

**BHAGYANAGAR COPPER PRIVATE LIMITED**  
*(Formerly known as Aanvik Mercantile Private Limited)*

**11<sup>TH</sup> ANNUAL REPORT**

**2018-2019**

## **BHAGYANAGAR COPPER PRIVATE LIMITED**

*(Formerly known as Aanvik Mercantile Private Limited)*

### **BOARD OF DIRECTORS:**

Narender Surana	-	Director
Devendra Surana	-	Director
Mitali Surana	-	Director
Krupakar Nadimpally Reddy	-	Whole-Time Director

### **CHIEF FINANCIAL OFFICER:**

Surendra Bhutiria

### **COMPANY SECRETARY:**

Rachna Kewliya

### **STATUTORY AUDITORS:**

**M/s. Luharuka & Associates**

Chartered Accountants

5-4-187/3 & 4, 2<sup>nd</sup> Floor, Soham Mansion,

M.G. Road, Ranigunj,

Secunderabad - 500 003

### **SECRETARIAL AUDITOR:**

**Rakhi Agarwal**

Company Secretary in Practice

6-3-660, Flat 520, Block 4,

Amrit Apartments, Kapadia Lane,

Somajiguda, Hyderabad- 500082

### **BANKERS:**

Kotak Mahindra Bank Limited

### **FACTORY:**

Sy.no-98,99,100,101(P),102,103,104,105,107,111,

230,231,232,234(P), Shabashpalli(V)

Shivampet Mandal, Medak District,

Telangana State.

### **REGISTERED OFFICE:**

**Bhagyanagar Copper Private 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](mailto:surana@surana.com); [cs@surana.com](mailto:cs@surana.com)

CIN: U27100TG2008PTC125034

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to all members of the Company that the 11<sup>th</sup> Annual General Meeting of Bhagyanagar Copper Private Limited (*Formerly Aanvik Mercantile Pvt Ltd*) will be held on Friday the 26<sup>th</sup> July, 2019 at 01.30 P.M at the Registered Office of the Company at 5<sup>th</sup> Floor, Surya Towers, S P Road, Secunderabad - 500 003 to transact the following items of business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2019 and the Statement of Profit and Loss and Cash Flow Statement along with Notes to Accounts for the year ended 31<sup>st</sup> March, 2019 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri. Devendra Surana who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

3. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any amendment thereto or re-enactment thereof), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company authorized to give loans or investment, to give guarantee or to provide the security to any persons or to any other body corporate upto an aggregate amount not exceeding Rs.100 Crore (Rupees Hundred Crores Only) notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem fit, necessary or appropriate.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, Shri N Krupakar Reddy be and is hereby appointed as Whole-time Director of the Company for a period of 5 years with effect from 28<sup>th</sup> August, 2018 i.e., up to 27<sup>th</sup> August, 2023, subject to not liable to retire by rotation, without any remuneration. A brief profile of Shri. N Krupakar Reddy is annexed.

**RESOLVED FURTHER THAT** Shri N Krupakar Reddy shall be entitled for reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits / amenities and other privileges, as may from time to time, be available to other senior executives of the Company as per the service rules of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Shri N Krupakar Reddy, Whole-time Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration

committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in the absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by it to be in the best interests of the Company.”

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 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”.

6. 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 COPPER PRIVATE LIMITED**



**DEVENDRA SURANA  
CHAIRMAN**

Place: Secunderabad  
Date: 01.07.2019

**NOTE:**

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. 3:**

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty percent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred percent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company. As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors thereof, for making further investment, providing loans or give guarantee or provide security in connection with loans to subsidiary for an amount not exceeding Rs. 100 Crores (One Hundred Crores Only) The investment(s), loan(s), guarantee(s) and security (ies), as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under.

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.

**ITEM NO. 4:**

Shri N Krupakar Reddy was appointed by the Board as whole-time director of the Company on 28<sup>th</sup> August, 2018 for a period of 5 years with effect from 28<sup>th</sup> August, 2018, without any remuneration, subject to concurrence of shareholders.

Notice under Section 160 of the Act has been received from Mr. Devendra Surana, Director of the Bhagyanagar Copper Private Limited, a member of the Company, holding 100 equity shares for Mr. N Krupakar Reddy proposing his appointment as Director of the Company. Requisite consent, pursuant to Section 152(5) of the Act and declaration pursuant to Section 164(2) of the Act and rules thereunder, have been received from Mr. N Krupakar Reddy to act as Director, if appointed.

As per the provisions of the Companies Act, 2013 approval by a resolution of the Shareholders in the General Meeting is required for appointment of the Whole-Time Director. The Board of Directors recommends the Special Resolution for your approval.

None of the Directors and Key Managerial Personnel or their relatives of the Company other than Mr N Krupakar Reddy are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**ITEM NO. 5:**

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. 6:**

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.

**The details of Directors seeking re-appointment at the forthcoming Annual General Meeting are furnished below:-**

**1) Shri Devendra Surana, Director:**

Name of Director	<b>Devendra Surana</b>
DIN	00077296
Date of Birth	08, February 1965
Qualification	B.E. (MECH), PDGM (IIM, Bangalore)
Expertise in specific functional areas	Shri Devendra Surana has been in the field of Ferrous & Non -Ferrous & Telecom Industry for the more than 30 Years. He is the past president of FAPCCI, Hyderabad Chapter. At present he is the member of National Executive Committee for Federation of Indian Chamber of Commerce (FICCI). He is Ex-president of the Telangana state council of FICCI.
Inter-se relationship with other Directors and Key Managerial Personnel	Brother of Shri Narendra Surana, Director and Father of Ms Mitali Surana, Director of the Company.
Nature of appointment (appointment/reappointment)	Retires by Rotation and offers himself for re-appointment.
List of other Listed Companies in which Directorship is held as on 31 <sup>st</sup> March, 2019.	1. Bhagyanagar India Limited 2. Surana Solar Limited 3. Surana Telecom and Power Limited 4. Bhagyanagar Properties Limited
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.	1. Member of Audit Committee of Bhagyanagar India Limited. 2. Member of Stakeholders Relationship Committee of Bhagyanagar India Limited. 3. Member of CSR Committee of Bhagyanagar India Limited. 4. Member of Stakeholders Relationship Committee of

	<p>Surana Solar Limited.</p> <p>5. Member of CSR Committee of Surana Solar Limited.</p> <p>6. Member of Stakeholders Relationship Committee of Surana Telecom &amp; Power Limited</p> <p>7. Member of Stakeholders Relationship Committee of Bhagyanagar Properties Limited.</p>
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**2) Shri N Krupakar Reddy, Whole-time Director**

Name of Director	<b>N Krupakar Reddy</b>
DIN	00006580
Date of Birth	1 <sup>st</sup> July, 1956
Qualification	B.Com
Expertise in specific functional areas	Shri N. Krupakar has over 30 years of experience in running the industry. Presently in-charge of operations at copper factory.
Inter-se relationship with other Directors and Key Managerial Personnel	Not related to other Directors and Key Managerial Personnel.
Nature of appointment (appointment/reappointment)	Appointment.
List of other Listed Companies in which Directorship is held as on 31 <sup>st</sup> March, 2019.	Bhagyanagar India Limited
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.	-

**By Order of the Board  
For BHAGYANAGAR COPPER PRIVATE LIMITED**



**DEVENDRA SURANA  
CHAIRMAN**

Place: Secunderabad  
Date: 01.07.2019

## DIRECTORS REPORT

To  
The Members of  
**Bhagyanagar Copper Private Limited**  
(formerly *Aanvik Mercantile Private Limited*)

Your Directors have pleasure in presenting the 11<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the Auditor's Report thereon.

### FINANCIAL RESULTS:

Your company financial results for the year 2018-2019 are given below in summarized format:

Particulars	(Amount in Rs.)	
	For the year ended on 31/03/2019	For the year ended on 31/03/2018
Revenue from operations/ turnover	3,178,400	15,000
Other Income	111,832	-
Less:- expenses during the year excluding depreciation	2,805,133	51,258
<b>Profit before tax and Depreciation</b>	<b>485,099</b>	<b>-36258</b>
Less-Depreciation	2,014,613	1,505,831
<b>Profit/(Loss)before tax after depreciation</b>	<b>(1,529,514)</b>	<b>(1,542,089)</b>
Less: Provisions of income tax including deferred tax	0.00	0.00
<b>Profit/ Loss after tax and Depreciation</b>	<b>(1,529,514)</b>	<b>(1,542,089)</b>

### DIVIDEND:

Your directors do not recommend any dividend on equity shares for the financial year ended March 31, 2019.

### NAME CHANGE:

During the year under review, the Company's name has been changed from "Aanvik Mercantile Private Limited" to "Bhagyanagar Copper Private Limited" w.e.f. 9<sup>th</sup> January, 2019.

### BUSINESS DEVELOPMENT AND PROSPECT:

The Company, during the year under review, had obtained all necessary statutory approvals and set up copper plant at Shabhashpally Village, Shivampet Mandal, Medak District, Telagana and commenced its commercial operations effective from 1<sup>st</sup> March, 2019 with capacity utilisation of 4000 MT in the first year of operation. It is proposed to be increased by 9000 MT per annum in a phased manner. Currently, The total capital investment made around Rs.38.47 Crores as of 31.03.2019 including term loan of Rs.10 Crores from Kotak Mahindra Bank. Currently, the Company is doing the job work for Bhagyanagar India Limited, Holding Company. The Company is also in the process of setting up of 1 MW solar power plant for captive consumption.

### SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

The Company is a wholly owned subsidiary of Bhagyanagar India Limited. Further 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 2018-2019.

**SHARE CAPITAL**

As on 31.03.2019, the Paid-up capital of the Company is Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- each.

**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.

**DIRECTORS:**

Ms Mitali Surana was regularised / appointed as Non-Executive Director, liable to retire by rotation by shareholders at their Annual General Meeting held on 4<sup>th</sup> July, 2019.

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

Shri N Krupakar Reddy was appointed as Additional Director cum whole-time director by the Board on 28<sup>th</sup> August, 2018, subject to approval of shareholders at this AGM. The Company has received notice u/s 160 from Devendra Surana, member of the company on 17<sup>th</sup> June, 2019 for proposing his appointment as Director of the Company.

Pursuant to the provision of section 203 of the Act, Shri N Krupakar Reddy, Whole-time Director, Shri Surendra Bhutoria, Chief Financial Officer and Ms Rachna Kewliya, Company Secretary were formalized as the key Managerial Personnel of the Company.

**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 the Board of Directors duly met 09 (Nine) times were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

In respect of each meeting proper notices were given, the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

#### **APPOINTMENT OF INDEPENDENT DIRECTORS:**

The provision of Section 149 pertaining to the appointment of Independent Directors does not apply to your Company due to exemption under Rule 4 sub Rule (2) of companies (Appointment and Qualification of Directors) Rules, 2014.

#### **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.

#### **AUDITOR AND AUDITORS REPORT:**

##### **STATUTORY AUDITORS:**

The shareholders of the Company at the 10<sup>th</sup> Annual General Meeting held on 04<sup>th</sup> July, 2018 approved the appointment of M/s Luharuka & Associates, Chartered Accountants (FRN-001882S) as Statutory Auditors of the Company to hold office till the conclusion of 15<sup>th</sup> Annual General Meeting will be held in the year 2023.

##### **AUDITORS REPORT:**

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.

##### **COST AUDITORS:**

Under the Section 148 of the Companies Act, 2013, the Central Government has prescribed maintenance and audit of cost records vide the Companies (Cost Records and Audit) Rules, 2014 to such class of companies as mentioned in the Table appended to Rule 3 of the said Rules. CETA headings under which Company's products are covered is not crossing the prescribed limits.

Hence, maintenance of cost records and cost audit provisions are not applicable to the Company as of now.

## **SECRETARIAL AUDIT REPORT**

Pursuant to the Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit W.e.f 31.03.2019, the Company has appointed Mrs. Rakhi Agarwal, Company Secretary in Practice as Secretarial Auditors to conduct Secretarial audit of the company for the financial year ended March 31, 2019.

The Secretarial Audit Report issued by Mrs. Rakhi Agarwal, Company Secretary in Practice in Form MR-3 is enclosed as Annexure II to this Annual Report.

The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks.

### **EXTRACT OF ANNUAL RETURN:**

The extract of annual return of the Company for the financial year 2018-2019 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.

### **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 are not applicable to the Company.

### **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.

**By Order of the Board  
For BHAGYANAGAR COPPER PRIVATE LIMITED**



**DEVENDRA SURANA  
CHAIRMAN**

Place: Secunderabad  
Date: 01.07.2019

## ANNEXURE TO THE DIRECTORS REPORT

Information under Section 134(3)(m) 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:

### FORM A:

#### 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 COPPER PRIVATE LIMITED



DEVENDRA SURANA  
CHAIRMAN

Place: Secunderabad  
Date: 01.07.2019

**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	U27100MH2008PTC181786
Registration Date	30 <sup>th</sup> April , 2008
Name of the Company	<b>BHAGYANAGAR COPPER PRIVATE LIMITED</b> <i>(Formerly Known as Aanvik Mercantile Private Limited)</i>
Category/Sub-Category of the Company	Company Limited by shares/ Indian Non-Govt Company (Section 8 of Companies Act, 2013)
Address of the Registered Office and contact details	5 <sup>th</sup> Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500003, Phone:040-44665700/750 , Email: <a href="mailto:cs@surana.com">cs@surana.com</a>
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
		100

**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	L27201TG1985PLC012449	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 (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				%
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual / HUF	-	100	100	0.00	-	100	100	0.00	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	14694900	14694900	100.00	-	19999900	19999900	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	-	<b>14695000</b>	<b>14695000</b>	<b>100.00</b>	-	<b>20000000</b>	<b>20000000</b>	<b>100.00</b>	-
<b>(2) Foreign</b>	NIL								
<b>Sub-Total (A)(2):</b>	NIL								

<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>		14695000	14695000	100.00	-	20000000	20000000	100.00	-
<b>B. PUBLIC SHAREHOLDING</b>	NIL								
<b>Sub-Total B(2) :</b>	NIL								
<b>Total B=B(1)+B(2):</b>	NIL								
<b>C. SHARES HELD BY CUSTODIANS, AGAINST WHICH</b>	NIL								
<b>GRAND TOTAL (A+B+C) :</b>	-	14695000	14695000	100.00	-	20000000	20000000	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	Bhagyanagar India Limited	14694900	100	-	19999900	100	-	0.00
2	Devendra Surana	100	0.00	-	100	0.00	-	0.00

**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		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
01	Devendra Surana	100	0.00	-	-	-	100	0.00
02	Bhagyanagar India Limited	14694900	100	14.02.2019	2080000	Allotment	16774900	100
				25.02.2019	3225000	Allotment	19999900	100

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

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	For Each of the Top 10 Shareholders	NIL			
	At the beginning of the year				
	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				

**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.	Narender Surana	-	-	-	-	-	-
2.	Devendra Surana	100	-	-	-	100	-
3.	Mitali Surana	-	-	-	-	-	-
	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
4.	Krupakar Nadimpally Reddy	-	-	-	-	-	-
5.	Surendra Bhutoria	-	-	-	-	-	-
6.	Rachna Kewliya	-	-	-	-	-	-

**V. INDEBTEDNESS:**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (in Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	20,47,423	<b>NIL</b>	20,47,423
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
<b>Total (i+ii+iii)</b>	-	20,47,423		20,47,423
<b>Change in Indebtedness during the financial year</b>				
Addition	8,81,55,659	8,27,59,365	<b>NIL</b>	17,09,15,024
Reduction	-	-		-
<b>Net Change</b>	-	-		-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,81,55,659	8,48,06,788	<b>NIL</b>	17,29,62,447
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
<b>Total (i+ii+iii)</b>	<b>8,81,55,659</b>	<b>8,48,06,788</b>		<b>17,29,62,447</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	Krupakar Nadimpally 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	-	-
	(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 i. Deferred bonus (pertaining to the current Financial year payable in 2019) ii. Retirals	-	-
	<b>Total (A)</b>	-	-

**B. REMUNERATION TO OTHER DIRECTORS:**

1. Independent Director: NIL

2. Other Non-Executive Directors:

Particulars of remuneration	Narender Surana, Director	Devendra Surana, Director	Mitali Surana, Director	Total Amount (Rs.)
-Fee for attending Board/Committee Meetings	-	-	-	-
- Commission	-	-	-	-
- Others, please specify	-	-	-	-
<b>Total</b>	-	-	-	-

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

Sl. No.	Particulars of Remuneration	Surendra Bhutoria CFO	Rachna Kewliya CS	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	Sweat Equity	-	-	-
4	Commission - as % of profit - Others, specify....	-	-	-
5	Others, please specify - Retirals	-	-	-
	<b>Total (C)</b>	-	-	-

**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			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

By Order of the Board  
For BHAGYANAGAR COPPER PRIVATE LIMITED



DEVENDRA SURANA  
CHAIRMAN

Place: Secunderabad  
Date: 01.07.2019



5-4-187/3LA, 2nd Floor, Soham Mansion, M. G. Road, Ranigunj, Secunderabad - 500 003.

☎ : 2754 2635, 2754 1015 Fax: 040-2754 1015 E-mail: luharukaca@gmail.com

**INDEPENDENT AUDITOR'S REPORT**

To the Members of BHAGYANAGAR COPPER PRIVATE 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 COPPER PRIVATE LIMITED** (Earlier 'Aanvik Mercantile Private 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.

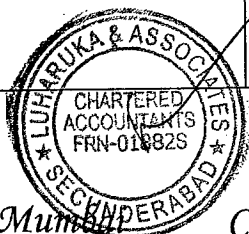
**Basis for Opinion**

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 thereunder, 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 Matter	How our audit addressed the key audit matter
Refer to Note- 4 (b) (Significant Accounting Policies) and Note-5 (Property, plant and equipment) of the enclosed financial statements.	Understood, evaluated and tested the design and in relation to Property Plant and Equipment.
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.	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.



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.

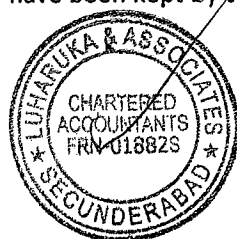
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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;



## 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")

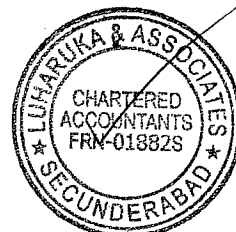
1. We have audited the internal financial controls with reference to Standalone Financial Statements of **BHAGYANAGAR COPPER PRIVATE LIMITED** (Earlier 'Aanvik Mercantile Private Limited' ) ("the Company") as of 31 March 2019 in conjunction with our audit of the Standalone financial statements of the 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.

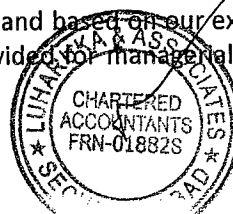
#### Auditors' Responsibility

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.



**'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 the 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 did not grant any loan to corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the order is not applicable to the Company.
- (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) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (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, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- (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 not paid/provided for managerial remuneration in



**BHAGYANAGAR COPPER PRIVATE LIMITED****(EARLIER AANVIK MERCANTILE PRIVATE LIMITED)****BALANCE SHEET AS AT 31ST MARCH, 2019**

CIN: U27100MH2008PTC181786

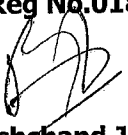
	<b>ASSETS</b>	<b>Note</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>I</b>	<b>NON- CURRENT ASSETS</b>			
	a. Property, Plant and equipment	5	29,86,56,160	13,98,57,556
	b Capital work-in-progress	6	-	24,52,605
	c Investments	7	1,00,000	1,00,000
	<b>CURRENT ASSETS</b>			
	a. Inventory	8	2,28,16,367	-
	b Cash and Cash Equivalents	9	40,64,196	1,09,870
	c Loans & advances	10	3,32,12,913	47,16,042
	d Other Current Asset	11	3,07,76,248	3,34,705
	<b>TOTAL ASSETS</b>		<b>38,96,25,884</b>	<b>14,75,70,778</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	a. Equity Share Capital	12	20,00,00,000	14,69,50,000
	b. Other Equity	13	(30,08,721)	(14,79,207)
	<b>LIABILITIES</b>			
	<b>NON-CURRENT LIABILITIES</b>			
	a. Borrowings	14	17,29,62,447	20,47,423
	<b>CURRENT LIABILITIES</b>			
	b Other Current Liabilities	15	1,96,72,158	52,562
	<b>TOTAL EQUITY AND LIABILITES</b>		<b>38,96,25,884</b>	<b>14,75,70,778</b>

Significant accounting Policies and Key accounting estimates and Judgements. (1 to 4)

See accompanying notes form an Integral part of the financial statements. (21 to 28)

As per our report of even date attached  
For LUHARUKA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg No.01882S

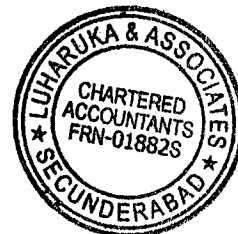
For and on behalf of the Board

  
Rameshchand Jain  
Partner  
M. No. 023019

  
Narender Surana  
Director  
DIN : 00075086

  
Devendra Surana  
Director  
DIN : 00077296

Place: Secunderabad,  
Date :



**BHAGYANAGAR COPPER PRIVATE LIMITED**  
(EARLIER AANVIK MERCANTILE PRIVATE LIMITED)  
STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

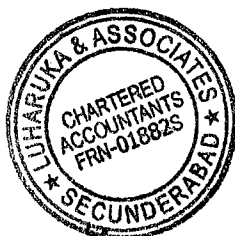
	Note No.	For the Period ended 31.03.2019	For the Period ended 31.03.2018
I. REVENUE FROM OPERATIONS	16	31,78,400	-
II. OTHER INCOME	17	1,11,832	15,000
III. TOTAL REVENUE		<b>32,90,232</b>	<b>15,000</b>
IV. EXPENSES			
Cost of Raw Materials and Components Consumed	18	-	-
Finance costs	19	3,92,681	2,800
Depreciation		20,14,613	15,05,831
Other expenses	20	24,12,452	48,458
V. TOTAL EXPENSES		<b>48,19,746</b>	<b>15,57,089</b>
VI. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		(15,29,514)	(15,42,089)
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		(15,29,514)	(15,42,089)
VIII. PROFIT BEFORE TAX		<b>(15,29,514)</b>	<b>(15,42,089)</b>
IX. TAX EXPENSE: 1. Current tax		-	-
X. PROFIT AFTER TAX		<b>(15,29,514)</b>	<b>(15,42,089)</b>
EPS-BASIC & DILUTED		-	-

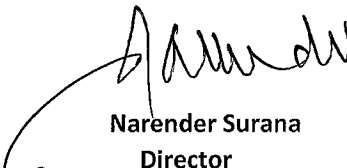
Significant accounting Policies and Key accounting estimates and Judgements.(1 to 4)  
See accompanying notes form an Integral part of the financial statements. (21 to 28)

As per our report of even date attached  
For LUHARUKA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg No.01882S

For and on behalf of the Board

  
Rameshchand Jain  
Partner  
M. No. 023019



  
Narender Surana  
Director  
DIN: 00075086

  
Devendra Surana  
Director  
DIN : 00077296

Place: Secunderabad,  
Date :




**BHAGYANAGAR COPPER PRIVATE LIMITED**  
(EARLIER AANVIK MERCANTILE PRIVATE LIMITED)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

PARTICULARS	For the Year 2018-19	For the Year 2017-18
<b>A Cash flow from Operating Activities</b>		
Net profit before tax as per annexed Profit and loss account	(15,29,514)	(15,42,088)
Add: Adjustments for:		
Depreciation & Amortisation	20,14,613	15,05,830
<b>Operating profit before working Capital Changes</b>	<b>4,85,099</b>	<b>(36,258)</b>
Loans and Advances and current assets	(8,17,54,781)	(41,85,925)
Trade Payables and Other Current Liabilities	1,96,19,596	(72,38,037)
<b>Cash generated from Operations</b>	<b>(6,16,50,086)</b>	<b>(1,14,60,220)</b>
Income Tax Paid (including Prior Period)	-	-
<b>Net cash (used in)/from Operating Activities(A)</b>	<b>(6,16,50,086)</b>	<b>(1,14,60,220)</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of Fixed Assets & Other Capital Expenditure	(15,83,60,612)	(31,43,446)
<b>Net Cash (used in)/from Investing Activities (B)</b>	<b>(15,83,60,612)</b>	<b>(31,43,446)</b>
<b>C Cash flow from Financing Activities</b>		
Increase (Decrease) in Unsecured Loans	17,09,15,024	(13,19,67,577)
Proceeds From Issue of Shares	5,30,50,000	14,65,00,000
<b>Net Cash (used in)/from Financing Activities (C)</b>	<b>22,39,65,024</b>	<b>1,45,32,423</b>
<b>Net Increase / Decrease in cash and Cash Equivalents (A+B+C)</b>	<b>39,54,326</b>	<b>(71,243)</b>
Cash and Cash Equivalents Opening Balance	1,09,870	1,81,113
Cash and Cash Equivalents Closing Balance	40,64,196	1,09,870
<b>Change in Cash and Cash Equivalents</b>	<b>39,54,326</b>	<b>(71,243)</b>

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**  
Director  
DIN: 00075086

  
**Devendra Surana**  
Director  
DIN : 00077296

Place: Secunderabad,  
Date :

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	1,46,95,000	14,69,50,000
Changes in equity share capital during 2017-18	-	-
Balance as at 31 March 2018	1,46,95,000	14,69,50,000
Balance as at 1 April 2018	1,46,95,000	14,69,50,000
Changes in equity share capital during 2018-19	53,05,000	5,30,50,000
Balance as at 31 March 2019	2,00,00,000	20,00,00,000

B. Other equity

(amount in Rupees)

	Reserves and Surplus		Total
	Retained Earnings	Capital Reserve	
Balance as at 1 April 2017	(4,86,01,414)	-	(4,86,01,414)
Profit for the year	(15,42,088)	-	(15,42,088)
Other Comprehensive Income (net of tax)	-	-	-
<b>Total Comprehensive Income for the year 2017-18 (B)</b>	<b>(15,42,088)</b>	-	<b>(15,42,088)</b>
Transfer In/Out General Reserve	-	-	-
Dividends	-	-	-
Tax on dividends	-	-	-
<b>Balance at 31 March 2018 C= (A+B)</b>	<b>(5,01,43,502)</b>	-	<b>(5,01,43,502)</b>
<b>Balance at 1 April 2018 (D)</b>	<b>(5,01,43,502)</b>	-	<b>(5,01,43,502)</b>
Profit for the year	(15,29,514)	-	(15,29,514)
Other Comprehensive Income (net of tax)	-	-	-
Reserve created during the year	-	4,86,64,295	4,86,64,295
<b>Total Comprehensive Income for the year 2017-18 (E)</b>	<b>(15,29,514)</b>	-	<b>(15,29,514)</b>
Transfer In/Out General Reserve	-	-	-
Dividends	-	-	-
Tax on dividends	-	-	-
<b>Balance at 31 March 2018 F=(D+E)</b>	<b>(5,16,73,016)</b>	<b>4,86,64,295</b>	<b>(30,08,721)</b>

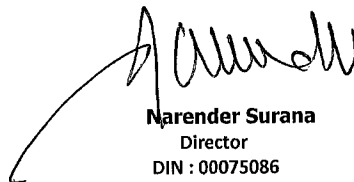
See accompanying notes form an Integral part of the financial statements.  
As per our report of even date attached

For Luharuka & Associates  
Chartered Accountants  
Firm Reg No - 001882S



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

For and on behalf of the Board

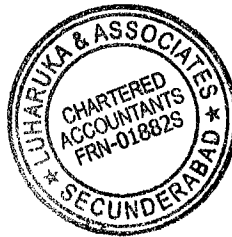


**Narender Surana**  
Director  
DIN : 00075086



**Devendra Surana**  
Director  
DIN : 00077296

Place: Secunderabad  
Date :



**Significant accounting policies and key accounts, estimates and judgments:**

**1. Corporate Information**

Bhagyanagar Copper Pvt Ltd ("the company") is a Company registered under the companies act, 1956. It was incorporated on 30-04-2008. The company was acquired by M/s Bhagyanagar India Limited on 6<sup>th</sup> February 2018. It proposes to engage in the manufacture of copper products. The company's CIN is U40106MH2008PTC181786. It is the subsidiary company of Bhagyanagar India Limited, which is listed on the stock exchange.

**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:**

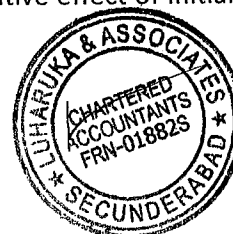
**a. Use of estimates and judgments:** The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets 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.

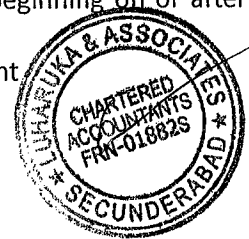
**C. Amendment to Ind AS 19 – plan amendment, curtailment or settlement-** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

**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.

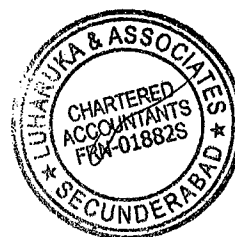
Depreciation for identified components is computed on straight line method based on useful lives, determined based on internal technical evaluation. Freehold land is carried at cost.

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**



## Bhagyanagar Copper Private Limited

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:

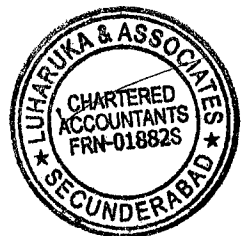
- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

***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:***

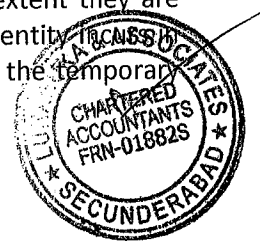
These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral 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



Bhagyanagar Copper Private Limited

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.

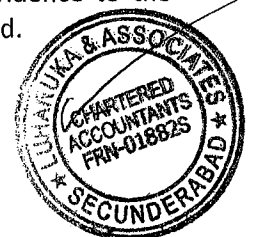
**Deferred income tax**

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.

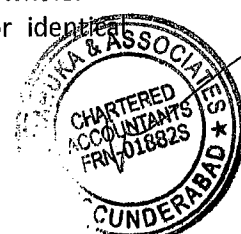
Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**(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.

**(s) Inventories**

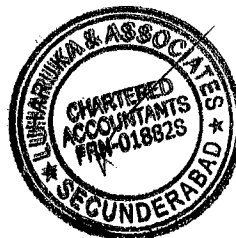
Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity.

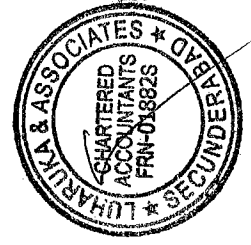
Cost of work-in-progress and finished goods are determined on a weighted average basis. Scrap is valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



**Note: 5 Property, Plant & Equipment**

Particulars	Free hold land	Factory Building	Plant & Machinery	Electrical Installation	Plantation	Vehicles	Computers	Grand Total
<b>A. Gross Block</b>								
At 1st April, 2017	-	-	-	-	-	-	-	-
Additions	12,02,31,000	1,46,81,545	-	-	57,60,000	6,90,842	-	14,13,63,387
Disposals	-	-	-	-	-	-	-	-
At 31st March, 2018	12,02,31,000	1,46,81,545	-	-	57,60,000	6,90,842	-	14,13,63,387
Additions	-	2,28,38,826	11,07,51,845	2,70,89,599	-	46506	86441	16,08,13,217
Disposals	-	-	-	-	-	-	-	-
<b>At 31st March, 2019</b>	12,02,31,000	3,75,20,371	11,07,51,845	2,70,89,599	57,60,000	7,37,348	86,441	30,21,76,604
<b>B. Depreciation</b>								
At 1st April, 2017	-	-	-	-	-	-	-	-
Charge for the Year	-	9,29,831	-	-	5,76,000	-	-	15,05,831
Disposals	-	-	-	-	-	-	-	-
At 31st March, 2018	-	9,29,831	-	-	5,76,000	-	-	15,05,831
Charge for the Year	-	9,89,275	2,88,108	70,507	5,76,000	85245	5,478.10	20,14,613
Disposals	-	-	-	-	-	-	-	-
<b>At 31st March, 2019</b>	-	19,19,106	2,88,108	70,507	11,52,000	85,245	5,478	35,20,444
<b>C. Net Block (A-B)</b>								
At 31st March, 2018	12,02,31,000	1,37,51,714	-	-	51,84,000	6,90,842	-	13,98,57,556
At 31st March, 2019	12,02,31,000	3,56,01,265	11,04,63,737	2,70,19,092	46,08,000	6,52,103	80,963	29,86,58,160



Notes to Balance Sheet

6. Capital Work- in- Progress

Particulars	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
Civil, Errection work and others	-	24,52,605
<b>TOTAL</b>	<b>-</b>	<b>24,52,605</b>

7. Non current Investments

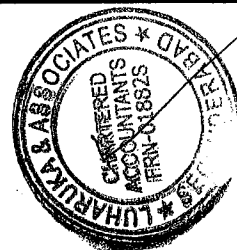
Particulars	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
Investment (At Cost)- Non- Trade (Investment in equity instruments in other entities- Unquoted 1000 shares of Rs 100/- each in Excellent Co-operative Bank Ltd)	1,00,000	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>	<b>1,00,000</b>

8 Inventory

Particulars	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
Stock-in-Trade	2,28,16,367	-
<b>TOTAL</b>	<b>2,28,16,367</b>	<b>-</b>

9. Cash and Bank Balances

Particulars	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
(a) Cash and Cash Equivalent		
Current Account	67,360	1,06,248
Cash on hand	64,687	3,622
Fixed Deposit - Kotak Bank	39,32,149	-
<b>TOTAL</b>	<b>40,64,196</b>	<b>1,09,870</b>

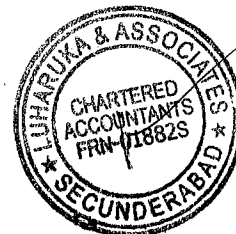


**10. Loans and Advances**

Particulars	As at	As at
	31.03.2019	31.03.2018
	Rs.	Rs.
a) Advances to suppliers		
- Less than one year	3,01,56,913	47,16,042
- More than one year	-	-
b) Security Deposit	30,00,000	-
c) Loans & Advances to staff	56,000	
<b>TOTAL</b>	<b>3,32,12,913</b>	<b>47,16,042</b>

**11. Other Current Asset**

Particulars	As at	As at
	31.03.2019	31.03.2018
	Rs.	Rs.
(a) Advance tax & TDS (Net of Provisions)	1,20,224	8,482
(b) Balance with Statutory authorities	3,06,56,024	3,26,223
<b>TOTAL</b>	<b>3,07,76,248</b>	<b>3,34,705</b>



12 Share Capital	As at 31st March 2019		As at 31st March 2018	
	Number	Rupees	Number	Rupees
<b>Authorised</b> Equity Shares of Rs. 10 each	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
<b>Issued</b> Equity Shares of Rs. 10 each	2,00,00,000	20,00,00,000	1,46,95,000	14,69,50,000
<b>Subscribed &amp; Paid up</b> Equity Shares of Rs. 10 each fully paid	2,00,00,000	20,00,00,000	1,46,95,000	14,69,50,000
<b>Total</b>	2,00,00,000	20,00,00,000	1,46,95,000	14,69,50,000

**a) Term/rights attached to Equity Shares**

The company has only one class of issued equity shares having a par value of Rs 10/- per share. Each shareholder is entitled to one vote per share. one vote per share. In the event of liquidation of the company. The holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b) Reconciliation of Shares Outstanding:**

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	1,46,95,000	14,69,50,000	45,000	4,50,000
Shares Issued during the year	53,05,000	5,30,50,000	1,46,50,000	14,65,00,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,00,00,000	20,00,00,000	1,46,95,000	14,69,50,000

**c) Particulars of share holders holding morethan 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
BHAGYANAGAR INDIA LIMITED	2,00,00,000	100.00%	1,46,95,000	100.00%
<b>Total</b>	2,00,00,000	100.00%	1,46,95,000	100.00%

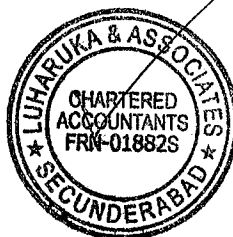
**13 B. Other equity**

(amount in Rupees)

	Reserves and Surplus		
	Retained Earnings	Capital reserve	Total
Balance at 1 April 2017 (A)	(4,86,01,414)	-	(4,86,01,414)
Profit for the year	(15,42,088)	-	(15,42,088)
Other Comprehensive Income (net of tax)	-	-	-
Reserve created during the year	-	4,86,64,295	4,86,64,295
<b>Total Comprehensive Income for the year 2017-18 (B)</b>	<b>(15,42,088)</b>	<b>4,86,64,295</b>	<b>4,71,22,207</b>
<b>Balance at 31 March 2018 C=(A+B)</b>	<b>(5,01,43,502)</b>	<b>4,86,64,295</b>	<b>(14,79,207)</b>
Balance at 1 April 2018 (D)	(5,01,43,502)	4,86,64,295	(14,79,207)
Profit for the year	(15,29,514)	-	(15,29,514)
Other Comprehensive Income (net of tax)	-	-	-
<b>Total Comprehensive Income for the year 2018-19 (E)</b>	<b>(15,29,514)</b>	<b>-</b>	<b>(15,29,514)</b>
<b>Balance at 31 March 2019 F=(D+E)</b>	<b>(5,16,73,016)</b>	<b>4,86,64,295</b>	<b>(30,08,721)</b>

**Capital Reserve**

Capital Reserve is created from specific transactions of Capital in Nature and the same is not available for distribution to the shareholders.



**14. Borrowings**

Particulars	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
Loan from holding Company	8,48,06,788	20,47,423
Term Loan - Kotak Bank	8,81,55,659	-
<b>TOTAL</b>	<b>17,29,62,447</b>	<b>20,47,423</b>

Notes:

14 (a) <u>Loan from Holding Company</u> <u>Name of the company</u> Bhagyanagar India Limited	Balance as on 31.03.2019	Balance as on 31.03.2018
	8,48,06,788	20,47,423
<b>Total</b>	<b>8,48,06,788</b>	<b>20,47,423</b>

14 (b) Term Loan - Kotak Bank  
Term Loan of Rs.10,00,00,000 from Kotak Bank is availed during the Current Financial Year.

**15. Other Current Liabilities**

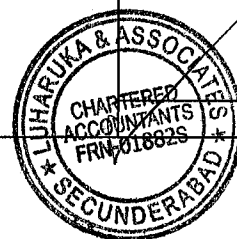
Particulars	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
Current Maturities of Long Term Debt - Kotak Bank	1,18,35,839	-
Outstanding Expenses	11,07,574	27,562
Statutory Liabilities	10,591	25,000
Sundry Creditors	67,18,154	-
<b>TOTAL</b>	<b>1,96,72,158</b>	<b>52,562</b>

**16. Revenue from Operations**

Particulars	For the year 2018-19 Rs.	For the year 2017-18 Rs.
Job Work Charges Received	37,50,512	-
Less: Sales Tax/ GST	5,72,112	-
<b>TOTAL</b>	<b>31,78,400</b>	<b>-</b>

**17. Other Income**

Particulars	For the year 2018-19 Rs.	For the year 2017-18 Rs.
Interest on Fixed Deposits	96,832	-
Dividend Income	15,000	15,000
<b>TOTAL</b>	<b>1,11,832</b>	<b>15,000</b>



**18. Cost of Raw Materials and Components Consumed**

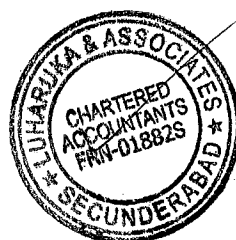
Particulars	For the Year 2018-19 Rs.	For the Year 2017-18 Rs.
Opening Stock Raw Materials	-	-
Add:Purchases	2,28,16,367	-
Less:Closing Stock Raw Materials	2,28,16,367	-
<b>TOTAL</b>	-	-

**19. Finance Cost**

Particulars	For the year 2018-19 Rs.	For the year 2017-18 Rs.
Interest Paid	3,92,160	-
Bank Charges	521	2,800
<b>TOTAL</b>	<b>3,92,681</b>	<b>2,800</b>

**20. Other Expenses**

Particulars	For the year 2018-19 Rs.	For the year 2017-18 Rs.
Power & Fuel	4,27,495	-
Audit fees	15,000	32,700
Printing & stationery	10,676	1,708
Postage & courier	12,281	2,550
Rates & taxes	180	2,500
Advertisement	14,400	-
Miscellaneous exp	36,943	9,000
Travelling and Conveyance	16,775	-
Filing Fees	18,78,702	-
<b>TOTAL</b>	<b>24,12,452</b>	<b>48,458</b>





**21. Related party transactions**

**a. List of Related Parties:**

- i. Holding Company: Bhagyanagar India Limited  
 ii. Other Related Parties:  
 a) Narender Surana & Devendra Surana - Directors

**b. Transactions with Related parties:**

Nature of Transaction	Nature of Relation	Amount (Rupees)	
		2018-19	2017-18
<b>Transactions During the year:</b>			
Proceeds From Borrowings	Holding Company	8,27,59,365/-	20,47,423/-
Repayment of Borrowings	Holding Company	-NIL-	-NIL-
	Other Related Parties	-NIL-	6,45,15,000/-

**Balance at the end of the year:**

Nature of Transaction	Nature of Relation	Amount (Rupees)	
		2018-19	2017-18
Proceeds From Borrowings	Holding Company	8,48,06,788/-	20,47,423/-

22. 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.

**23. Earnings Per Share (EPS)**

(Amount in Rupees)

Particulars	2018-19	2017-18
Net Profit after Tax	(15,29,514/-)	(15,42,088/-)
Net Profit after Tax available for equity share holders - For Basic and Diluted EPS	(15,29,514/-)	(15,42,088/-)
Weighted Average No. Of Equity Shares For Basic EPS (No.)	2,00,00,000	1,46,95,000
Weighted Average No. Of Equity Shares For Diluted EPS (No.)	2,00,00,000	1,46,95,000
Nominal Value of Equity Shares	10/-	10/-
Basic Earnings Per Equity Share	-	-
Diluted Earnings Per Equity Share	-	-

**24. 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	-NIL-	-NIL-
Commitments: Estimated amount of contracts remaining to be executed for Project in Progress	-NIL-	-NIL-

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

There are no loans, advances and guarantees given and securities provided to



**26. Segment Reporting:**

The Company is primarily proposes to engage in the manufacture of copper products which as per Indian Accounting Standard – 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

**27. 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.



Bhagyanagar Copper Private Limited

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

Rupees in Lakhs

Year Ended	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total
31-Mar-19					
Borrowings	-	-	-	1729.62	1729.62
	-	-	-	<b>1729.62</b>	<b>1729.62</b>
31-Mar-18					
Borrowings	-	-	-	20.47	20.47
	-	-	-	<b>20.47</b>	<b>20.47</b>

**28. 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.

(Rupees in Lakhs)

Particulars	31 Mar 2019	31 Mar 2018
Borrowings (Long term and Short term including Current maturity of Long term Borrowings) <b>Note 14</b>	1847.98	20.47
Other Payable (current and non-current, excluding current maturity of long term borrowings) <b>Note 15</b>	78.35	0.53
Less: Cash and Cash Equivalents	40.64	1.10
Net Debt	1885.69	19.90
Equity Share capital	2000.00	1469.50
Other Equity	(30.09)	(14.79)
Total Capital	1969.91	1454.71
Capital and Net debt	3855.59	1474.61
Gearing ratio (in %)	48.90	1.35

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,

**Rameshchand Jain**  
Partner  
M. No. 023019  
Firm Reg No.01882S

for and on behalf of the BOD of Bhagyanagar Copper Pvt Limited,

**Narender Surana**  
Director  
DIN: 00075086

**Devendra Surana**  
Director  
DIN: 00077296

Place: Secunderabad,

Date :

