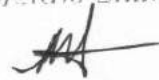


**BHAGYANAGAR METALS LIMITED**

**8<sup>TH</sup> ANNUAL REPORT  
2013-14**

for Bhagyanagar Metals Limited



Director

### **BOARD OF DIRECTORS**

G M SURANA	-	DIRECTOR
MANISH SURANA	-	DIRECTOR
SHRESHA SURANA	-	DIRECTOR

### **REGISTERED OFFICE**

5th Floor, Surya Towers,  
Block C, S P Road,  
Secunderabad – 500 003

### **AUDITORS**

M/s. Sekhar & Co.  
Chartered Accountants  
133/4, R P Road,  
Secunderabad - 500 003

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 8<sup>th</sup> Annual General Meeting of the Members of **BHAGYANAGAR METALS LIMITED** will be held on Friday, the 18<sup>th</sup> July, 2014 at 12.00 Noon at the Registered Office of the Company at 5<sup>th</sup> Floor, Surya Towers, Block C, S P Road, Secunderabad – 500 003 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and Profit and Loss account for the period ended 31<sup>st</sup> March, 2014 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri Manish Surana who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Sekhar & Co., Chartered Accountants, Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

### **SPECIAL BUSINESS:**

4. 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 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) made there under read with Schedule IV to the Act, Ms Shresha Surana, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 08.01.2014 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature for the office of the Director of the Company, be and is hereby appointed as Director of the Company.”

5. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to Section 180(1) (c ) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary

loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 50 Crores Rupees Fifty Crores only)."

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



**MANISH SURANA**  
**DIRECTOR**

Place: Secunderabad  
Date: 25.06.2014

**NOTES:**

1. A member entitled to attend and vote 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.
2. The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES  
ACT, 2013**

**Item No. 4**

The Board of Directors of the Company appointed Ms. Shresha Surana as Additional Director of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Article of Association of the Company, w.e.f 08.01.2014. In terms of the provision of the Act, Miss Shresha Surana would hold office upto the date of the ensuing Annual General Meeting.

The Company has received notice from a member under section 160 of the Act proposing the candidature of Ms. Shresha Surana for the office of Executive Director of the Company. In the opinion of the Board, Ms. Shresha Surana fulfills the requisite for his appointment as Director as specified in the Act. Keeping in view his vast expertise and knowledge it will be in the interest of the Company to appoint Ms Shresha Surana as Executive Director of the Company.

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

**Item No. 5**

The members of the Company at their Extra-ordinary General Meeting held on 03.04.2012 had approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 50 Crores (Rupees Fifty crores) and for creation of mortgages/charge/hypothecation on all present and future properties of the Company in favour of lenders upto a limit of Rs. 50 crores (Rupees Fifty crores). Section 180 of the Companies Act, 2013 effective from September 12, 2013 requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the company's paid up share capital and free reserves. Further, as per the clarification issued by the Ministry of Corporate Affairs approval granted by the shareholders by way of an ordinary resolution shall be valid for one year from the date Section 180 became effective.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 5 of the Notice. The Board recommends this resolution for approval by the members of the Company. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

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



**MANISH SURANA  
DIRECTOR**

Place: Secunderabad  
Date: 25.06.2014

## DIRECTORS REPORT

To  
The Members,

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report and the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2014, together with the Auditors Report thereon.

### FINANCIAL RESULTS:

Your company financial results for the year 2013-14 are given below in summarized format:

Particulars	2013-14	2012-13
<b>INCOME</b>	1,090	-
<b>EXPENDITURE</b>	14,119	17,301
Profit before Taxation	(13,029)	(17,301)
Provision for Taxation	-	-
<b>Profit after taxation</b>	<b>(63,916)</b>	<b>(17,301)</b>
<b>Balance B/F from Previous Year</b>	<b>(13,029)</b>	<b>(46,615)</b>
<b>Balance C/F to Balance Sheet</b>	<b>(76,945)</b>	<b>(63,916)</b>
<b>EPS-BASIC &amp; DILUTED</b>	<b>(0.29)</b>	<b>(0.35)</b>

### OPERATIONS

The company is yet to commence commercial operations.

### DIVIDEND:

Your Directors do not recommend any dividend for the Financial Year 2013-14.

### FIXED DEPOSITS:

The Company has not accepted any deposits from the public for the year under review within the meaning of Section 58A of the Companies Act, 1956.

### DIRECTORS:

Ms. Shresha Surana was appointed as Additional director w.e.f 08.01.2014 and Shri Narender Surana resigned from the office as Director w.e.f 08.01.2014. There is no other change in the composition of the Board of the Company.

## **AUDITORS:**

M/s. Sekhar & Co., Chartered Accountants, Auditors of the Company retires at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Company is in receipt of confirmation from M/s Sekhar & Co., that in the event of their re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting, such re-appointment will be in accordance with the Section 139 of the Companies Act, 2013.

## **AUDITORS OBSERVATIONS:**

The observation reported as per requirements of Companies (Auditor's Report) Order, 2003 (CARO) by Auditors in Para 10 of the Annexure to Auditors Report regarding the Cash Losses is a reporting requirement of the said Order and is self explanatory.

## **DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:**

In Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i. That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the profit or loss of the Company for the year under review;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2014 on a 'going concern' basis.

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

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forms part of this Report and is annexed herewith.

**PARTICULARS OF EMPLOYEES:**

During the period under review, there are no employees covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules, 1975.

**ACKNOWLEDGEMENTS:**

The Board desires to place on record its sincere appreciation for the support and co-operation received from the Company's Bankers and Officials of the concerned Government Departments, employees and the members for the confidence reposed by them in the management.

By Order of the Board  
for **BHAGYANAGAR METALS LIMITED**



**MANISH SURANA**  
**CHAIRMAN**

Place : Secunderabad  
Date: 28.04.2014



## ANNEXURE TO THE DIRECTORS REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors ) Rules, 1988, and forming part of the Directors Report:

### 1. CONSERVATION OF ENERGY:

Energy conservation measures taken: The Company is very careful in using the power to reduce the cost of maintenance and conserve the resources.

Additional Investments and proposals, if any, being implemented for reduction of consumption of energy : Nil

Impact of the clause (1) and (2) above for reduction of energy consumption and consequent impact on the production of goods : N.A

### 2. TECHNOLOGY ABSORPTION:

#### FORM B:

(Disclosure of particulars with respect to technology absorption)

#### A. RESEARCH AND DEVELOPMENT (R&D)

Specific areas in which R& D carried out by the Company	:	Nil
Benefits derived as a result of the above R& D	:	Nil
Future plan of action	:	Nil
Expenditure on R & D	:	Nil

#### B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The Company is making all efforts for improving productivity, product quality and reducing consumption of scarce raw material and fuels.

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

Foreign Exchange inflow	:	NIL
Foreign Exchange Outgo	:	NIL

By Order of the Board  
for BHAGYANAGAR METALS LIMITED



MANISH SURANA  
CHAIRMAN

Place: Secunderabad  
Date: 28.04.2014



# SEKHAR & CO.

CHARTERED ACCOUNTANTS

**PARTNERS :**

K.C. Devdas, B.Com., F.C.A.

C. Amarnath, B.Com., LL.B., F.C.A. DISA (ICA)

G. Ganesh, B.Com., F.C.A. DISA (ICA)

## INDEPENDENT AUDITOR'S REPORT

To The Members of  
Bhagyanagar Metals Limited

### Report on the Financial Statements

We have audited the accompanying Financial Statements of **Bhagyanagar Metals Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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

*[Handwritten signature]*  
28/4/2014

fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

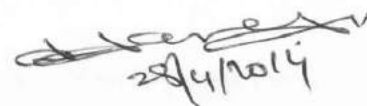
### Opinion

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

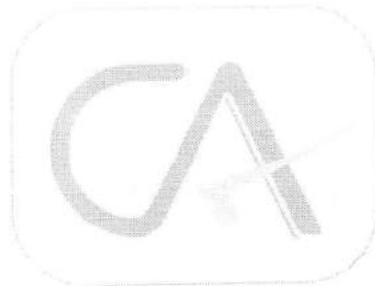
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014
- b) in the case of Statement of Profit and Loss, the **LOSS** for the year ended on that date; and
- c) in the case of the Cash Flow Statement the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the 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

  
28/4/2014

- c. the Balance sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Company Affairs in respect of Section 133 of the Companies Act 2013; and
- e. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.



For Sekhar & Co  
Chartered Accountants  
Firm Registration No:  
003695-S

  
G.GANESH  
PARTNER  
M.NO.211704

Secunderabad  
28<sup>th</sup> April 2014



# SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :

K.C. Devdas, B.Com., F.C.A.

C. Amarnath, B.Com., LLB., F.C.A. DISA (ICA)

G. Ganesh, B.Com., F.C.A. DISA (ICA)

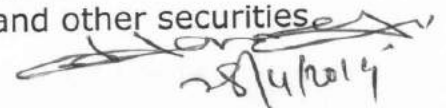
Annexure referred to in paragraph 1 of our report of even date

Re: Bhagyanagar Metals Limited

- i. a) The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets.  
b) Land was the only asset held during the year and at year end which has been physically verified by the management during the year. No discrepancy was noticed on such verification.  
c) No Fixed Assets was disposed of during the year.
- ii. a) The company did not deal with any inventory during the year. Hence we have nothing to report on this clause relating to inventory of the company.
- iii. a) No loans were granted by the Company, to nay of the parties covered in the register maintained under 301 of the Act. Hence we have not reported on the related matters of this clause and sub-clauses b, c and d.  
b) The Company has taken loan from one company covered in the register maintained under section 301 of the Act. The Maximum amount involved and year end outstanding is ₹.57,00,000.  
c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the company listed in the register maintained under section 301 of the Act, are not, *prima facie*, prejudicial to the interest of the company.  
d) The loan does not carry any interest, there being no specific terms of repayment of principal, we are of the opinion that the company has not defaulted in repayment of principal.
- iv. The Company does not maintain any physical inventories or sells any goods. Accordingly, clause 4(iv) of the Order with respect to purchase to inventories and sales of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the company and nature of its business for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the aforesaid internal control system.

*[Handwritten Signature]*  
29/4/2014

- v. a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, there have been no transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year other than unsecured loans taken dealt with in paragraphs 3(b) to 3(d) above.
- vi. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and rules framed thereunder.
- vii. There is no internal audit system. However, the Company has adequate internal control procedure involving checking of its financial records.
- viii. The Central Government of India has not prescribed the of cost records under Section 209(1) (d) of the Act for any of the products of the company.
- ix. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and any other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears as at 31<sup>st</sup> March 2014 for a period more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax custom duty and excise duty which have not been deposited on account of any dispute.
- x. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has incurred a cash loss of ₹.8,130 during the financial year covered by the audit and ₹.12,998 in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the Balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

  
28/4/2014

- xiii. The company is not a Chit Fund or a Nidhi Mutual benefit Fund / Society. Therefore the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us the Company is not a Dealer / Trader in Securities.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from banks or financial institutions.
- xvi. The Company has not taken any term loans and therefor the clause 4(xvi) is not applicable to the company.
- xvii. The Company has not raised any funds on short term basis hence the clause 4(xvii) is not applicable to the Company.
- xviii. The Company has not made preferential allotment of shares to companies / firms parties covered in the register maintained under Section 301 of the Act.
- xix. The Company has not issued any debentures or securities on which charge is to be created during the year.
- xx. The Company has not raised any money by through public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Accounting Practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor we have been informed of such case by the management.

For Sekhar & Co  
Chartered Accountants  
Firm Registration No: 003695-S

  
28/4/2014

G. Ganesh  
Partner  
M.No.211704

Secunderabad  
28<sup>th</sup> April 2014

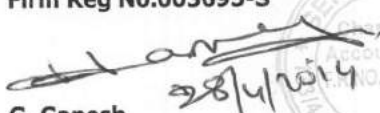
**BHAGYANAGAR METALS LIMITED**  
BALANCE SHEET AS AT 31ST MARCH, 2014

*(Amount in Rs.)*


Particulars		Note No.	As at 31.03.2014	As at 31.03.2013
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
	1. <b>SHAREHOLDERS' FUNDS</b>			
	a. Share Capital	B	500,000	500,000
	b. Reserves and Surplus	C	(76,945)	(63,916)
			423,055	436,084
	2. <b>NON-CURRENT LIABILITIES</b>			
	a. Long-Term Borrowings	D	5,700,000	5,700,000
	3. <b>CURRENT LIABILITIES</b>			
	a. Other Current Liabilities	E	4,494	2,810
	<b>TOTAL</b>		<b>6,127,549</b>	<b>6,138,894</b>
<b>II</b>	<b>ASSETS</b>			
	1. <b>NON-CURRENT ASSETS</b>			
	a. Fixed Assets			
	(1) Tangible Assets	F	5,953,940	5,953,940
	2. <b>CURRENT ASSETS</b>			
	a. Cash and Cash Equivalents	G	173,609	180,649
	b. Other Current Assets	H	-	4,305
	<b>TOTAL</b>		<b>6,127,549</b>	<b>6,138,894</b>
	Significant Accounting Policies and Notes to Accounts	A		

As per our report of even date attached  
For Sekhar & Co.,  
Chartered Accountants,  
Firm Reg No.003695-S

for and on behalf of the Board,

  
G. Ganesh,  
Partner  
M. No. 211704



  
Shresha Surana  
Director

  
Manish Surana  
Director

Place: Secunderabad.  
Date : 28th April, 2014

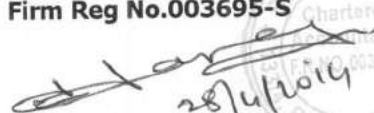


**BHAGYANAGAR METALS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014**

(Amount in Rs.)

	Note No.	For the Year 31.03.2014	For the Year 31.03.2013
<b>I. REVENUE FROM OPERATIONS</b>		-	-
<b>II. OTHER INCOME</b>	1	1,090	-
<b>III. TOTAL REVENUE</b>		<b>1,090</b>	<b>-</b>
<b>IV. EXPENSES</b>			
Finance Costs	2	-	56
Other Expenses	3	14,119	17,245
<b>TOATL EXPENSES</b>		<b>14,119</b>	<b>17,301</b>
<b>V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		(13,029)	(17,301)
<b>VI. PRIOR PERIOD ADJUSTMENT</b>		-	-
<b>VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		(13,029)	(17,301)
<b>VIII. PROFIT BEFORE TAX</b>		<b>(13,029)</b>	<b>(17,301)</b>
<b>IX. TAX EXPENSE:</b>			
1. Current Tax		-	-
<b>X. PROFIT AFTER TAX</b>		<b>(13,029)</b>	<b>(17,301)</b>
<b>EPS-BASIC &amp; DILUTED</b>		<b>(0.26)</b>	<b>(0.35)</b>
Significant Accounting Policies and Notes to Accounts	A		

As per our report of even date attached  
 For Sekhar & Co.,  
 Chartered Accountants,  
 Firm Reg No.003695-S

  
 28/4/2014  
 G. Ganesh,  
 Partner  
 M. No. 211704

Place: Secunderabad,  
 Date : 28th April, 2014

for and on behalf of the Board,

  
 Shresha Surana  
 Director

  
 Manish Surana  
 Director

**BHAGYANAGAR METALS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

(Amount in Rs.)


	PARTICULARS	2013-14	2012-13
<b>A</b>	<b>Cash flow from Operating Activities</b>		
	Net profit before tax as per annexed Profit and loss account	(13,029)	(17,301)
	Add: Adjustments for:		
	Preliminary Expenses Written off	4,305	4,303
	<b>Operating profit before working Capital Changes</b>	<b>(8,724)</b>	<b>(12,998)</b>
	Other Current Assets	-	-
	Sundry Debtors	-	-
	Trade Payables and Other Current Liabilities	1,684	563
	Advance From Customers	-	-
	<b>Cash generated from Operations</b>	<b>(7,040)</b>	<b>(12,435)</b>
	Income Tax and Fringe Benefit Tax Paid	-	-
	Taxes of Earlier years	-	-
	<b>Net cash (used in)/from Operating Activities(A)</b>	<b>(7,040)</b>	<b>(12,435)</b>
<b>B</b>	<b>Cash flow from Investing Activities</b>		
	Purchase of Fixed Assets	-	(5,953,940)
	<b>Net Cash (used in)/from Investing Activities (B)</b>	<b>-</b>	<b>(5,953,940)</b>
<b>C</b>	<b>Cash flow from Financing Activities</b>		
	Loans from Holding Company	-	5,700,000
	<b>Net Cash (used in)/from Financing Activities (C)</b>	<b>-</b>	<b>5,700,000</b>
	<b>Net Increase / Decrease in cash and Cash Equivalents (A+B+C)</b>	<b>(7,040)</b>	<b>(266,375)</b>
	Cash and Cash Equivalents Opening Balance	180,649	447,024
	Cash and Cash Equivalents Closing Balance	<b>173,609</b>	<b>180,649</b>
	<b>Change in Cash and Cash Equivalents</b>	<b>(7,040)</b>	<b>(266,375)</b>

As per our report of even date attached  
For Sekhar & Co.,  
Chartered Accountants,  
Firm Reg No.003695-S

G. Ganesh,  
Partner  
M. No. 211704



for and on behalf of the Board,

  
Shresha Surana      Manish Surana  
Director                      Director

Place: Secunderabad,  
Date : 28th April, 2014

## Bhagyanagar Metals Limited 2013-14

### A. Significant Accounting Policies and Notes on Accounts Forming Part of Balance Sheet and Profit & Loss Account

#### A1. Significant Accounting Policies

##### I. Basis of Preparation of Financial Statements.

The financial statements are prepared under the Historical cost convention on accrual basis with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 read with General Circular 15/2013 dated 13.09.2013 of Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013.

##### II. Use of Estimates

The Preparation of Financial Statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

##### III. Own Fixed Assets

Fixed Assets are stated at cost net of modvat / cenvat / value added tax, less accumulated depreciation and impairment loss, if any. Any costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations to the fixed assets are capitalized.

##### IV. Depreciation

Depreciation is provided on written down value method, except, at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

##### V. Provision, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognized are disclosed in notes. Contingent Assets are neither recognized nor disclosed in Statements.

##### VI. Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

##### VII. Earnings per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard-20 (AS-20) issued by the Ministry of Corporate Affairs. Basic earnings per share are computed by dividing the net Profit or Loss for the year by the Weighted Average number of equity share outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

## Bhagyanagar Metals Limited 2013-14

### A-2 Notes to Accounts

- I. Estimated Contractual liability on account of Capital Commitment & Contingent Liability- NIL.
- II. The Principal object of the Company is to carry business in the fields of ferrous and non-ferrous metals and hence accounts are prepared on going concern.

### III. **Related party disclosures**

#### **a. Names of Related Parties**

- i. Holding Company : Bhagyanagar India Limited
- ii. Fellow Subsidiaries :

Solar Dynamics Private Limited	Bhagyanagar Properties Private Limited
Metropolitan Ventures India Limited	Scientia Infocom India Private Limited
- iii. Key Management Personnel  
G M Surana  
Manish Surana  
Shresha Surana
- iv. Relatives of key Management Personnel  
Narender Surana  
Devendra Surana  
Chandkanwar Surana  
Vinita Surana
- v. Entities in which Key Managerial Personnel have significant influence :

Bhagyanagar Foods and Beverages Private Limited	Bhagyanagar Green Energy Limited (formerly Bhagyanagar Telecom)
Surana Biochemicals Private Limited	Bhagyanagar Ventures Private Limited
Corpmedia Publications India Private Limited	Bhagyanagar Entertainment & Infra Development Company Private Limited
Globecom Infotech Private Limited	GMS Realtors Private Limited
Majestic Logistics Private Limited	Innova Infrastructure Private Limited
Solar World Exchange Private Limited	Stealth Energy Private Limited
Surana Ventures Limited	Epicenter Entertainment Private Limited
Blossom Residency Private Limited	Innova Biotech India Private Limited
Site Tonic web solutions Private Limited	AP Golden Apparels Private Limited
Bhagyanagar Energy and Telecom Private Limited	Bhagyanagar Industrial Park

## Bhagyanagar Metals Limited 2013-14

Bhagyanagar Entertainment Limited	Bhagyanagar Securities Private Limited
Celestial Solar Solutions Private Limited	Everytime Foods Industries Private Limited
Globecom Infra Ventures Private Limited	Green Energy Systems Private Limited
Innova Technologies Private Limited	Shah Sons Private Limited
Surana Infocom Private Limited	Surana Solar Systems Private Limited
Vpower Solutions Private Limited (formerly Tranquil Avenues Private Limited)	Value Infrastructure And Properties Private Limited
Bhagyanagar Infrastructure Limited	Royal Skyscrappers India Private Limited
Surana Telecom & Power Limited	Surana Technopark Private Limited

### b. Related party transactions during the period ended

Particulars	31.03.2014	31.03.2013
	Amount (Rs.)	
Long Term Loans from Holding Company	-Nil-	57,00,000

## Notes to Balance Sheet

<b>Note : B</b> <b>Share Capital</b>	<b>As at</b> <b>31.03.2014</b> <b>Rs.</b>	<b>As at</b> <b>31.03.2013</b> <b>Rs.</b>
<b>(a) Authorized Capital : 50,000 equity shares of Rs.10 each</b>	500,000	500,000
<b>(b) Issued, Subscribed and Paid Up 50,000 equity shares of Rs.10 each at par fully paid carrying equal rights and obligations</b> (Options, contracts and commitments outstanding -Nil)	500,000	500,000
<b>(c) Particulars of Shareholders holding more than 5% of issued sharecapital</b>		
<b>Name of Shareholder</b>	<b>No.of shares</b>	<b>No.of shares</b>
Bhagyanagar India Limited	49,940	49,940

<b>Note : C</b> <b>Reserves and Surplus</b>	<b>As at</b> <b>31.03.2014</b> <b>Rs.</b>	<b>As at</b> <b>31.03.2013</b> <b>Rs.</b>
<b>(a) Surplus</b>		
<b>Balance of Profit &amp; Loss account available for appropriation</b>	(63,916)	(46,615)
Add: Profit during the year/period	(13,029)	(17,301)
Amount available for appropriation		
<b>Balance at the year end</b>	<b>(76,945)</b>	<b>(63,916)</b>

<b>Note : D</b> <b>Long-Term Borrowings</b>	<b>As at</b> <b>31.03.2014</b> <b>Rs.</b>	<b>As at</b> <b>31.03.2013</b> <b>Rs.</b>
(a) Loan from Holding Company	5,700,000	5,700,000
<b>TOTAL</b>	<b>5,700,000</b>	<b>5,700,000</b>

Loans from holding company is interest free and there is no specific schedule of repayment.

<b>Note:E</b> <b>Other Current Liabilities</b>	<b>As at</b> <b>31.03.2014</b> <b>Rs.</b>	<b>As at</b> <b>31.03.2013</b> <b>Rs.</b>
(a) Audit Fess Payable	4,494	2,810
<b>TOTAL</b>	<b>4,494</b>	<b>2,810</b>

**ASSETS :**

<b>Note: F Tangible Assets</b>	<b>As at 31.03.2014 Rs.</b>	<b>As at 31.03.2013 Rs.</b>
(a) Land	5,953,940	5,953,940
<b>TOTAL</b>	<b>5,953,940</b>	<b>5,953,940</b>

<b>Note: G Cash and Cash Equivalents</b>	<b>As at 31.03.2014 Rs.</b>	<b>As at 31.03.2013 Rs.</b>
(a) Balance with Banks - In Current Account	121,981	129,021
(b) Cash in Hand	51,628	51,628
<b>TOTAL</b>	<b>173,609</b>	<b>180,649</b>

<b>Note: H Other Current Assets</b>	<b>As at 31.03.2014 Rs.</b>	<b>As at 31.03.2013 Rs.</b>
<b>Preliminary Exp (Op Bal)</b>	<b>4,305</b>	<b>8,608</b>
Less : Preliminary Exp written off	4,305	4,303
<b>TOTAL</b>	<b>-</b>	<b>4,305</b>

**Notes to Profit & Loss Account**

<b>Note: 1 Other Income</b>	<b>For the Period 31.03.2014 Rs.</b>	<b>For the Period 31.03.2013 Rs.</b>
Miscellaneous Income	1,090	-
<b>TOTAL</b>	<b>1,090</b>	<b>-</b>

<b>Note: 2 Finance Costs</b>	<b>For the Period 31.03.2014 Rs.</b>	<b>For the Period 31.03.2013 Rs.</b>
Bank Charges	-	56
<b>TOTAL</b>	<b>-</b>	<b>56</b>

<b>Note: 3 Other Expenses</b>	<b>For the Period 31.03.2014 Rs.</b>	<b>For the Period 31.03.2013 Rs.</b>
Statutory Audit Fees	4,494	2,810
Filing Fees	5,320	306
Professional & Consultancy Fees	-	5,000
Preliminary Exp Written off	4,305	4,303
Rates & Taxes	-	4,826
<b>TOTAL</b>	<b>14,119</b>	<b>17,245</b>

As per our report of even date attached  
For Sekhar & Co.,  
Chartered Accountants,  
Firm Reg No.003695-S

for and on behalf of the Board,

*G. Ganesh*  
G. Ganesh,  
Partner  
M. No. 211704



*Shresha*  
Shresha Surana  
Director

*Manish*  
Manish Surana  
Director

Place: Secunderabad,  
Date : 28th April, 2014