

BHAGYANAGAR METALS LIMITED

9TH ANNUAL REPORT

2014-2015

BHAGYANAGAR METALS LIMITED

BOARD OF DIRECTORS

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

AUDITORS

M/S. SEKHAR & CO.
CHARTERED ACCOUNTANTS
133/4, R P ROAD,
SECUNDERABAD - 500 003

REGISTERED OFFICE

5TH FLOOR, SURYA TOWERS,
BLOCK C, S P ROAD,
SECUNDERABAD - 500 003

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 9th Annual General Meeting of the Members of **BHAGYANAGAR METALS LIMITED** will be held on Tuesday the 15th September, 2015 at 12.00 Noon at the Registered Office of the Company at 5th 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 31st March, 2015 and the Statement of Profit and Loss for the year ended 31st March, 2015 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri G. M. Surana who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sec 139 and other applicable provisions of the Companies Act, 2013 and the rules framed there under, as amended from time to time, M/s. Sekhar & Co., Chartered Accountants, (Registration No. 003695S), be and are hereby appointed as Auditors of the Company, to hold office for a period of 5 (Five) years from the conclusion of 9th Annual General Meeting (AGM) till the conclusion of 14th Annual General Meeting (AGM) of the Company to be held in the year 2019-2020 (subject to ratification of their appointment at every AGM) on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following Resolution as **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 4 and 13 of the Companies Act, 2013 (the Act) read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Registrar of Companies and / or any other authority in this behalf, the existing Memorandum of Association of the Company be and is hereby replaced in entirety in conformity with the requirements of provisions of the Companies Act, 2013 as per the draft presented before this meeting and duly initialled by the Chairman for the purpose of identification.

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".

5. To consider and if thought fit, to pass with or without modification, the following Resolution as **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Articles of

Association of the company be and is hereby replaced with the new set of Articles of Association and the said new Articles of Association be and is hereby approved and adopted as the Articles of Association of the company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the company.

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 METALS LIMITED**

Place: Secunderabad
Date: 27.07.2015


MANISH SURANA
DIRECTOR

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies, to attend and vote instead of himself and the proxy need not be a member of the company, proxies 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.
2. The Explanatory Statement under Section 102 of the Companies Act, 2013 is annexed herewith and forms part of the notice.

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

ITEM NO. 4:

The existing Memorandum of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). It is thus expedient to adopt new set of Memorandum of Association without changing the Main Objects as well as Capital Clause in conformity with the requirements of provisions of Companies Act, 2013.

As per the provisions of Section 13 of the Companies Act, 2013, any alteration to the memorandum requires the approval of the shareholders of the Company by means of Special Resolution duly passed in a General Meeting of the Company and hence the proposed resolution. Your directors feel that this proposal is at the best interest of the company.

A copy of the Memorandum of Association as would appear after carrying out the alterations aforesaid is available at the Registered Office of the Company for inspection by the members during the business hours of the Company on working days up to the date of this General Meeting.

None of the directors of the Company is concerned or interested in any way in the special resolution except to the extent of shareholdings.

Your Directors recommends the resolution for your approval.

ITEM NO.5:

The existing Articles of Association ("AoA") is based on the Companies Act, 1956 and several regulations in the existing AoA contain reference to specific sections of the Companies Act, 1956 and some articles in the existing AoA are no longer in conformity with the Act. With the enactment of the Companies Act, 2013 and substantive sections of the Act which deal with the general working of the Companies stand notified, several regulations in the existing AoA of the company require alteration and/or deletion.

Given this position it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new set of AoA to be replaced in place of the existing AoA is based on Table F of Schedule I of the Companies Act, 2013 which sets out the model AoA for a company limited by shares and also carries forward certain provisions from the existing AoA suitably rephrased and which are not in conflict with the provisions of the Companies Act, 2013.

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

No Director is concerned or interested financially or otherwise in this item of business except to the extent to shares held by them.

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



MANISH SURANA
DIRECTOR

Place: Secunderabad
Date: 27.07.2015

DIRECTORS REPORT

To
The Members

Your Directors have pleasure in presenting the 9th Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 2015 and the Auditor's Report thereon

FINANCIAL RESULTS:

Your company financial results for the year 2014-15 are given below in summarized format:

Particulars	2014-15	2013-14
INCOME	-	1,090
EXPENDITURE	15,746	14,119
Profit before Taxation	(15,746)	(13,029)
Provision for Taxation	-	-
Profit after taxation	(76,945)	(63,916)
Balance B/F from Previous Year	(15,749)	(13,029)
Balance C/F to Balance Sheet	(92,691)	(76,945)
EPS-BASIC & DILUTED	(0.31)	(0.29)

DIVIDEND:

Your directors do not recommend any dividend on equity shares for the financial year ended March 31, 2015.

OPERATIONS AND FUTURE OUTLOOK::

The company is yet to commence commercial operations.

SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

The Company does not have any Subsidiary, Joint venture or Associate Company.

RESERVES:

During the year under review, no Amount is allocated or transferred to Reserves.

FIXED DEPOSITS:

The Company has not accepted any public deposits during the financial year 2014-2015.

DIRECTORS:

Shri G. M. Surana, Director of the Company retires at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of loans, guarantees and investments under section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. The disclosure on related party transactions are made in the Financial Statements of the Company. There are no materially significant related party transactions made by the company with promoters, Key managerial personnel or other designated persons which may have potential conflict with interest of company at large.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no significant material changes and commitments occurred between the end of the financial year of the company to which the financial statements relate and the date of the report, affecting the financial position of the company.

BOARD MEETINGS:

During the year 5 (Five) Board Meetings were duly convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had 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 and of the profit and loss of the company for that period;
- c) The directors had 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) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS:

M/s Sekhar & Co, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting 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, 142 and other applicable provision of the Companies Act, 2013 read with Companies (Audit and Auditor) Rules, 2014.

AUDITORS REPORT:

The Auditors' Report to the shareholders does not contain any qualifications. The Secretarial Audit Report is not applicable to the Company.

EXTRACT OF ANNUAL RETURN:

The extract of annual return of the Company for the financial year 2014–2015 as provided under sub-section (3) of section 92, in the Form No.MGT.9 is annexed herewith.

CORPORATE SOCIAL RESPONSIBILITY:

The Company does not fall under the criteria specified in Section 135 of the Companies Act, 2013 and hence no policy was developed by the company on corporate social responsibility.

RISK MANAGEMENT:

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION:

Your Company has no employees requiring disclosure pursuant to Section 197 of the Companies Act, 2013 read with Rule, 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo particulars required under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

There is an adequate internal control system commensurate with the size of the Company and the nature of business.

ACKNOWLEDGMENTS:

Your Directors place on record their appreciation for the co-operation and assistance received from the bankers, Central and State Government authorities and members during the period under review.

For and on behalf of the Board of Directors
For **BHAGYANAGAR METALS LIMITED**



MANISH SURANA
CHAIRMAN

Place: Secunderabad
Date: 04.05.2015

ANNEXURE TO THE DIRECTORS REPORT

Information under Section 134(3)(c) of the Companies Act, 2013 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	:	

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: 04.05.2015

EXTRACT OF ANNUAL RETURN
 as on the financial year ended 31.03.2015
*[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	U27310TG2006PLC051252
Registration Date	25 th September, 2006
Name of the Company	BHAGYANAGAR METALS LIMITED
Category / Sub-Category of the Company	Company having share capital
Address of the Registered Office and contact details	5 th Floor, Surya Towers, Block C, S. P. Road, Secunderabad-500003. Telangana
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	NA

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
-	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Bhagyanagar India Limited	L27201AP1991PLC012449	Holding	100.00	2(87)

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

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				%
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS									
(1) Indian									
a) Individual / HUF	-	60	60	0.12	-	60	60	0.12	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	49940	49940	99.88	-	49940	49940	99.88	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):		50000	50000	100.0	-	50000	50000	100.00	-

				0					
(2) Foreign	NIL								
Sub-Total (A)(2):	NIL								
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	50000	50000	100.00	-	50000	50000	100.00	-	-
B. PUBLIC SHAREHOLDING	NIL								
Sub-Total B(2) :	NIL								
Total B=B(1)+B(2):	NIL								
C. SHARES HELD BY CUSTODIANS, AGAINST WHICH	NIL								
GRAND TOTAL (A+B+C) :	50000	50000	100.00	-	50000	50000	100.00	-	-

ii) Shareholding of Promoters:

Sl. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	M/s. Bhagyanagar India Limited 5 th Floor, Surya Towers, S.P. Road, Secunderabad-003	49,940	99.88	-	49,940	99.88	-	-
2	G M Surana S/o. Late Gulabchand Surana 21, P & T Colony, Trimulgherry Secunderabad - 09	10	0.02	-	10	0.02	-	-
3	Narender Surana S/o. Shri G M Surana SY-622, PT-02, Arihant Enclave, Akbar Road, Opp. Adrin HSG Complex Secunderabad - 09	10	0.02	-	10	0.02	-	-
4	Devendra Surana S/o Shri G M Surana 21, P & T Colony, Trimulgherry Secunderabad - 09.	10	0.02	-	10	0.02	-	-
5	Sunita Surana W/o. Shri Narender Surana SY-622, PT-02, Arihant Enclave, Akbar Road, Opp. Adrin HSG Complex Secunderabad- 09	10	0.02	-	10	0.02	-	-

6	Namrata Surana W/o. Shri Devendra Surana 21, P & T Colony, Trimulgherry Secunderabad-09	10	0.02	-	10	0.02	-	-
7	Manish Surana S/O. Shri Narender Surana 21, P&T Colony, Tarbund, Secunderabad - 03.	10	0.02	-	10	0.02	-	-

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

Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	NIL			
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc):				
At the end of the year				

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

Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
NIL				

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Directors	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	G M Surana	10	0.02	-	-	10	0.02
2	Manish Surana	10	0.02	-	-	10	0.02
3	Shresha Surana	-	0.00	-	-	-	0.00
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
NIL							

V. INDEBTEDNESS:

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness Rs. Crores
Indebtedness at the beginning of the financial year				
i) Principal Amount		57,00,000		57,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		57,00,000		57,00,000
Change in Indebtedness during the financial year				
Addition	NIL	-	NIL	-
Reduction		-		-
Net Change		-		-
Indebtedness at the end of the financial year				
i) Principal Amount		57,00,000		57,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	57,00,000	NIL	57,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	G M Surana, Director	Manish Surana, Director	Shresha Surana, Director	Total Amount
1	Gross Salary	-	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	(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	Swcat Equity	-	-	-	-
4	Commission - as % of profit - others, specify....	-	-	-	-
5	Others, please specify i. Deferred bonus (pertaining to the current Financial year payable in 2018) ii. Retirals	-	-	-	-
	Total (A)	-	-	-	-

B. Remuneration to other Directors: NIL

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

Sl.No.	Particulars of Remuneration	Total Amount
1	Gross Salary	NIL
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	
	(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	
	Total (C)	

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)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

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



MANISH SURANA
CHAIRMAN

Place: Secunderabad
Date: 04.05.2015



SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :

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

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

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

INDEPENDENT AUDITORS' 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 March 2015, the Statement of Profit and Loss, the 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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015, and its loss and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure a statement on matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we 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 purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. the Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors



is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

- f. We are not required to report on clause (i) with respect to Internal Financial Controls over financial reporting and the operating effectiveness of the same for the Financial Year ending 31st March 2015, based on the Government of India notification dated October 14, 2014 on the same matter.
- g. With respect to the other matters included in the Auditor's Report and in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company

For Sekhar & Co.,
Chartered Accountants
FRN: 003695-S


G. Ganesh
Partner
M.No.: 211704

Place: Secunderabad
Date: 04-May-2015



SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :

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

C. Amarnath, B.Com., L.L.B., 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) As explained to us, the fixed assets have been physically verified by the management according to the phased program designed to cover all the fixed assets over the year. In respect of fixed assets verified according to this program, which we consider reasonable, no material discrepancies were noticed on such verification.
- ii. The Company does not maintain inventory and therefore we have not reported on the related matters of this clause and sub-clauses (a),(b) and (c)
- iii. No loans were granted by the Company, to any of the parties covered in the register maintained under section 189 of the Act. Hence we have not reported on the related matters of this clause and sub-clauses (a) and (b).
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and power. We have not observed any major weakness in the internal control system during the course of the audit.
- v. The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi. Maintenance of Cost Records under Section 148(1) of the Act, is not required for the activity carried out by the Company.
- vii. a) The Company is regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other 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, duty of customs, duty of excise, value added tax or cess were in arrears as at 31st March 2015 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, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.
- d) In our opinion, there are no amounts required to be transferred to the investor education and protection fund by the Company.
- viii. 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 ₹ 15,746 during the year and ₹ 8,724 during the immediately preceding financial year.
- ix. 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.
- x. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. We have not reported on this clause as no term loans were obtained by the Company according to the information and explanations given to us.
- xii. 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 have we been informed of such case by the management.

Place: Secunderabad
Date: 04-May-2015

For Sekhar & Co.,
Chartered Accountants
FRN: 003695-S



G. Ganesh
Partner
M.No.: 211704

BHAGYANAGAR METALS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2015

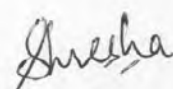
(Amount in Rs.)


Particulars		Note No.	As at 31.03.2015	As at 31.03.2014
I	EQUITY AND LIABILITIES			
	1. SHAREHOLDERS' FUNDS			
	a. Share Capital	B	500,000	500,000
	b. Reserves and Surplus	C	(92,691)	(76,945)
			407,309	423,055
	2. NON-CURRENT LIABILITIES			
	a. Long-Term Borrowings	D	5,700,000	5,700,000
	3. CURRENT LIABILITIES			
	a. Other Current Liabilities	E	11,236	4,494
	TOTAL		<u>6,118,545</u>	<u>6,127,549</u>
II	ASSETS			
	1. NON-CURRENT ASSETS			
	a. Fixed Assets			
	(1) Tangible Assets	F	5,953,940	5,953,940
	2. CURRENT ASSETS			
	a. Cash and Cash Equivalents	G	164,605	173,609
	b. Other Current Assets	H	-	-
	TOTAL		<u>6,118,545</u>	<u>6,127,549</u>
	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


G. Ganesh,
Partner
M. No. 211704

for and on behalf of the Board,


Shresha Surana
Director


Manish Surana
Director

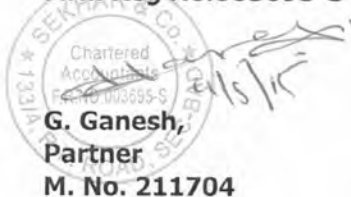
Place: Secunderabad.
Date: 4th May, 2015

BHAGYANAGAR METALS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in Rs.)

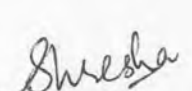
	Note No.	For the Year 31.03.2015	For the Year 31.03.2014
I. REVENUE FROM OPERATIONS		-	-
II. OTHER INCOME	1	-	1,090
III. TOTAL REVENUE		-	1,090
IV. EXPENSES			
Other Expenses	2	15,746	14,119
TOATL EXPENSES		15,746	14,119
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		(15,746)	(13,029)
VI. PRIOR PERIOD ADJUSTMENT		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		(15,746)	(13,029)
VIII. PROFIT BEFORE TAX		(15,746)	(13,029)
IX. TAX EXPENSE:			
1. Current Tax		-	-
X. PROFIT AFTER TAX		(15,746)	(13,029)
EPS-BASIC & DILUTED		(0.31)	(0.26)
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



 Chartered Accountants
 Firm Reg No. 003695-S
G. Ganesh,
 Partner
 M. No. 211704

for and on behalf of the Board,


Shresha Surana
 Director


Manish Surana
 Director

Place: Secunderabad,
 Date: 4th May, 2015

BHAGYANAGAR METALS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

PARTICULARS	2014-15	2013-14
A Cash flow from Operating Activities		
Net profit before tax as per annexed Profit and loss account	(15,746)	(13,029)
Add: Adjustments for:		
Preliminary Expenses Written off	-	4,305
Operating profit before working Capital Changes	(15,746)	(8,724)
Trade Payables and Other Current Liabilities	6,742	1,684
Cash generated from Operations	(9,004)	(7,040)
Income Tax Paid	-	-
Net cash (used in)/from Operating Activities(A)	(9,004)	(7,040)
B Cash flow from Investing Activities		
	Nil	Nil
Net Cash (used in)/from Investing Activities (B)	-	-
C Cash flow from Financing Activities		
	Nil	Nil
Net Cash (used in)/from Financing Activities (C)	-	-
Net Increase / Decrease in cash and Cash Equivalents (A+B+C)	(9,004)	(7,040)
Cash and Cash Equivalents Opening Balance	173,609	180,649
Cash and Cash Equivalents Closing Balance	164,605	173,609
Change in Cash and Cash Equivalents	(9,004)	(7,040)

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
Shresha Surana Manish Surana
Director Director

Place: Secunderabad,
Date: 4th May, 2015

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, 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 Straight Line Method in the manner prescribed in Schedule II to the Companies Act, 2013.

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) prescribed under Rule 7 of Accounting Standard Rules, 2014. 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 2014-15

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.

III. **Related party disclosures**

a. **Names of Related Parties**

- i. Holding Company : Bhagyanagar India Limited
- ii. Fellow Subsidiaries :
 1. Solar Dynamics Private Limited
 2. Metropolitan Ventures India Limited
 3. Bhagyanagar Properties Private Limited
 4. Scientia Infocom India Private Limited
- iii. Key Management Personnel
G M Surana
Manish Surana
Shresha Surana

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

Particulars	31.03.2015	31.03.2014
	Amount (Rs.)	
No Related Party transactions during the current year and immediately preceding financial year.		

Notes to Balance Sheet

Note : B Share Capital	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Authorized Capital : 50,000 equity shares of Rs.10 each	500,000	500,000
(b) Issued, Subscribed and Paid Up 50,000 equity shares of Rs.10 each at par fully paid carrying equal rights and obligations (Options, contracts and commitments outstanding -Nil)	500,000	500,000
(c) Particulars of Shareholders holding more than 5% of issued sharecapital		
Name of Shareholder	No.of shares	No.of shares
Bhagyanagar India Limited (99.88% of Paid up Share Capital)	49,940	49,940

Note : C Reserves and Surplus	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Surplus		
Balance of Profit & Loss account available for appropriation	(76,945)	(63,916)
Add: Profit during the year/period	(15,746)	(13,029)
Amount available for appropriation		
Balance at the year end	(92,691)	(76,945)

Note : D Long-Term Borrowings	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Loan from Holding Company	5,700,000	5,700,000
TOTAL	5,700,000	5,700,000

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

Note:E Other Current Liabilities	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Audit Fess Payable	11,236	4,494
TOTAL	11,236	4,494

ASSETS :

Note: F Tangible Assets	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Land	5,953,940	5,953,940
TOTAL	5,953,940	5,953,940

Note: G Cash and Cash Equivalents	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Balance with Banks - In Current Account	112,977	121,981
(b) Cash in Hand	51,628	51,628
TOTAL	164,605	173,609

Note: H Other Current Assets	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Preliminary Exp (Op Bal)	-	4,305
Less : Preliminary Exp written off	-	4,305
TOTAL	-	-

Notes to Profit & Loss Account

Note: 1 Other Income	As at 31.03.2015 Rs.	For the Period 31.03.2014 Rs.
Miscellaneous Income	-	1,090
TOTAL	-	1,090

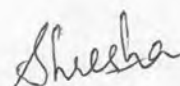
Note: 2 Other Expenses	As at 31.03.2015 Rs.	For the Period 31.03.2014 Rs.
Statutory Audit Fees	11,236	4,494
Filing Fees	4,510	5,320
Preliminary Exp Written off	-	4,305
TOTAL	15,746	14,119


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


G. Ganesh,
Partner
M. No. 211704

Place: Secunderabad,
Date: 4th May, 2015

for and on behalf of the Board,


Shresha Surana
Director


Manish Surana
Director