>2,010</b>	<b>5,760,000</b>	<b>1,207,202,894</b>
Accumulated depreciation as at April 01, 2017	-	-	32,415,301	471,191,477	29,166,526	14,497,429	29,913,201	13,819,571	7,045,412	2,010	-	598,050,927
Depreciation	-	-	2,195,759	28,427,908	978,439	618,432	3,394,135	736,822	190,214	-	576,000	37,117,709
Accumulated depreciation on disposals	-	-	(9,626,920)	(47,128,912)	-	-	(1,224,967)	-	-	-	-	(57,980,799)
Accumulated depreciation as at March 31, 2018	-	-	24,984,140	452,490,473	30,144,965	15,115,861	32,082,369	14,556,393	7,235,626	2,010	576,000	577,187,837
<b>Carrying Value as at March 31, 2018</b>	<b>270,543,954</b>	<b>6,334,814</b>	<b>37,587,194</b>	<b>279,097,283</b>	<b>6,416,579</b>	<b>2,014,032</b>	<b>20,860,257</b>	<b>1,623,287</b>	<b>353,657</b>	<b>-</b>	<b>5,184,000</b>	<b>630,015,057</b>
<b>Carrying Value as at March 31, 2017</b>	<b>166,695,204</b>	<b>9,021,944</b>	<b>26,202,268</b>	<b>500,218,017</b>	<b>7,395,018</b>	<b>1,509,801</b>	<b>10,146,146</b>	<b>2,360,109</b>	<b>497,204</b>	<b>-</b>	<b>-</b>	<b>724,045,711</b>

## Notes forming part of the Consolidated Financial Statements

### Notes to Balance sheet

#### Note: 6

(Amount in ₹)

Investments	Sub note	As at 31.03.2019		As at 31.03.2018	
		No.s	Value	No.s	Value
<b>B) Investment at Fair Value through OCI</b>					
<b>1. Investment in Equity Instruments (Unquoted)</b>					
<b>Mana Effluent Treatment Plant</b>		200	200,000	200	200,000
(Equity shares of ₹ 1000/-each fully paid up)					
<b>2. Excellent Cooperative Bank Ltd</b>					
		1,000	100,000	1,000	100,000
<b>GRAND TOTAL (A+B)</b>			<b>300,000</b>	<b>300,000</b>	

#### Note: 7

(Amount in ₹)

Loans	Sub note	As at 31.03.2019	As at 31.03.2018
<b>Unsecured, Considered good.</b>			
(a) Security Deposits		13,022,076	9,980,796
<b>TOTAL</b>		<b>13,022,076</b>	<b>9,980,796</b>

#### Note: 8

(Amount in ₹)

Deferred Tax Assets (Net)	Sub note	As at 31.03.2019	As at 31.03.2018
(a) Deferred Tax Asset at the beginning of the year		(1,180,039)	2,120,629
Less: Deferred Tax Asset/ (Liability) for the year, on account of timing difference.		(2,879,320)	(3,300,668)
<b>(b) Others</b>			
MAT Credit Entitlement		16,021,727	15,522,957
<b>TOTAL</b>		<b>11,962,368</b>	<b>14,342,918</b>

#### Note: 9

(Amount in ₹)

Inventories	Sub note	As at 31.03.2019	As at 31.03.2018
<b>(As Valued and Certified by the Management)</b>			
Raw Materials		856,549,151	329,355,158
Work-in-Progress		124,368,809	39,000,000
<b>TOTAL</b>		<b>980,917,960</b>	<b>368,355,158</b>

#### Note: 10

(Amount in ₹)

Trade Receivables	Sub note	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good	10(a)/10(b)	378,158,235	345,888,314
Considered Doubtful		-	-
		<b>378,158,235</b>	<b>345,888,314</b>
Less : Provision for Doubtful Receivables		-	-
<b>TOTAL</b>		<b>378,158,235</b>	<b>345,888,314</b>

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

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



## Notes forming part of the Consolidated Financial Statements

**Note: 11**

(Amount in ₹)

Cash and cash Equivalents	Sub note	As at 31.03.2019	As at 31.03.2018
(a) Cash & Cash Equivalents			
(i) Balances in current account		4,755,554	32,478,872
(ii) Cash On Hand		131,731	366,483
(b) Other Balances			
(i) In Dividend account		1,104,566	1,253,568
(ii) Deposit held to the extent of margin money		34,265,525	37,419,072
(iii) Investment in Liquid Funds		-	79,000,000
<b>TOTAL</b>		<b>40,257,376</b>	<b>150,517,995</b>

**Note: 12**

(Amount in ₹)

Current Tax Assets (Net)	Sub note	As at 31.03.2019	As at 31.03.2018
(a) Income tax Receivable		74,989,696	59,905,062
Less: Provision for Taxes		64,548,220	48,047,620
<b>TOTAL</b>		<b>10,441,476</b>	<b>11,857,442</b>

**Note: 13**

(Amount in ₹)

Other Current Assets	Sub note	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered Good Unless Otherwise Stated)			
(i) Balances with Statutory Authorities		119,981,554	37,866,925
(ii) Advances To Suppliers		84,331,029	64,002,540
(iii) Sundry Advances		3,387,578	25,948,079
<b>TOTAL</b>		<b>207,700,161</b>	<b>127,817,544</b>

Share Capital	As at 31st March 2019		As at 31st March 2018	
	Number	Rupees	Number	Rupees
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	125,000,000	250,000,000	125,000,000	250,000,000
<b>Issued</b>				
Equity Shares of ₹ 2/- each	31,995,000	63,990,000	31,995,000	63,990,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 2/- each fully paid	31,995,000	63,990,000	31,995,000	63,990,000
<b>Total</b>	<b>31,995,000</b>	<b>63,990,000</b>	<b>31,995,000</b>	<b>63,990,000</b>

**a. Terms /Rights attached to Shareholders**

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	31,995,000	63,990,000	31,995,000	63,990,000
Shares reduced on account of demerger	-	-	-	-
Shares outstanding at the end of the year	31,995,000	63,990,000	31,995,000	63,990,000

## Notes forming part of the Consolidated Financial Statements

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

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SURANA INFOCOM PRIVATE LIMITED	4,341,581	13.57	4,341,581	13.57
NARENDER SURANA	3,341,870	10.44	3,181,468	9.94
DEVENDRA SURANA	3,202,160	10.01	3,134,660	9.80
MANISH SURANA	2,337,214	7.30	2,337,513	7.31
NAMRATA SURANA	1,870,435	5.85	1,870,335	5.85
GM SURANA	1,710,990	5.35	1,710,990	5.35
SUNITA SURANA	1,572,181	4.91	1,556,831	4.87
	<b>18,376,431</b>	<b>57.43</b>	<b>18,133,378</b>	<b>56.68</b>

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

#### Note : 15

Other Equity	Sub note	As at 31.03.2019	As at 31.03.2018
<b>General Reserves</b>			
Balance as per Last Account		200,000,000	135,685,379
Add : Transferred from Retained Earnings		50,000,000	50,000,000
Add : Created on account of discontinuation of Subsidiaries/ Associates		-	14,314,621
<b>Balance at the year end</b>		<b>250,000,000</b>	<b>200,000,000</b>
<b>Capital Reserves</b>			
Balance as per Last Account		65,340,818	16,676,523
Add : Created on account of acquisition of new subsidiary		-	48,664,295
<b>Balance at the year end</b>		<b>65,340,818</b>	<b>65,340,818</b>
<b>Capital Redemption Reserve</b>			
Balance as per Last Account		21,020,000	21,020,000
<b>Balance at the year end</b>		<b>21,020,000</b>	<b>21,020,000</b>
<b>Retained Earnings</b>			
		805,349,190	798,213,232
Add: Profit during the year/period		63,393,810	127,106,339
Less : Capital Reserve on Acquisition of new Subsidiary		-	(48,601,414)
Less : Change on account of divestment of Associate Company		-	(527,657)
Less : Reversal of Profit/(Loss) on account of divestment of Subsidiaries		-	(20,841,312)
Amount available for Appropriation		868,743,000	855,349,188
Transfer to General Reserve		50,000,000	50,000,000
<b>Balance at the year end</b>		<b>818,743,000</b>	<b>805,349,188</b>
<b>TOTAL</b>		<b>1,155,103,818</b>	<b>1,091,710,006</b>

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

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

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

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

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

## Notes forming part of the Consolidated Financial Statements

### Note : 16 Current Maturities\*

Non Current Liabilities - Borrowings	Sub note	Non Current Maturities*		Current Maturities*	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
(a) Term loan					
from ICICI Bank	a	-	152,975,420	162,669,880	113,010,382
from Kotak Bank		88,155,659	-	11,835,839	--
(b) Car Loan - Kotak Bank	b	4,942,629	6,913,105	2,669,040	2,669,040
(c) Car Loan - Yes Bank		3,286,341	-	1,234,176	-
<b>TOTAL</b>		<b>96,384,629</b>	<b>159,888,525</b>	<b>178,408,935</b>	<b>115,679,422</b>

\*Current Maturities are included in Note:19 - Other Financial Liabilities.

Notes : Term Loan From ICICI Bank:

Particulars of Nature of Security	Non Current Maturities*				Current Maturities*			
	31.03.2019		31.03.2018		31.03.2019		31.03.2018	
	Month	USD	Month	USD	Month	USD	Month	USD
ICICI Bank provided ECB amounting to USD 13,560,000 carrying a fixed interest rate of 6.96%. ECB is secured by first charge on certain fixed assets of the company and personal guarantee of Managing Directors. Long Term ECB liability as at 31.03.2019 amounting to USD 23,47,327 is valued at ₹ 69.17 per USD against ₹ 65.04 per USD. as on 31st March,2018.	-	-	Apr- 19	593,775	Apr- 19	593,775	Apr- 18	275,000
	-	-	July-19	824,448	July-19	824,448	July-18	275,000
	-	-	Oct-19	929,104	Oct-19	929,104	Oct-18	593,776
							Jan-19	593,776

Car Loan - Kotak Bank

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

Car Loan - Yes Bank

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

### Note: 17

(Amount in ₹)

Current Liabilities - Borrowings	Sub note	As at 31.03.2019	As at 31.03.2018
Secured			
<b>Working Capital Facilities from Banks</b>			
- Working Capital Demand Loan		100,000,000	-
- Cash Credit		660,230,973	-
- Buyers Credit		100,748,963	180,787,500
<b>TOTAL</b>		<b>860,979,936</b>	<b>180,787,500</b>

Particulars of Nature of Security

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

### Note: 18

(Amount in ₹)

Trade Payables	Sub note	As at 31.03.2019	As at 31.03.2018
For Goods & Services			
- Total Outstanding dues of Micro and Small Enterprises			-
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises		42,475,270	22,314,151
<b>TOTAL</b>		<b>42,475,270</b>	<b>22,314,151</b>

## Notes forming part of the Consolidated Financial Statements

**Note: 19**

(Amount in ₹)

Other Financial Liabilities	Sub note	As at 31.03.2019	As at 31.03.2018
(a) Current Maturities on Long Term Debt (Refer Note:16 (a))		178,408,935	115,679,422.08
(b) Interest Accrued but not due on borrowings		4,274,251	4,702,368
(c) Unclaimed Dividends	a.	1,104,565	1,253,568
(d) Security Deposits		1,154,000	7,086,612
<b>TOTAL</b>		<b>184,941,751</b>	<b>128,721,970</b>

**Notes :**

a) These figures do not include any amount due and outstanding to be credited to Investor Education and Protection Fund

**Note: 20**

(Amount in ₹)

Other Current Liabilities	Sub note	As at 31.03.2019	As at 31.03.2018
(a) Statutory Dues Payable		1,631,361	2,673,065
(b) Liability for Expenses		4,283,128	3,921,125
(c) Advance from Customers		3,056,318	5,759,899
(d) Accrued Rental Income		-	861,589
<b>TOTAL</b>		<b>8,970,807</b>	<b>13,215,678</b>

**Note: 21**

(Amount in ₹)

Provisions	Sub note	As at 31.03.2019	As at 31.03.2018
Provision for Employee Benefits-Bonus		900,000	900,000
<b>TOTAL</b>		<b>900,000</b>	<b>900,000</b>

**Note: 22**

(Amount in ₹)

Revenue from Operations	Sub note	As at 31.03.2019	As at 31.03.2018
(a) Sale of Products			
Copper Products		7,805,555,138	5,353,848,387
Sale of Wind Power		53,506,443	59,902,625
<b>SUB - TOTAL</b>		<b>7,859,061,581</b>	<b>5,413,751,012</b>
Less : Inter-Unit Sales		1,192,573,881	202,354,648
<b>GROSS SALES</b>		<b>6,666,487,700</b>	<b>5,211,396,364</b>
Less : Sales Tax/ GST		981,290,158	658,029,033
<b>NET SALES</b>		<b>5,685,197,542</b>	<b>4,553,367,331</b>
(b) Infrastructure Leasing		7,181,509	10,609,904
<b>TOTAL</b>		<b>5,692,379,051</b>	<b>4,563,977,235</b>

**Note: 23**

(Amount in ₹)

Other Income	Sub note	As at 31.03.2019	As at 31.03.2018
(a) Interest Income			
Interest on Loans, Deposits and Others	a.	5,177,425	21,354,605
(b) Dividend Income		676,407	635,118
(c) Profit on Sale of Sundry Assets		2,459,637	92,516,652
(e) Miscellaneous Income		52,541	278,321
(f) Rental Income		507,233	461,575
(g) Balances no Longer Payable Written Back		809,811	121,062
<b>TOTAL</b>		<b>9,683,054</b>	<b>115,367,333</b>

Interest on Loans, Deposits and Others

Interest Income is net of interest accrued in the earlier years not received.

## Notes forming part of the Consolidated Financial Statements

**Note: 24**

(Amount in ₹)

<b>Cost of Raw Materials and Components Consumed</b>	<b>Sub note</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Opening Stock Raw Materials		329,355,101	455,779,997
Opening Stock Material - In - Transit		-	-
Add : Purchases net of Modvat		6,889,902,665	4,066,213,814
Less : Closing Stock Raw Materials		856,549,151	329,355,101
Less : Inter-Unit Purchases		1,192,573,881	202,354,648
<b>Raw Material Consumed</b>		<b>5,170,134,734</b>	<b>3,990,284,062</b>

**Note: 25**

(Amount in ₹)

<b>(Increase)/Decrease in Inventories</b>	<b>Sub note</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Opening Stock WIP		39,000,057	51,533,772.00
Opening Stock Finished Goods		-	-
Material in Transit - Stores and Spares		-	967,413
Opening Stock Stores and Spares		-	1,812,100
Less : Closing Stock WIP		124,368,809	39,000,057
Less : Closing Stock Stores and Spares		-	-
Less : Material in Transit - Stores and Spares		-	-
<b>(Increase)/Decrease in Stock</b>		<b>(85,368,752)</b>	<b>15,313,228</b>

Notes forming part of the Standalone Financial Statements

**Note: 26**

(Amount in ₹)

<b>Employee Benefits Expense</b>	<b>Sub note</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Salaries, Wages and Other Employee Benefits		55,356,839	53,738,070
Contribution To Provident And Other Funds		4,674,902	4,799,487
<b>TOTAL</b>		<b>60,031,741</b>	<b>58,537,557</b>

**Note: 27**

(Amount in ₹)

<b>Finance Costs</b>	<b>Sub note</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Interest Expense			
Cash Credit & Others		50,928,468	8,358,662
Long Term Loan		16,609,388	21,756,671
Financial Charges		9,067,264	8,037,989
<b>TOTAL</b>		<b>76,605,120</b>	<b>38,153,322</b>

**Note: 28**

(Amount in ₹)

<b>Depreciation and Amortisation Expenses</b>	<b>Sub note</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Depreciation		39,038,712	37,117,709
Amortisation Expenses - Lease Rent		360,000	512,630
<b>TOTAL</b>		<b>39,398,712</b>	<b>37,630,339</b>

## Notes forming part of the Consolidated Financial Statements

Note: 29

(Amount in ₹)

Other Expenses	Sub note	As at 31.03.2019	As at 31.03.2018
Consumption Of Stores And Spare Parts		36,203,241	14,704,252
Power And Fuel		152,987,180	127,408,941
Rent		1,728,348	1,680,845
Repairs		-	
Buildings		530,871	447,357
Machinery		57,312,324	55,240,496
Others		7,335,568	3,727,386
Insurance		2,634,276	1,274,891
Rates And Taxes		2,001,787	3,642,357
Packing And Forwarding		26,975,311	24,307,806
Remuneration To Directors		10,625,806	9,085,000
Loss on Sale Of Investment		-	127,552
Foreign Exchange Fluctuation (Net)		19,440,591	243,464
Other Miscellaneous Expenses		36,652,687	35,048,283
Director's Sitting Fees		324,200	405,000
Payments To The Auditor		-	
for Statutory Audit		350,000	292,700
for Tax Audit		70,000	70,000
for Taxation/Other Matters		70,000	70,000
for Reimbursement Of Expenses		40,000	40,000
<b>TOTAL</b>		<b>355,282,190</b>	<b>277,816,330</b>

### 30. Related Party Disclosure

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

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

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

#### Key Managerial Personnel

- (i) Narender Surana
- (ii) Devendra Surana
- (iii) Surendra Bhutoria
- (iv) Rachna Kewliya (Appointed as CS wef 19<sup>th</sup> June, 2018)
- (v) Badarish H Chimalgi (CS upto 18<sup>th</sup> June, 2018)

#### Relatives of Key Managerial Personnel

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

## Notes forming part of the Consolidated Financial Statements

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

(Amount in ₹)

SNo.	Nature of Transaction	Name of the Related Parties	2018-19	2017-18
1	Purchase of Goods	Surana Solar Limited	6,28,33,908/-	24,23,318/-
2	Purchase of Solar Power	Surana Solar Systems Pvt Limited	2,61,79,264/-	4,64,34,032/-
3	Sale of Shares	Surana Infocom Private Limited	-	13,541,300/-
4	Interest Received	Solar Dynamics Private Limited	-	2,25,11,723/-
		Devendra Surana	1,06,25,806/-	90,00,000/-
		Narender Munoth	-	85,000/-
		N.K.Reddy	5,51,167/-	246,000/-
5	Remuneration – KMP	Surendra Bhutoria	19,74,000/-	1,834,000/-
		Rachna Kewliya	2,86,211/-	-
		Badarish H Chimalgi	1,66,452/-	6,94,839/-
		<b>Total</b>	<b>1,36,03,636/-</b>	<b>1,11,65,000/-</b>
6	Remuneration-Relatives of KMP	Namrata Surana	8,40,000	6,60,000
		Nivrithi Surana	7,20,000	5,40,000
		<b>Total</b>	<b>15,60,000/-</b>	<b>1,200,000/-</b>

Sl.No.	Nature of Transaction	Name of the Related Parties	2018-19	2017-18
	Loans / Advances (given)	<b>Surana Solar Limited</b>		
		Opening Balance	-	-
		Add: Given During the year	-	3,151,579/-
		Less: Recovered During the year	-	3,151,579/-
		<b>Closing Balance</b>		-
		<b>Bhagyanagar Properties Limited</b>		
		Opening Balance		(44,828,185)/-
		Add: Given During the year	-	45,144,199/-
		Less: Recovered During the year	-	316,014/-
		<b>Closing Balance</b>	-	-
		<b>Metropolitan Ventures India Limited</b>		
		Opening Balance		-
		Add: Given During the year		30,780/-
		Less: Recovered During the year		30,780/-
	<b>Closing Balance</b>		-	

## Notes forming part of the Consolidated Financial Statements

Sl.No.	Nature of Transaction	Name of the Related Parties	2018-19	2017-18
	Loans / Advances (given)	<b>Bhagyanagar Metals Limited</b>		
		Opening Balance		8,937,819/-
		Add: Given During the year		-
		Less: Recovered During the year		8,937,819/-
		<b>Closing Balance</b>		<b>-</b>
		<b>Solar Dynamics Private Limited</b>		
		Opening Balance		219,571,071/-
		Add: Given During the year	-	48,964,512/-
		Less: Recovered During the year	-	268,535,583/-
		<b>Closing Balance</b>	<b>-</b>	<b>-</b>
		<b>Surana Telecom and Power Limited</b>		
		Opening Balance		(9,152,573)/-
		Add: Given During the year	-	871,78,021/-
	Less: Recovered During the year	-	78,02,54,48/-	
	<b>Closing Balance</b>	<b>-</b>	<b>-</b>	

### 31. Disclosure required under Section 186(4) of the Companies Act 2013

For details of loans, advances and guarantees given and securities provided to related parties refer **Note 30**.

32. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.

### 33. Earnings Per Share (EPS) (Amount in ₹)

Particulars	2018-19	2017-18
Net Profit after Tax	6,33,93,810/-	127,106,339/-
Net Profit after Tax available for equity share holders - For Basic and Diluted EPS	6,33,93,810/-	127,106,339/-
Weighted Average No. Of Equity Shares For Basic EPS (No.s)	31,995,000	31,995,000
Weighted Average No. Of Equity Shares For Diluted EPS (No.s)	31,995,000	31,995,000
Nominal Value of Equity Shares	2/-	2/-
Basic Earnings Per Equity Share	1.98	3.97
Diluted Earnings Per Equity Share	1.98	3.97

### 34. Contingent Liabilities and Commitments (to the extent not provided for) (Amount in ₹)

Particulars	As at 31-03-2019	As at 31-03-2018
	Rupees	Rupees
Contingent Liabilities	53,71,077/-	4,560,007/-
<b>Commitments:</b>		
<b>Guarantees issued by banks</b>	<b>17,922,400/-</b>	<b>30,473,848/-</b>



## Notes forming part of the Consolidated Financial Statements

### 35. Retirement and Other Employees Benefits

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

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

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

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

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

Particulars	Gratuity	
	2018-19	2017-18
Current service cost	10,70,282	941,713
Interest cost	10,97,603	121,874
Expected Return on Planned Assets	(12,75,097)	(1,097,425)
Net Actuarial Loss/ (Gain) recognized in the year	4,02,808	13,124,201
Expenses recognised in Statement of Profit & Loss	<b>12,95,596</b>	<b>13,090,363</b>

#### b Change in Present value of obligation during the year ended 31st March, 2019

Particulars	Gratuity	
	2018-19	2017-18
Present Value of obligation as at beginning of the year	<b>14,587,496</b>	1,523,419
Interest Cost	<b>10,97,603</b>	121,874
Current Service Cost	<b>10,70,282</b>	941,713
Benefits Paid-Actuals	<b>(19,31,440)</b>	(1,123,711)
Actuarial (Gain)/ Loss on Obligations	<b>4,02,808</b>	13,124,201
<b>Present Value of obligation as at end of the year</b>	<b>15,226,749</b>	<b>14,587,496</b>

#### c Change in fair value of Plan Assets during the year ended 31st March, 2019

Particulars	Gratuity	
	2018-19	2017-18
Fair value of Plan Assets as at the beginning of the year	<b>12,958,488</b>	12,958,488
Expected Return on Plan Assets	<b>1,097,425</b>	1,097,425
Contributions	<b>3,979,186</b>	3,979,186
Benefits Paid	<b>(1,123,711)</b>	(1,123,711)
<b>Fair value of Plan Assets as at the end of the year</b>	<b>16,911,388</b>	<b>16,911,388</b>

#### d Actuarial Gain/ loss recognized

Particulars	Gratuity	
	2018-19	2017-18
Actuarial (Gain) / Loss for the year -Obligation	<b>4,02,808</b>	13,124,201
Total Loss for the Year	<b>4,02,808</b>	13,124,201
<b>Actuarial (Gain) / Loss recognized in the year</b>	<b>4,02,808</b>	<b>13,124,201</b>

## Notes forming part of the Consolidated Financial Statements

### e Actuarial assumption

Particulars	Gratuity	
	2018-19	2017-18
Discount rate used	7.5%	8%
Salary escalation	6%	6%

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

Particulars	2018-19	2017-18
i Copper	4,912,305,082	3,846,960,100
ii Others	172,460,900	158,637,190
iii Inter Unit Transfers		
(a) Copper Rod / Wires	117,26,63,500	198,008,000
(b) Others	19,903,200	4,346,648
<b>SUB-TOTAL</b>	<b>6,277,339,863</b>	<b>4,207,951,938</b>
Less: Inter Unit Purchases	119,25,66,700	202,354,648
<b>TOTAL</b>	<b>5,084,765,982</b>	<b>4,005,597,290</b>

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

### 37. Details of imported and indigenous raw materials, spares and packing materials consumed (Amount in ₹)

Particulars	2018-19		2017-18	
	Value	% of Total Consumption	Value	% of Total Consumption
Raw materials & Components				
(a) Imported	2,252,525,618	44	1,366,943,909	34
(b) Indigenous	2,832,240,364	56	2,638,653,381	66
<b>TOTAL</b>	<b>5,084,765,982</b>	<b>100</b>	<b>4,005,597,290</b>	<b>100</b>
Stores & Spare Parts (including consumed for repair)				
(a) Imported	1,63,23,326	19	19,442,689	36
(b) Indigenous	6,96,28,480	81	34,957,991	64
<b>TOTAL</b>	<b>8,59,51,806</b>	<b>100</b>	<b>54,400,680</b>	<b>100</b>

### 38. CIF Value of Imports (Amount in ₹)

Particulars	2018-19	2017-18
Raw material / Traded Goods	225,25,25,618	1,366,943,909
Stores & Spares	1,63,23,326	19,442,689
<b>Total</b>	<b>226,88,48,944</b>	<b>1,386,386,598</b>

### 39. Earnings in Foreign Currency (Amount in ₹)

Particulars	2018-19	2017-18
Export Sales	20,047,976	9,546,950
<b>Total</b>	<b>20,047,976</b>	<b>9,546,950</b>

## Notes forming part of the Consolidated Financial Statements

### 40. Expenditure in Foreign Currency

(Amount in ₹)

Particulars	2018-19	2017-18
Travelling	1,73,500	700,398
Interest on ECB	1,66,78,852	20,612,895
Repayment of ECB	13,09,52,850	75,078,022
<b>Total</b>	<b>14,78,05,202</b>	<b>96,391,315</b>

### 41. Segment Reporting:

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

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

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

Particulars	Copper Products		Renewable Energy		Total	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
<b>REVENUE</b>						
External Sales	5,63,16,91,099	4,49,34,64,331	5,35,06,443	5,99,03,000	5,68,51,97,542	4,55,33,67,331
Other Operating income	-	-	-	-	71,81,509	1,06,09,904
<b>Total Revenue</b>	<b>5,63,16,91,099</b>	<b>4,49,34,64,331</b>	<b>5,35,06,443</b>	<b>5,99,03,000</b>	<b>5,69,23,79,051</b>	<b>4,56,39,77,235</b>
<b>RESULTS</b>						
Segment results	21,04,32,221	12,84,78,000	1,59,18,483	4,64,24,083	22,63,50,704	17,49,13,912
Unallocable income/ Expenses					(6,37,67,391)	29,55,60,307
Operating Profit					16,25,83,313	20,44,79,948
Interest Expense					7,66,04,953	3,81,51,000
Profit from Ordinary Activities					8,59,78,360	16,63,28,948
<b>Net Profit</b>					<b>8,59,78,360</b>	<b>16,63,28,948</b>
<b>Other Information</b>						
Segment Assets	2,27,32,54,903	1,21,10,94,778	18,09,37,057	20,95,52,000	2,45,41,91,960	1,42,06,46,778
Unallocable Assets					24,44,22,780	38,98,78,000
<b>Total Assets</b>					<b>2,69,86,14,740</b>	<b>1,81,05,24,778</b>
Segment Liabilities	92,19,08,010	21,24,48,000	5,82,355	5,79,000	92,24,90,365	21,30,79,562
Unallocable Liabilities					17,57,77,241	13,28,60,000
<b>Total Liabilities</b>					<b>109,82,67,606</b>	<b>34,59,39,562</b>
Capital Expenditure	17,28,13,825	2,03,30,282	-	-	17,28,13,825	2,03,30,282
Unallocable Capital Expenditure					87,90,780	1,46,51,493
<b>Total Capital Expenditure</b>					<b>18,16,04,605</b>	<b>3,49,81,775</b>
Depreciation	95,86,681	76,74,547	2,36,52,013	2,32,92,013	3,32,38,694	3,09,66,560
Unallocable Depreciation					61,60,018	61,51,140
<b>Total Depreciation</b>					<b>3,93,98,712</b>	<b>3,71,17,700</b>

## Notes forming part of the Consolidated Financial Statements

### 42. Financial risk management objectives and policies

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

#### A. Market risk

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

#### Interest rate risk

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

#### B. Credit risk

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

#### Trade receivables

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

#### Financial Instrument and cash deposits

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

#### C. Liquidity risk

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

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

(Amount in ₹)

Borrowings	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total
31-Mar-19	-	1,03,93,88,871	9,63,84,629	-	1,13,57,73,500
31-Mar-18	-	<b>29,64,66,922</b>	15,98,88,525	-	45,63,55,447

## Notes forming part of the Consolidated Financial Statements

### 43. Capital Management

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

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

Particulars	(Amount in ₹)	
	31-Mar-19	31-Mar-18
Borrowings (Long term and Short term including Current maturity of Long term Borrowings) Note :16,17	1,13,57,73,500	45,63,55,447
Other Payable (current and non-current, excluding current maturity of long term borrowings) <b>Note :18,19,20,21</b>	5,88,78,893	4,94,72,377
Less Cash and Cash Equivalents	4,02,57,376	15,05,17,996
<b>Net Debt</b>	<b>1,15,43,95,017</b>	<b>35,53,09,828</b>
Equity Share capital	6,39,90,000	6,39,90,000
Other Equity	1,15,51,03,818	1,09,17,10,006
<b>Total Capital</b>	<b>1,21,90,93,882</b>	<b>1,15,56,99,988</b>
<b>Capital and Net debt</b>	<b>2,37,34,88,899</b>	<b>1,51,10,09,816</b>
<b>Debt Equity ratio (in %)</b>	48.64	23.51

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

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,

Firm Reg No.01882S

For and on behalf of the BOD of Bhagyanagar India Limited

**Rameshchand Jain**

Partner

M. No. 023019

**Narender Surana**

Managing Director

DIN: 00075086

**Devendra Surana**

Managing Director

DIN: 00077296

Place: Secunderabad,

Date : 23<sup>rd</sup> May, 2019

**Surendra Bhutoria**

Chief Financial Officer

**Rachna Kewliya**

Company Secretary

Membership No: 48989

## Form AOC - 1

(Pursuant to First proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures

### Part "A": Subsidiaries

1	Sl. No.	1
2	Name of the Subsidiary	<b>Bhagyanagar Copper Pvt Limited</b> (Earlier known as Aanvik Mecantile Private Limited)
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N/A
5	Share Capital	200,000,000
6	Reserves & Surplus	(3,008,721)
7	Total Assets	389,625,884
8	Total Liabilities	186,617,163
9	Investments	100,000
10	Turnover	3,178,400
11	Profit before taxation	(1,529,514)
12	Provision for taxation	-
13	Profit after taxation	(1,529,514)
14	Proposed Dividend	-
15	% of shareholding	100.0%

As per our report of even date attached

**For Luharuka & Associates**

Chartered Accountants,  
Firm Reg No.01882S

For and on behalf of the BOD of Bhagyanagar India Limited

**Rameshchand Jain**

Partner  
M. No. 023019

**Narender Surana**

Managing Director  
DIN: 00075086

**Devendra Surana**

Managing Director  
DIN: 00077296

Place: Secunderabad,  
Date : 23<sup>rd</sup> May, 2019

**Surendra Bhutoria**  
Chief Financial Officer

**Rachna Kewliya**  
Company Secretary  
Membership No: 48989

  
 **BHAGYANAGAR INDIA LIMITED**

(CIN: L27201TG1985PLC012449)

Regd. Office: 5<sup>th</sup> Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003.

Ph: 040-44665700, Fax : 040-27818868,

E-mail: investorservices\_bil@surana.com ; URL: www.bhagyanagarindia.com

**34<sup>TH</sup> ANNUAL GENERAL MEETING****Attendance Slip**

Folio No./DP ID and Client ID:

No. of Shares:

Name and address of  
First/Sole Member :

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at the 34<sup>th</sup> Annual General Meeting of the members of Bhagyanagar India Limited will be held on Saturday the 21<sup>st</sup> September, 2019 at 10.00 AM at the Hotel Parklane, 115, Parklane, Secunderabad-500 003, Telangana.

\_\_\_\_\_  
Name of the Member/Proxy  
(Block Letters)

\_\_\_\_\_  
Signature of the Member/Proxy

**Note:**

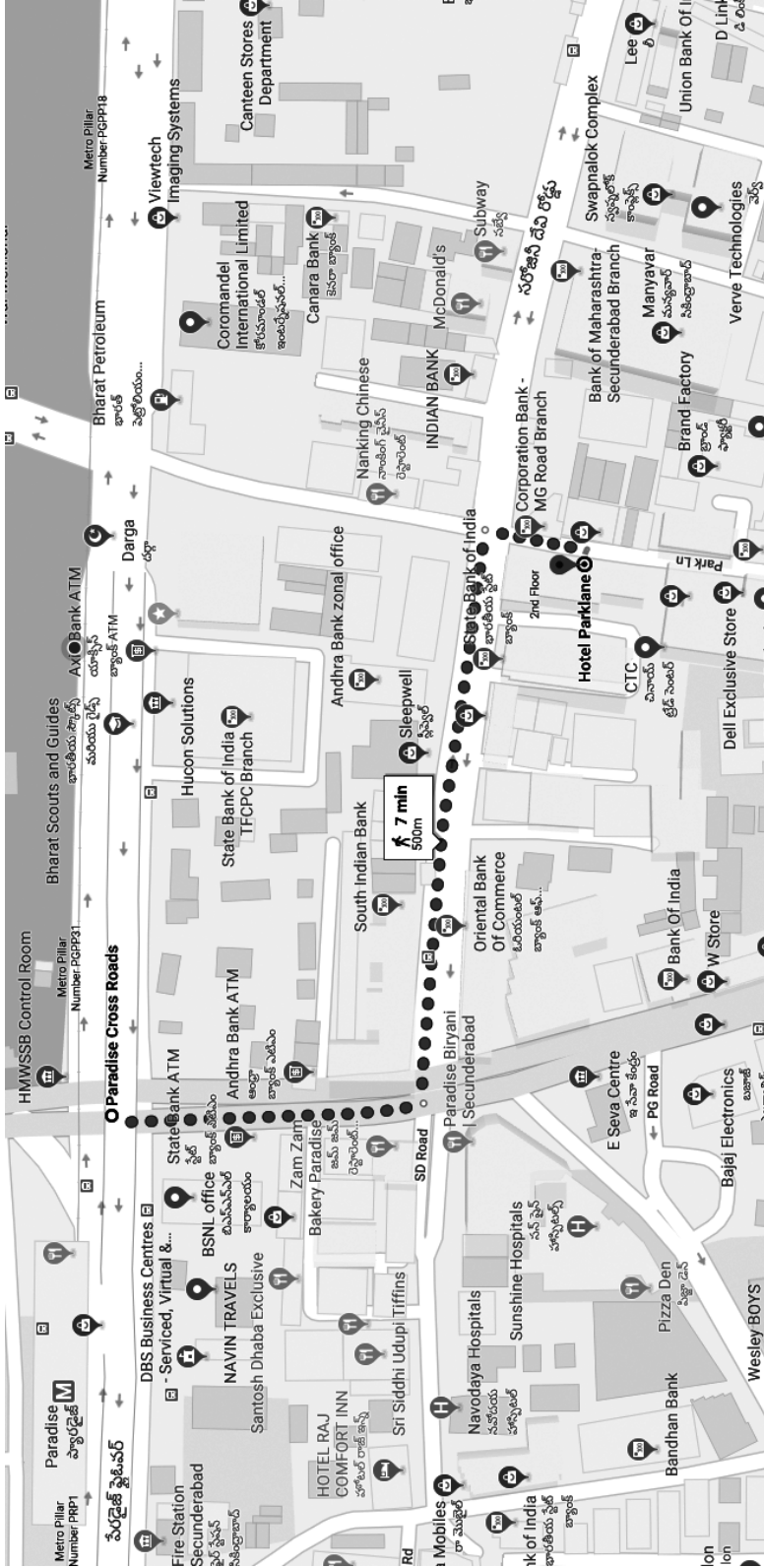
1. Member / Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.
2. Member / Proxy holder should bring his / her copy of Annual Report for reference at the meeting.
3. Strike out whichever is not applicable.
4. No gifts will be given.



# AGM VENUE

## Hotel Parklane

115, Parklane, Secunderabad, Telangana-500 003





# BHAGYANAGAR INDIA LIMITED

(CIN: L27201TG1985PLC012449)

Regd. Office: 5<sup>th</sup> Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003. Ph: 040-44665700, Fax : 040-27818868,  
E-mail: investorservices\_bil@surana.com ; URL: www.bhagyanagarindia.com

## 34<sup>TH</sup> ANNUAL GENERAL MEETING Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)  
of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Folio No./Client Id: \_\_\_\_\_ DP ID: \_\_\_\_\_

I/We, being member(s) of Bhagyanagar India Limited, holding \_\_\_\_\_ shares of the Company, hereby appoint:

A Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

B Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the notice dated 07<sup>th</sup> August, 2019, convening the 34<sup>th</sup> Annual General Meeting of the members of Bhagyanagar India Limited will be held on Saturday the 21<sup>st</sup> September, 2019 at 10.00 AM at the Hotel Parklane, 115, Parklane, Secunderabad-500 003, Telangana by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (√) mark at the appropriate box below:

Item Nos.	Resolutions		Vote (see note d.) (Please mention no. of shares)		
			For	Against	Abstain
1	Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial year ended 31 <sup>st</sup> March, 2019 together with the reports of the Directors and Auditors thereon.	Ordinary Resolution			
2	Re-appointment of Shri G. Mangilal Surana who retires by rotation.	Ordinary Resolution			
3	Re-appointment of Shri O.Swaminatha Reddy as an Independent Director of the Company.	Special Resolution			
4	Re-appointment of Shri R.Surender Reddy as an Independent Director of the Company.	Special Resolution			
5	Re-appointment of Shri Kamlesh Gandhi as an Independent Director of the Company.	Special Resolution			
6	Re-appointment of Smt. Madhumathi Suresh as an Independent Director of the Company.	Special Resolution			
7	To raise funds through issue of Shares/Convertible Securities/ADR/GDR/FCCB's/ECB's etc.	Special Resolution			
8	To approve and ratify the remuneration of Cost Auditors for the financial year 2019-20.	Ordinary Resolution			

Place :

Date :

Revenue  
Stamp

Signature of the Shareholder

**Notes:**

- a) Proxy need not be a member of the Company.
- b) The Proxy Form in order to be effective shall be duly filled in and signed by the member(s) across Revenue Stamp and should reach the Company's Registered Office: 5<sup>th</sup> Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003 at least 48 hours before the commencement of the meeting.
- c) Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
- d) It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may think appropriate.

# OUR VALUES

## Quality

We have established our brand as a quality manufacturer over the last 30 years. Total Quality Management (TQM) is integral to our operations and helps optimize our end to end process in response to feedback from customers, suppliers and other stakeholders.

## Cost

We take pride in being one of the most cost efficient manufacturers of copper products in the global market. Our streamlined processes and engineering ensure cost efficiency and enable us to price our products at very competitive rates.

## Delivery

Our state of the art manufacturing facility and experienced personnel ensure the lead time for orders is short and our customers receive orders on time.

## Service

Customer satisfaction is paramount at our company. Our design, development and engineering are eager to meet the diverse needs of the electrical and auto industry.



If undelivered please return to:  
**Secretarial Department**

## **BHAGYANAGAR INDIA LIMITED**

Registered Office :

Surya Towers, 5th Floor,

Sardar Patel Road, Secunderabad - 500 003, India

Tel. : +91-040-27845119, 44665700, 27841198

Fax : +91-040-27818868

CIN: L27201TG1985PLC012449

E-mail : [surana@surana.com](mailto:surana@surana.com)

Investor Complaints: [cs@surana.com](mailto:cs@surana.com), [investorservices\\_bil@surana.com](mailto:investorservices_bil@surana.com)

Website : [www.surana.com](http://www.surana.com), [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com)