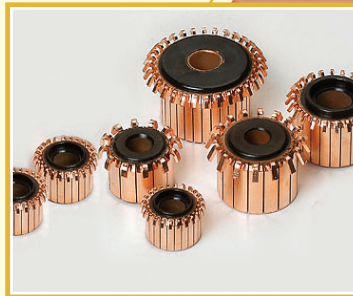
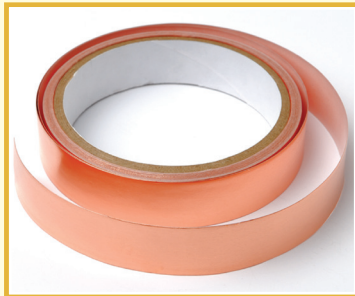
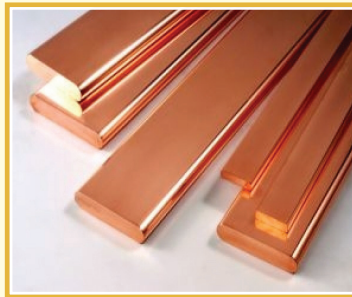




# **BHAGYANAGAR INDIA LIMITED**

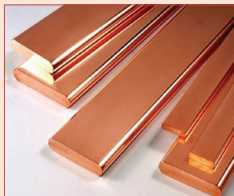
## **38<sup>th</sup> Annual Report 2022-23**



**Auto and Electrical Components**

**Copper - Sheet, Pipes, Foils and Bus Bars**

# COPPER PRODUCT RANGE



## Copper Flats / Copper Bus Bars

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



## Paper Insulated Copper Conductor (PICC)

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



## Copper Foils

Width: 11MM – 130MM

Thickness: .05MM – 3MM



## Copper Nugget

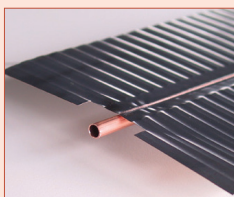
Oxygen Free OFC	Diameter(mm)	
	(mm)	(inch)
%Cu 99.995 min	8.0	0.315
Oxygen %<10ppm	10.0	0.393
	12.5	0.492



## Copper Wires & Rods

Diameter: 1.1mm – 100mm

Applications: Automobiles



## Solar Fins

FIN: T 0.10 x W 115 x L 1892 mm

Tube: D 12.7 x G 0.4 x L 1922 mm

**BOARD OF DIRECTORS**

Narender Surana	-	Managing Director
Devendra Surana	-	Managing Director
R Surender Reddy	-	Independent Director
Kamlesh Gandhi	-	Independent Director
Sanjana Jain	-	Independent Director
N.C.Bhardwaj	-	Whole-time Director

**STATUTORY COMMITTEES****AUDIT COMMITTEE**

Kamlesh Gandhi	-	Chairman
R Surender Reddy	-	Member
Sanjana Jain	-	Member
Devendra Surana	-	Member

**NOMINATION & REMUNERATION COMMITTEE**

R Surender Reddy	-	Chairman
Kamlesh Gandhi	-	Member
Sanjana Jain	-	Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Sanjana Jain	-	Chairman
Narender Surana	-	Member
Devendra Surana	-	Member

**CHIEF FINANCIAL OFFICER**

Surendra Bhutoria

**COMPANY SECRETARY**

Lalit Kumar Thanvi (from 14.02.2023)  
Srinivas Dudam (upto 20.08.2022)

**BANKERS**

- HDFC Bank Limited • State Bank of India
- ICICI Bank • HSBC Limited

**STATUTORY AUDITORS****Luharuka & Associates**

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

**INTERNAL AUDITORS****Sekhar & Co.,**

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

**COST AUDITORS****Lavanya & Associates**

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

**SECRETARIAL AUDITOR****Rakhi Agarwal**

Company Secretary in Practice  
1-10-32 to 37/D-003, Ground Floor,  
D Block Wellkin Park, Secunderabad  
Hyderabad Telangana-500016

**REGISTRAR & TRANSFER AGENTS****KFin Technologies Limited**

KFintech, Tower - B,  
Plot No 31 & 32, Selenium Building,  
Financial District, Nanakramguda,  
Gachibowli, Hyderabad – 500 032  
Tel No.040-67162222 / 040-79611000  
E-mail: einward.ris@kfintech.com  
Website: www.kfintech.com

**WORKS****Copper Division****Bhagyanagar India Limited**

Plot No. P-9/13(1) & P-9/14,  
IDA, Nacharam, Hyderabad – 500076.

**NON-CONVENTIONAL ENERGY****WIND POWER**

Kapatgudda, Gadag District, Karnataka – 582 101

**REGISTERED OFFICE****Bhagyanagar India Limited**

Plot No.P-9/13/1 & P-9/14, IDA,  
Nacharam, Hyderabad – 500076  
Tel: 040-27152861, 27175891, 27151278,  
Fax: +91 40 27172140  
E-mail: surana@surana.com  
Investor Complaints: cs@surana.com,  
investorservices\_bil@surana.com  
Website: www.bhagyanagarindia.com,  
www.surana.com  
CIN: L27201TG1985PLC012449

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## NOTICE OF 38<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 38<sup>th</sup> Annual General Meeting of the members of Bhagyanagar India Limited will be held on Wednesday the 27<sup>th</sup> September, 2023 at 11.00 A.M. (IST), through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS:

1. **To receive, consider and adopt:**
  - a) the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Shri Narender Surana, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **Re-appointment of Shri Devendra Surana (DIN-00077296) as Managing Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 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 as recommended by the Nomination and Remuneration Committee, the consent of members be and is hereby accorded to approve the re-appointment of Shri Devendra Surana (DIN-00077296) as Managing Director of the Company for a further period of 3 years effective from 18.01.2024 to 17.01.2027 at a remuneration (either by way of salary, allowances and perquisites) of Rs.9,00,000 (Rupees Nine Lakhs only) per month plus 1% commission on net profits of the Company, and payable either monthly/quarterly/yearly for the period from 18.01.2024 to 17.01.2027.

**RESOLVED FURTHER THAT** Shri Devendra Surana 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 Devendra Surana, Managing Director, including the monetary value thereof from time to time as may be considered appropriate, as

recommended by the nomination and remuneration committee, within the overall limits as permissible under provisions of the Companies Act, 2013 and subject to approval of shareholders and other necessary approvals.

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

4. **Re-appointment of Shri Narender Surana (DIN-00075086) as Managing Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 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), as recommended by the Nomination and Remuneration Committee, the consent of members be and is hereby accorded to approve the re-appointment of Shri Narender Surana (DIN-00075086) as Managing Director of the company for a further period of 3 years w.e.f 18.01.2024 to 17.01.2027 without remuneration.

**RESOLVED FURTHER THAT** Shri Narender Surana 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 Narender Surana, Managing Director, including the monetary value thereof from time to time as may be considered appropriate, as recommended by the nomination and remuneration committee within the overall limits as permissible under provisions of the Companies Act, 2013 and subject to approval of shareholders and other necessary approvals.

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

5. **To approve and ratify the remuneration of Cost Auditors for the financial year 2023-24:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), the cost audit fees of Rs.



25,000/- (Rupees Twenty-Five Thousand Only) to be paid to M/s Lavanya & Associates, Cost Accountants in practice, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2023-24 be and is hereby approved and ratified.

**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. Approval to advance any Loan/Give Guarantee/ Provide Security u/s 185 of the Companies Act, 2013:**

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

**"RESOLVED THAT** pursuant to Section 185 and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in accordance with Memorandum and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan(s) and/or to give any guarantee(s) and/or to provide any security(ies) in connection with any Financial Assistance/ Loan taken/to be taken/availed/to be availed by any entity which is a Subsidiary/ Associate/Joint Venture or such other entity/person as specified under Section 185 of the Companies Act, 2013 and more specifically to such other entity/person as the Board of the Directors in its absolute discretion deems fit and beneficial and in the best interest of the Company (hereinafter commonly known as the Entities); all together with in whom or in which any of the Director of the Company from time to time is interested or deemed to be interested; provided that the aggregate limit of advancing loan and/or giving guarantee and/or providing any security to the Entities shall not at any time exceed the aggregate limit of Rs.500 Crores (Rupees Five Hundred Crores Only).

**RESOLVED FURTHER THAT** the aforementioned loan(s) and/or guarantee(s) and/or security(ies) shall only be utilized by the borrower for the purpose of its principal business activities.

**RESOLVED FURTHER THAT** keeping the best interest of the Company in view, any approval accorded by the Board of Directors and shareholders of the Company under Section 185 of the Companies Act, 2013 under this resolution shall be in force till the period any amendment to the said resolution will be made by the Board of Directors and Shareholders thereof.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things as may be necessary, proper, expedient, or incidental to give effect to this resolution."

**7. To ratify and approve the limit of remuneration payable to Shri Advait Surana, related party in respect to hold office or place of profit in the Wholly-owned Subsidiary Company, Bhagyanagar Copper Private Limited.**

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

**"RESOLVED THAT** pursuant to Section 188 (1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), ratification and approval of the Company be and is hereby for the payment of remuneration exceeding Rs. 2,50,000/- per month with effect from 1st July, 2023, to Shri. Advait Surana, son of Shri Devendra Surana, Managing Director of the Company, to the place of profit being the office of the Manager (Operations) in Bhagyanagar Copper Private Limited, Wholly Owned Subsidiary who has already been appointed as Manager (Operations) of the Company's Business so however that the aggregate remuneration shall not exceed Rs. 5,00,000/- per month.

**RESOLVED FURTHER THAT** pursuant the provisions of Section 188 (1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), the consent of the members be and is hereby accorded for Shri. Advait Surana, being related party, to continue to hold an office or place of profit in 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".

**8. To consider and approve transfer of Copper Business of the Company by way of Slump Sale as "going Concern" to Bhagyanagar Copper Private Limited a Wholly Owned Subsidiary of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the relevant Rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules and regulations framed by the Securities and Exchange Board of India, and the enabling provisions in the Memorandum of Association

and Articles of Association of the Company and subject to such other approvals, sanctions, consents and permissions as may be deemed necessary be obtained from the appropriate authorities to the extent applicable and necessary, approval and consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer / assign otherwise dispose of the Copper Business (**Except factory land & building**) of the company ('Undertaking') together with the use of all the licenses, permits, consents customers, suppliers and approvals whatsoever, and identified liabilities, contracts and employees, by way 'of slump sale' (as defined under section 2(42C) of the Income Tax Act, 1961) to Bhagyanagar Copper Private Limited, a wholly owned subsidiary of the Company, at such consideration not less than Rs. 60 Crores or the Fair Market Value of the net assets as per the Rule 11 UAE of the Income Tax Rules, 1962 whichever is higher, which will be based on a report to be obtained from an independent valuer of the Copper Business and upon such other terms and conditions as may be determined by the Board, by way of Business Transfer Agreement ("BTA") to be executed between the Company and Bhagyanagar Copper Private Limited.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited

to definitive Agreements including the Business Transfer Agreement ('BTA'), deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters, to finalize mode and terms of sale consideration and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized and empowered to execute the documents, deeds or writings required to be executed in relation to the resolution mentioned above and other incidental documents, make applications to regulatory and governmental authorities for the purposes of obtaining all approvals, consents, permissions and sanctions required by Company and to do all acts and deeds as may be necessary, proper, desirable and/or expedient to give effect to this resolution"

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

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**

Place: Secunderabad

Date : 25.08.2023

## NOTES:

1. Pursuant to the General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, latest being the General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the circulars on the VC/OVAM, members can attend the meeting through login credentials provided to them to connect to Video Conference (VC) / Other Audio Visual Means (OAVM). Physical attendance of the Members at the Meeting venue is not required. Bodies Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since, the AGM will be conducted through VC / OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2023 to 27.09.2023 (both days inclusive) for the purpose of annual closure.
5. The facility of joining the AGM through VC / OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the AGM and will be available for 1000 members on a first-come first-served basis. This rule would however not apply to participation in respect of large Shareholders (Shareholders holding 2% or more shares of the Company), Promoters, Institutional Investors, Auditors, Key Managerial Personnel and Directors of the Company including Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.
6. Members attending the AGM through VC/OAVM (member's logins) shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. **Dispatch of Annual Report through electronic mode:** In compliance with the above referred MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/ P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice of this AGM along with Annual Report for the financial year 2022-23 will also be available on the Company's website [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of Company's Registrar and Transfer Agents, KFintech at <https://evoting.kfintech.com/>.
8. Members are requested to register/update their email addresses for receiving all communication (including Annual Report) from the Company electronically:
  - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [investorservices\\_bil@surana.com](mailto:investorservices_bil@surana.com) or to KFintech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
  - c) Members who have not registered their e-mail address and, therefore, are not able to receive the Annual Report, Notice of e-AGM and e-Voting instructions, may get their email address and mobile number registered with the Company's RTA, KFinTech by accessing the link <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>.
9. Members who would like to ask questions/express their views on the items of the businesses to be transacted at the AGM can send their questions / comments in advance by visiting URL <https://emeetings.kfintech.com> and clicking on the tab 'Post your Queries' during the period starting from 24<sup>th</sup> September, 2023 (9.00 a.m. IST) to 26<sup>th</sup> September, 2023 (5.00 p.m. IST) mentioning their name, demat account no. / Folio no., Email Id, mobile number etc. The queries so raised must also be mailed to [investorservices\\_bil@surana.com](mailto:investorservices_bil@surana.com). The queries should be precise and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
10. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice. Director seeking appointment/re-appointment have furnished requisite declarations under section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.
11. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.



12. In accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from 1st April, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
13. **Updation of PAN and other details:** SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, KFin Technologies Limited, at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).  
  
The forms for updating the same are available at <http://www.bhagyanagarindia.com/mandatory-furnishing-of-pan-kyc-nomination-details.php>. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP. In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 or link their PAN with Aadhaar, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.
14. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination. Members holding shares of the Company in physical form are requested to go through the requirements on the website of the Company at [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com) to furnish the abovementioned details.
15. Members may please note that SEBI vide its Circular dated 25th January, 2022 has mandated Listed Companies to issue securities in demat form only while processing service requests viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the 'Investors' section.
16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested

to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14. The said form can be downloaded from the Company's website at [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com) (under 'Investor Relations' section). Members are requested to submit the said form to their DP in case the shares are held by them in electronic form and to the RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) in case the shares are held in physical form, quoting your folio no.

17. **Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:**

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been claimed for seven consecutive years or more are transferred to IEPF Authority.

To claim the equity shares and dividend which were transferred to IEPF, the shareholders may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

The details of unclaimed dividends and shareholders whose shares are transferred to the IEPF Authority have been uploaded on company's website at <http://www.bhagyanagarindia.com/unclaimed-dividend-shares.php>

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed Dividend amounts lying with the Company as on 28th September, 2022 (day of 37rd Annual General Meeting) on the website of the Company ([www.bhagyanagarindia.com](http://www.bhagyanagarindia.com)) and also on the website of Ministry of Corporate Affairs.

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

18. **Information and Instructions for e-voting and joining the AGM of Company are as follows:**

- a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is pleased to provide to its Members, facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means. The Members may

cast their votes using electronic voting system from any place ('remote e-voting'). The Company has engaged the services of Kfin Technologies Limited ("Kfin") as the Agency to provide e-voting facility to members.

- b) The Board of Directors of the Company has appointed Mrs. Rakhi Agarwal, Practicing Company Secretary, Hyderabad as Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the said purpose.
- c) Voting right of the members shall be reckoned in proportion to their shares held in the paid-up equity share capital of the Company as on Wednesday, 20th September, 2023 ("Cut-off date"). Person who is not a member as on the cut-off date should treat the Notice for information purpose only.
- d) A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories (viz. CDSL / NSDL) as on the cut-off date i.e. Wednesday, 20th September, 2023 only shall be entitled to avail the facility of remote e-voting for the resolutions placed in the AGM. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- e) The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- f) The remote e-voting facility will be available during the following period:

**Commencement of remote e-voting:** From 9:00 a.m. (IST) on Sunday, 24th September, 2023.

**End of remote e-voting:** At 5:00 p.m. (IST) on Tuesday, 26th September, 2023.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled / blocked thereafter by the e-voting service providers. Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

- g) The remote e-voting process, in relation to the resolutions proposed at 38th AGM of the Company has been segregated into 3 parts which is mentioned as hereunder:
  - (I) e-voting in case of Physical Shareholders & Non-Individual Shareholders (physical/demat)
  - (II) e-voting in case of Individual Shareholders having shares in electronic/demat mode
  - (III) e-voting in case of attending AGM and voting thereat.

## INSTRUCTION FOR REMOTE E-VOTING

### (I) In case of Physical Shareholders & Non-Individual Shareholders (Physical / Demat):

- a. Initial password is provided in the body of the e-mail.
- b. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- c. Enter the log in credentials i.e. User ID and password mentioned in your e-mail. Your Folio No. / DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- d. After entering the details appropriately, click on LOGIN.
- e. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. You need to login again with the new credentials.
- g. On successful login, the system will prompt you to select the EVENT. Select Bhagyanagar India Limited.
- h. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting / dissenting to the resolution, enter all shares and click 'FOR' / 'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and / or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- i. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
- j. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can log in multiple times till you are confirmed that you have voted on the resolution.
- k. In case of any queries / grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin Technologies Ltd. on 1800 309 4001 (toll free).

**(II) In case of Individual Shareholders having shares in electronic / demat mode:**

Such shareholder(s) may refer the e-voting process mandated for them vide SEBI circular dated 9th December, 2020 and should follow following process for remote e-voting:

**Login method for e-voting:**

As per the SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Type of Shareholder	Login Method
Individual shareholders holding securities in Demat mode with National Securities Depository Limited ("NSDL")	<p><b>A. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>1. Open <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>2. Click on the "Beneficial Owner" icon under 'IDeAS' section.</li> <li>3. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>4. Click on Bank Name or e-Voting service provider and you will be re-directed to e-voting service provider website for casting your vote during the remote e-Voting period.</li> </ol> <p><b>B. User not registered for IDeAS e-Services:</b></p> <ol style="list-style-type: none"> <li>1. To register, open <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</li> <li>2. Select "Register Online for IDeAS" Portal or click on <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Proceed with completing the required fields</li> </ol> <p><b>C. By visiting the e-Voting website of NSDL:</b></p> <ol style="list-style-type: none"> <li>1. Open <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Click on the icon "Login" which is available under 'Shareholder/Member' section</li> <li>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>4. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>5. Click on Bank name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL")	<p><b>A. Existing user who has opted for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>1. Click at <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>2. Click on New System Myeasi.</li> <li>3. Login with user ID and Password</li> <li>4. After successful login of Easi / Easiest, Option will be made available to reach e-voting page</li> <li>5. Click on e-voting service provider name to cast your vote</li> </ol> <p><b>B. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>1. Option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a>.</li> <li>2. Proceed with completing the required fields.</li> </ol> <p><b>C. By visiting the e-Voting website of CDSL:</b></p> <ol style="list-style-type: none"> <li>1. Visit at <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>2. Provide Demat Account Number and PAN No.</li> <li>3. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account.</li> <li>4. After successful authentication, user will be provided links for the respective e-voting service provider where the e-voting is in progress.</li> </ol>
Individual Shareholders (holding securities in Demat mode) login through their depository participants	<p>You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Bank Name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

### Important note:

Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

### (III) E-Voting in case of attending AGM and voting thereat:

#### Attending of AGM:

- Members will be able to attend the AGM through VC/OAVM facility provided by KFin at <https://emeetings.kfintech.com> by clicking on the tab 'video conference' and using their remote e-voting login credentials as provided by Kfintech. The link for AGM will be available in Member's login where the EVENT and the name of the Company can be selected.
- Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance / glitch / garbling etc. during the meeting.
- While all efforts would be made to make the VC/ OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com> and clicking on the tab 'Speaker Registration' and mentioning their registered e-mail id, mobile number and city, during the period starting from 24th September, 2023 (9.00 a.m. IST) to 26th September, 2023 (5.00 p.m. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM and the maximum time per speaker will be restricted to 3 minutes.
- Members who want to get their pre-recorded video uploaded for display during the AGM of the Company, can also upload the same by visiting <https://emeetings.kfintech.com> and uploading their video in the 'Speaker Registration' tab, during

24th September, 2023 to 26th September, 2023, subject to the condition that size of such video should be less than 50 MB.

- The Company reserves the right to restrict the number of speakers and display of videos uploaded by the Members depending on the availability of time for the AGM. Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date.
- Members who need technical or other assistance before or during the AGM can contact KFin by sending email at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 309 4001 (toll free). For any other kind of support / assistance related to the AGM, members may also write to [investorservices\\_bil@surana.com](mailto:investorservices_bil@surana.com).
- Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the AGM conference.

#### Voting at AGM (INSTAPOLL):

- Only those members / shareholders who hold shares as on the cut-off date i.e., 20th September, 2023 and who have not casted their vote earlier through remote e-voting are eligible to vote through e-voting during the AGM.
- Members who have voted through remote e-voting will be eligible to attend the e-AGM.
- Upon declaration by the Chairperson about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page.
- Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- The electronic voting system for e-voting at AGM, as provided by KFin Technologies Ltd, shall be available for 30 minutes from the time of commencement of voting declared by the Chairman at the AGM.

#### GENERAL INSTRUCTIONS:

- The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the Annual General meeting unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report containing the details with respect to votes cast in favour, against, neutral/ abstained, shall submit the Report to the Chairman of the Company.
- Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the

38th Annual General Meeting of the Company scheduled to be held on 27th September, 2023, the results declared along with the Scrutinizer's Report shall be submitted to BSE and NSE and also placed on the Company's website [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com) within 48 hours of conclusion of the Annual General Meeting.

**GENERAL INFORMATION:**

- i. The Company's equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 and National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 and the Company has paid the Listing Fees to the said Stock Exchanges.
- ii. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at KFin Technologies Limited (Unit: Bhagyanagar

India Limited), KFinTech, Tower- B, Plot No. 31 & 32, selenium Building Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, Telangana State, India.

- iii. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investorservices\\_bil@surana.com](mailto:investorservices_bil@surana.com)/ [cs@surana.com](mailto:cs@surana.com).

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

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**

Place: Secunderabad  
Date : 25.08.2023



## EXPLANATORY STATEMENT

[Pursuant to Section 102(1) of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### Item No. 3:

Shri Devendra Surana is serving as Managing Director on the Board of the Company since 12.03.1991. The Board of Directors at its meeting held on 10th August, 2023, on recommendations of the Nomination and Remuneration Committee, re-appointed Shri Devendra Surana as Managing Director of the Company for a further period of 3 years w.e.f. 18.01.2024 on same remuneration (either by way of salary, allowances and perquisites) of Rs.9,00,000/- per month plus 1% Commission on Net Profits of the Company and payable either monthly/quarterly/yearly, subject to concurrence of shareholders and compliance of all applicable provisions of the Companies Act, 2013. The Board had further authorised Nomination and Remuneration Committee to approve the revision in the remuneration from time to time within the limit as approved by the Board. A brief profile of Shri. Devendra Surana is annexed herein to the Notice.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act, the terms of appointment and remuneration as set out in Item No. 4 are now being placed before the members for their approval by way of Special Resolution.

The following additional detailed information Pursuant to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013.

I. General Information:		
1	Nature of Industry	The Company deals with manufacture of copper products such as copper rod, strips, pipers, busbars, sheets etc.
2	Date of expected date of commencement of commercial production	The Company incorporated in the year 1985, since then the Company is in to its commercial Operations.
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
4	Financial performance based on given indicators	The following are the financial parameters of the Company as on 31 <sup>st</sup> March, 2023:  Total Income - Rs. 138701.06 lakhs Profit Before Tax- Rs. 806.87 lakhs Profit After Tax- Rs. 609.96 lakhs
5	Foreign Investments or collaborations, if any.	Nil
II. Information about the appointees:		
1	Background details and Experience	Shri Devendra Surana is a Mechanical Engineer from Osmania University and holds a Post Graduate Diploma in Management from IIM, Bangalore and chosen as the Best Brain of the batch. He has been in the field of Ferrous & Non -Ferrous & Telecom Industry for the more than 38 Years. He is the Past President of Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI) and Past Chairman for Telangana State Council, Federation of Indian Chambers of Commerce & Industry (FICCI). He is also Founder President of Young Entrepreneur Organization for Hyderabad Chapter and Past President of Rotary Club of Hyderabad Deccan.
2	Age	58 years
3	Date of first appointment	12/03/1991
4	Board Meetings attended during the year	Shri Devendra Surana attended Six board meetings during the year 2022-23.
5	Past Remuneration (per month)	Rs. 9,00,000/- p.m. plus 1% commission on net profits.
6	Recognition or awards	-
7	Job Profile and his suitability	Shri Devendra Surana is the Managing Director of the Company and devotes whole time attention to the management of the affairs of the Company and exercises powers under the supervision and superintendence of the Board of the Company. Considering the rich experience and excellent execution capabilities, Shri Devendra Surana is aptly suitable for the above mentioned roles and responsibilities.

8	Remuneration proposed (p.a.)	It is proposed to pay remuneration (by way of salary, allowances and perquisites) of Rs.9,00,000/- per month plus 1% Commission on Net Profits of the Company and payable either monthly/ quarterly/ yearly.
9	Comparative remuneration profile with respect to industry, size of company, profile of the position and person	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is Commensurate with industry standards and Board level positions held in similar sized and similarly positioned businesses.
10	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Shri Devendra Surana does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director.
<b>III. Other Information</b>		
1	Reasons of loss or inadequate profits	Company is primarily engaged in manufacture of copper and its allied products. Due to economic slowdown and consequent adverse market conditions prevailing, there was lower profitability. Further in view of imported raw material due to fluctuations in foreign exchange currency also affects the margins of the Company. The macroeconomic factors and the stability in the rupee parity also augurs very well for the company.
2	Steps taken or proposed to be taken for improvement	The Company is focusing on strengthening its core competency in copper business by expanding its manufacturing capacity through wholly-owned subsidiary. Further, new value added products introduced by the company is getting good traction from OEM customers across various sectors such as Automobile, Electrical Switch Gears, Heaters etc. and thereby contributing to the profitability in the years to come.
3	Expected increase in productivity and profits in measurable terms:	Considering the prevalent volatile conditions in the foreign exchange currency, the turnover and profitability are not precisely predictable. However, based on the current business plans and Demand for copper globally on increasing usage of the metal in electric vehicles, solar and wind power sectors, the Company believes that it would be able to sustain the volatile market conditions and emerge successfully in terms of good turnover and profits in the days to come.

None of the Directors, Key Managerial Personnel or their relatives, other than Shri Narender Surana, Managing Director are concerned or interested in the resolution relating to appointment of Shri Devendra Surana.

#### Item No. 4:

Shri Narender Surana is serving as Managing Director on the Board of the Company since 12.03.1991. The Board of Directors at its meeting held on 10th August, 2023, on recommendations of the Nomination and Remuneration Committee, re-appointed as Managing Director of the Company for a further period of 3 years w.e.f. 18.01.2024 without remuneration, subject to concurrence of shareholders and compliance of all applicable provisions of the Companies Act, 2013. A brief profile of Shri. Narender Surana is annexed herein to the Notice.

The Board of Directors recommends the resolution set out at item no. 4 of the notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives, other than Shri Devendra Surana, Managing Director are concerned or interested in the resolution relating to appointment of Shri Narender Surana.

#### Item No. 5:

The Board of Directors, on recommendation of the Audit committee, at their meeting held on 27.05.2023 has approved the appointment and remuneration of the M/s. Lavanya & Associates, Cost Accountants in practice, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31.03.2024 on a remuneration of Rs. 25,000/- (Twenty Five Thousand).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 05 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31.03.2024.

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

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

**Item No. 06**

Pursuant to the provisions of Section 185 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 (the "Rules") (as amended from time to time), no company shall, directly or indirectly, advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by (a) any director of company, or of a company which is its holding company or any partner or relative of any such director; or (b) any firm in which any such director or relative is a partner.

However, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that (a) a special resolution is passed by the company in general meeting and the loans are utilized by the borrowing company for its principal business activities.

In order to augment the long term resources of the Company and to render support for the business requirements of the entities in which director of the Company is interested or deemed to be interested from time to time subject to the approval of shareholders of the Company, proposed and approved for seeking the shareholder approval for advancing any loan, giving any guarantee or providing any security to all such person specified under Section 185 of the Companies Act, 2013 and more specifically such other entity/person as the Board of the Directors in its absolute discretion deems fit and beneficial and in the best interest of the Company (hereinafter commonly known as the Entities); all together with in whom or in which any of the Director of the Company from time to time is interested or deemed to be interested and upto an aggregate limit of Rs.500 Crores. Further, the aforementioned loan(s) and/or guarantee(s) and/or security(ies) shall only be utilized by the borrower for the purpose of its principal business activities and that keeping the best interest of the Company.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above-mentioned resolution except to the extent of their directorships and shareholding in the Company (if any).

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 6 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the shareholders of the Company as a Special Resolution.

**Item No.7:**

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with related parties of the Company. The provisions of Section 188(1)(f) of the Companies Act, 2013 that govern the related party's appointment to any office or place of profit in the company. Its subsidiary company or associate company.

As per Section 188 of the Companies Act, 2013 read with explanation and Rule 15(3) of the Companies (Meetings

of Board and its Powers) Rules, 2014 as amended from time to time, where the office or place of profit is held by an individual other than Director and such person receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent free accommodation or otherwise, it requires the approval of the shareholders if the monthly remuneration exceeds two and a half lakh rupees, i.e. Rs. 2,50,000/- per month.

In terms of Sections 188(1)(f) of the Companies Act, 2013 read with applicable for enhancement in prescribed limit of salary payable to Shri. Advait Surana, Manager (Operations), of the Company (Bhagyanagar Copper Private Limited and holding an office or place of profit in its Wholly Owned Subsidiary Company, Bhagyanagar Copper Private Limited). He has Completed undergraduate degree from Worcester Polytechnic Institute, Massachusetts, USA majored in industrial engineering minored in business

None of the Directors, Key Managerial Personnel or their relatives, other than Shri Devendra Surana and Narender Surana, Managing Director are concerned or interested in the resolution.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the shareholders of the Company as an Ordinary Resolution.

**Item No. 08:**

As a part of corporate strategy, the Board of Directors (the "Board") of the Company have proposed to transfer the Company's Copper Business to Bhagyanagar Copper Private Limited, a wholly owned subsidiary of the Company ("Buyer") as a going concern on slump sale basis, the lump sum consideration not less than Rs 60 Crores or the Fair Market Value of the net assets as per the Rule 11 UAE of the Income Tax Rules, 1962 whichever is higher which will be based on the report to be obtained from an Independent Valuer subject to necessary adjustment in working capital of the business on the day of transfer. The consideration that may be received could be in the form of shares of Bhagyanagar Copper Private Limited or cash/loan or combination of shares and cash/loan or both.

The fair value of undertaking consists of mainly net working capital of the business. As the copper industry is working capital intensive, it is not practical to estimate the fair value precisely at this stage. However, the valuation shall be based on a report of Independent Valuer on the day of effective date.

All the Assets of Copper segment, except Factory Land & Buildings of Bhagyanagar India Limited will be transferred to Bhagyanagar Copper Private Limited. All real-estate properties will continue to be owned by Bhagyanagar India Limited. All the liabilities of Copper segment of Bhagyanagar India Limited including related bank borrowings together with all employees, licenses, contracts, approvals etc. shall be transferred to Bhagyanagar Copper Private Limited. Bhagyanagar Copper Private Limited will continue to remain a wholly owned subsidiary of Bhagyanagar India Limited post the said transfer of copper business on a slump sale basis.

Proposer transfer will benefit the Company. The transfer of the said copper business would:

- a. Result into operational synergies and lead to overall cost optimization.
- b. Result in a focused approach with the desired management band width and operational plan for copper business of the company.
- c. Provide greater flexibility in pursuing long-term growth plans and strategies.
- d. Help the management to efficiently exploit the available funding opportunities for Copper Business independently.

Sale of an Undertaking to a wholly-owned subsidiary is exempt from the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI LODR Regulations, 2015 which deal with related party transactions.

In accordance with the provisions of Section 180(1)(a) of the Act, any sale, lease or otherwise disposal of whole or substantially the whole of the undertaking of a company requires the approval of members of the Company by way of a special resolution. The Business Undertaking constitutes an 'undertaking' in terms of Section 180(1)(a) of the Act.

The Proposed Transaction was approved by the Board at its meeting held on **August 25, 2023** (and the audit committee at its meeting held on August 25, 2023). Pursuant thereto, the BTA is proposed to be executed between the Company and the Buyer. Under the BTA, sale and transfer of the Business Undertaking from the Company to the Buyer is conditional upon satisfactory completion of the conditions precedent (including the approval of the Members, lenders and other necessary approvals as may be required for the Proposed Transaction) by the parties.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution. The resolution as set out in item No. 8 of this Notice is accordingly commended for your approval.

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

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**

Place: Secunderabad  
Date : 25.08.2023

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

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

Name of Director	Devendra Surana
DIN	00077296
Date of Birth	08.02.1965
Qualification	B.E. (MECH), PDGM (IIM, Bangalore)
Expertise in specific functional areas	Shri Devendra Surana is a graduate in Mechanical Engineer and holds a Post Graduate Diploma in Management from IIM, Bangalore where he was chosen as the Brain of the Batch. Shri Devendra Surana is a Managing Director of Bhagyanagar India Limited, Director of Surana Solar Limited, Surana Telecom and Power Limited and Bhagyanagar Properties Limited which are listed Companies under the Surana Group. He has been in the field of Ferrous & Non Ferrous, Telecom Industry for more than 3 Decades and in the field of Renewable Energy Industry for more than 2 decades. He is the Past President of Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI) and Past Chairman for Telangana State Council, Federation of Indian Chambers of Commerce & Industry (FICCI). He is also Founder President of Young Entrepreneur Organization for Hyderabad Chapter and Past President of Rotary Club of Hyderabad Deccan. He is also a Member of the Governing Body, University College of Engineering and Osmania University. He has been the guest speaker at many Management & Educational Institutions. Hyderabad Management Association (HMA) has awarded Shri Devendra Surana as Entrepreneur of the Year 2019.
Inter-se relationship with other Directors and Key Managerial Personnel	Shri Devendra Surana is a brother of Shri Narendra Surana, Managing Director of the Company.
Nature of appointment (appointment/reappointment)	Re-appointment
Name of the listed and other entities in which Shri Devendra Surana holds the directorship as on 31 <sup>st</sup> March, 2023.	<ol style="list-style-type: none"> <li>1. Surana Solar Limited</li> <li>2. Surana Telecom and Power Limited</li> <li>3. Bhagyanagar Properties Limited</li> <li>4. Bhagyanagar Copper Private Limited</li> <li>5. Scientia Infocom India Private Limited</li> <li>6. Surana Solar Systems Private Limited</li> <li>7. AP Golden Apparels Private Limited</li> <li>8. Everytime Food Industries Private Limited</li> <li>9. Surana Healthcare Private Limited</li> <li>10. Tejas India Solar Energy Private Limited</li> <li>11. Solar Dynamics Private Limited</li> <li>12. Bhagyanagar Green Energy Private Limited</li> <li>13. Metropolitan Ventures India Limited</li> <li>14. Surana Infocom Private Limited</li> <li>15. Globecom Infra Ventures Private Limited</li> <li>16. Bhagyanagar Securities Private Limited</li> <li>17. Shah Sons Private Limited</li> <li>18. Shabashpally Chemicals Private Limited</li> <li>19. Bhagyanagar Magnesium Private Limited</li> </ol>
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on 31 <sup>st</sup> March, 2023.	<ol style="list-style-type: none"> <li>1. Surana Solar Limited (Member - Stakeholders Relationship Committee)</li> <li>2. Surana Telecom and Power Ltd (Member - Stakeholders Relationship Committee)</li> <li>3. Bhagyanagar Properties Limited (Member - Stakeholders Relationship Committee)</li> </ol>
No. of equity shares held in the Company	33,45,549



2) **Shri Narender Surana, Managing Director:**

Name of Director	<b>Shri Narender Surana</b>
DIN	00075086
Date of Birth	06.07.1960
Qualification	B.E (Chemical)
Expertise in specific functional areas	Shri. Narender Surana is the Managing Director of Bhagyanagar India Limited and M/s Surana Telecom and Power Limited and Director of Surana Solar Limited, Bhagyanagar Properties Limited and other Companies of Surana Group, one of the leading Industrial house in Telangana and Andhra Pradesh. He has over 38 years of experience in the telecom cable, metals and solar industry. He has been the President of Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI). He was also the Founder President of Young Entrepreneurs Organization (Y.E.O) of Hyderabad Chapter. He is the recipient of Andhra Pradesh Best Entrepreneur Award.
Inter-se relationship with other Directors and Key Managerial Personnel	Shri Narender Surana is Brother of Shri Devendra Surana, Managing Director of the Company
Nature of appointment (appointment/reappointment)	Re-appointment
List of other Companies in which Directorship is held as on 31 <sup>st</sup> March, 2023.	<ol style="list-style-type: none"> <li>1. Surana Solar Limited</li> <li>2. Surana Telecom and Power Limited</li> <li>3. Bhagyanagar Properties Limited</li> <li>4. Surana Infocom Private Limited</li> <li>5. Bhagyanagar Energy and Telecom Private Limited</li> <li>6. Scientia Infocom India Private Limited</li> <li>7. Innova Technologies Private Limited</li> <li>8. AP Golden Apparels Private Limited</li> <li>9. Bhagyanagar Securities Private Limited</li> <li>10. Surana Solar Systems Private Limited</li> <li>11. Tejas Technopark Private Limited</li> <li>12. Indian Solar Power Producers Association</li> <li>13. Tejas India Solar Energy Private Limited</li> <li>14. Aryavaan Renewable Energy Private Limited</li> <li>15. Bhagyanagar Copper Private Limited</li> <li>16. Globecom Infra Ventures India Private Limited</li> <li>17. Bhagyanagar Magnesium Private Limited</li> <li>18. Surana Healthcare Private Limited</li> </ol>
Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31 <sup>st</sup> March, 2023.	<ol style="list-style-type: none"> <li>1. Surana Solar Limited (Audit Committee)</li> <li>2. Surana Solar Limited (Stakeholders Relationship Committee)</li> <li>3. Surana Solar Ltd (Nomination and Remuneration Committee)</li> <li>4. Surana Telecom and Power Ltd (Audit Committee)</li> <li>5. Surana Telecom and Power Ltd (Stakeholders Relationship Committee)</li> <li>6. Bhagyanagar Properties Ltd (Stakeholders Relationship Committee)</li> </ol>
No. of equity shares held in the Company	33,28,466

## DIRECTORS' REPORT

To the Members of  
Bhagyanagar India Limited

The Directors have pleasure in presenting the 38<sup>th</sup> Annual Report of your Company and the Audited financial statements for the financial year ended 31<sup>st</sup> March, 2023 together with Auditors' Report thereon.

### FINANCIAL RESULTS:

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

(Amount in lakhs)

Particulars	Standalone Results		Consolidated Results	
	2022-23	2021-22	2022-23	2021-22
Sales and other Income	138872.52	109338.48	184752.32	157440.97
EBIDTA	2039.41	1724.07	3562.76	3096.72
<b>LESS :</b>				
Depreciation	361.59	367.97	592.79	572.46
Interest	870.94	685.79	1522.02	1182.74
Profit before Taxation	806.87	670.31	1447.95	1341.52
Provision for Taxation: Current Tax	255.58	221.63	362.58	333.67
Deferred Tax	-58.66	-67.52	23.92	-67.52
MAT Credit	-	63.32	48.40	-48.72
Excess MAT Credit Reversed	-	15.90	-	15.90
Profit after Tax	609.96	436.99	1013.05	1108.19
Surplus brought forward from previous year	9348.99	8912.00	9747.76	8639.57
Balance available for appropriation	9958.95	9348.99	10760.81	9747.76
Transfer to General Reserves	-	-	-	-
Balance c/f to Balance Sheet	9958.95	9348.99	10760.81	9747.76

### PERFORMANCE AND OPERATIONS:

During the year 2022-23, the Company's consolidated turnover is increased by 17% as that of previous year. EBIDTA is ₹ 3562.76 lakhs as compared to that of last year ₹ 3096.72 Lakhs. PBT increased by 8% as compared to that of last year. But PAT Decreased by 8% as compared to that of previous year.

### SUBSIDIARIES/ ASSOCIATES:

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

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

### CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2023 forms part of the Annual Report. As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its Subsidiary on its website [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com) and a copy of separate audited financial statements of its subsidiary will be provided to shareholders upon their request.

### SECRETARIAL STANDARDS:

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

### SHARE CAPITAL:

The paid-up Share Capital of the Company as on 31<sup>st</sup> March, 2023 is ₹ 6,39,90,000 divided into 3,19,95,000 equity shares of Rs. 2/- each.

### TRANSFER TO RESERVES:

The Board of Directors of the Company has not recommended for transfer of any amount to the General Reserve for the Financial Year ended 31<sup>st</sup> March, 2023.

### DIVIDEND:

The Board of Directors has not recommended dividend for the financial year 2022-23 to retain the maximum possible cash in the system. The Company is constrained to skip the dividend in view of the proposed expansion plans.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- (a) That the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31<sup>st</sup> March, 2023 and of the profit and loss of the company for that period;
- (c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the directors have prepared the annual accounts for the financial year 31<sup>st</sup> March, 2023 on a going concern basis;
- (e) That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

The independent directors have submitted the declaration of independence, as required pursuant to sub-section (7) of section 149 of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**NOMINATION AND REMUNERATION POLICY:**

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

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

The details of Loans, Guarantees, Securities and Investments made during the financial year ended 31<sup>st</sup> March, 2023 are given in the notes to the Financial Statements in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

**RELATED PARTY TRANSACTIONS:**

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

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

**AUDIT COMMITTEE:**

The Audit Committee, as on 31.03.2023, consists of Independent Directors Shri Kamlesh Gandhi as Chairman, Shri R. Surender Reddy, Smt. Sanjana Jain and the Managing Director, Shri Devendra Surana as Members. The Committee inter alia reviews the Internal Control System, Reports of Internal Auditors and compliance of various Regulations. The Committee also reviews the financial statements before they are placed before the Board.

The recommendations made by the Audit Committee to the Board, from time to time during the year under review, have been accepted by the Board. Other details with respect to the Audit Committee such as its terms of reference, the meetings of the Audit Committee and attendance thereof of the members of the Committee, are separately provided in this Annual Report, as a part of the Report on Corporate Governance.

**ANNUAL RETURN:**

The Annual Return of the Company as on 31<sup>st</sup> March, 2023 is available on the website of Company at <http://www.bhagyanagarindia.com/investor-relations.php>.

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

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

**RISK MANAGEMENT POLICY:**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Corporate Social Responsibility reflects the strong commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in a way that will lead to overall development of all stakeholders and society.

During the year 2022-23, the Company is covered under the criteria of Section 135(5) of Companies Act, 2013. The CSR activities of the Surana Group are guided by the vision and philosophy of its founding father, Shri G.M. Surana, who embodied the value of trusteeship in business and laid the Foundation for its ethical and value-based functioning. The core elements of CSR activities include ethical functioning, respect for all stake-holders, protection of human rights, and care for the environment. The G.M. Surana Foundation is established purely for the purpose of providing medical relief to the people who are in below poverty line. It is being run by qualified and registered doctors.

During the year, the Company has spent Rs. 7,00,000/- on CSR activities.

A report on Corporate Social Responsibility as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Board's Report as **Annexure-IV**.

**BOARD EVALUATION:**

During the year under review, pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the

evaluation of performance of all Directors is undertaken annually. The company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprise evaluation criteria taking into consideration various performance related aspects. The Board of Directors have expressed their satisfaction with the evaluation process.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

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

As on 31<sup>st</sup> March, 2023, Shri Devendra Surana and Shri Narender Surana, Managing Directors, Shri N.C. Bhardwaj, Whole-time Director, Shri Surendra Bhutoria, Chief Financial Officer and Shri Lalit Kumar Thanvi, Company Secretary are the Key Managerial Personnel (KMPs) of the Company as per the provisions of Companies Act, 2013.

During the period under review, Shri. Srinivas Dudam, the Company Secretary of the Company had tendered his resignation w.e.f. 20<sup>th</sup> August, 2022 and Shri. Lalit Kumar Thanvi had been appointed as the Company Secretary w.e.f. 14<sup>th</sup> February, 2023. Further during the period under review, Shri. Naresh Chand Bhardwaj was re-appointment as Whole-time Director of the Company with effect from 23<sup>rd</sup> June, 2023 in the last Annual General Meeting held on 28<sup>th</sup> September, 2022.

**MEETINGS OF THE BOARD:**

During the financial year under review, 6 (Six) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period of 120 days as prescribed under the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015.

**DEPOSITS:**

The Company has not accepted any deposits in terms of Section 73 or 76 of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

**LISTING OF EQUITY SHARES:**

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

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

The Company has paid the annual listing fees to the said stock exchanges for the financial year 2023-24.

**STATUTORY AUDITORS:**

The Statutory Auditors' Report for the Financial year 2022-23 does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors under sub-section (12) of Section 143 of the Act.

M/s. Luharuka & Associates, Chartered Accountants, Hyderabad (Registration No. 01882S) were Re-appointed as the Statutory Auditors of the Company in the 37<sup>th</sup> Annual General Meeting, who shall hold office till the conclusion of the 42<sup>nd</sup> Annual General Meeting to be held in the year 2027. The independence of the external auditors is effectively maintained by the Company.

**INTERNAL AUDITORS:**

The Board of Directors based on the recommendation of the Audit Committee has appointed M/s. Sekhar & Co., Chartered Accountants as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis to the Audit Committee and Board of Directors.

The Board of Directors of the Company has re-appointed M/s. Sekhar & Co., Chartered Accountants as Internal Auditors to conduct Internal Audit for the financial year ended 31<sup>st</sup> March, 2023.

**COST AUDITORS:**

The Company has maintained cost records as specified by Central Government under Section 148(1) of Companies Act, 2013 and such records have been audited by the Cost Auditor pursuant to Companies (Cost Records and Audit) Rules, 2014.

M/s Lavanya & Associates, Cost Accountants, Hyderabad, has been appointed by the Board, on recommendations of Audit Committee, as Cost Auditor for conducting audit of the cost accounts maintained by the Company relating to Base Metals and Electricity for the financial year 2022-23.

The Cost Auditors' Report of financial year 2022-23 did not contain any qualifications, reservations, adverse remarks or disclaimers and no frauds were reported by the Cost Auditors to the Company under sub-section (12) of Section 143 of the Act.

**SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, your Company had appointed Mrs. Rakhi Agarwal, Company Secretary in Practice, Hyderabad, as its Secretarial Auditor to conduct the Secretarial Audit of your Company for financial year 2022-23.

The Report of the Secretarial Auditor for the financial year 2022-23 is annexed to this report as **Annexure-V**.

There were no qualifications, reservation or adverse remark or disclaimer made by the Secretarial Auditor in its report.

**SECRETARIAL AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARY:**

The Secretarial Audit of Bhagyanagar Copper Private Limited (BCPL), a material subsidiary of the Company was carried out pursuant to Section 204 of the Companies Act, 2013

and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2022-23. The Secretarial Audit Report of BCPL submitted by Mrs. Rakhi Agarwal, Company Secretary in Practice, does not contain any qualification, reservation or adverse remark or disclaimer.

The Report of the Secretarial Auditor of Bhagyanagar Copper Private Limited for the financial year 2022-23 is annexed to this report as **Annexure-VII**.

**ANNUAL SECRETARIAL COMPLIANCE REPORT:**

The Company has undertaken an audit for the financial year 2022-23 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Mrs. Rakhi Agarwal, Company Secretary in Practice has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year and is annexed at **Annexure-VIII** to this Board's Report.

**REPORTING OF FRAUDS BY AUDITORS:**

During the year under review, the Statutory Auditors, Internal Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

**CORPORATE GOVERNANCE:**

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

A separate report on corporate governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliances forms an integral part of this Report.

**VIGIL MECHANISM:**

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

**PARTICULARS OF EMPLOYEES:**

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

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



Name of the Director	Ratio to Median Remuneration
Shri Narender Surana, MD	Nil
Shri Devendra Surana, MD	34.09
Shri N.C. Bhardwaj, WTD	6.17

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

Name of Person	% increase in remuneration
Shri Devendra Surana, MD	0.00
Shri N.C. Bhardwaj, WTD	15.60
Shri Surendra Bhutoria, CFO	6.47
Shri Lalit Kumar Thanvi CS*	NA
Shri Srinivas Dudam CS**	NA

\* (Appointed as Company Secretary w.e.f. 14.02.2023)

\*\* (Resigned as Company Secretary w.e.f. 20.08.2022)

- (iii) The percentage increase in the median remuneration of employees in the financial year: 4.80%
- (iv) The number of permanent employees on the rolls of company: 136
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in 2022-23 was 8.20%. Percentage increase in the managerial remuneration for the year was 2.77%.

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

- B. In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees

drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said Annexure is open for inspection at the registered office of your Company. Any member interested in obtaining copy of the same may write to Company Secretary.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

#### CHANGE IN NATURE OF BUSINESS:

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

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

The GST authorities conducted an investigation and on the insistence of the authorities, the company has deposited an amount of Rs.800 lakhs with GST Department under protest and shown in financial statements under the head "Current Assets". The company has not received any show cause notice till date of this report. The company has been advised by the legal experts that it has fair chance of ultimately succeeding in the matter and accordingly no provision has been made in the books of accounts.

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

#### MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31<sup>st</sup> March, 2023 to which the financial statements relates and the date of signing of this report.

#### HUMAN RESOURCES:

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

#### ISO 9001-2008 CERTIFICATION:

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

**POLICY ON SEXUAL HARRASSEMENT:**

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

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

**CAUTIONARY STATEMENT:**

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

regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**ACKNOWLEDGEMENTS:**

The Directors take this opportunity to place on record their sincere thanks to the suppliers, customers, strategic partners, Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

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

**NARENDER SURANA**  
**MANAGING DIRECTOR**  
**DIN: 00075086**

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**  
**DIN: 00077296**

Place: Secunderabad  
 Date: 10.08.2023

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

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

**FORM - A**
**1. CONSERVATION OF ENERGY:**

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

(i) Energy Conservation measures : More introduction of Variable Frequency Drive (VFD) to reduce the Power Consumption

(ii) Total energy consumption : N.A.

**2. TECHNOLOGY ABSORPTION : Efforts made in technology absorption as per Form-B**
**FORM - B**

(Disclosure of particulars with respect to Technology Absorption)

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

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

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

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

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

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

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

Used : ₹ Nil

Earned : ₹ 1387.53 Lakhs

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

Place: Secunderabad  
Date: 10.08.2023

**NARENDER SURANA**  
**MANAGING DIRECTOR**  
**DIN: 00075086**

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**  
**DIN: 00077296**

## ANNEXURE-II

## MANAGEMENT DISCUSSION AND ANALYSIS

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

**A) INDUSTRY STRUCTURE AND DEVELOPMENTS:**

**Copper:** The Company manufactures copper products such as field coils, paper covered strips, sheets, pipes, tubes, solar fins, bus bars, commutators among others. The Company continues to focus on value added products such as Copper Field Coils (for Auto Electrical), Copper Fins (for Solar Water Heaters) and Busbars for Electrical Engineering with regular supplies to various Original Equipment Manufacturers (OEMs) such as Lucas, TVS Limited, MICO, Commutator, Emvee Solar, Amar Raja Batteries, HBL Nife and many other leading OEMs. The Company keep on adding further value added products every year in line with the requirement of our OEM customers.

The global demand for copper continues to grow, world refined usage has more than tripled in the last 50 years, thanks to expanding sectors such as electrical and electronic products, building construction, industrial machinery and equipment, transportation equipment, and consumer and general products.

The Company has already taken up expansion plans through 100% subsidiary viz., Bhagyanagar Copper Private Limited with a capacity increase to 24,000 MT from the existing 15000 MT. 1<sup>st</sup> Phase of expansion plan of copper division completed and commercial production has started from 01.03.2019. The capacity can be further increased with modest capex.

**Wind Power:** The Company has wind power project with an installed capacity of 9 MW at Kapatigudda, Karnataka State.

**B) OPPORTUNITIES AND THREATS:**

The fundamental growth drivers of the country's economy as well as Copper industry continue to remain strong despite the pressures of slowdown and inflationary conditions prevalent till recently in the nation and also globally. The Indian demand is expected to be strong on the back of improved outlook for industrial and infrastructure growth. The demand for copper is directly dependent on economic growth and the quality of the growth. The government's thrust on power sector, smart city, housing for all, ambitious plan of harnessing renewable energy resources, electric vehicles, Infrastructure development, Atma

Nirbhar Abhiyan and Make in India spells good news for copper industries.

India's copper consumption is expected to increase to about 3 million tonne by 2030, spurred by development in electric vehicles and other environmentally-friendly technology. Rising middle-class income will also boost demand.

Since 2018, India has become a net importer of the metal due to the closure of Sterlite Copper's plant at Thoothukudi, Tamil Nadu, which catered to around 40% of the domestic demand. To boost recycling of copper in India, the Government announced reduction of import duty on copper scrap from 5% to 2.5% in the Union Budget 2021 and also in the Union Budget 2023-24, BCD of 2.5% on Copper scrap is continued. This will promote recycling in the country as the basic raw materials will become economical. Copper industry continue to remain strong despite the pressures of slowdown and inflationary conditions prevalent in the nation and also globally. The threats to the segments in which the company operates are volatility in Exchange rate & Metal Prices.

**C) SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:**

During the year under review, the Company has recorded consolidated revenue of ₹ 184752.32 Lakhs and made a net profit of ₹ 1013.04 Lakhs against revenue of ₹ 157440.97 Lakhs and net profit of ₹ 1108.19 Lakhs in the previous financial year 2021-22.

The following is the segment wise performance and results during the financial year 2022-23:

(Rs. in Lakhs)

Segment Product / Unit	Turnover	PBIT
Copper	184121	3474
Wind Power	457	73
Others	82	49

The Overall economic slowdown has impacted our Company also. We remain cautious on the growth trajectory for the financial year 2023-24.

**D) OUTLOOK:**

Copper is the third most widely used industrial metal worldwide. It is an essential commodity in industries like electronics, appliances, electrical grids, vehicles, and renewable energy technologies. Hence, the demand for this metal is traditionally considered a leading indicator of global economic health. It is expected that domestic copper demand will remain resilient amid a stable economic growth outlook.

Copper industry continues to show strong growth despite the pressures of slowdown and inflationary conditions in the nation and also globally. The Company's strategy

for financial year 2023-24 is to have continued focus on addition of new value added products to gain traction from OEM customers across various sectors such as Automobile, Electrical Switch Gears, Heaters etc. Your company is concerned about the wide fluctuations in copper prices globally and locally and increase in foreign exchange value.

As reported, the expansion of the Business has been done through a 100% subsidiary company viz., Bhagyanagar Copper Private Limited (BCPL) with a capacity increase to 24,000 MT from the existing 15000 MT. BCPL has 65.28 Acres of land at Shabhashpally Village, Shivampet Mandal, Medak District, Telangana where copper plant has been set up and commenced its commercial operations effective from 01st March, 2019. During the financial year 2022-23 the Company achieved the consolidated turnover of Rs.1847 Crores.

#### **E) RISKS AND CONCERNS:**

The Company, like any other enterprise, is exposed to business risk which can be internal risks as well as external risks. The threats to the segments in which the company operates are volatility in Exchange rate & Metal Prices. The company is concerned about the wide fluctuations in copper prices globally and locally and increase in foreign exchange value.

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

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

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

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

guidelines are issued from time to time to support best practices for internal control.

### **G) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

#### **i) FINANCIAL PERFORMANCE:**

##### **Capital Structure:**

The Equity Share Capital of the Company is ₹ 639.90 lakhs comprising of 3,19,95,000 equity shares of ₹ 2/- each fully paid.

##### **Reserves and Surplus:**

The Reserves and Surplus of the Company as on 31.03.2023 stand at ₹ 12835.91 lakhs as compared to ₹ 12225.96 lakhs in the previous year.

##### **Fixed Assets:**

During the year, the Company has added fixed assets amounting to ₹ 146.84 lakhs making the gross fixed assets as on 31.03.2023 to ₹ 11121.22 lakhs.

##### **Inventories:**

Inventories, as on 31<sup>st</sup> March, 2023, amounting to ₹ 8910.53 lakhs as against ₹ 8322.55 lakhs in the previous year.

##### **Sundry Debtors:**

Sundry debtors increased to ₹ 10303.95 lakhs as on 31st March, 2023 as against ₹ 7347.78 lakhs in the previous year. These debtors are considered good and realizable.

##### **Cash and Bank Balances:**

Cash and Bank balances stood at ₹ 80.62 lakhs against ₹ 133.49 lakhs in the previous years which include amounts deposited with banks as security.

##### **Loans and Advances:**

Long Term Loans and Advances increased to ₹ 1412.26 lakhs as against ₹ 1139.59 lakhs in the previous year.

##### **Current Liabilities:**

Current Liabilities for the financial year ended 31.03.2023 is ₹ 13189.52 lakhs as against ₹ 10459.97 lakhs in the previous Year.

#### **ii) OPERATIONAL RESULTS:**

##### **Turnover:**

During the year 2022-23, the turnover of the Company was ₹ 138701.06 lakhs as compared to ₹ 109072.57 lakhs in the previous year.

The Income from other sources as on 31st March, 2023 was ₹ 171.47 lakhs as compared to ₹ 265.91 lakhs in the previous year.

##### **Depreciation:**

The Company has provided a sum of ₹ 361.59 lakhs towards depreciation for the year as against ₹ 367.97 lakhs in the previous year.



**Provision for Tax:**

The Company has provided a current tax of ₹ 255.58 lakhs as against ₹ 221.63 lakhs in the previous year.

**Net Profit:**

The Net Profit of the Company after tax is ₹ 609.96 lakhs as against ₹ 436.99 lakhs in the previous year.

**Earnings Per Share:**

The Earnings Per Share of the Company as on 31st March, 2023 is ₹ 1.91/- per share for Face Value of ₹ 2/- as against ₹ 1.37/- per share for face value of ₹ 2/- in the previous year.

## H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

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

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

## I) DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

**Key Financial Ratios:**

Ratios	2023	2022	Change (%)	Note no.
Debtors Turnover (no. of days)	23	21	9.87	1
Inventory Turnover (no. of days)	23	28	(15.85)	2
Debt Service Coverage Ratio	2.34	2.00	16.83	
Current Ratio	1.71	1.77	(3.21)	3
Debt Equity Ratio	0.22	0.17	34.49	4
Net Profit Margin (%)	0.44	0.40	9.70	5
Return on Net Worth (%)	12.38	11.50	7.67	6

**Note:**

1. Prudent Credit Policy and year end realization has brought down the receivable cycle which otherwise is between 30 to 40 days.
2. Transit Period inventory has come down due to lower imports resulting into reduction of overall inventory holding period.
3. Change in the ratio is due to increase in Current Assets (inventory and receivables) of the company.
4. Change in the ratio is due to increase in borrowings due to scaling up of operations.
5. Change in the ratio is due to increase in net profit because of revenue growth.
6. Change in the ratio is due to increase in EIBDTA because of revenue growth.

**J) CAUTIONARY STATEMENT:**

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

For and on behalf of the Board of Directors

**NARENDER SURANA**  
MANAGING DIRECTOR  
DIN: 00075086

**DEVENDRA SURANA**  
MANAGING DIRECTOR  
DIN: 00077296

Place : Secunderabad  
Date : 10.08.2023

**FORM NO. AOC-2**

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

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

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or Transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	<b>Bhagyanagar Copper Private Limited</b> (Wholly Owned Subsidiary)	Purchase of copper	01.04.2022 to 31.03.2023	Rs. 1808.12 Lakhs	12.02.2022	-
2.		Job work paid	01.04.2022 to 31.03.2023	Rs. 3839.05 Lakhs	12.02.2022	-
3.		Sale of copper	01.04.2022 to 31.03.2023	Rs. 138.51 Lakhs	12.02.2022	-
4.	<b>Surana Solar Systems Private Limited</b> (Common Directors)	Purchase of solar power	01.04.2022 to 31.03.2023	Rs. 202.07 Lakhs	12.02.2022	-
5.	<b>Tejas India Solar Energy Private Limited</b> (Common Directors)	Purchase of solar product	01.04.2022 to 31.03.2023	Rs. 6.11 Lakhs	12.02.2022	-

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

Place : Secunderabad  
Date : 10.08.2023

**NARENDER SURANA**  
**MANAGING DIRECTOR**  
**DIN: 00075086**

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**  
**DIN: 00077296**

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

**1. A brief outline of Company's CSR Policy:**

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

The provisions of the Companies Act, 2013 have made it imperative to institutionalize the CSR activities. Your Company's social responsibility policy focuses on using the capabilities of business to improve lives and contribute to sustainable living, through contributions to local communities and society at large. The CSR activities of the Company are carried out through Implementing Agencies including Gulab Chand Surana Charitable Hospital. CSR Policy of the Company is available on the Company's website at <http://www.bhagyanagarindia.com/pdf/codes-and-policies/policy-on-corporate-social-responsibility.pdf>

**2. Composition of the CSR Committee:**

The Companies (Amendment) Act, 2020 vide Notification dated 28th September, 2020 has given relaxation to the Companies with respect to constitution of CSR Committee, if the amount to be spent by a company towards CSR does not exceed ` 50 lakhs in a financial year, in such cases the functions of such Committee shall be discharged by the Board of Directors. In view of this, the Board of Directors of your company shall discharge the functions of the CSR Committee.

3. **Web link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:** <http://www.bhagyanagarindia.com/pdf/codes-and-policies/policy-on-corporate-social-responsibility.pdf>
4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable
5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Nil
6. **Average Net Profit of the Company as per Section 135(5) of the Companies Act, 2013:**

₹ In Lakhs

Net Profit	For the Financial Year ended March 31		
	2022	2021	2020
	627.59	254.77	123.53
<b>Average Net Profit for the preceding three Financial Years</b>	<b>335.30</b>		

- (a) **Two percent of average net profit of the company as per section 135(5) :** ₹ 6,70,596/-
- (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** N.A
- (c) **Amount required to be set off for the financial year:** Nil
- (d) **Total CSR obligation for the financial year (6a-6b-6c):** ₹ 6,70,596/-

7. (a) Details of CSR amount spent against ongoing projects for the financial year: Nil
- (b) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through implementing agency	
							Name	CSR Regn. No.
1	-	Eradicating hunger, poverty and malnutrition promoting healthcare including preventive health care	Yes	Hyderabad	2,00,000	No	Donated to Helping Hands of Rotary Trust	
2	-	Eradicating hunger, poverty and malnutrition promoting healthcare including preventive health care	Yes	Hyderabad	5,00,000	No	Sri Jain Sravak Charitable Trust CSR00037426	

- (c) Amount spent in Administrative Overheads: Nil
- (d) Amount spent on Impact Assessment, if applicable: Not Applicable
- (e) Details of CSR Spent during the financial year, if any (7a+7b+7c+7d): ₹ 7,00,000
- (f) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹)	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 7,00,000/-	Nil	NA	NA	Nil	NA

- (g) Excess amount for set off, if any:

Sl.No.	Particular	Amount
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per section 135(5)	₹ 6,70,596/-
(ii)	Total amount spent for the Financial Year	₹ 7,00,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 21,404/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 21,404/-

8. (a) Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6)	Balance Amount in Unspent CSR Account under section 135(6)	Amount spent in the Financial Year	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of Transfer		
1.	FY 2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	FY 2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY 2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of Capital assets created / acquired: Nil

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

10. Specify the reasons, in case, the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not applicable.

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

Place : Secunderabad  
Date : 10.08.2023

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



**FORM NO MR 3**  
**SECRETARIAL AUDIT REPORT**

*Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014*  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

To  
The members of  
**Bhagyanagar India Limited**

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

1. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
2. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 ("Audit Period") according to the provisions of:
  - i) The Companies Act, 2013 (the Act) and the rules made there-under;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the Extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not applicable during the audit period.
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable during the audit period.
    - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable during the audit period
    - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable during the audit period
    - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the audit period
    - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable during the audit period
  - vi) The Company's main business is into manufacture of copper, ferrous and non-ferrous metals and non-conventional energy (wind). Accordingly, the following industry specific major laws are applicable to the Company:
    - (a) The Electricity Act, 2003
    - (b) Hazardous Wastes (Management and Handling) Rules, 1989
    - (c) Environment Protection Act, 1986
  - vii) I have also examined compliance with the applicable clauses of the following:
    - (a) The Listing Agreement entered into by the Company with the Stock Exchanges and the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (b) Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board and General Meetings of the Company.

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

3. I, further report that:

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

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

**Rakhi Agarwal**  
**Company Secretary in Practice**  
**FCS No.7047**  
**CP No.6270**  
**UDIN: F007047E000780303**

Place: Hyderabad  
 Date:10-08-2023

## ANNEXURE-A

To  
 The members of  
 Bhagyanagar India Limited  
 CIN: L27201TG1985PLC012449  
 Plot No. P-9/13/1 & P-9/14, IDA,  
 Nacharam, Hyderabad – 500076

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Rakhi Agarwal**  
**Company Secretary in Practice**  
**FCS No.7047**  
**CP No.6270**  
**UDIN: F007047E000780303**

Place: Hyderabad  
 Date:10-08-2023

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

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

To,  
The Members of  
**Bhagyanagar Copper Private Limited**  
CIN: U27100TG2008PTC125034  
Sy No 98 to 105, 107, 111, 230, 231, 232, 234,  
Shabashpally Village,  
Shivampet Mandal,  
Medak District – 502334, Telangana.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bhagyanagar Copper Private Limited (Material Subsidiary of a Listed Company i.e., Bhagyanagar India Limited)** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby report that in our opinion, the Company has, during the audit period, covering the financial year ended on 31.03.2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Bhagyanagar Copper Private Limited** ("the Company") for the financial year ended on 31.03.2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) Other applicable Acts
  - (a) Factories Act, 1948
  - (b) Industrial Disputes Act, 1947
  - (c) The Payment of Wages Act, 1936
  - (d) The Minimum Wages Act, 1948
  - (e) Employee State Insurance Act, 1948
  - (f) Employees Provident Funds and Miscellaneous Provisions Act, 1952
  - (g) The Payment of Bonus Act, 1965
  - (h) The Payment of Gratuity Act, 1972
  - (i) The Contract Labour (Regulation & Abolition) Act, 1970
  - (j) The Maternity Benefit Act, 1961
  - (k) The Child Labour (Prohibition & Regulation) Act, 1986
  - (l) The Industrial Employment (Standing Order) Act, 1946
  - (m) The Employee Compensation Act, 1923
- (iv) The Company's main business is into manufacture of copper, ferrous and non-ferrous metals. Accordingly, the following industry specific major laws are applicable to the Company:
  - (a) Hazardous Wastes (Management and Handling) Rules, 1989
  - (b) Environment Protection Act, 1986 and rules made there under
  - (c) The Air (Prevention and control of pollution) Act 1981
  - (d) The water (Prevention and control of pollution) Act 1974

We have relied on the representations made by the Company, its officers and reports of Internal Auditors for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as mentioned above.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The decisions at the Board Meetings are carried out unanimously and there were no members dissenting the resolution(s) during the year under review.

We further report that there are adequate systems and processes in the Company Commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

**Rakhi Agarwal**  
**Company Secretary in Practice**  
**FCS No.7047**  
**CP No.6270**  
**UDIN:F007047E000780622**

Place : Secunderabad

Date : 10.08.2023

This Report is to be read with our letter of even date which is given as Annexure-A and forms an integral part of this report.

#### **ANNEXURE-A'**

To  
 The Members of  
 Bhagyanagar Copper Private Limited  
 CIN: U27100TG2008PTC125034  
 Sy No 98 to 105, 107, 111, 230, 231, 232, 234,  
 Shabashpally Village, Shivampet Mandal,  
 Medak District – 502334, Telangana.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Rakhi Agarwal**  
**Company Secretary in Practice**  
**FCS No.7047**  
**CP No.6270**  
**UDIN: F007047E000780622**

Place : Secunderabad

Date : 10.08.2023

**Secretarial Compliance Report of Bhagyanagar India Limited  
for the year ended 31st March, 2023**

*(Pursuant to SEBI Circular - CIR/CFD/CMD1/27/2019, dated 08th February, 2019 for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015)*

- I, Rakhi Agarwal, Practicing Company Secretary, have examined:
- all the documents and records made available to me and explanation provided by **Bhagyanagar India Limited** ("the listed entity"),
  - the filings/ submissions made by the listed entity to the stock exchanges,
  - website of the listed entity,
  - any other document/ filing, as may be relevant, which has been relied upon to make this certification,
- for the year ended 31st March, 2023 ("Review Period") in respect of compliance with the provisions of:
- The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Listed Entity as there was no reportable event during the audit period)**
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Listed Entity as there was no reportable event during the audit period)**
- Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [Formerly known as (Share Based Employee Benefits) Regulations, 2014]; **(Not applicable to the Listed Entity as there was no reportable event during the audit period)**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Listed Entity as there was no reportable event during the audit period)**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Listed Entity as there was no reportable event during the audit period)**
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and circulars/ guidelines issued thereunder;

I hereby report that, during the Review Period:

- The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder except in respect of matters specified below: -

S. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations /Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										



- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Compliance Requirement (Regulations/ circulars/ guid elines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

- (c) The reporting of clause 6(A) and 6(B) of the Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries" is not applicable during the Review Period.
- (d) The Additional affirmations by Practicing Company Secretaries (PCS) in Annual Secretarial Compliance Report (ASCR) in terms of the BSE circular reference No. 20230316-14 and NSE Circular Ref No: NSE/CML/ 2023/21 both dated 16 March 2023 is attached as an **Annexure-A** to this report.

**Rakhi Agarwal**  
**Practicing Company Secretary**  
**CS No.: 7047**  
**CP No.: 6270**  
**UDIN: F007047E000350357**

Date: 22-05-2023  
 Place: Hyderabad

## **Annexure-A**

Additional affirmations by Practicing Company Secretaries (PCS) in Annual Secretarial Compliance Report (ASCR) in terms of the BSE circular reference No. 20230316-14 and NSE Circular Ref No: NSE/CML/ 2023/21 both dated 16 March 2023, following are the additional information which is the parts of ongoing Annual Secretarial Compliance Report-

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	<b><u>Secretarial Standards:</u></b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	Not Any
2.	<b><u>Adoption and timely updation of the Policies:</u></b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/circulars/ guidelines issued by SEBI</li> </ul>	Yes	Not Any
3.	<b><u>Maintenance and disclosures on Website:</u></b> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> <li>Timely dissemination of the documents/ information under a separate section on the website</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</li> </ul>	Yes	Not Any
4.	<b><u>Disqualification of Director:</u></b> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	Not Any
5.	<b><u>To examine details related to Subsidiaries of listed entities:</u></b> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes	Not Any
6.	<b><u>Preservation of Documents:</u></b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	Not Any
7.	<b><u>Performance Evaluation:</u></b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	Not Any
8.	<b><u>Related Party Transactions:</u></b> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	Yes  NA	Not Any  All RPT were prior approved by Audit Committee
9.	<b><u>Disclosure of events or information:</u></b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Not Any
10.	<b><u>Prohibition of Insider Trading:</u></b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	Not Any

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
11.	<b><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></b> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	Not Any
12.	<b><u>Additional Non-compliances, if any:</u></b> No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	Not Any

Date : 22-05-2023  
Place : Hyderabad

**Rakhi Agarwal**  
Practicing Company Secretary  
FCS No.: 7047  
CP No.: 6270  
UDIN: F007047E000350357

## REPORT ON CORPORATE GOVERNANCE

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

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

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

### 2. BOARD OF DIRECTORS:

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

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

In terms of compliance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations", the Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at March 31, 2023, the Board of Directors ("Board") comprises of Six Directors, of which three are Non-Executive Directors and three are Executive Directors. The Company has three Independent Non-Executive Directors. Independent Directors including Women Director; Independent Directors comprise half of the total strength of the Board. The composition and category of the Board of Directors is as follows:

Sl. No	Name of Director	Designation	Category
1	Shri. Narender Surana	Managing Director	Executive Director (Promoter)
2	Shri. Devendra Surana	Managing Director	Executive Director (Promoter)
3	Shri. R Surender Reddy	Director	Independent Non-Executive Director
4	Shri. Kamlesh Gandhi	Director	Independent Non-Executive Director
5	Smt. Sanjana Jain	Director	Independent Non-Executive Director
6	Shri N.C.Bhardwaj	Whole-time Director	Executive Director (Non-Promoter)

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

The particulars of attendance of Board Meetings and Annual General Meeting of Directors for the financial year ended 31.03.2023 has been set out here below:

Sl. No	Name of Director	No. of Board Meetings		Attendance at last AGM on 28.08.2022
		Held	Attended	
1	Shri Narender Surana	6	6	Present
2	Shri Devendra Surana	6	6	Present
3	Shri R Surender Reddy	6	6	Present
4	Shri Kamlesh Gandhi	6	6	Present
5	Smt. Sanjana Jain	6	5	Present
6	Shri N.C.Bhardwaj	6	5	Present

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

Sl. No.	Name of the Director	Directorship in other listed entities (category of directorship)	Other Director ships*	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity
1	Narender Surana	Surana Solar Limited (Non-Independent, Non-Executive)	18	6	0
		Surana Telecom and Power Ltd (Non-Independent, Executive)			
2	Devendra Surana	Surana Solar Limited (Non-Independent, Non-Executive)	19	5	0
		Surana Telecom and Power Ltd (Non-Independent, Non-Executive)			
3	Kamlesh Gandhi	Kirloskar Electric Company Ltd (Independent, Non-Executive)	4	4	4
		NCL Industries Ltd (Independent, Non-Executive)			
4	R.Surender Reddy	Surana Solar Limited (Independent, Non-Executive)	4	6	4
		Surya Lakshmi Cotton Mills Ltd (Independent, Non-Executive)			
		Suryalata Spinning Mills Limited (Independent, Non-Executive)			
		Lakshmi Finance and Industrial Corporation Ltd (Independent, Non-Executive)			
5	Sanjana Jain	Surana Solar Limited (Independent, Non-Executive)	3	5	2
		Surana Telecom and Power Ltd (Independent, Non-Executive)			
6	N.C.Bhardwaj	-	0	-	-

\* include Private Limited Companies.

None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Chairmanships / Memberships of Committees include only Audit and Stakeholders' Relationship Committee as covered under Regulation 26 of the SEBI Listing Regulations, 2015, as per the disclosures made by the Directors.

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

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Five Board Meetings were held during the financial year ended 31.03.2023, as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed One Hundred and Twenty days.

The dates on which the Board meetings were held are:

28.05.2022	05.08.2022	20.08.2022	28.09.2022	12.11.2022	14.02.2023
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**e) Disclosure of relationship between directors inter-se:**

The Managing Directors Shri Narender Surana and Shri Devendra Surana are brothers. Other than Shri Narender Surana and Shri Devendra Surana, none of the Directors are related to any other Director.

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

The number of equity shares of the Company held by the non-executive directors, as on 31.03.2023 are as follows:



Sl.No	Name of the Director	No of Equity Shares
1	Shri. R Surender Reddy	7,500
2	Shri. Kamlesh Gandhi	100
3	Smt. Sanjana Jain	0

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

The Members of the Board of the Company have been provided opportunities to familiarize themselves with the Company, its Management and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations and the industry in which it operates. All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. During the year 2022-23, Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. Independent Directors have been taken through various aspects of Business and operations. The framework on familiarisation programme has been posted in the website of the Company. The details of familiarization program is available on the website: <http://www.bhagyanagarindia.com/pdf/corporate-governance/policies/Familiarisation-Programme-for-ID.pdf>

**h) Chart / matrix setting out the skills/expertise/competence of the Board of Directors:**

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership / Operational experience
- Strategic Planning
- Industry Experience, Research & Development and Innovation
- Financial, Regulatory / Legal & Risk Management
- Corporate Governance

Sl No	Name of the Director	Skill/Expertise/Competency of the Director
1	Shri. Devendra Surana	Leadership / Operational experience
		Strategic Planning
		Industry Experience, Research & Development and Innovation
		Financial, Regulatory / Legal & Risk Management
		Corporate Governance
2	Shri. Narender Surana	Leadership / Operational experience
		Industry Experience
		Financial, Regulatory / Legal & Risk Management
3	Shri Kamlesh Gandhi	Financial, Regulatory / Legal & Risk Management
		Corporate Governance
4	Shri R Surender Reddy	Leadership / Operational experience
		Financial, Regulatory / Legal & Risk Management
		Corporate Governance
5	Smt. Sanjana Jain	Financial, Regulatory / Legal & Risk Management
		Corporate Governance
6	Shri N. C. Bhardwaj	Leadership / Operational experience
		Industry Experience, Research & Development and Innovation

**i) Confirmation from the Board:**

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

**j) No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the financial year ended 31st March, 2023.**

**BOARD COMMITTEES:**

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

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

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

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

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and

**6. Statement of deviations:**

- (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

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

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

As on March 31, 2023, the Audit Committee of the Board comprises of three (3) Independent Directors and one (1) Executive Director. The Chairperson of the Audit Committee is Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

Sl. No	Name of Director	Designation
1	Shri Kamlesh Gandhi	Chairman (Independent Director)
2	Shri R Surender Reddy	Member (Independent Director)
3	Smt Sanjana Jain	Member (Independent Director)
4	Shri Devendra Surana	Member (Executive Director)

- The minutes of the meetings of the Audit Committee are placed before the Board and discussed in the meeting.

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

- During the financial year from 1st April, 2022 to 31st March, 2023, four Audit Committee meetings were held on:

28.05.2022	05.08.2022	12.11.2022	14.02.2023
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- All the recommendations made by the Audit Committee were accepted by the Board unanimously.

**Attendance at the Audit Committee Meeting:**

SI No	Name of the Director	Number of Meetings	
		Held	Attended
1	Shri Kamlesh Gandhi	4	4
3	Shri R. Surender Reddy	4	4
4	Shri Devendra Surana	4	4
5	Smt.Sanjana Jain	4	3

The Managing Director, CFO, Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. Shri Kamlesh Gandhi, Chairman of the Audit Committee has attended the 37th Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

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

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

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

As on March 31, 2023, the Nomination and Remuneration Committee of the Board comprises of three (3) Independent Directors. The Chairperson of the Nomination and Remuneration Committee is Independent Director. The composition of the Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations:

Sl. No	Name of Director	Designation
1.	Shri. R Surender Reddy	Chairman (Independent Director)
2.	Shri. Kamlesh Gandhi	Member (Independent Director)
3.	Smt. Sanjana Jain	Member (Independent Director)

- The Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

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

During the financial year from 1st April, 2022 to 31st March, 2023, Nomination and Remuneration Committee Meetings were held on 05.08.2022 and 14.02.2023.

S. No	Name of the Director	Number of Meetings	
		Held	Attended
1.	Shri. R Surender Reddy	2	2
2.	Shri Kamlesh Gandhi	2	2
3.	Smt. Sanjana Jain	2	2

As per Section 178(7) of the Companies Act, 2013 and Secretarial Standards, the Chairman of the Committee Shri R. Surender Reddy, was present at the 37th Annual General Meeting of the Company held on 28th September, 2022 to answer the queries raised by the Shareholders

**d. Performance evaluation of Directors:**

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

**e. Nomination and Remuneration policy:**

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

f. The Non-executive directors are paid sitting fees for attending meetings of Board/ Committee.

**5. INDEPENDENT DIRECTORS' MEETING:**

A separate meeting of the Independent Directors was held on 14th February, 2023 under the Chairmanship of Shri R. Surender Reddy, Independent Director, inter alia, to discuss evaluation of the performance of Non-independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

**6. REMUNERATION OF DIRECTORS**

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

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

Following are the details of Sitting Fees paid to the Non-executive Directors during the Financial Year ended 31st March, 2023:

S. No.	Name of Director	Sitting Fees paid (₹)
1	Shri R Surender Reddy	1,10,500
2	Shri Kamlesh Gandhi	1,10,500
3	Smt. Sanjana Jain	90,500
<b>Total</b>		<b>3,11,500</b>

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

The remuneration paid to the Managing Director / Whole-time Director during the year is as follows:

(Amount in ₹)

Name of Director	Designation	Salary	HRA	Total
Shri. Narender Surana	Managing Director	Nil	Nil	Nil
Shri. Devendra Surana	Managing Director	72,00,000	36,00,000	1,08,00,000
Shri. N.C.Bhardwaj	Whole-time Director	15,33,000	2,25,000	17,58,000
<b>TOTAL</b>		<b>87,33,000</b>	<b>38,25,000</b>	<b>1,25,58,000</b>

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

## 7. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

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

### (b) Composition:

The Composition as on 31.03.2023 is as follows:

Sl.No.	Name of Director	Designation
1.	Smt. Sanjana Jain	Chairperson (Independent Director)
2.	Shri. Narender Surana	Member (Executive Director)
3.	Shri. Devendra Surana	Member (Executive Director)

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

Shri Lalit Kumar Thanvi, Company Secretary is acting as Compliance Officer of the Company w.e.f 14th February, 2023.

### (d) Number of Shareholders complaints received during the financial year:

During the financial year 2022-23, the Company has received 7 (Seven) complaint from the shareholders.

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

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

## 8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Companies (Amendment) Act, 2020 vide Notification dated 28th September, 2020 (effective from 22nd January, 2021) has given relaxation to the Companies with respect to constitution of CSR Committee, if the amount to be spent by a company towards CSR does not exceed Rs. 50 lakhs in a financial year. The functions of such Committee shall be discharged by the Board of Directors.

In view of the above amendment, the requirement of CSR Committee is not applicable to the Company and therefore, CSR Committee is already dissolved w.e.f. 07.08.2021 and the functions of CSR Committee shall be discharged by the Board of Directors, if applicable.

## 9. GENERAL BODY MEETINGS:

### i) Venue and Time, where last three Annual General Meetings held:

Year	Date	Time	Venue
2021-22 (37 <sup>th</sup> AGM)	28 <sup>th</sup> September, 2022	10.00 A.M.	AGM held through Video conference
2020-21 (36 <sup>th</sup> AGM)	29 <sup>th</sup> September, 2021	10.00 A.M.	AGM held through Video conference
2019-20 (35 <sup>th</sup> AGM)	29 <sup>th</sup> September, 2020	10.00 A.M.	AGM held through Video conference

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

**2021-22:** In the 37th AGM held on 28th September, 2022 the Company has passed Special Resolutions as follows:

- (i) Re-appointment of Shri N.C. Bhardwaj (08761949) as Whole-time Director of the Company.

**2020-21:** In the 36th AGM held on 29th September, 2021 the Company has passed Special Resolutions as follows:

- (i) Re-appointment of Shri Devendra Surana as Managing Director of the Company.
- (ii) Revision of Remuneration of Shri N.C. Bhardwaj, Whole-time Director of the Company.

**2019-20:** In the 35th AGM held on 29th September, 2020 the Company has passed Special Resolutions as follows:

- (i) To consider the appointment of Shri Naresh Chand Bhardwaj as Whole-time Director of the Company.

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

No Special Resolution was passed through Postal Ballot during the financial year 2022-23.

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

**10. MEANS OF COMMUNICATION:**

(a) **Quarterly Financial Results:**

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

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

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

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

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

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

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

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

There are no presentations made to the investors/ analysts.

(f) **Website:**

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

**11. GENERAL SHAREHOLDER INFORMATION:**

<b>Annual General Meeting</b>	Wednesday, 27 <sup>th</sup> September, 2023 at 11.00 a.m. through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting
<b>Financial Year</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March.
<b>Date of Book Closure</b>	21.09.2023 to 27.09.2023 (both days inclusive)
<b>Dividend Payment Date</b>	N.A.
<b>The Company's equity shares are listed at</b>	<b>BSE Ltd</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
<b>Scrip/Stock Code</b>	512296 on BSE BHAGYANGR on NSE
<b>ISIN Number for NSDL &amp; CDSL</b>	INE458B01036

The Listing fees for the year 2023-24 has been paid to the above stock exchanges.



**(a) MARKET PRICE DATA:**

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr' 2022	54.80	44.90	55.80	44.20
May' 2022	47.80	34.15	47.50	34.55
Jun' 2022	44.40	34.40	43.45	34.90
Jul' 2022	44.90	37.80	44.50	37.00
Aug' 2022	46.80	40.25	46.00	40.60
Sep' 2022	56.75	40.55	56.50	42.00
Oct' 2022	53.95	42.65	53.85	42.55
Nov' 2022	53.95	42.25	54.40	42.60
Dec' 2022	50.50	41.35	50.25	41.80
Jan' 2023	56.15	44.30	56.25	44.35
Feb' 2023	51.70	45.15	51.50	43.70
Mar' 2023	52.40	44.60	52.04	43.60

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

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

	April, 2022	March, 2023	% Change
Company Share Price(closing)	47.95	47.08	-1.81%
SENSEX (closing)	57060.87	58,991.52	3.38%

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

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

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

**KFin Technologies Limited**

KFintech, Tower – B, Plot No 31 & 32,  
Selenium Building, Financial District, Nanakramguda,  
Gachibowli, Hyderabad – 500 032  
Tel No.040-67162222 / 040-79611000  
E-mail: [einward\\_ris@kfintech.com](mailto:einward_ris@kfintech.com) / [nageswara.raop@kfintech.com](mailto:nageswara.raop@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

**(e) Share Transfer System:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/ transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

**(f) Shareholding Pattern as on 31st March, 2023:**

Sl. No	Description	No. of shareholders	Total Shares	% Equity
1	Promoters	15	18294598	57.18
2	Promoters Bodies Corporate	3	5591805	17.48
3	Resident Individuals	10,642	6924232	21.64
4	H U F	193	322362	1.01
5	Bodies Corporates	76	134675	0.42
6	Government	1	88,350	0.28
7	Banks	2	282	0.00

Sl. No	Description	No. of shareholders	Total Shares	% Equity
8	Indian Financial Institutions	1	2,47,100	0.77
9	Clearing Members	5	4,391	0.01
10	I E P F	1	300880	0.94
11	Non-Resident Indian Non Repatriable	36	21765	0.07
12	Non-Resident Indians	77	64560	0.20
	<b>Total</b>	<b>11,052</b>	<b>3,19,95,000</b>	<b>100.00</b>

(g) **Distribution of shareholding as on 31.03.2023:**

Shares holding of nominal value of	No. of Shareholders	No. of Shares	% of total shares
1-5000	10,891	33,70,946	10.54
5001- 10000	84	6,16,751	1.93
10001- 20000	32	4,06,781	1.27
20001- 30000	10	2,40,545	0.75
30001- 40000	2	65,919	0.21
40001- 50000	3	1,38,513	0.43
50001- 100000	5	3,75,857	1.17
100001 & Above	25	2,67,79,688	83.70
<b>Total</b>	<b>11,052</b>	<b>3,19,95,000</b>	<b>100.00</b>

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

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

3,18,88,305 equity shares were dematerialized representing 99.67% of the total paid up equity share capital of the Company as on 31.03.2023.

(i) **Dematerialization mandatory for effecting share transfers:**

SEBI has vide proviso to Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandated that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In view of the same, the Company shall not process any requests for transfer of shares in physical mode. Shareholders who desire to demat their shares can get in touch with any Depository Participant having registration with SEBI to open a demat account and follow the procedure for share transfers.

(j) **There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on the date of 31.03.2023.**(k) **Commodity price risk or foreign exchange risk and hedging activities:**

Commodity such as copper forms a major part of Business of the Company and hence commodity Price risk is one of the important risk of the Company. The Company has robust framework in place to protect its interest from risks arising out of Market Volatility. Almost 50% to 60% of the inventory is always hedged on the MCX thereby insulating it from any volatility risk.

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

(l) **Plant Locations:**

<b>Copper Division</b> <b>Bhagyanagar India Limited</b> Plot No. P-9/13(1) & P-9/14, IDA, Nacharam, Hyderabad – 500 076	<b>Wind Power Division</b> Kapatguda, Gadag District, Karnataka (9 MW)
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(m) Address for correspondence

Sl. No.	Shareholders Correspondence for	Address
1.	Transfer/Dematerialization/ Consolidation /Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	<b>KFin Technologies Limited</b> KFinTech, Tower – B, Plot No 31 & 32, Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032 Tel No.040-67162222 / 040-79611000 E-mail : <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> / <a href="mailto:nageswara.raop@kfintech.com">nageswara.raop@kfintech.com</a> Web Site : <a href="http://www.kfintech.com">www.kfintech.com</a>
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	<b>Company Secretary</b> Bhagyanagar India Limited 5 <sup>th</sup> Floor, Surya Towers, S.P.Road, Secunderabad – 500 003. Ph Nos. 040 - 27845119/ 44665750 E-mail : <a href="mailto:cs@surana.com">cs@surana.com</a> / <a href="mailto:Investorservices_bil@surana.com">Investorservices_bil@surana.com</a> Website: <a href="http://www.bhagyanagarindia.com">www.bhagyanagarindia.com</a>

(n) Credit ratings obtained by the Company during financial year 2022-23:

Facilities/Instruments	Rating
Long Term Bank Facilities	CARE BBB; Stable (Triple B; Outlook: Stable)
Short Term Bank Facilities	CARE A3+ (A Three Plus )

12. OTHER DISCLOSURES:

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

During the financial year ended 31st March, 2023, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to financial statements.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years; None.

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

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

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

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

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

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

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

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

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

The details are provided at point No. 11(k) of this report.

**(h) The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended 31st March, 2023.****(i) Certificate from Practicing Company Secretaries:**

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

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

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

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

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

Particulars	Amount (₹)
Fees paid for Statutory Audit for the financial year 2022-23	3,60,000
Fee for other services including reimbursement of expenses	1,80,000

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

SI No	Particulars	No. of complaints
1	Number of complaints on Sexual harassment received during the year	Nil
2	Number of Complaints disposed-off during the year	Not applicable
3	Number of cases pending as on end of the financial year	Not applicable

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

**14. Details of the Material Subsidiary of the Listed Entity:**

Regulation 16 of the Listing Regulations defines a "material subsidiary" to means a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding financial year.

Under this definition, Bhagyanagar Copper Private Limited is material wholly-owned subsidiary of the Company.

Regulations requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For the purpose of this provision, material subsidiary means a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding financial year. An Independent Director of the Company is also Director on the Board of these material Subsidiary.

The other requirements of Regulation 24 of the Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

Particulars	Bhagyanagar Copper Private Limited
Date of Incorporation	30/04/2008
Place of Incorporation	Mumbai
Name of the Auditor	M/s Luharuka & Associates, Chartered Accountants,
Date of Appointment	04/07/2018

# 15. Details of compliance with mandatory requirements and adoption of Discretionary Requirements

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

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

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

# 17. Code of Conduct

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

# 18. CEO and CFO Certification

The Managing Directors and CFO have given a Certificate to the Board as contemplated in Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

# 19. Disclosure with respect to Demat suspense account/ unclaimed suspense account:

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

# 20. Transfer of Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF):

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividends, which remain unclaimed for a period of seven (7) years, are transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 124 of the Companies Act, 2013. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.

As per the provisions of Section 124 of the Companies Act, 2013, shares of the shareholders, who has not claimed dividends for a continuous period of seven (7) years, transferred to Investor Education and Protection Fund Authority account. Accordingly, the Company has transferred 67054 equity shares to Investor Education and Protection Fund during the financial year ended 31st March, 2023.

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

# 22. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <http://www.bhagyanagarindia.com/investor-relations.php>

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

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

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

**DECLARATION OF COMPLIANCE OF CODE OF CONDUCT**

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the code of conduct and ethics for the financial year ended March 31, 2023.

For **BHAGYANAGAR INDIA LIMITED**

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**  
**DIN: 00077296**

Place : Secunderabad

Date : 10.08.2023

**CEO AND CFO CERTIFICATION**

We hereby certify that:

- a. we have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2023 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that there are no:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

For **Bhagyanagar India Limited**

Date: 10.08.2023  
 Place: Secunderabad

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

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

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



**CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE**

*[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To

The Members of

**Bhagyanagar India Limited**

Plot No. P-9/13/1 & P-9/14, IDA,

Nacharam, Hyderabad – 500 076

I, Rakhi Agarwal, Practicing Company Secretary, have examined the Company and Registrar of Companies Records, Books and Papers of Bhagyanagar India Limited (CIN-L27201TG1985PLC012449) having its Registered Office at Plot No. P-9/13/1 & P-9/14, IDA, Nacharam, Hyderabad – 500 076 ("the Company") as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable Rules and Regulations made thereunder for the financial year ended on 31st March, 2023.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company and its officers, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such Statutory Authority as on 31st March, 2023:

Sl. No	Name of Director	Designation	DIN
1	Shri Narender Surana	Managing Director	00075086
2	Shri Devendra Surana	Managing Director	00077296
3	Shri R. Surender Reddy	Independent Director	00083972
4	Shri Kamlesh Gandhi	Independent Director	00004969
5	Smt Sanjana Jain	Independent Director	08532420
6	Shri N.C. Bhardwaj	Whole-time Director	08761949

Place : Secunderabad

Date : 10.08.2023

**Rakhi Agarwal**  
**Company Secretary in Practice**  
**FCS No.7047**  
**CP No.6270**  
**UDIN: F007047E000780281**

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

To  
The Members of  
Bhagyanagar India Limited,  
5th Floor Surya Towers, Sardar Patel Road,  
Secunderabad- 500003

1. The Corporate Governance Report prepared by Bhagyanagar India Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable Criteria') with respect to Corporate Governance for the year ended 31st March, 2023. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

#### **MANAGEMENT'S RESPONSIBILITY**

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

#### **AUDITOR'S RESPONSIBILITY**

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

#### **OPINION**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2023, referred to in paragraph 1 above.

**OTHER MATTERS AND RESTRICTION ON USE**

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

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

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

Date : 10.08.2023  
Place : Secunderabad

**Ramesh Chand Jain**  
**Partner**  
**M.No: 023019**  
**UDIN – 23214548BGWOQM3081**

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF  
BHAGYANAGAR INDIA LIMITED**  
**Report on the Audit of Standalone Financial Statements**

### Opinion

We have audited the accompanying financial statements of **BHAGYANAGAR INDIA LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at 31<sup>st</sup> March, 2023, the Standalone Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone 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 ("The Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 as amended ('the Act') in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2023, of total comprehensive income (comprising of profit and other comprehensive income), standalone changes in equity and its standalone cash flows for the year ended .

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our Audit of the Standalone Financial Statements under the provision of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### Emphasis of matter

We draw attention to the following matters:

- (a) Note No.58 of the accompanying Standalone Financial Statements wherein, balances under the head Claims Recoverable, Loans & Advances, Deposits from and with various parties and certain balances of trade receivables, trade payables and other current liabilities have not been confirmed as at March 31, 2023, although letters have been sent by the Company seeking confirmation of balances. Consequential impact upon receipt of such confirmation / reconciliation / adjustments of such balances, if any is not ascertainable at this stage.
- (b) Note No.47 of the notes to accounts to the accompanying standalone financial statements which refers that the GST authorities conducted an investigation and on the insistence of the authorities, the company has deposited an amount of Rs.800 lakhs with GST Department under protest and shown in financial statements under the head "Current Assets". The company has not received any show cause notice till date. The company has been advised by the legal experts that it has fair chance of ultimately succeeding in the matter and accordingly no provision has been made in the books of accounts.

### Key Audit Matters

1. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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:

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p>1. Accuracy and completeness of revenue recognized.</p> <p>Refer to note 25 to the Standalone Financial Statements, the Company reported revenue of Rs.138701.06 Lakhs from sale of copper products. The application of revenue recognition accounting standards is complex and involves a number of key judgments and estimates. Due to the estimates and judgment and complexity involved in the application of the revenue recognition accounting standards, we have considered this matter as a key audit matter. The Company's accounting policies relating to revenue recognition are presented in note 12 to the financial statements.</p>	<p>We addressed the Key Audit Matter as follows :-</p> <ol style="list-style-type: none"> <li>1. As part of our audit, we understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition and evaluated the design and operating effectiveness of the financial controls from the above through our test of control procedures.</li> <li>2. Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof.</li> <li>3. Review the company's judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.</li> <li>4. Tested a sample of sales transactions for compliance with the Company's accounting.</li> </ol> <p>Principles to assess the completeness and accuracy of revenue recorded.</p> <ol style="list-style-type: none"> <li>5. We evaluated the management's process to recognize revenue over a period of time, total cost estimates, status of the projects and re-calculated the arithmetic accuracy of the same.</li> <li>6. Evaluated management assessment of the impact on revenue recognition.</li> <li>7. We examined contracts with exceptions including contracts with low or negative margins, loss making contracts, etc to determine the level of provisioning.</li> <li>8. Our tests of detail focused on transactions occurring within proximity of the year end and obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents. We considered the appropriateness and accuracy of any cut-off adjustments.</li> <li>9. Performed analytical procedures over revenue and receivables. Compared revenue with historical trends and where appropriate, conducted further enquiries and testing.</li> <li>10. Traced disclosure information to accounting records and other supporting documentation.</li> <li>11. Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.</li> <li>12. Our Observation:</li> </ol> <p>Based on the audit procedures performed we did not identify any material exceptions in the revenue recognition.</p>

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p><b>2. Valuation of Inventories.</b></p> <p>Refer to note 11 to the Standalone Financial Statements, the Company is having the Inventories of Rs.8910.53 Lakhs as on 31st March 2023. As described in the accounting policies in note 1 to the standalone financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory.</p>	<p>We addressed the Key Audit Matter as follows :-</p> <p>We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions and management assertion regarding existence and ownership by:-</p> <ol style="list-style-type: none"> <li>1. Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</li> <li>2. Verifying the effectiveness of key inventory controls operating over inventories;</li> <li>3. Reviewing the physical verification documents related to inventories conducted during the year.</li> <li>4. Verifying for a sample of individual products that costs have been correctly recorded.</li> <li>3. Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.</li> <li>4. Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.</li> <li>5. Re-computing provisions recorded to verify that they are in line with the Company policy.</li> <li>6. Our Observation:</li> </ol> <p>Based on the audit procedures performed we did not identify any material exceptions in the Inventory valuation and existence.</p>

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

#### Management Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with companies (Indian Accounting Standards) Rule, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring



the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of Standalone Financial Statements.**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

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 standalone 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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**

- 1) As required by the Companies (Auditor's Report) Order, 2023 (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.
- 2) As required by section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
  - e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
 In our opinion and to the best of our information and according to the explanations given to us, the remuneration has been paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its notes to the Standalone Financial Statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on March 31, 2023 .
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.
    - (iv)
      - a) The Management has represented to us, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from the borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries.
      - b) The Management of the Company have represented to us, to the best of the knowledge and belief, no funds have been received by the company from any person or entity, including foreign entity ("Funding parties") with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner what's the whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
      - c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company, nothing has come to our notice that has caused us to believe that the representations are under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- 3) The company has not declared any dividend in the previous financial year which has been paid in current year. Further, no dividend has been declared/ proposed for the current year accordingly the section 123 of the Act is not applicable to the company.
- 4) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Place : Secunderabad  
Date : 27<sup>th</sup> May, 2023

Naveen Lohia  
(Partner)  
Membership No.214548  
UDIN: **23214548BGWOPB5790**

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of BHAGYANAGAR INDIA LIMITED of even date)

### Report on the Internal Financial Controls Over Financial Reporting 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 Financial Statements of **BHAGYANAGAR INDIA LIMITED** ("the Company") as of 31 March, 2023 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.

#### Auditor's Responsibility

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

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

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

#### Inherent Limitations of Internal Financial Controls over Financial Statements

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

### Opinion

- 8) In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by Institute of Chartered Accountants of India.

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

Place : Secunderabad  
Date : 27<sup>th</sup> May, 2023

Naveen Lohia  
(Partner)  
Membership No.214548  
UDIN: **23214548BGWOPB5790**

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of BHAGYANAGAR INDIA LIMITED of even date)

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the company's Property, Plant and Equipment and intangible assets-
- a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i) (a) (B) of the Order is not applicable to the Company.
  - b) The Property, Plant and Equipment have been physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies have been 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 properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) included in Property, Plant and Equipment are held in the name of company.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) or intangible assets during the year ended March 31, 2023. Accordingly the reporting under clause 3(i)(d) of the order is not applicable to the company.
  - e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition Benami Transactions Act, 1988 (as amended in 2016) (formerly the benami transactions (prohibition) Act, 1988 (45 of 1988) and rules made thereunder and therefore the question of our commenting on whether the company appropriately disclosed the details in its standalone financial statements does not arise.
- (ii) In the respect of matters specified in clause (ii) of paragraphs 3 the order :
- (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the management during the year and, in our opinion the coverage and procedure of such verification by management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. There are no discrepancies noticed on physical verification of inventory as compared to book records were 10% or more in aggregate for each class of inventory.
  - (b) As disclosed in notes to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly statement returns with such banks which are in agreement with the books of accounts of the Company.
- (iii) In the respect of matters specified in clause (iii) of paragraph 3 the order:
- a) On the basis of examination of records of the Company, during the year the Company has granted loans to wholly owned company. The detail of aggregate amount of loans granted during the year and balance outstanding as at the balance sheet date of such loans is as under.

Particulars	Loan ₹ (in lakhs)
<b>Aggregate amount granted/provided during the year</b>	
- Wholly owned subsidiary	271.33
<b>Balance outstanding as at balance sheet date in respect of above cases</b>	
- Wholly owned subsidiary	1312.87

based on the examination of records of the Company and according to the information and explanation given to us during the year, the Company has not provided guarantee or provided security or granted any advances in the nature of loans, secured or unsecured to any Company, Limited Liability Partnerships, Firms or any other parties except mentioned above



- b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year, prima facie, not prejudicial to the Company's interest.
  - c) Based on the records examined by us and information and explanation given to us, the schedule of repayment of principal and interest has been stipulated and the repayment/ receipts have been regular.
  - d) There are no amounts of loan and advances in the nature of loans granted to companies which are overdue for more than ninety days.
  - e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
  - f) The Company has not granted any security or guarantees in the nature of guarantees, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) 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 neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3 (v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the company prescribed by the Central Government of India under section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues::
- a) Based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other statutory dues, as applicable, with the appropriate authorities in India;
  - b) According to the information and explanations given to us and based on the records of the company examined by us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax and other material statutory dues for a period of more than six months from the date they become payable, except the following disputed statutory liabilities have not been deposited in view of pending Appeals.

Name of Statute	Nature of dues	Amount involved in dispute & not paid	Period to which it relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	25,69,007/-	2010-11	Appeal is pending against CESTAT
		20,00,000/-	2011-12	Appeal is pending against CESTAT
		10,13,592/-	2010-11	Appeal is pending against CESTAT

- (viii) According to the records of the company examined by us and as per the information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) 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 or other borrowings or in the payment of interest thereon to any financial institution or banks or lender.
- (b) According to the records of the company examined by us and as per the information and explanations given to us, The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the company examined by us and as per the information and explanations given to us, no term loans were obtained during the year and hence reporting under clause 3(ix) (c) of the Order is not applicable.
- (d) According to the records of the company examined by us and as per the information and explanations given to us, on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the records of the company examined by us and as per the information and explanations given to us, on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies.
- (f) According to the records of the company examined by us and as per the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix) (f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the company, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under audit and hence reporting under clause 3(x) (b) of the Order is not applicable.
- (xi) (a) 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.
- (b) According to the information and explanations given to us, during the year and upto the date of this audit report, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the secretarial auditor or by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, during the year there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties, are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us and based on our examination of the records of the company, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.
- (xvii) In our opinion, there is no cash loss in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has

come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) According to the information and explanations given to us and based on our examination of the records of the company, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII to the companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. Accordingly reporting under clause 3(xx) (a) and (b) of the Order is not applicable.

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

Naveen Lohia  
(Partner)

Membership No.214548  
UDIN: **23214548BGWOPB5790**

Place : Secunderabad  
Date : 27<sup>th</sup> May, 2023

**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2023**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Particulars	Note	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	3,596.38	3,812.23
(b) Capital Work in Progress	6	14.41	-
(c) Financial Assets			
- Investments	7	2,002.19	2,002.19
- Loans	8	1,312.86	1,041.53
- Other Non current Financial Assets	9	99.39	98.06
(d) Deferred tax assets (net)	10	58.66	-
		<b>7,083.89</b>	<b>6,954.01</b>
<b>Current assets</b>			
(a) Inventories	11	8,910.53	8,322.55
(b) Financial assets			
- Trade receivables	12	10,303.95	7,347.78
- Cash and cash equivalents	13	4.82	4.28
- Other Balance with Bank	14	75.80	129.21
(c) Current Tax Assets (net)	15	341.31	271.51
(d) Other current assets	16	2,938.62	2,421.60
		<b>22,575.02</b>	<b>18,496.93</b>
<b>Total assets</b>		<b>29,658.91</b>	<b>25,450.93</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	639.90	639.90
(b) Other Equity	18	12,835.91	12,225.96
		<b>13,475.81</b>	<b>12,865.86</b>
<b>Total Equity</b>		<b>13,475.81</b>	<b>12,865.86</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	19	2,993.58	2,125.11
		<b>2,993.58</b>	<b>2,125.11</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
- Borrowings	20	8,715.78	7,957.29
- Other Current financial liabilities	21	29.20	31.78
(b) Trade Payables	22		
- Total Outstanding dues of Micro and Small Enterprises		11.07	-
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises		2,929.42	2,129.07
(c) Other current liabilities	23	1,431.38	271.34
(d) Provisions	24	72.68	70.48
		<b>13,189.52</b>	<b>10,459.97</b>
<b>Total liabilities</b>		<b>16,183.10</b>	<b>12,585.07</b>
<b>Total equity and liabilities</b>		<b>29,658.91</b>	<b>25,450.93</b>

Significant accounting policies and key accounting estimates and judgements  
See accompanying notes form an integral part of Standalone financial statements.

1 to 4  
33 to 59

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

Chartered Accountants,  
Firm Reg No.01882S

**Naveen Lohia**

Partner  
M. No. 214548

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

Managing Director  
DIN: 00075086

**Devendra Surana**

Managing Director  
DIN: 00077296

**Surendra Bhutoria**  
Chief Financial Officer

**Lalit Kumar Thanvi**  
Company Secretary  
M.No. A62058

Place: Secunderabad,  
Date :May 27, 2023

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Particulars	Note No.	For the year ended 31.03.2023		For the year ended 31.03.2022	
<b>I INCOME</b>					
Revenue from Sale of Product		1,38,619.28		1,08,947.19	
Infrastructure Leasing and Sales		81.78		125.38	
		<b>1,38,701.06</b>		<b>1,09,072.57</b>	
<b>NET REVENUE FROM OPERATIONS</b>	<b>25</b>		<b>1,38,701.06</b>		<b>1,09,072.57</b>
<b>II OTHER INCOME</b>	<b>26</b>		<b>171.47</b>		<b>265.91</b>
<b>TOTAL INCOME (I+II)</b>			<b>1,38,872.52</b>		<b>1,09,338.48</b>
<b>III EXPENSES</b>					
Cost of Raw Materials and Components Consumed	<b>27</b>		<b>1,31,849.92</b>		<b>1,03,482.09</b>
(Increase)/Decrease in Inventories			-		
Work-in-Progress and Stock in Trade	<b>28</b>		(2,138.92)		(228.35)
Employee Benefit Expenses	<b>29</b>		764.12		654.34
Finance Costs	<b>30</b>		870.94		685.79
Depreciation and Amortisation Expenses	<b>31</b>		361.59		367.97
Other Expenses	<b>32</b>		6,357.99		3,706.33
<b>TOTAL EXPENSES</b>			<b>1,38,065.65</b>		<b>1,08,668.17</b>
<b>IV PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I+II-III)</b>			<b>806.87</b>		<b>670.31</b>
<b>V EXCEPTIONAL ITEMS</b>			-		-
<b>VI PROFIT BEFORE TAX (IV+V)</b>			<b>806.87</b>		<b>670.31</b>
<b>VII TAX EXPENSE</b>					
1. Current Tax			255.58		221.63
2. Deferred Tax Liability/(Asset)			(58.66)		11.70
<b>TOTAL TAX EXPENSE</b>			<b>196.91</b>		<b>233.33</b>
<b>VIII PROFIT AFTER TAX (VI-VII)</b>			<b>609.96</b>		<b>436.99</b>
<b>IX OTHER COMPREHENSIVE INCOME</b>					
Items that will not be reclassified to profit or loss			-		-
Items that will be reclassified to profit or loss			-		-
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>			-		-
<b>X Total Comprehensive Income / (Loss) for the year (VIII+IX)</b>			<b>609.96</b>		<b>436.99</b>
Earning Per Equity Share					
(a) Basic			1.91		1.37
(b) Diluted			1.91		1.37

Significant accounting policies and key accounting estimates and judgements

1 to 4

See accompanying notes form an integral part of Standalone financial statements

33 to 59

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,

Firm Reg No.01882S

For and on behalf of the BOD of Bhagyanagar India Limited

Naveen Lohia

Partner

M. No. 214548

Narender Surana

Managing Director

DIN: 00075086

Devendra Surana

Managing Director

DIN: 00077296

Surendra Bhutoria

Chief Financial Officer

Lalit Kumar Thanvi

Company Secretary

M.No. A62058

Place: Secunderabad,

Date :May 27, 2023

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023****A. Equity Share capital**

Particulars	No of shares	Amount in lakhs
<b>Balance as at 1 April 2022</b>	<b>3,19,95,000</b>	<b>639.90</b>
Changes in equity share capital during 2022-23	-	-
<b>Balance as at 31 March 2023</b>	<b>3,19,95,000</b>	<b>639.90</b>
<b>Balance as at 1 April 2021</b>	<b>3,19,95,000</b>	<b>639.90</b>
Changes in equity share capital during 2021-22	-	-
<b>Balance as at 31 March 2022</b>	<b>3,19,95,000</b>	<b>639.90</b>

**B. Other equity**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Particulars	Reserve & Surplus				
	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Total
<b>Balance at 1 April, 2022</b>	<b>9,348.99</b>	<b>2,500.00</b>	<b>166.77</b>	<b>210.20</b>	<b>12,225.96</b>
Profit for the year	609.96	-	-	-	<b>609.96</b>
Other Comprehensive Income (net of tax)	-	-	-	-	-
<b>Add: Transferred (to)/from Retained Earnings</b>	-	-	-	-	-
<b>Balance at 31 March, 2023</b>	<b>9,958.95</b>	<b>2,500.00</b>	<b>166.77</b>	<b>210.20</b>	<b>12,835.91</b>
<b>Balance at 1 April, 2021</b>	<b>8,912.00</b>	<b>2,500.00</b>	<b>166.77</b>	<b>210.20</b>	<b>11,788.97</b>
Profit for the year	436.99	-	-	-	<b>436.99</b>
Other Comprehensive Income (net of tax)	-	-	-	-	-
<b>Add: Transferred (to)/from Retained Earnings</b>	-	-	-	-	-
<b>Balance at 31 March, 2022</b>	<b>9,348.99</b>	<b>2,500.00</b>	<b>166.77</b>	<b>210.20</b>	<b>12,225.96</b>

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

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

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

**Capital Redemption Reserve:** Capital Redemption Reserve was created on account of buy back of shares of the Company.

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

See accompanying notes form an integral part of Standalone financial statements. 33 to 59

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

Chartered Accountants,  
Firm Reg No.01882S

**Naveen Lohia**

Partner  
M. No. 214548

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

Managing Director  
DIN: 00075086

**Devendra Surana**

Managing Director  
DIN: 00077296

**Surendra Bhutoria**

Chief Financial Officer

**Lalit Kumar Thanvi**

Company Secretary  
M.No. A62058

Place: Secunderabad,  
Date :May 27, 2023

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Amount in ₹)

Particulars	2022-23		2021-22	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit (Loss) before Tax and Exceptional Items</b>		<b>806.87</b>		<b>670.31</b>
Adjustments for Non-Operating Activities:				
Depreciation	357.99		364.37	
Amortisation of lease rent	3.60		3.60	
Sundry balance writtern off	13.13		16.39	
Sundry balance writtern back	-		(5.95)	
Interest paid	870.94		685.79	
(Profit)/loss on sale of fixed assets	(1.40)		(42.91)	
Interest received	(161.02)	<b>1,083.24</b>	(215.83)	<b>805.46</b>
<b>Operating Profit before Working Capital Changes</b>		<b>1,890.11</b>		<b>1,475.76</b>
<b>Movement in Working Capital</b>				
Increase/ (Decrease) in other current liabilities	(39.97)		31.76	
Increase/ (Decrease) in provisions	2.20		27.75	
Increase/ (Decrease) in other financial liabilities	(2.58)		6.17	
Increase/ (Decrease) in trade payables	811.42		1,326.18	
(Increase)/ Decrease in other current assets	(518.35)		(1,101.62)	
(Increase)/ Decrease in trade receiabies	(2,969.29)		(1,660.17)	
(Increase)/ Decrease in inventory	(587.98)	<b>(3,304.55)</b>	(1,252.24)	<b>(2,622.19)</b>
<b>Cash Generation From Operations</b>		<b>(1,414.44)</b>		<b>(1,146.42)</b>
Direct Taxes (Net)		<b>(325.38)</b>		<b>(341.03)</b>
<b>Net Cash from Operating Activities (A)</b>		<b>(1,739.82)</b>		<b>(1,487.46)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Loans given	(271.34)		1,871.07	
Interest received	161.02		215.83	
Purchase of fixed assets	(146.84)		(5.31)	
Addition in CWIP	(14.41)		-	
Advance Received for Capital Goods	1,200.00		-	
Sale of fixed assets	2.32		44.00	
<b>Net Cash from / (Used in) Investing Activities (B)</b>		<b>930.76</b>		<b>2,125.59</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Amount in ₹)

Particulars	2022-23		2021-22	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid	(870.94)		(685.79)	
(Repayment) of borrowings from bank	1,627.13		(78.37)	
Unpaid Dividend Paid	2.58		-	
(Increase)/Decrease in restricted deposits	50.83		102.83	
Net Cash (used in) /from Financing Activities (C)		809.60		(661.33)
Net Increase/(decrease) in cash & cash equivalents (A+B+C)		<b>0.53</b>		<b>(23.20)</b>
Opening cash and cash equivalent at the beginning of the year		<b>4.28</b>		27.48
Closing cash and cash equivalent at the end of the year		4.82		4.28
<b>Net Increase/(decrease) in cash &amp; cash equivalents</b>		<b>0.53</b>		<b>(23.20)</b>

1. The Cash flow Statement has been prepared as set out in Indian Accounting Standard (IND AS) 7 : STATEMENT OF CASH FLOWS, as amended by Companies (Indian Accounting Standards) (Amendment) Rules 2016. This is the Cash Flow Statement referred to in our report of even date attached

Notes :

2. Components of cash and cash equivalents	2022-23	2021-22
Cash in hand	2.26	0.27
Balances with banks	2.56	4.01
	<b>4.82</b>	<b>4.28</b>

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

See accompanying notes form an integral part of Standalone financial statements. 33 to 59

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

Chartered Accountants,  
Firm Reg No.01882S

**Naveen Lohia**

Partner  
M. No. 214548

Place: Secunderabad,  
Date :May 27, 2023

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

Managing Director  
DIN: 00075086

**Surendra Bhutoria**  
Chief Financial Officer

**Devendra Surana**

Managing Director  
DIN: 00077296

**Lalit Kumar Thanvi**  
Company Secretary  
M.No. A62058

## SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS & KEY ESTIMATES

### 1. CORPORATE OVERVIEW

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

The financial statements of the Company have been approved by the Board of Directors in their meeting held on May 27, 2023.

### 2. BASIS OF PREPARATION:

#### a) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (amended), guidelines issued by the Securities and Exchange Board of India (SEBI), and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial Statement, other relevant provisions of the Act and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### b) Basis of Measurement

The financial statements of the Company have been prepared on historical cost basis except for the following assets and liabilities which have been measured at fair value:

- i. Certain financial assets & liabilities (including derivative instruments)
- ii. Defined Benefit Plans as per actuarial valuation
- iii. Share based Payments

#### c) Functional and Presentation Currency

The financial statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

### 3. Use of Assumptions, Judgments and Estimates

The key assumption, judgment and estimation at the reporting date, that have significant risk causing the material adjustment to the carrying amounts of assets and liabilities within the next financial year, are describe below. The company based its assumption, judgment and estimation on parameters available on the financial statements were prepared. Existing circumstances and assumption about future development, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumption when they occur.

#### i) Revenue

The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

#### ii) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its 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. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognized as an expense in the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

iii) **Defined benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi) **Share-based payments**

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. No expense is recognized for awards that do not ultimately vest because service conditions have not been met. When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

vii) **Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.

viii) **Classification of Leases**

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

ix) **Restoration, rehabilitation and decommissioning**

Estimation of restoration/ rehabilitation/ decommissioning costs requires interpretation of scientific and legal data, in addition to assumptions about probability of future costs.

x) **Provisions and Contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

d) **Classification of Assets and Liabilities into Current/Non-Current**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013, as given below.

The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- i) Expected to be realized or intended to sold or consumed in normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Expected to be realized within twelve months after the reporting period; or
- iv) 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 the other assets are classified as non-current.

Similarly, a liability is current if:

- i) It is expected to be settled in normal operating cycle;
- ii) It is held primarily for the purpose of trading;
- iii) It is due to be settled within twelve months after the reporting period; or
- iv) 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.

Deferred Tax Assets and Liabilities are classified as current assets and liabilities respectively.

#### **4. SIGNIFICANT ACCOUNTING POLICIES:**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements, unless otherwise stated.

1) **Inventories**

a) **Raw materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis.

b) **Work-in- progress (WIP) and finished goods**

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

c) **Waste / Scrap**

Waste / Scrap inventory is valued at NRV. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or below the cost.

Materials in transit are valued at cost to date.

d) **Stores, spares and consumables**

Stores spares, packing material and all consumables items held for use in the production of inventories are charged to profit & loss account as and when purchased.

Provision is recognized for damaged, defective or obsolete stocks where necessary.

2) **Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, Cheques on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3) **Cash Flows**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

4) **Income Tax**

Income Tax comprises current and deferred tax.

a) **Current Tax**

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961. Current income tax is recognized in the statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

b) **Deferred Tax**

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

MAT Credit is recognized 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 Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to 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 entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

5) **Property, Plant and Equipment**

a) **Recognition and Measurement**

- i) Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

- ii) Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- iii) In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- iv) For transition to IND AS, the company has revalued land at fair value as deemed cost and considered other assets at Ind AS Cost.
- v) Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit and loss.
- vi) Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.
- vii) 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.
- viii) The Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.
- ix) Research and development costs that are in nature of tangible/ intangible assets and are expected to generate probable future economic benefits are capitalized and classified under tangible/intangible assets and depreciated on the same basis as other fixed assets. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

**b) Depreciation and Amortization**

- i) Depreciation commences when the assets are ready for their intended use which is generally on commissioning. Depreciation on property, plant and equipment is provided under Straight Line Method over the useful lives of assets prescribed by Schedule II of the Companies Act, 2013. Depreciation in change in the value of fixed assets due to exchange rate fluctuation has been provided prospectively over the residual life of the respective assets. Land is not depreciated.

The estimated useful lives of property plant and equipment of the company are as follows:

Building	30-60 Years
Leasehold Improvements	Shorter of lease period or estimated useful lives
Plant and Equipment	7-25 Years
Furniture and Fixtures	8-10 Years
Vehicles	8-10 Years
Office Equipments	5 Years

- ii) Depreciation in respect of property, plant and equipment added / disposed off during the year is provided on pro-rata basis, with reference to the date of addition/disposal.

**6) Intangible Assets**

- i) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.
- ii) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss.
- iii) Intangible assets are amortised on straight line basis over its estimated useful life of 5 years.

**7) Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

**8) Capital Work in Progress**

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

**9) Investment in Joint-Venture**

Investment in Joint-venture is measured at cost less impairment loss, if any.

The joint arrangement is structured through a separate vehicle and the legal form of the separate vehicle, the terms of the contractual arrangement and, when relevant, any other facts and circumstances gives the Company rights to the net assets of the arrangement (i.e. the arrangement is a joint venture). The activities of the joint venture are primarily aimed to provide the third parties with an output and the parties to the joint venture will not have rights to substantially all the economic benefits of the assets of the arrangement.

**10) Investment in subsidiaries and associates**

Investments in subsidiaries and associates are recognised at cost as per IND AS 27. Except where investments accounted for at cost shall be accounted for in accordance with IND AS 105, Non-current Assets held for Sale and Discontinued Operations, when they are classified as held for sale.

**11) Leases****a) The Company as lessor**

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**b) The Company as lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.



**c) Lease Liability**

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

**d) Right of Use (ROU) Assets**

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

## 12) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amount receivable from sale of copper products, sale of energy, lease rental and export incentives, stated net of discounts.

Ind AS 115 "Revenue from Contracts with Customers", introduced one single new model for recognition of revenue which includes a 5-step approach and detailed guidelines. Among other, such guidelines are on allocation of revenue to performance obligations within multi-element arrangements, measurement and recognition of variable consideration and the timing of revenue recognition.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

### a) Revenue from sale of goods

Revenue from the sale copper products is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Company recognizes revenue at a point in time, when control is transferred to the customer, and the consideration agreed is expected to be received. Control is generally deemed to be transferred upon delivery of the products in accordance with the agreed delivery plan.

In case of related party transactions where related party meets the definition of customer (i.e. a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activity in exchange for consideration) and the transactions are within the scope of the standard then the revenue is recognized based on the principles of IND AS 115.

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Revenues for services are recognized when the service rendered has been completed.

### b) Revenue from services

Revenue from services mainly consists of the following;

- **Income from Lease Rent**

Revenue from services, which mainly consists of lease rentals from letting of space, is recognized over time on satisfying performance obligations as per the terms of agreement, that is, by reference to the period in which services are being rendered. Revenue from services, if any, involving single performance obligation is recognized at a point in time

- **Income from job works**

Income from job work is accounted for on the basis of actual quantity dispatched. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion (Percentage of Completion Method) of the transaction at the end of the reporting period. Advances received from the customers are reported as customer's deposits unless the above conditions for revenue recognition are met.

- **Sale of energy**

Revenue from operations comprises of sale of power. Revenue is recognized at an amount that reflects the consideration for which the Company expects to be entitled in exchange for transfer of power (goods / service) to the customer. Revenue from sale of power is accounted for in accordance with tariff provided in Power Purchase Agreement (PPA) read with the regulations of respective regulatory authorities and no significant uncertainty as to the measurability or collectability exist. There is no impact on the adoption of the standard in the financial statement as the Company's revenue primarily comprised of revenue from sale of power and the recognition criteria of this revenue stream is largely unchanged by Ind AS 115.

#### **Contract Assets**

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Unbilled receivables where further subsequent performance obligation is pending are classified as contract assets when the company does not have unconditional right to receive cash as per contractual terms. Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

**Impairment of Contract asset**

The Company assesses a contract asset for impairment in accordance with Ind AS 109. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of Ind AS 109.

**Contract Liability**

Contract Liability is recognized when there are billings in excess of revenues and it also includes consideration received from customers for whom the company has pending obligation to transfer goods or services.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

**Modification in contract**

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

**c) Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that assets' net carrying amount on initial recognition.

**13) Retirement and other employee benefits****a) Short Term Employee Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

**b) Other Long Term Employee Benefits**

The liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value (determined by actuarial valuation using the projected unit credit method) of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period and recognized in books of accounts. The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Re-measurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

**c) Post-Employment Benefits**

The Company operates the following post-employment schemes:

**i) Defined Benefit Plan**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods.

The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method. The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Past service cost is recognized in the statement of profit and loss in the period of a plan amendment. The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in Other Comprehensive Income (OCI) in the period in which

they occur. Re-measurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to statement of profit and loss.

ii) **Defined Contribution Plan**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation other than the contribution payable to the Provident fund. Contribution payable under the provident fund is recognized as expenditure in the statement of profit and loss and/or carried to Construction work-in-progress when an employee renders the related service.

14) **Government Grants**

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions.

- a) Government grants are recognized in the statement of profit or loss on a systematic basis over the periods in which the Company recognizes the related costs for which the grants are intended to compensate.
- b) Grants related to acquisition/ construction of property, plant and equipment are recognized as deferred revenue in the Balance Sheet and transferred to the statement of profit or loss on a systematic and rational basis over the useful lives of the related asset.

15) **Foreign Currency Transactions**

- a) The functional currency and presentation currency of the company is Indian Rupee (INR).
- b) Transactions in currencies other than the company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each balance sheet date, foreign currency monetary items are reported using the closing rate.
- c) Non- monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange difference that arise on settlement of monetary items or on reporting of monetary items at each Balance sheet date at the closing spot rate are recognized in profit or loss in the period in which they arise except for:
  - i) exchange difference on foreign currency borrowings related to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings; and
  - ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks.
  - iii) exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the Statement of Profit and Loss on repayment of the monetary items.

According to Appendix B of Ind AS 21 "Foreign currency transactions and advance consideration", purchase or sale transactions must be translated at the exchange rate prevailing on the date the asset or liability is initially recognized. In practice, this is usually the date on which the advance payment is paid or received. In the case of multiple advances, the exchange rate must be determined for each payment and collection transaction

16) **Borrowing Cost**

Borrowing cost include interest expense calculated using the Effective interest method, finance charges in respect of assets acquired on finance lease and exchange difference arising on foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

Borrowing costs (including other ancillary borrowing cost) directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

**17) Earnings per Share**

Earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**18) Exceptional Item**

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

**19) Financial Guarantee Contract**

Financial guarantee contract provided to the lenders of the Company by its Parent Company is measured at their fair values and benefit of such financial guarantee is recognized to equity as a capital contribution from the parent.

**20) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

**a) Financial Assets****i) Classification and Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- Measured at Fair Value Through Profit or Loss (FVTPL) and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

**• Measured at Amortized Cost**

The Financial assets are subsequently measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognized in the statement of profit and loss.

**• Measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

The financial assets are measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and

- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- **Measured at Fair Value Through Profit or Loss (FVTPL)**

Financial assets are measured at fair value through profit or Loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on re-measurement are recognized in the statement of profit and loss. The net gains or loss recognized in statement of profit and loss incorporates any dividend or interest earned on the financial assets and is included in the "Other income" line item.

- **Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

ii) **Derecognition**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

iii) **Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rate to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ELC to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ELC is used.

iv) **Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognized in the statement of profit and loss.

b) **Financial Liabilities and equity instruments**

Debts and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instruments.

**Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an equity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

## Financial Liabilities

### i) Recognition and Initial Measurement

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### ii) Subsequent Measurement

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

### iii) Financial Guarantee Contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

### iv) De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### v) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are included in statement of profit and loss. The fair value of the financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

### vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

## c) Derivative financial instruments

The Company uses derivative financial instruments such as forward, swap, options etc. to hedge against interest rate and foreign exchange rate risks, including foreign exchange fluctuation related to highly probable forecast sale. The realized gain / loss in respect of hedged foreign exchange contracts which has expired / unwinded during the year are recognized in the statement of profit and loss and included in other operating revenue / other expense as the case may be. However, in respect of foreign exchange forward contracts period of which extends beyond the balance sheet date, the fair value of outstanding derivative contracts is marked to market and resultant net loss/gain is accounted in the statement of profit and loss. Company does not hold derivative financial instruments for speculative purposes.

## d) Derivatives and Hedge Accounting

Derivatives are initially recognized at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses are recognized in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item. The Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which is a cash flow hedge.



e) **Cash Flow Hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to the ineffective portion are recognized in the Statement of Profit and Loss. Amounts previously recognized and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non- financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non- financial asset. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains / losses recognized in other comprehensive income and accumulated in equity at that time remain in equity and is reclassified when the underlying transaction is ultimately recognized. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity are recognized immediately in the Statement of Profit and Loss.

21) **Provisions, Contingent Liabilities and Contingent Assets**

a) **Provisions**

- i) Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

ii) **Decommissioning Liability**

Restoration/ Rehabilitation/ Decommissioning cost are provided for in the accounting period when the obligation arises based on the NPV of the estimated future cost of restoration to be incurred. It includes the dismantling and demolition of infrastructure and removal of residual material. This provision is based on all regulatory requirements and related estimated cost based on best available information.

iii) **Onerous Contracts**

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

b) **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

c) **Contingent Assets**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

22) **Operating Segment**

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. All operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

### 23) Employee Share based payment

Equity - settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date. The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "General Reserve". When the options are exercised, the Company issues new equity shares of the Company of ₹1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

### 24) Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits

by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

### 25) Non-Current Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale. Indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

### 26) Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### 27) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

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

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31<sup>st</sup> March 2023

Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Grand Total
Gross carrying Value as of April 01, 2022	1,503.13	48.95	474.39	7,577.93	387.05	175.83	582.48	161.80	84.64	0.02	10,996.22
Additions	9.00	-	-	95.56	9.12	2.78	25.24	-	5.14	-	146.84
Deletions	-	3.60	-	-	-	-	18.46	-	-	-	22.06
<b>Gross carrying Value as at March 31, 2023</b>	<b>1,512.13</b>	<b>45.35</b>	<b>474.39</b>	<b>7,673.49</b>	<b>396.18</b>	<b>178.62</b>	<b>589.25</b>	<b>161.80</b>	<b>89.78</b>	<b>0.02</b>	<b>11,121.00</b>
Accumulated depreciation as at April 01, 2022	-	-	274.20	5,732.09	340.30	166.33	436.28	153.85	80.92	0.02	7,184.00
Depreciation	-	-	9.65	306.00	7.60	1.51	29.35	0.27	3.60	-	357.99
Accumulated depreciation on disposals	-	-	-	-	-	-	17.36	-	-	-	17.36
<b>Accumulated depreciation as at March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>283.86</b>	<b>6,038.09</b>	<b>347.91</b>	<b>167.85</b>	<b>448.26</b>	<b>154.12</b>	<b>84.52</b>	<b>0.02</b>	<b>7,524.62</b>
<b>Carrying Value as at March 31, 2023</b>	<b>1,512.13</b>	<b>45.35</b>	<b>190.54</b>	<b>1,635.40</b>	<b>48.27</b>	<b>10.77</b>	<b>140.99</b>	<b>7.67</b>	<b>5.26</b>	<b>-</b>	<b>3,596.38</b>

Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31<sup>st</sup> March 2022

Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Grand Total
Gross carrying Value as at April 01, 2021	1,503.13	52.55	472.42	7,576.30	386.20	175.83	582.48	161.80	82.73	0.02	10,993.46
Additions	-	-	8.45	1.64	0.85	-	-	-	1.91	-	12.84
Disposals	-	3.60	6.48	-	-	-	-	-	-	-	10.08
<b>Gross carrying Value as at March 31, 2022</b>	<b>1,503.13</b>	<b>48.95</b>	<b>474.39</b>	<b>7,577.93</b>	<b>387.05</b>	<b>175.83</b>	<b>582.48</b>	<b>161.80</b>	<b>84.64</b>	<b>0.02</b>	<b>10,996.22</b>
Accumulated depreciation as at April 01, 2021	-	-	269.61	5,425.39	330.62	162.77	404.93	153.58	78.10	0.02	6,825.02
Depreciation	-	-	9.98	306.70	9.68	3.57	31.35	0.27	2.82	-	364.37
Accumulated depreciation on disposals	-	-	5.39	-	-	-	-	-	-	-	5.39
<b>Accumulated depreciation as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>274.20</b>	<b>5,732.09</b>	<b>340.30</b>	<b>166.33</b>	<b>436.28</b>	<b>153.85</b>	<b>80.92</b>	<b>0.02</b>	<b>7,184.00</b>
<b>Carrying Value as at March 31, 2022</b>	<b>1,503.13</b>	<b>48.95</b>	<b>200.19</b>	<b>1,845.84</b>	<b>46.75</b>	<b>9.50</b>	<b>146.20</b>	<b>7.95</b>	<b>3.72</b>	<b>-</b>	<b>3,812.23</b>
<b>Carrying Value as at March 31, 2021</b>	<b>1,503.13</b>	<b>52.55</b>	<b>202.80</b>	<b>2,150.91</b>	<b>55.58</b>	<b>13.07</b>	<b>177.55</b>	<b>8.22</b>	<b>4.63</b>	<b>-</b>	<b>4,168.44</b>

## Notes forming part of the Standalone Financial Statements

### Note: 6

Capital Work in Progress	As at 31.03.2023	As at 31.03.2022
Plant and Machinery	14.41	-
<b>TOTAL</b>	<b>14.41</b>	<b>-</b>

CWIP Ageing Schedule	As on 31/03/2023			
Particulars	>1 year	1-2 year	2-3 year	< 3 year
Total	14.41	-	-	-
Previous year reporting period				
Project in Progress	14.41	-	-	-
Project Temporarily Suspended	-	-	-	-

### Note: 7

Investments - Non Current	As at 31.03.2023		As at 31.03.2022	
	No.s	Value	No.s	Value
<b>Equity Instruments (Unquoted - At Cost)</b>				
<b>A) Investment in Subsidiaries</b>				
<b>Bhagyanagar Copper Pvt Ltd</b>	2,00,00,000	2,000.00	2,00,00,000	2,000.00
(Equity shares of ₹ 10/-each fully paid up)				
<b>SUB - TOTAL (A)</b>	<b>2,00,00,000</b>	<b>2,000.00</b>	<b>2,00,00,000</b>	<b>2,000.00</b>
<b>B) Investment in companies (Unquoted)</b>				
Mana Effluent Treatment Plant	200	2.00	200	2.00
(Equity shares of ₹ 1000/-each fully paid up)				
<b>SUB - TOTAL (B)</b>	<b>200</b>	<b>2.00</b>	<b>200</b>	<b>2.00</b>
<b>C) Investment in Associate companies (Unquoted)</b>				
Surana Electrix Limited	1,900	0.19	1,900	0.19
(Equity shares of ₹ 10/-each fully paid up)				
<b>SUB - TOTAL (C)</b>	<b>1,900</b>	<b>0.19</b>	<b>1,900</b>	<b>0.19</b>
<b>GRAND TOTAL (A+B+C)</b>		<b>2,002.19</b>		<b>2,002.19</b>

### Note: 8

Loans (Non current)	As at 31.03.2023	As at 31.03.2022
Considered good – Unsecured		
Loan receivables considered good	1,312.86	1,041.53
Loan receivables which have significant increase in credit risk	-	-
Loan receivables -credit impaired	-	-
Less: Provision for doubtful	-	-
<b>Total</b>	<b>1,312.86</b>	<b>1,041.53</b>

## Notes forming part of the Standalone Financial Statements

### Note

8(a) Loans due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member has been separately stated as follows

Type of Borrower	Amount of Loan or advances in the nature of Loan outstanding	% of total Loan or advances in the nature of Loan	Amount of Loan or advances in the nature of Loan outstanding	% of total Loan or advances in the nature of Loan
Related Parties	As at 31st March 2023		As at 31st March 2022	
Loan to Subsidiary Companies				
Bhagyanagar Copper Private Limited	1,312.86	100	1,041.53	100
<b>Total</b>	<b>1,312.86</b>	<b>100</b>	<b>1,041.53</b>	<b>100</b>

\*Unsecured Loan have been taken for business purpose at a mutually agreed rate of interest. There is no specific repayment Schedule.

### Note: 9

Other non current financial assets	As at 31.03.2023	As at 31.03.2022
Unsecured, Considered good.		
(a) Security Deposits	99.39	98.06
<b>TOTAL</b>	<b>99.39</b>	<b>98.06</b>

Note 9(a) Security deposits primarily includes Electricity deposits.

### Note: 10

Deferred Tax Assets (Net)	As at 31.03.2023	As at 31.03.2022
(a) Deferred Tax Asset at the beginning of the year	-	-
Add/(Less): Deferred Tax Asset/ (Liability) for the year, on account of timing difference.	58.66	-
<b>TOTAL</b>	<b>58.66</b>	<b>-</b>

### Note: 11

Inventories	As at 31.03.2023	As at 31.03.2022
(Valued at lower of Cost and Net Realisable Value)		
Raw Materials	2,689.44	4,240.37
Work-in-Progress	5,924.09	4,082.17
Finished Goods	297.00	-
<b>TOTAL</b>	<b>8,910.53</b>	<b>8,322.55</b>

### Note

11(a) Inventories is hypothecated to banks for availing cash credit facility. The quarterly returns/ statements filed by the company with the bank(s) in respect of such facilities are in agreement with the books of accounts.

### Note: 12

Trade Receivables	Sub Note	As at 31.03.2023	As at 31.03.2022
Considered good – Unsecured*			
Undisputed trade receivables considered good		10,303.95	7,347.78
Undisputed trade receivables -credit impaired		-	-
Less: Allowance for expected credit losses		-	-
<b>TOTAL</b>		<b>10,303.95</b>	<b>7,347.78</b>

## Notes forming part of the Standalone Financial Statements

### Trade receivables ageing schedule

As at 31.03.2023	Outstanding for following periods from due date of payment as on Balance sheet date					
Particulars	Less than 6 mnth	6 months to 1 year	1 to 2 years	2-3 Years	More than 3 years	Total
Undisputed trade receivables considered good	10,158.72	137.56	6.53	1.13	-	10,303.95
Credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit losses	-	-	-	-	-	-
<b>Balance as at year end</b>	<b>10,158.72</b>	<b>137.56</b>	<b>6.53</b>	<b>1.13</b>	<b>-</b>	<b>10,303.95</b>

As at 31.03.2022	Outstanding for following periods from due date of payment as on Balance sheet date					
Particulars	Less than 6 mnth	6 months to 1 year	1 to 2 years	2-3 Years	More than 3 years	Total
Undisputed trade receivables considered good	7,202.56	137.56	6.53	1.13	-	7,347.78
Credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit losses	-	-	-	-	-	-
<b>Balance as at year end</b>	<b>7,202.56</b>	<b>137.56</b>	<b>6.53</b>	<b>1.13</b>	<b>-</b>	<b>7,347.78</b>

- There are no disputed trade receivables in the current and previous year.
- All the Trade Receivables are Unsecured and considered good.
- Trade receivables are generally with the credit term of 30 to 90 days and are non interest bearing.
- The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Trade Receivables are hypothecated to banks for availainga cash credit facility.The quarterly returns/ statements filed by the company with the bank(s) in respect of such facilities are in agreement with the books of accounts.
- No Debts due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

#### Note: 13

Cash and cash Equivalents	As at 31.03.2023	As at 31.03.2022
(a) Cash & Cash Equivalents		
(i) Balances with bank	2.56	4.01
(ii) Cash On Hand	2.25	0.27
<b>TOTAL</b>	<b>4.82</b>	<b>4.28</b>

#### Note: 14

Other Balances with Bank	As at 31.03.2023	As at 31.03.2022
(i) Margin Money Deposit Against Bank Guarantee {See Note 14(a)} (With original Maturity of 3 months or more)	74.45	125.09
(ii) In Unclaimed Dividend account {See Note 14(b)}	-	2.58
(iii) Accrued interest Fixed Deposit	1.35	1.54
<b>TOTAL</b>	<b>75.80</b>	<b>129.21</b>

#### Notes:

\* Earmarked balances with banks are denominated and held in Indian Rupees.

14(a) Margin money represents money with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance sheet date

## Notes forming part of the Standalone Financial Statements

- 14(b) Unpaid Dividend: Section 124 of the Companies Act, 2013 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to Investor Education & Protection Fund (IEPF). Accordingly, dividend of Rs. 2.58 lakhs pertaining to FY 2014-15, has been transferred to IEPF Account.

### Note: 15

Current Tax Assets (Net)	As at 31.03.2023	As at 31.03.2022
(a) Income tax Receivable	596.89	556.28
Less: Provision for Taxes	255.58	284.78
<b>TOTAL</b>	<b>341.31</b>	<b>271.51</b>

### Note: 16

Other Current Assets	As at 31.03.2023	As at 31.03.2022
<b>(Unsecured, Considered Good Unless Otherwise Stated)</b>		
(i) Balances with Statutory Authorities	507.32	1,070.04
(ii) Advances To Suppliers	146.29	70.46
(iii) Loans to Staff	29.56	20.19
(iv) Margin Money for Copper Hedging	1,455.44	1,260.90
(v) Taxes Paid under Protest {See Note 16(a)}	800.00	-
<b>TOTAL</b>	<b>2,938.62</b>	<b>2,421.60</b>

### Notes:

- 16(a) The Company has deposited an amount of ₹ 800 lacs with the GST department under protest which is disclosed in the financial statement as "Taxes paid under protest " under the schedule "Other Current Assets". The management of the company and the legal experts are confident that there will be no liability in the case and hence no provision is made in the books of accounts.
- 16(b) No advances are due from directors or other officers of the company or any of them either severally or jointly with any other persons or advances due to firms or private companies respectively in which any director is a partner or a director or a member.

### Note: 17

Share Capital	As at 31st March 2023		As at 31st March 2022	
	Number	Amount (INR)	Number	Amount (INR)
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	12,50,00,000	2,500.00	12,50,00,000	2,500.00
<b>Issued</b>				
Equity Shares of ₹ 2/- each	3,19,95,000	639.90	3,19,95,000	639.90
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 2/- each fully paid	3,19,95,000	639.90	3,19,95,000	639.90
<b>Total</b>	<b>3,19,95,000</b>	<b>639.90</b>	<b>3,19,95,000</b>	<b>639.90</b>

- a. Terms / Rights attached to Shareholders

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

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount (INR)	Number	Amount (INR)
Shares outstanding at the beginning of the year	3,19,95,000	639.90	3,19,95,000	639.90
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	3,19,95,000	639.90	3,19,95,000	639.90



## Notes forming part of the Standalone Financial Statements

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

Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SURANA INFOCOM PRIVATE LIMITED	43,41,581	13.57	43,41,581	13.57
NARENDER SURANA	33,59,814	10.40	33,59,814	10.40
DEVENDRA SURANA	33,45,549	10.46	31,34,660	9.80
MANISH SURANA	32,19,807	10.06	32,19,807	10.06
NAMRATA SURANA	18,70,435	5.85	18,70,435	5.85
	1,61,37,186	50.34	1,59,26,297	49.67

Rights, preferences and restriction attached to the Equity Shares

The Equity Shares of the Company, having par value of ₹ 2.00 per share, rank pari passu in all respects including voting rights and entitlement of dividend.

- d) Shares Held by Promoters at the end of the year

Promoter Name	As at March 2023			As at March 2022		
	No. of shares Held	% of Holding of total shares	% change during the year	No. of shares Held	% of Holding of total shares	% change during the year
G M SURANA (MHUF)	1,78,775	0.56	-	1,78,775	0.56	-
NARENDER SURANA (HUF)	1,06,500	0.33	-	1,06,500	0.33	-
DEVENDRA SURANA (HUF)	67,500	0.21	-	67,500	0.21	-
G M SURANA (HUF)	1,66,380	0.52	-	1,66,380	0.52	-
NAMRATA SURANA	18,70,435	5.85	-	18,70,435	5.85	-
DEVENDRA SURANA	33,45,549	10.46	6.73	31,34,660	9.8	-
SUNITA SURANA	15,52,396	4.85	-	15,52,396	4.85	-
NARENDER SURANA	33,28,466	10.40	-	33,28,466	10.40	(0.10)
VINITA SURANA	7,16,822	2.24	-	7,16,822	2.24	-
MANISH SURANA	32,19,807	10.06	-	32,19,807	10.06	-
NIVRITI SAMKIT JAIN	3,47,500	1.09	-	3,47,500	1.09	-
RAHUL SURANA	14,04,500	4.39	-	14,04,500	4.39	-
SRESHA SURANA	6,72,932	2.10	-	6,70,732	2.1	-
MITALI SURANA	3,00,000	0.94	-	3,00,000	0.94	-
ADVAIT SURANA	10,17,036	3.18	-	10,17,036	3.18	-
BHAGYANAGAR SECURITIES PRIVATE LIMITED	78,957	0.25	-	78,957	0.25	-
SURANA INFOCOM PRIVATE LIMITED	43,41,581	13.57	-	43,41,581	13.57	-
SURANA TELECOM AND POWER LIMITED	11,71,267	3.66	1.95	11,47,166	3.59	-

The shareholding information has been extracted from the records of the Company including register of shareholders/ members and is based on legal ownership of shares.

### Note : 18

Other Equity	As at 31.03.2023	As at 31.03.2022
<b>General Reserves</b>		
Balance as per Last Account	2,500.00	2,500.00
Add: Transferred from Retained Earnings	-	-
<b>Balance at the year end</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Capital Reserves</b>		
Balance as per Last Account	166.77	166.77
<b>Balance at the year end</b>	<b>166.77</b>	<b>166.77</b>
<b>Capital Redemption Reserve</b>		
Balance as per Last Account	210.20	210.20
<b>Balance at the year end</b>	<b>210.20</b>	<b>210.20</b>
<b>Retained Earnings</b>		
Add: Profit during the year/period	9,348.99	8,912.00
Amount available for Appropriation	609.96	436.99
Transfer to General Reserve	9,958.95	9,348.99
<b>Balance at the year end</b>	<b>9,958.95</b>	<b>9,348.99</b>
<b>TOTAL</b>	<b>12,835.91</b>	<b>12,225.96</b>

## Notes forming part of the Standalone Financial Statements

### Note : 19

Non Current Liabilities - Borrowings	As at 31.03.2023	As at 31.03.2022
<b>Secured (Loan from banks)</b>		
(a) Car Loan - Kotak Bank ( <b>Refer Note 19(a)</b> )	-	6.87
(b) Car Loan - Yes Bank (Refer Note 19(b))	-	0.85
(c) Guaranteed Emergency Credit Line - State Bank Of India ( <b>Refer Note 19(c)</b> )	-	441.77
(d) Guaranteed Emergency Credit Line - HSBC ( <b>Refer Note 19(d)</b> )	1,850.00	1,850.00
(A)	1,850.00	2,299.50
Less: Current maturities of long term borrowings (B)	154.17	174.39
C = (A-B)	1,695.83	2,125.11
<b>UnSecured (Loan from related parties)</b>		
(a) Loan from Directors ( <b>Refer Note 19(e)</b> ) (D)	1,297.74	-
<b>Total = (C+D)</b>	<b>2,993.58</b>	<b>2,125.11</b>

Notes:

#### 19(a). Car Loan - Kotak Bank

Car Loan from Kotak Bank was availed, interest rate is linked with MCLR rate which is reset for every 3 months. The loan was repayable in 60 equal monthly instalments. The loan is completely repaid in the FY 2022-23.

#### 19(b). Car Loan - Yes Bank

Car Loan from Kotak Bank was availed, interest rate is linked with MCLR rate which is reset for every 3 months.. The loan was repayable in 60 equal monthly instalments. The loan is completely repaid in the FY 2022-23.

#### 19(c). Guaranteed Emergency Credit Line -State Bank Of India

Guaranteed Emergency Credit Line (GECL) of Rs.500 lacs was sanctioned by State Bank of India by way of Working Capital Term Loan(WCTL) in the month of January,2021.The loan is prepaid during the FY 2022-23. Interest rate is linked with MCLR rate which is reset for every 3 months.

#### 19(d). Guaranteed Emergency Credit Line - HSBC

Guaranteed Emergency Credit Line (GECL) of Rs.1850 lacs is sanctioned by HSBC by way of Working Capital Term Loan(WCTL) in the month of December,2021.There is a Principal Moratorium of 24 Months and the Principal repayment starts in the Month of December,2023.The Loan is repayable in 48 Monthly instalments starting from December,2023 .interest rate is linked with MCLR rate which is reset for every 3 months. The Principal repayable during FY 2023-24 amounting to Rs.154.16 lacs is classified under Current Maturities of Long Term Debt-Note:20

19(e).	Loan from Director Name of the Director	Balance as on 31.03.2023	Balance as on 31.03.2022
	Devendra Surana	1,297.74	-
	<b>Total</b>	<b>1,297.74</b>	<b>-</b>

\*Unsecured Loan have been taken for business purpose at a mutually agreed rate of interest. There is no specific repayment Schedule.

### Note: 20

Note: 20	As at 31.03.2023	As at 31.03.2022
<b>Secured</b>		
- Cash Credit ( <b>Refer Note 20(a)</b> )	3,961.61	1,432.90
- Working Capital Demand Loan/LOCSTL ( <b>Refer Note 20(b)</b> )	1,500.00	2,850.00
- Foreign Currency Demand Loan ( <b>Refer Note 20(c)</b> )	3,100.00	3,500.00
<b>Current Maturities on Long Term Debt</b>		
(a) Car Loan - Kotak Bank ( <b>refer Note 19(a)</b> )	-	6.87
(b) Car Loan - Yes Bank ( <b>refer Note 19(b)</b> )	-	0.85
(c) Guaranteed Emergency Credit Line - State Bank Of India ( <b>refer Note 19 (c)</b> )	-	166.67
(d) Guaranteed Emergency Credit Line - HSBC ( <b>refer Note 19(d)</b> )	154.17	-
<b>TOTAL</b>	<b>8,715.78</b>	<b>7,957.29</b>

## Notes forming part of the Standalone Financial Statements

### Notes:

- 20(a)** Cash Credit loan from SBI,HSBC Bank, HDFC Bank,ICICI Bank is secured by personal guarantee of Directors,Corporate Guarantee of Company and an Exclusive charge on entire Current Assets and Fixed Assets of the Company.The Company has taken loans against security of current assets and monthly statements of current assets filed by the Company with bank are in agreement with the books of accounts. It is repayable on demand and carries floating Interest rate is linked with MCLR rate which is reset for every 3 months.
- 20(b)** The Company has availed Working Capital Demand Loan(WCDL) from ICICI Bank,for a tenure of 180 days as a sub limit of cash credit,to the extent of Rs.1500 lacs. Interest rate is linked with MCLR rate which is reset for every 3 months.
- 20(C)** The Company has availed Foreign Currency Demand Loan(FCDL) from SBI,for a tenure of 180 days as a sub limit of cash credit,to the extent of Rs.3100 lacs.The facility is linked with SDFR and is fully hedged. Interest rate is linked with MCLR rate which is reset for every 3 months.

### Note: 21

Other current Financial Liabilities	As at 31.03.2023	As at 31.03.2022
(a) Unclaimed Dividends	-	2.58
(b) Security Deposits	29.20	29.20
<b>TOTAL</b>	<b>29.20</b>	<b>31.78</b>

### Notes:

- 21 a. Unpaid Dividend: Section 124 of the Companies Act,2013 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to Investor Education & Protection Fund (IEPF).Accordingly,dividend of Rs.2.58 lakhs pertaining to FY 2014-15, has been transferred to IEPF Account.

### Note: 22

Trade Payables	Sub Note	As at 31.03.2022	As at 31.03.2021
Unsecured			
- Total Outstanding dues of Micro and Small Enterprises		11.07	-
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises		2,924.72	1,832.79
Outstanding dues to related parties	22(a)	4.70	296.28
<b>TOTAL</b>		<b>2,940.49</b>	<b>2,129.07</b>

Trade payable ageing schedule

As at March 31, 2023	Outstanding for following periods from due date of payment				
Undisputed Outstanding Dues	> 1 year	1-2 year	2-3 year	< 3 Year	Total
- Total Outstanding dues of Micro and Small Enterprises	11.07	-	-	-	11.07
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises	2,877.62	45.98	5.81	-	2,929.42

As at March 31, 2022	Outstanding for following periods from due date of payment				
Undisputed Outstanding Dues	> 1 year	1-2 year	2-3 year	< 3 Year	Total
- Total Outstanding dues of Micro and Small Enterprises					-
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises	2,077.27	45.98	5.81	-	2,129.07

- a. All the Trade payable are Unsecured.
- b. There are no disputed trade payables in the current and previous year.
- c. Terms and conditions of the above financial liabilities:

## Notes forming part of the Standalone Financial Statements

Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

For explanations on the Company's credit risk management processes

- c. No Debts due to Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member except as mentioned below

Notes: 22(a)	Payable to Related Party	Balance as on 31.03.2023	Balance as on 31.03.2022
	<b>Name of the company</b>		
	<b>Surana Solar Systems Pvt Limited</b>	4.70	296.28
	<b>Total</b>	4.70	296.28

### Note: 23

Other Current Liabilities	As at 31.03.2023	As at 31.03.2022
Advance from Customers	1,377.87	234.12
Statutory Dues Payable	53.51	37.23
<b>TOTAL</b>	<b>1,431.38</b>	<b>271.34</b>

### Note: 24

Provisions	As at 31.03.2023	As at 31.03.2022
Provision for employee benefits	9.00	9.00
Liability For Expense	63.68	61.48
<b>TOTAL</b>	<b>72.68</b>	<b>70.48</b>

### Note: 25

Revenue from Operations	For the Year 31.03.2023	For the Year 31.03.2022
(a) Sale of Products		
Copper Products	1,63,012.55	1,27,628.16
Sale of Wind Power	459.33	450.36
<b>SUB - TOTAL</b>	<b>1,63,471.88</b>	<b>1,28,078.52</b>
Less: Inter-Unit Sales	-	-
<b>GROSS SALES</b>	<b>1,63,471.88</b>	<b>1,28,078.52</b>
Less: Sales Tax/ GST	24,852.60	19,131.32
<b>NET SALES</b>	<b>1,38,619.28</b>	<b>1,08,947.19</b>
(b) Property Leasing and Sales	81.78	125.38
<b>TOTAL</b>	<b>1,38,701.06</b>	<b>1,09,072.57</b>

### Note: 26

Other Income	For the Year 31.03.2023	For the Year 31.03.2022
(a) Interest Income		
Interest on Loans, Deposits and Others	161.02	215.83
(b) Profit on Sale of Sundry Assets	1.40	42.91
(c) Miscellaneous Income	9.05	1.22
(d) Balances no Longer Payable Written Back	-	5.95
<b>TOTAL</b>	<b>171.47</b>	<b>265.91</b>

## Notes forming part of the Standalone Financial Statements

### Note: 27

Cost of Raw Materials and Components Consumed	For the Year 31.03.2023	For the Year 31.03.2022
Opening Stock Raw Materials	4,240.37	3,216.48
Add:Purchases	1,30,298.99	1,04,505.98
Less:Closing Stock Raw Materials	2,689.44	4,240.37
<b>Raw Material Consumed</b>	<b>1,31,849.92</b>	<b>1,03,482.09</b>

### Note: 28

(Increase)/ Decrease in Inventories	For the Year 31.03.2023	For the Year 31.03.2022
Opening Stock WIP	4,082.17	3,853.83
Less: :Closing Stock WIP	5,924.09	4,082.17
Less: Closing Stock Finished Goods	297.00	-
<b>(Increase)/Decrease in Stock</b>	<b>(2,138.92)</b>	<b>(228.35)</b>

### Note: 29

Employee Benefits Expense	For the Year 31.03.2023	For the Year 31.03.2022
Salaries, Wages and Other Employee Benefits	634.94	589.01
Contribution To Provident And Other Funds	129.19	65.34
<b>TOTAL</b>	<b>764.12</b>	<b>654.34</b>

### Note: 30

Finance Costs	For the Year 31.03.2023	For the Year 31.03.2022
(a) Interest Expense		
- Cash Credit & Others	626.01	569.77
- On Unsecured Loan	32.79	-
(b) Other Borrowing Costs		
- General Emergency Credit Line - SBI	19.47	38.82
- General Emergency Credit Line - HSBC	129.86	29.98
(c) Financial Charges	62.81	47.22
<b>TOTAL</b>	<b>870.94</b>	<b>685.79</b>

### Note: 31

Depreciation and Amortisation Expenses	For the Year 31.03.2023	For the Year 31.03.2022
Depreciation	357.99	364.37
Amortisation Expenses - Lease Rent	3.60	3.60
<b>TOTAL</b>	<b>361.59</b>	<b>367.97</b>

## Notes forming part of the Standalone Financial Statements

**Note: 32**

Other Expenses	For the Year 31.03.2023	For the Year 31.03.2022
Consumption Of Stores And Spare Parts	218.92	200.82
Processing & Conversion Charges	3,255.75	904.79
Power And Fuel	1,350.87	1,313.74
Rent	19.15	18.45
Repairs		
Buildings	2.21	1.31
Machinery	712.78	617.03
Others	25.67	19.29
Insurance	69.56	60.26
Rates And Taxes	25.68	25.63
Packing And Forwarding	440.77	319.83
Advertisement And Sales Promotion	11.97	20.08
Travelling & Conveyance	67.03	47.46
Corporate Social Responsibility Expense	12.63	6.85
Director's Sitting Fees	3.12	2.88
Payments To The Auditor	-	-
for Statutory Audit	3.60	3.60
for Tax Audit	0.70	0.70
for Taxation/Other Matters	0.70	0.70
for Reimbursement Of Expenses	0.40	0.40
Other Miscellaneous Expenses	136.47	142.52
<b>TOTAL</b>	<b>6,357.99</b>	<b>3,706.33</b>

Other Miscellaneous Expenses	For the Year 31.03.2023	For the Year 31.03.2022
Post.Tel & Telephone	8.17	5.97
Legal & Licence Fees	1.42	3.79
Commission On Sales/Purchases	4.74	8.17
Professional Charges	26.44	21.71
Sundry Balances Written Off	13.13	16.39
Agm & Board Expenses	0.13	0.16
Water Charges	10.07	16.86
Office Maintenance	9.78	9.94
Testing Charges	0.03	0.12
Watch & Ward	24.57	25.52
Books & Periodicals	0.15	0.14
Donation	-	0.50
Weighment Charges	1.83	2.87
Listing Fees	5.60	5.40
Membership & Subscription	11.91	9.47
Other.Expenses	5.23	4.09
Printing & Stationery	7.01	5.56
Software Development Charges	6.28	5.87
<b>TOTAL</b>	<b>136.47</b>	<b>142.52</b>

## Notes forming part of the Standalone Financial Statements

### 33. Related party transactions

#### a. List of Related Parties:

##### i. Subsidiary Company : Bhagyanagar Copper Pvt Limited

##### Key Managerial Personnel & their relatives:

- (i) Narender Surana
- (ii) Devendra Surana
- (iii) N.C.Bhardwaj (Whole Time Director)
- (iv) Namrata Surana
- (v) Nivriti Sanket Jain
- (vi) Surendra Bhutoria (CFO)
- (vii) Srinivas Dudam (CS – Until 20.08.22)
- (viii) Lalit Kumar Thanvi (CS – From 14.02.23)

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

- (i) Surana Solar Systems Private Limited
- (ii) Surana Infocom Private Limited
- (iii) Surana Solar limited
- (iv) Surana Telecom and Power limited

#### A. List of Transactions Occurred during the year are as follows:

Amount in Lacs (INR)

Related Party	Nature of transaction	2022-23	2021-22
Surana Solar System private Limited	Purchase of solar power	202.07	131.15
Tejas India Solar energy Private Limited	Purchase of Solar Product	6.11	-
Bhagyanagar Copper Pvt Ltd	Purchase of copper	1808.12	3630.18
Bhagyanagar Copper Pvt Ltd	Job work paid	3839.05	1052.81
Bhagyanagar Copper Pvt Ltd	Job work received	-	74.91
Bhagyanagar Copper Pvt Ltd	Sale of copper	138.50	2333.57
Bhagyanagar Copper Pvt Ltd	Interest received	105.03	201.12
Devendra Surana	Interest paid	18.60	-
Surana Infocom Pvt Ltd	Interest paid	14.19	-
Devendra Surana	Salary -MD	108.00	108.00
Surendra Bhutoria	Salary -CFO	23.70	22.26
N C Bhardwaj	Salary - WTD	17.58	15.57
Namrata Surana	Salary	19.80	18.00
Nivriti Sanket Jain	Salary	-	15.10
Srinivas Dudam(till 20.08.2022)	Salary - CS	5.90	8.88
Lalit Kumar Thanvi (from 14.02.23)	Salary - CS	1.54	-



## Notes forming part of the Standalone Financial Statements

### B. List of Transactions Occurred during the year are as follows:

Balance Outstanding	Nature of transaction	2022-23	2021-22
Surana Solar Systems Pvt Limited	Trade Payable	4.70	296.27

### C. Details of Loan given and recovered with the related parties during the year:

Related Party	Nature of transaction	2022-23	2021-22
<b>BHAGYANAGAR COPPER PRIVATE LIMITED</b>	Opening Balance	1041.53	2912.60
	Loan given during the year (net of amount received back)	271.33	
	Repaid during the Year	NIL	1871.07
	<b>Balance at the end of the Year (cr)*</b>	<b>1312.86</b>	<b>1041.53</b>
<b>Devendra Surana</b>	Opening Balance	-	-
	Loan taken	1576.74	-
	Repaid during the Year	279.00	-
	Closing Balance	1297.74	-
<b>Surana Infocom Private Limited</b>	Opening Balance	-	-
	Loan taken	1047.79	-
	Repaid during the Year	1047.79	-
	Closing Balance	-	-

(\*) There are multiple transactions with the party. The amount represents net balance of multiple transactions during the year.

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

In the opinion of Board of Directors and to the best of their knowledge and belief, the above disclosure pursuant to Securities Exchange Board Of India (Listing Obligation and Disclosure Requirement and Regulation 2015) and Section 186 of the Companies Act 2013.

### 35. 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.

### 36. Auditors' Remuneration includes:

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Statutory Auditors</b>		
Audit Fees	3.60	3.60
Certification & Other Services	1.80	1.80
<b>Total</b>	<b>5.40</b>	<b>5.40</b>

### 37. Sitting Fee to Directors

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Sitting Fee to Directors</b>	3.12	2.88

## Notes forming part of the Standalone Financial Statements

### 38. TAX Expenses

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Current Tax</b>		
Current Tax Expense for the Year	255.58	221.63
<b>Deferred Tax</b>		
Deferred Tax Liability/(Asset)	(58.66)	(67.52)
MAT Credit entitlement for current year	-	63.32
Excess MAT Credit Reversed		15.90
<b>Total Income Tax Expense</b>	<b>196.92</b>	<b>233.33</b>

### 39. Reconciliation of estimated income tax expenses at Indian statutory income tax rates to income tax expenses reported in statement of profit and loss:

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Income before taxes	806.87	670.31
Applicable Tax Rate	25.17%	30%
Estimated Income Tax Expense	<b>217.50</b>	<b>200.95</b>
Add: Effect of non-deductible expenses	93.28	113.75
(Less):Effect of allowances for tax purpose	(55.20)	(93.07)
Add/(Less): Effect of deferred tax	(58.66)	(67.52)
Add/(Less): Effect of MAT Credit	-	79.22
Tax Expense in Statement of Profit and Loss	<b>196.92</b>	<b>233.33</b>

### 40. Net Debt Reconciliation

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Opening Balances of Borrowings	2125.10	478.07
Add: Proceeds from Non Current Borrowings	868.47	1647.03
Less: Repayment of Non Current Borrowings	-	-
Closing Balance of Borrowings	2993.57	2125.10

### 41. As per Section 135 of the Companies Act, 2015, a CSR committee has been formed by the company. The disclosure in respect of CSR Expenditure during the year as aligned with the CSR Policy of the Company which is in line with the activities specified in Schedule VII of the Companies Act, 2013 is as under:

Amount Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Gross amount required to be spent by the Company during the year	6.85	-
Related Party Transaction as per Ind AS 24 in relation to CSR activities (Refer note: 33 )	-	-

Particulars	Amount Paid	Amount yet to be paid	Amount Paid	Amount yet to be paid
	For the year ended 31 <sup>st</sup> March 2023		For the year ended 31 <sup>st</sup> March 2022	
(i) Construction/ acquisition of any asset	-	-	-	-
(i) Purposes other than (i) above	6.85	-	-	-
<b>TOTAL</b>	<b>6.85</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes forming part of the Standalone Financial Statements

<b>Nature of CSR activities undertaken by the company</b>	<b>1. "Rural Development" - "Integrated Village Development (IVD) Project"</b> <b>2. "Promoting Healthcare including preventive health care – Health Project"</b>	1. "Rural Development" - "Integrated Village Development (IVD) Project" 2. "Promoting Healthcare including preventive health care – Health Project" 3. Promoting Education 4. Environmental Sustainability 5. Animal Welfare
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**CSR Movement**

Amount Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Opening Balance	6.85	-
Gross amount required to be spent by the Company during the year	6.85	-
Actual Spent	7.00	-
(Excess)/Short Spent	(0.15)	-

42. The information regarding amounts due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006, has been given to the extent available with the Company based on the intimation received from the suppliers regarding their status under the Act. The required disclosures of outstanding dues of micro, small & medium enterprises are as under:

Amount Lacs (INR)

SI No	Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
a)	Principal amount remaining unpaid as at 31 <sup>st</sup> March	11.07	-
b)	Interest amount remaining unpaid as at 31 <sup>st</sup> March	-	-
c)	Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e)	Interest accrued and remaining unpaid as at 31 <sup>st</sup> March	-	-
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

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

Amount Lacs (INR)

Particulars	2022-23	2021-22
Net Profit after Tax	609.96	436.99
Net Profit after Tax available for equity shareholders - For Basic and Diluted EPS	609.96	436.99
Weighted Average No. Of Equity Shares For Basic EPS (No.)	3,19,95,000	3,19,95,000
Weighted Average No. Of Equity Shares For Diluted EPS (No.)	3,19,95,000	3,19,95,000
Nominal Value of Equity Shares	2/-	2/-
Basic Earnings Per Equity Share	1.91	1.36
Diluted Earnings Per Equity Share	1.91	1.36

## Notes forming part of the Standalone Financial Statements

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

Amount Lacs (INR)

Particulars	As at 31-03-2023	As at 31-03-2022
Contingent Liabilities	25.01	30.13
Commitments:		
Guarantees issued by banks	501.69	645.00
Corporate Guarantee given for Wholly-Owned Subsidiary – BCPL	8187.44	6859.74

### 45. Segment Reporting:

The Company is primarily engaged 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.

#### Factors used to identify the reportable segments:

The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information:

SI No.	Reportable segments	Product/Service
1.	Manufacturing of Copper Products	Copper Products
2.	Wind Power	Generation of Wind Power Energy

Particulars	Copper Products		Renewable Energy		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>REVENUE</b>						
External Sales	138162.64	1,08,500.79	456.64	446.40	138619.28	1,08,947.19
Other Operating income	-	-	-	-	81.78	125.38
<b>Total Revenue</b>	<b>138162.64</b>	<b>1,08,500.79</b>	<b>456.64</b>	<b>446.40</b>	<b>138701.06</b>	<b>1,09,072.57</b>
<b>RESULTS</b>						
Segment results	2181.78	1,682.41	72.78	57.93	2254.57	1,740.34
Unallocable income/Expenses					576.75	384.30
<b>Operating Profit</b>					<b>1677.82</b>	<b>1,356.04</b>
Interest Expenses					870.94	685.79
<b>Profit from Ordinary Activities</b>					<b>806.88</b>	<b>670.25</b>
<b>Net Profit</b>					<b>609.96</b>	<b>436.98</b>
<b>Other Information</b>						
Segment Assets	26481.85	22,192.25	963.63	1,172.03	27445.48	23,364.28
Unallocable Assets					2213.39	2,086.65
<b>Total Assets</b>					<b>29658.87</b>	<b>25,450.93</b>
Segment Liabilities	16131.84	12,539.58	42.22	29.11	16174.06	12,568.69
Unallocable Liabilities					9.00	16.40
<b>Total Liabilities</b>					<b>16183.06</b>	<b>12,585.09</b>
Capital Expenditure	146.84	12.84	-	-	146.84	12.84
Unallocable Capital Expenditure					-	-
<b>Total Capital Expenditure</b>					<b>146.84</b>	<b>12.84</b>
Depreciation	95.31	74.61	236.52	217.56	312.87	311.13
Unallocable Depreciation					48.71	56.84
<b>Total Depreciation</b>					<b>361.58</b>	<b>367.97</b>

### 46. Retirement and Other Employees Benefits

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

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

## Notes forming part of the Standalone Financial Statements

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

<b>A Expenses recognized in the Profit &amp; Loss Account</b>			
	<b>Particulars</b>	<b>Gratuity</b>	
		<b>2022-23</b>	<b>2021-22</b>
	Current service cost	12.01	9.87
	Interest cost	12.21	12.21
	Expected Return on Planned Assets	7.31	6.59
	Net Actuarial Loss/ (Gain) recognized in the year	(1.44)	(15.27)
	Expenses recognized in Statement of Profit & Loss	<b>18.34</b>	<b>0.22</b>
<b>B Change in Present value of obligation during the year ended 31st March, 2023</b>			
	<b>Particulars</b>	<b>Gratuity</b>	
		<b>2022-23</b>	<b>2021-22</b>
	Present Value of obligation as at beginning of the year	174.37	174.43
	Interest Cost	12.21	12.21
	Current Service Cost	12.01	9.87
	Benefits Paid-Actuals	(17.60)	(6.87)
	Actuarial (Gain)/ Loss on Obligations	(1.44)	(15.27)
	<b>Present Value of obligation as at end of the year</b>	<b>182.43</b>	<b>174.37</b>
<b>C Change in fair value of Plan Assets during the year ended 31st March, 2023</b>			
	<b>Particulars</b>	<b>Gratuity</b>	
		<b>2022-23</b>	<b>2021-22</b>
	Fair value of Plan Assets as at the beginning of the year	109.95	98.21
	Expected Return on Plan Assets	7.31	6.60
	Contributions	10.12	12.01
	Benefits Paid	(17.60)	(6.87)
	<b>Fair value of Plan Assets as at the end of the year</b>	<b>109.78</b>	<b>109.95</b>
<b>D Actuarial Gain/ loss recognized</b>			
	<b>Particulars</b>	<b>Gratuity</b>	
		<b>2022-23</b>	<b>2021-22</b>
	Actuarial (Gain) / Loss for the year –Obligation	(1.44)	15.27
	Total Loss for the Year	-	15.27
	Actuarial (Gain) / Loss recognized in the year	(1.44)	15.27
			-
<b>E Actuarial assumption</b>			
	<b>Particulars</b>	<b>Gratuity</b>	
		<b>2022-23</b>	<b>2021-22</b>
	Discount rate used	7.25%	7.00%
	Salary escalation	6.00%	6.00%

47. Note No.16 (a) of the accompanying standalone financial results which refers that the GST authorities conducted an investigation and on the insistence of the authorities, the company has deposited an amount of Rs.800 lakhs with GST Department under protest and shown in financial statements under the head "Current Assets". The company has not received any show cause notice till date. The company has been advised by the legal experts that it has fair chance of ultimately succeeding in the matter and accordingly no provision has been made in the books of accounts.

## Notes forming part of the Standalone Financial Statements

### 48. Sales (Gross) during the year:

Sl.No.	Particulars	2022-23		2021-22	
		Qty (MTs)	Amount (Rs.in Lac)	Qty(MTs)	Amount (Rs.in Lac)
i	Copper	18790	162534.86	14419	127125.28
ii	Wind-Power	-	459.33	-	450.35
iii	Job Work Charges	2453	477.69	2380	502.87
<b>TOTAL</b>		<b>21243</b>	<b>163471.88</b>	<b>16799</b>	<b>128078.50</b>

### 49. Raw material consumed during the year:

Amount in Lacs (INR)

Sl.No.	Particulars	2022-23	2021-22
i	Copper	129029.41	102544.52
ii	Others	681.59	709.21
<b>TOTAL</b>		<b>129711.00</b>	<b>103253.73</b>

### 50. Details of imported and indigenous raw materials, spares and packing materials consumed:

Amount in Lacs (INR)

Particulars	2022-23		2021-22	
	Value	% of Total Consumption	Value	% of Total Consumption
Raw materials & Components				
(a) Imported	2826.22	2	5390.02	5
(b) Indigenous	126884.78	98	97863.72	95
<b>TOTAL</b>	<b>129711.00</b>	<b>100</b>	<b>103253.74</b>	<b>100</b>
Stores & Spare Parts (including consumed for repair)				
(a) Imported	345.85	44	279.75	41
(b) Indigenous	430.38	56	397.64	59
<b>TOTAL</b>	<b>776.23</b>	<b>100</b>	<b>677.39</b>	<b>100</b>

### 51. CIF Value of Imports

Amount in Lacs (INR)

Particulars	2022-23	2021-22
Raw material / Traded Goods	2826.22	5390.02
Stores & Spares	345.85	279.75
<b>Total</b>	<b>3172.07</b>	<b>5669.77</b>

### 52. Earning in Foreign Currency

Particulars	2022-23	2021-22
FOB value of Export sale of goods	1387.53	5015.37
<b>Total</b>		

### 53. Financial Instruments and Risk management

The fair value of financial assets and liabilities is included in the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The fair value of trade receivable, trade payable and other current financial assets and liabilities is considered to be equal to the carrying value amounts of these items due to their short term nature. Where such items are non-current in nature the same has been classified as level 3 and fair value determined using discounted cash value basis.

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximates of fair values:

## Notes forming part of the Standalone Financial Statements

Particulars	Carrying value		Fair value	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Other Financial Assets	99.39	98.06	99.39	98.06
Total Financial Assets	99.39	98.06	99.39	98.06
Borrowings	29,93.57	21,25.10	29,93.57	21,25.10
Total Financial Liabilities	29,93.57	21,25.10	29,93.57	21,25.10

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the 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 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

### 54. Financial risk management objectives and policies

The Company's principal financial liabilities other than derivatives comprise long-term and short-term borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets other than derivatives include trade and other receivables, cash and cash equivalents and deposits that derive directly from its operation.

The Company is exposed to market, credit, liquidity and regulatory risks. The Company does not have any foreign Currency Liabilities; therefore, the exchange fluctuation risk is negligible. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

#### 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 three types of risk: commodity risk, interest rate risk and foreign currency risk.

##### (i) Commodity Price Risk

The principal commodity of the company, which is copper, is fully hedged, insulating it from any price risk.

##### (ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rate relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Further, the Company has foreign currency risk on import of input materials, capital commitment and also borrow funds in foreign currency for its business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies, for the remaining exposures to foreign exchange risks, the Company adopts a policy of selective hedging based on risk perception of management using derivative, whenever required, to mitigate or eliminate the risks.

##### (iii) Interest Rate risk

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. It maintains a balance of fixed and floating interest rate borrowings and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates.



## Notes forming part of the Standalone Financial Statements

### B. Credit Risk

Financial Asset of the Company include trade receivables, employee advances and bank deposits which represents Company's maximum exposure to the credit risk.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payment and other relevant factors. The Company's exposure to credit risk is influence mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associated with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. with respect to other financial risk Viz loan and advances , deposit with government, the credit risk is insignificant since the loans and advances are given to its employees only and deposits are held with reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

### C. Regulatory Risks

The Company performance may be impacted due to change in Regulatory Environment. The Company is closely monitoring the regulatory developments and risks thereof and proactively implementing course correction for proper compliance commensurate with new regulatory requirements.

### D. Liquidity Risk

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

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

Amount in Lacs (INR)

Year Ended	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total
<b>31-Mar-23</b>	-	8715.77	2993.57		<b>11709.36</b>
<b>Borrowings</b>					
<b>31-Mar-22</b>	-	7957.35	1816.77	308.33	10082.45
<b>Borrowings</b>					

### 55. 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 (Excluding Loans from Holding Co.), trade and other payables, less cash and cash equivalents

Amount Lacs (INR)

Particulars	31-Mar-23	31-Mar-22
Borrowings -Non-Current	2993.58	2125.10
Borrowings - Current	8715.78	7957.29
Other Payables	4473.74	2502.67
Less: Cash and Cash Equivalents	80.61	133.49
<b>Net Debt (A)</b>	<b>16102.49</b>	<b>12451.64</b>
Equity Share capital	639.90	639.90
Other Equity	12835.91	12225.89
<b>Total Capital (B)</b>	<b>13475.81</b>	<b>12865.79</b>
<b>Capital and Net debt (A+B)</b>	<b>29578.30</b>	<b>25317.44</b>
<b>Gearing ratio (in %)</b>	<b>54.44</b>	<b>49.18</b>

## Notes forming part of the Standalone Financial Statements

In order to achieve this overall objective, the Company's capital management, amongst other things including working capital management, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

### 56. Ratio analysis and its elements.

Ratio	Numerator	Denominator	March 31,2023	March 31,2022	% Change	Reason for variance
<b>Current Ratio</b>	Current Assets	Current Liabilities	1.71	1.77	(3.21)	-
<b>Debt-Equity Ratio</b>	Long Term Debt	Shareholder's Equity	0.22	0.17	34.49	Note(a)
<b>Debt Service Coverage Ratio</b>	Earning for debt service = Net profit before taxes + non-cash operating expenses + Finance Costs	Debt service = Interest & lease payments + Principal repayments	2.34	2.00	16.83	-
<b>Return on Equity ratio (%)</b>	Net profit after taxes	shareholder's equity.	4.53	3.40	33.26	Note(b)
<b>Inventory Turnover Cycle (No.of days)</b>	Inventory	Net Sales	23	28	(15.85)	-
<b>Trade receivables turnover Cycle (No.of days)</b>	Trade Receivables	Gross Sales	23	21	9.87	-
<b>Trade payables turnover Cycle (No.of days)</b>	Trade Payables	Net Purchases	8	7	10.77	-
<b>Net Capital Turnover Ratio</b>	Net sales = Total sales - sales return	Working Capital = Current assets - Current liabilities	14.77	13.56	8.95	-
<b>Net Profit Ratio (%)</b>	Net profit after taxes	Net Sales = Total sales - Sales return	0.44	0.40	9.70	-
<b>Return on capital employed (%)</b>	Earnings before interest, Depreciation and taxes	Capital employed = Tangible Net Worth + Long Term Debt	12.38	11.50	7.67	-

Notes:

- a) Change in the ratio is due to increase in Borrowings due to scaling up of operations
- b) Change in the ratio is due to Increases in Net Profit, which resulted into better Returns on Equity.

### 57. Other Statutory Information

#### A. RELATIONSHIP WITH STRUCK OFF COMPANIES

The company do not have any transactions with company's struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March, 2023 (Previous year: Nil).

#### B. DISCLOSURE IN RELATION TO UNDISCLOSED INCOME

The company do not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31st March, 2023 and also for the year ended 31st March, 2022 in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

## Notes forming part of the Standalone Financial Statements

**C. DETAILS OF BENAMI PROPERTY HELD** The Company do not hold any property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, hence there are no proceedings against the company for the year ended 31st March, 2023 and also for the year ended 31st March, 2022.

**D. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)**

The Company do not have any charges or satisfaction, which are yet to be registered with ROC beyond the statutory period, during the year ended 31st March, 2023 and also during the year ended 31st March, 2022.

**E. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY**

The company have not traded or invested in crypto currency or virtual currency during the year ended 31st March, 2023 and also during the year ended 31st March, 2022.

**F. UTILISATION OF BORROWED FUND AND SHARE PREMIUM**

The company have not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (intermediaries) with the understanding that the intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The company have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**G.** The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**58. Confirmation letters** of majority of balances under the heads Trade Payables, Claims Recoverable, Loans & Advances, Trade Receivables and Deposits from and with various parties/ Government Departments have been sent but in number of cases such confirmation letters from the parties are yet to be received.

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

### As per our report of even date attached

**For Luharuka & Associates**  
Chartered Accountants,

**Naveen Lohia**  
Partner  
M. No. 214548  
Firm Reg No.01882S

**for and on behalf of the BOD of**  
**Bhagyanagar India Limited,**

**Narender Surana**  
Managing Director  
DIN: 00075086

**Devendra Surana**  
Managing Director  
DIN: 00077296

Place: Secunderabad,  
Date : May 27, 2023

**Surendra Bhutoria**  
Chief Financial Officer

**Lalit Kumar Thanvi**  
Company Secretary  
M No. A62058

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF

**BHAGYANAGAR INDIA LIMITED**

**REPORT ON AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### Opinion

We have audited the accompanying Financial Statements of BHAGYANAGAR INDIA LIMITED (hereinafter referred to as "Holding Company") and one its subsidiary BHAGYANAGAR COPPER PRIVATE LIMITED (Holding company and its subsidiary together referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement, the consolidated statement of change in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Financial Statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and associate as at 31 March 2023, of consolidated profit total comprehensive Income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flow for the year then ended.

### Basis For Opinion

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

### Emphasis of Matters:

We draw attention to the following matters:

- (a) Note No.60 of the accompanying consolidated Financial Statements wherein, balances under the head Claims Recoverable, Loans & Advances, Deposits from and with various parties and certain balances of trade receivables, trade payables and other current liabilities have not been confirmed as at March 31, 2023, although letters have been sent by the Company seeking confirmation of balances. Consequential impact upon receipt of such confirmation / reconciliation / adjustments of such balances, if any is not ascertainable at this stage.
- (b) Note No.48 of the notes to accounts of accompanying consolidated financial statements which describes income tax assessment in the subsidiary company for the A.Y. 2021-2022 which was completed and the department has raised a demand of Rs. 66.42 Crores against which the company has filed an appeal to the Commissioner of Income Tax Appeal. The company has been advised by the legal experts that it has fair chance of ultimately succeeding in the matter and accordingly no provision has been made in the books of accounts.
- (c) Note No.49 of the notes to accounts of accompanying consolidated financial results which refers that the GST authorities conducted an investigation and on the insistence of the authorities, the company has deposited an amount of Rs.800 lakhs with GST Department under protest and shown in financial statements under the head "Current Assets". The company has not received any show cause notice till date. The company has been advised by the legal experts that it has fair chance of ultimately succeeding in the matter and accordingly no provision has been made in the books of accounts.

Our opinion on the consolidated financial results is not modified in respect of the above matter.

## Key Audit Matters

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

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p>1. Accuracy and completeness of revenue recognized.</p> <p>Refer to note 25 to the Consolidated Financial Statements the Company reported revenue of Rs.184,577.29 Lakhs from sale of copper products. The application of revenue recognition accounting standards is complex and involves a number of key judgments and estimates. Due to the estimates and judgment and complexity involved in the application of the revenue recognition accounting standards, we have considered this matter as a key audit matter. The Company's accounting policies relating to revenue recognition are presented in note 11 to the financial statements.</p>	<p>We addressed the Key Audit Matter as follows :-</p> <ol style="list-style-type: none"> <li>1. As part of our audit, we understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition and evaluated the design and operating effectiveness of the financial controls from the above through our test of control procedures.</li> <li>2. Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof.</li> <li>3. Review the company's judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.</li> <li>4. Tested a sample of sales transactions for compliance with the Company's accounting Principles to assess the completeness and accuracy of revenue recorded.</li> <li>5. We evaluated the management's process to recognize revenue over a period of time, total cost estimates, status of the projects and re-calculated the arithmetic accuracy of the same.</li> <li>6. Evaluated management assessment of the impact on revenue recognition.</li> <li>7. We examined contracts with exceptions including contracts with low or negative margins, loss making contracts, etc to determine the level of provisioning.</li> <li>8. Our tests of detail focused on transactions occurring within proximity of the year end and obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents. We considered the appropriateness and accuracy of any cut-off adjustments.</li> <li>9. Performed analytical procedures over revenue and receivables. Compared revenue with historical trends and where appropriate, conducted further enquiries and testing.</li> <li>10. Traced disclosure information to accounting records and other supporting documentation.</li> <li>11. Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.</li> <li>12. Our Observation</li> </ol> <p>Based on the audit procedures performed we did not identify any material exceptions in the revenue recognition.</p>

Descriptions of Key Audit Matter	How we addressed the matter in our audit
2. Refer to note 10 to the Consolidated Financial Statements, the Company is having the Inventories of Rs.14,508.54 Lakhs as on 31st March 2023. As described in the accounting policies in note 1 to the consolidated financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory.	<p>We addressed the Key Audit Matter as follows :-</p> <p>We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions and management assertion regarding existence and ownership by:-</p> <ol style="list-style-type: none"> <li>1. Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</li> <li>2. Verifying the effectiveness of key inventory controls operating over inventories;</li> <li>3. Reviewing the physical verification documents related to inventories conducted during the year.</li> <li>4. Verifying for a sample of individual products that costs have been correctly recorded.</li> <li>5. Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.</li> <li>6. Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.</li> <li>7. Re-computing provisions recorded to verify that they are in line with the Company policy.</li> <li>8. Our Observation:</li> </ol> <p>Based on the audit procedures performed we did not identify any material exceptions in the Inventory valuation and existence.</p>

#### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013. The respective Board of Directors of the Companies included in Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Ind AS consolidated financial statements

by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

#### Auditors' Responsibilities for the Audit of Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
  - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.
11. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

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



the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2023 (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.
- 2) As required by section 143(3) of the Act, we report, to the extent applicable that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of aforesaid consolidated financial statements.
  - b. In our opinion proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the group company.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with relevant books of account and records maintained for the purpose of preparation of consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of written representations received from the directors of Holding Company as on March 31, 2023, and taken on record by the Board of Directors of Holding Company and the report of the statutory auditors of subsidiary company, incorporated in India, none of the directors of the Group Companies, incorporated in India, is disqualified as on March 31, 2023, from being appointed as a directors in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, remuneration has been paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Notes to the Consolidated Financial Statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on March 31, 2023 .
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, incorporated in India.
  - (iv) (a) The respective Managements of the company and its subsidiary which are incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and brief belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from the borrowed funds or share premium or any other sources or kind of funds) by the Company or any such of subsidiary to or in any other person or entity including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries.

- (v) The respective Management of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of the knowledge and belief no funds (which are material either individually or in the aggregate) have been received by the company or any of subsidiary from any person or entity, including foreign entity ("Funding parties") with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall directly or indirectly, lend or invest in other persons or entities identified in any manner what's the whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations are under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- 3) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies( Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanation given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
- 4) The Holding company has not declared any dividend in the previous financial year which has been paid in current year. Further, no dividend has been declared/ proposed for the current year accordingly the section 123 of the Act is not applicable to the company.
- 5) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Naveen Lohia  
(Partner)  
Membership No.214548  
**UDIN: 23214548BGWOPC6396**

Place: Secunderabad  
Date: 27<sup>th</sup> May 2023

## 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. In conjunction with our audit of the consolidated Financial Statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting of BHAGYANAGAR INDIA LIMITED ("the Holding Company") and one of its subsidiary company, BHAGYANAGAR COPPER PRIVATE LIMITED (together referred to as "the Group"), which are company incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
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 with reference to consolidated financial statements 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 Consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system with reference to financial statements. Meaning of Internal Financial Controls over Financial Reporting with reference to Consolidated financial statements
6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to Consolidated financial statements

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

### Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Naveen Lohia  
(Partner)  
Membership No.214548  
**UDIN:23214548BGWOPC6396**

Place: Secunderabad  
Date: 27<sup>th</sup> May 2023

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Particulars	Note	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	7,952.85	7,666.88
(b) Capital Work in progress	6	14.41	-
(c) Financial Assets			
- Investments	7	2.19	2.19
- Other Non current Financial Assets	8	179.20	145.55
Deferred Tax Assets (net)	9	58.66	-
		<b>8,207.31</b>	<b>7,814.62</b>
<b>Current assets</b>			
(a) Inventories	10	14,508.54	10,480.15
(b) Financial assets			
- Trade receivables	11	12,059.78	9,793.66
- Cash and cash equivalents	12	9.40	913.78
- Bank balances other than above	13	105.62	276.09
(c) Current Tax Assets (net)	14	420.93	428.64
(d) Other current assets	15	7,105.64	5,433.30
		<b>34,209.91</b>	<b>27,325.62</b>
<b>Total assets</b>		<b>42,417.22</b>	<b>35,140.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	639.90	639.90
(b) Other Equity	17	14,124.41	13,111.37
<b>Total Equity</b>		<b>14,764.31</b>	<b>13,751.27</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	18	5,836.73	4,734.19
(b) Deferred tax liabilities (Net)	19	82.58	-
		<b>5,919.31</b>	<b>4,734.19</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
- Borrowings	20	16,170.18	13,188.13
- Other Current financial liabilities	22	29.20	31.78
(b) Trade Payables	21	690.01	299.89
- Total Outstanding dues of Micro and Small Enterprises		12.14	-
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises		3,838.76	2,619.09
(c) Other current liabilities	23	1,501.77	690.01
(d) Provisions	24	181.55	125.77
		<b>21,733.60</b>	<b>16,654.78</b>
<b>Total liabilities</b>		<b>27,652.91</b>	<b>21,388.97</b>
<b>Total equity and liabilities</b>		<b>42,417.22</b>	<b>35,140.24</b>

Significant accounting policies and key accounting estimates and judgements  
See accompanying notes form an integral part of Consolidated financial statements.

1 to 4  
33 to 61

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

Chartered Accountants,  
Firm Reg No.01882S

**Naveen Lohia**  
Partner  
M. No. 214548

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

**Narender Surana**  
Managing Director  
DIN: 00075086

**Devendra Surana**  
Managing Director  
DIN: 00077296

Place: Secunderabad,  
Date :May 27, 2023

**Surendra Bhutoria**  
Chief Financial Officer

**Lalit Kumar Thanvi**  
Company Secretary  
M.No. A62058

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Particulars	Note No.	For the year 31.03.2023		For the year 31.03.2022	
<b>I INCOME</b>					
Revenue from Sale of Product		1,84,577.29		1,57,238.08	
Infrastructure Leasing		81.78		125.38	
		<b>1,84,659.07</b>		<b>1,57,363.46</b>	
<b>NET REVENUE FROM OPERATIONS</b>	<b>25</b>		<b>1,84,659.07</b>		<b>1,57,363.46</b>
<b>OTHER INCOME</b>	<b>26</b>		<b>93.25</b>		<b>77.50</b>
<b>TOTAL INCOME</b>			<b>1,84,752.32</b>		<b>1,57,440.97</b>
<b>II EXPENSES</b>					
Cost of Raw Materials and Components Consumed	<b>27</b>		1,76,300.57		1,48,470.05
(Increase)/Decrease in Inventories	<b>28</b>		(3,034.14)		(228.35)
Work-in-Progress and Stock in Trade	<b>29</b>		1,229.32		984.25
Employee Benefit Expenses	<b>30</b>		1,522.02		1,182.74
Finance Costs	<b>31</b>		592.79		572.46
Depreciation and Amortisation Expenses	<b>32</b>		6,693.81		5,118.30
Other Expenses					
<b>TOTAL EXPENSES</b>			<b>1,83,304.37</b>		<b>1,56,099.44</b>
<b>III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)</b>			<b>1,447.94</b>		<b>1,341.52</b>
<b>IV EXCEPTIONAL ITEMS</b>			-		-
<b>V PROFIT BEFORE TAX (III+IV)</b>			<b>1,447.94</b>		<b>1,341.52</b>
<b>VI TAX EXPENSE</b>					
1. Current Tax			362.58		333.67
2. Deferred Tax			72.32		(100.34)
<b>VII PROFIT AFTER TAX (V-VI)</b>			<b>1,013.04</b>		<b>1,108.18</b>
<b>VIII OTHER COMPREHENSIVE INCOME (OCI)</b>					
A Items that will not be reclassified to profit or loss			-		-
B Items that will be reclassified to profit or loss			-		-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>			-		-
<b>IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)</b>			<b>1,013.04</b>		<b>1,108.18</b>
<b>X Profit for the year attributable to</b>					
Owners of the company			1,013.04		1,108.18
Non Controlling Interest			-		-
<b>XI Total Other Comprehensive Income attributable to</b>					
Owners of the company			-		-
Non Controlling Interest			-		-
<b>XII Total Comprehensive Income attributable to</b>					
Owners of the company			1,013.04		1,108.18
Non Controlling Interest			-		-
<b>XII Total Comprehensive Income for the period</b>			<b>1,013.04</b>		<b>1,108.18</b>
Paid up Equity Share Capital (Face Value of the Share Rs.2/- each)			639.9		639.9
Other Equity			14124.41		13111.37
<b>EARNINGS PER EQUITY SHARE</b>					
1. Basic			3.17		3.46
2. Diluted			3.17		3.46

Significant accounting policies and key accounting estimates and judgements 1 to 4  
See accompanying notes form an integral part of Standalone financial statements 33 to 61

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,

Firm Reg No.01882S

For and on behalf of the BOD of Bhagyanagar India Limited

Naveen Lohia

Partner

M. No. 214548

Narender Surana

Managing Director

DIN: 00075086

Devendra Surana

Managing Director

DIN: 00077296

Surendra Bhutoria

Chief Financial Officer

Lalit Kumar Thanvi

Company Secretary

M.No. A62058

Place: Secunderabad,

Date :May 27, 2023

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023****A. Equity Share capital**

Particulars	No of shares	In Rupees
<b>Balance as at 1 April 2022</b>	<b>3,19,95,000</b>	<b>639.90</b>
Changes in equity share capital during 2022-23	-	-
<b>Balance as at 31 March 2023</b>	<b>3,19,95,000</b>	<b>639.90</b>
<b>Balance as at 1 April 2021</b>	<b>3,19,95,000</b>	<b>693.90</b>
Changes in equity share capital during 2021-22	-	-
<b>Balance as at 31 March 2022</b>	<b>3,19,95,000</b>	<b>639.90</b>

**B. Other equity**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Particulars	Reserve & Surplus				
	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Total
<b>Balance at 1 April,2022</b>	<b>9,747.77</b>	<b>2,500.00</b>	<b>653.41</b>	<b>210.20</b>	<b>13,111.38</b>
Profit for the year	1,013.04	-	-	-	<b>1,013.04</b>
Other Comprehensive Income (net of tax)	-	-	-	-	-
<b>Add: Transferred (to)/from Retained Earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March, 2023</b>	<b>10,760.81</b>	<b>2,500.00</b>	<b>653.41</b>	<b>210.20</b>	<b>14,124.41</b>
<b>Balance at 1 April,2021</b>	<b>8,639.56</b>	<b>2,500.00</b>	<b>653.41</b>	<b>210.20</b>	<b>12,003.17</b>
Profit for the year	1,108.21	-	-	-	<b>1,108.21</b>
Other Comprehensive Income (net of tax)	-	-	-	-	-
<b>Add: Transferred (to)/from Retained Earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March, 2022</b>	<b>9,747.77</b>	<b>2,500.00</b>	<b>166.77</b>	<b>210.20</b>	<b>13,111.38</b>

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

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

Capital Reserve: Capital Reserve was created on account of merger of various entities with the company. It is also created on account of Revaluation of Land at the time of conversion of Land from inventory to Capital Asset and the same is not available for distribution to the shareholder

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

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

See accompanying notes form an integral part of Consolidated financial statements. 33 to 61

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

Chartered Accountants,  
Firm Reg No.01882S

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

**Naveen Lohia**  
Partner  
M. No. 214548

**Narender Surana**  
Managing Director  
DIN: 00075086

**Devendra Surana**  
Managing Director  
DIN: 00077296

Place: Secunderabad,  
Date :May 27, 2023

**Surendra Bhutoria**  
Chief Financial Officer

**Lalit Kumar Thanvi**  
Company Secretary  
M.No. A62058



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Particulars	2022-23		2021-22	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit (Loss) before Tax and Exceptional Items</b>		<b>1,447.94</b>		<b>1,341.52</b>
<b>Adjustments for Non-Operating Activities:</b>				
Depreciation	589.19		568.86	
Amortisation of lease rent	3.60		3.60	
Sundry balance writtern off	13.62		17.59	
Sundry balance writtern back	(10.81)		(11.65)	
Interest paid	1,522.02		1,182.74	
Plantation written off	28.80		-	
(Profit)/loss on sale of fixed assets	(1.40)		(42.91)	
Interest received	(69.58)	2,075.45	(21.72)	1,696.51
<b>Operating Profit before Working Capital Changes</b>		<b>3,523.39</b>		<b>3,038.03</b>
<b>Movement in Working Capital</b>				
Movement in Working Capital				
Increase/ (Decrease) in other current liabilities	(388.24)		390.12	
Increase/ (Decrease) in provisions	55.79		53.46	
Increase/ (Decrease) in other financial liabilities	(2.58)		6.17	
Increase/ (Decrease) in trade payables	1,242.62		984.06	
(Increase)/ Decrease in other current assets	(1,672.35)		(1,522.97)	
(Increase)/ Decrease in trade receivables	(2,279.74)		(973.65)	
(Increase)/ Decrease in inventory	(4,028.39)	(7,072.89)	(1,929.42)	(2,992.22)
<b>Cash Generation From Operations</b>		<b>(3,549.50)</b>		<b>45.80</b>
<b>Direct Taxes (Net)</b>		<b>(403.27)</b>		<b>(477.67)</b>
<b>Net Cash from Operating Activities (A)</b>		<b>(3,952.77)</b>		<b>(431.87)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Loans given	(33.65)		(5.95)	
Interest received	69.58		21.72	
Purchase of fixed assets	(908.24)		(143.23)	
Addition in CWIP	(14.41)		-	
Advance Received for Capital Goods	1,200.00		-	
Sale of fixed assets	2.32		44.00	
<b>Net Cash from / (Used in) Investing Activities (B)</b>		<b>315.60</b>		<b>(83.45)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid	(1,522.02)		(1,182.74)	
(Repayment) of borrowings from bank	4,084.34		2,471.12	
Unpaid Dividend Paid	2.58		-	
(Increase)/Decrease in restricted deposits	167.89		108.91	

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Particulars	2022-23		2021-22	
Net Cash (used in) /from Financing Activities (C)		<b>2,732.80</b>		<b>1,397.29</b>
Net Increase/(decrease) in cash & cash equivalents (A+B+C)		(904.37)		881.97
Opening cash and cash equivalent at the beginning of the year		913.78		31.80
Closing cash and cash equivalent at the end of the year		9.40		913.78
Net Increase/(decrease) in cash & cash equivalents		(904.37)		881.97

**Notes:**

1. The Cash flow Statement has been prepared as set out in Indian Accounting Standard (IND AS) 7 : STATEMENT OF CASH FLOWS, as amended by Companies (Indian Accounting Standards) (Amendment) Rules 2016. This is the Cash Flow Statement referred to in our report of even date attached

2. Components of cash and cash equivalents			2022-23	2021-22
Cash in hand			<b>4.16</b>	<b>1.52</b>
Balances with banks			<b>5.24</b>	<b>912.25</b>
			<b>9.40</b>	<b>913.78</b>

**3. Accompanied notes to accounts forms an integral part of the Consolidated financial statements.**

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

See accompanying notes form an integral part of Consolidated financial statements. 33 to 61

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

Chartered Accountants,  
Firm Reg No.01882S

**Naveen Lohia**

Partner  
M. No. 214548

Place: Secunderabad,  
Date :May 27, 2023

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

Managing Director  
DIN: 00075086

**Surendra Bhutoria**  
Chief Financial Officer

**Devendra Surana**

Managing Director  
DIN: 00077296

**Lalit Kumar Thanvi**  
Company Secretary  
M.No. A62058

**SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS, KEY ESTIMATES & BASIS OF CONSOLIDATION****1. CORPORATE OVERVIEW:**

Bhagyanagar India Ltd is a company registered under the Companies Act, 1956. It is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). It was incorporated on 2nd September, 1985 having its registered office at Plot No. P-9/13/1 & P-9/14 IDA, Nacharam, Hyderabad- 500076. The company's CIN No. is L27201TG1985PLC012449. The company is engaged in the manufacture of copper products.

Bhagyanagar Copper Pvt Ltd" is a wholly owned subsidiary of Bhagyanagar India Limited, registered under the companies act, 1956 incorporated on 30-04-2008 having its registered office at Sy No 98 to 105, 107, 111, 230, 231, 232, 234 Shabashpally Village, Shivampet, Mandal, Medak- 502334.

The Consolidated financial statements comprising financial statement of 'Bhagyanagar India Ltd' and its subsidiary, 'Bhagyanagar Copper Pvt Ltd' have been approved by the Board of Directors In their meeting held on May 27, 2023

**2. BASIS OF PREPARATION:****a) Statement of Compliance**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (amended), guidelines issued by the Securities and Exchange Board of India (SEBI), and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated Financial Statement, other relevant provisions of the Act and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**b) Basis of Measurement**

The consolidated financial statements of the company have been prepared on historical cost basis except for the following assets and liabilities which have been measured at fair value:

- i) Certain financial assets & liabilities (including derivative instruments)
- ii) Defined Benefit Plans as per actuarial valuation
- iii) Share based Payments

**c) Functional and Presentation Currency**

The consolidated financial statements have been presented in Indian Rupees (INR), which is also the company's functional currency. All financial information presented in INR has been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

**d) Basis of Consolidation****Subsidiaries**

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date when control ceases. The acquisition method of accounting is used to account for business combinations by the Company.

The Company combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, cash flows, income and expenses, Intercompany transactions, balances and unrealized gains on transactions between Company companies are eliminated. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

**Joint Ventures**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the consolidated Ind AS contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The joint arrangement is structured through a separate vehicle and the legal form of the separate vehicle, the terms of the contractual arrangement and, when relevant, any other facts and circumstances gives The company rights to the net assets of the arrangement (i.e. the arrangement is a joint venture). The activities of the joint venture are primarily aimed to provide the third parties with an output and the parties to the joint venture will not have rights to substantially all the economic benefits of the assets of the arrangement. The company's interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

### **Equity Method**

Under the equity method of accounting, the investments are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the carrying amount of the investment is adjusted to recognise changes in the company's share of net assets of the joint venture since the acquisition date and the company's share of other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. When the company's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. The carrying amounts of equity accounted investments are tested for impairment.

### **Changes in ownership interests**

When the company ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in statement of profit and loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the company had directly disposed off the related assets or liabilities. The amounts previously recognised in other comprehensive income are reclassified to statement of profit and loss. If the ownership interest in a joint venture is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to statement of profit and loss where appropriate.

### **Transactions eliminated on consolidation**

Inter-group balances and transactions, and any unrealised income and expenses arising from inter-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the Investment to the extent of the company's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### **e) Use of Assumptions, Judgments and Estimates**

The key assumption, judgment and estimation at the reporting date, that have significant risk causing the material adjustment to the carrying amounts of assets and liabilities within the next financial year, are describe below. The company based its assumption, judgment and estimation on parameters available on the consolidated financial statements were prepared. Existing circumstances and assumption about future development, however, may change due to market changes or circumstances arising that are beyond the control of the company . Such changes are reflected in the assumption when they occur.

#### **i) Revenue**

The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

#### **ii) Impairment of non-financial assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its 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. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognized as an expense in the consolidated statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

iii) **Defined benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi) **Share-based payments**

The company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

vii) **Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

viii) **Classification of Leases**

The company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

ix) **Restoration, rehabilitation and decommissioning**

Estimation of restoration/ rehabilitation/ decommissioning costs requires interpretation of scientific and legal data, in addition to assumptions about probability of future costs.

x) **Provisions and Contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

xi) **Allowances for Doubtful Debts**

The company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

### 3. Classification of Assets and Liabilities into Current/Non-Current

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013, as given below.

The company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- i) Expected to be realized or intended to sold or consumed in normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Expected to be realized within twelve months after the reporting period; or
- iv) 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 the other assets are classified as non-current.

Similarly, a liability is current if:

- i) It is expected to be settled in normal operating cycle;
- ii) It is held primarily for the purpose of trading;
- iii) It is due to be settled within twelve months after the reporting period; or
- iv) 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.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

### 4. SIGNIFICANT ACCOUNTING POLICIES:

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the consolidated financial statements, unless otherwise stated.

#### 1) Inventories

##### a) Raw materials:

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis.

##### b) Work-in- progress (WIP) and finished goods

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

##### c) Waste / Scrap

Waste / Scrap inventory is valued at NRV. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or below the cost.

Materials in transit are valued at cost to date.

#### 2) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, Cheques on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

### 3) Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

### 4) Income Tax

Income Tax comprises current and deferred tax.

#### a) Current Tax

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961. Current income tax is recognized in The consolidated statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

#### b) Deferred Tax

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the consolidated statement of profit and loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of interest in joint arrangements where The company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

MAT Credit is recognized 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 Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to consolidated 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 entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### 5) Property, Plant and Equipment

#### a) Recognition and Measurement

- i) Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- ii) Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.



- iii) In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- iv) For transition to IND AS, The company has revalued land at fair value as deemed cost and considered other assets at Ind AS Cost.
- v) Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit and loss.
- vi) Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to The company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.
- vii) 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.
- viii) The company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.
- ix) Research and development costs that are in nature of tangible/ intangible assets and are expected to generate probable future economic benefits are capitalised and classified under tangible/intangible assets and depreciated on the same basis as other fixed assets. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

**b) Depreciation and Amortization**

- i) Depreciation on property, plant and equipment is provided under Straight Line Method over the useful lives of assets prescribed by Schedule II of the Companies Act, 2013. Depreciation in change in the value of fixed assets due to exchange rate fluctuation has been provided prospectively over the residual life of the respective assets.
- ii) Depreciation in respect of property, plant and equipment added / disposed off during the year is provided on pro-rata basis, with reference to the date of addition/disposal.

**6) Intangible Assets**

- i) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.
- ii) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss.
- iii) Intangible assets are amortised on straight line basis over its estimated useful life of 5 years.

**7) Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

#### 8) **Capital Work in Progress**

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

#### 9) **Investment in subsidiaries and associates**

Investments in subsidiaries and associates are recognised at cost as per IND AS 27. Except where investments accounted for at cost shall be accounted for in accordance with IND AS 105, Non-current Assets held for Sale and Discontinued Operations, when they are classified as held for sale.

#### 10) **Leases**

##### a) **The company as lessor**

Leases for which The company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

##### b) **The company as lessee**

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, The company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

##### c) **Lease Liability**

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in The company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

d) **Right of Use (ROU) Assets**

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever The company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If The company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

11) **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents amount receivable from sale of copper products, sale of energy, lease rental and export incentives, stated net of discounts.

Ind AS 115 "Revenue from Contracts with Customers", introduced one single new model for recognition of revenue which includes a 5-step approach and detailed guidelines. Among other, such guidelines are on allocation of revenue to performance obligations within multi-element arrangements, measurement and recognition of variable consideration and the timing of revenue recognition.

The company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

a) **Revenue from sale of goods**

Revenue from the sale copper products is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Company recognises revenue at a point in time, when control is transferred to the customer, and the consideration agreed is expected to be received. Control is generally deemed to be transferred upon delivery of the products in accordance with the agreed delivery plan.

In case of related party transactions where related party meets the definition of customer (ie a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activity in exchange for consideration) and the transactions are within the scope of the standard then the revenue is recognised based on the principles of IND AS 115.

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Revenues for services are recognised when the service rendered has been completed.

**a) Revenue from services**

Revenue from services mainly consists of the following;

- **Income from Lease Rent**

Revenue from services, which mainly consists of lease rentals from letting of space, is recognised over time on satisfying performance obligations as per the terms of agreement, that is, by reference to the period in which services are being rendered. Revenue from services, if any, involving single performance obligation is recognised at a point in time

- **Income from job works**

Income from job work is accounted for on the basis of actual quantity dispatched. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion (Percentage of Completion Method) of the transaction at the end of the reporting period. Advances received from the customers are reported as customer's deposits unless the above conditions for revenue recognition are met.

- **Sale of energy**

Revenue from operations comprises of sale of power. Revenue is recognized at an amount that reflects the consideration for which the company expects to be entitled in exchange for transfer of power (goods / service) to the customer. Revenue from sale of power is accounted for in accordance with tariff provided in Power Purchase Agreement (PPA) read with the regulations of respective regulatory authorities and no significant uncertainty as to the measurability or collectability exist. There is no impact on the adoption of the standard in the financial statement as the company's revenue primarily comprised of revenue from sale of power and the recognition criteria of this revenue stream is largely unchanged by Ind AS 115.

- **Other operating revenue - Duty drawback.**

Export incentive and subsidies are recognized when there is reasonable assurance that the company will comply with the conditions and the incentive will be received.

**Contract Assets**

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Unbilled receivables where further subsequent performance obligation is pending are classified as contract assets when The company does not have unconditional right to receive cash as per contractual terms. Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

**Impairment of Contract asset**

The company assesses a contract asset for impairment in accordance with Ind AS 109. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of Ind AS 109.

**Contract Liability**

Contract Liability is recognised when there are billings in excess of revenues and it also includes consideration received from customers for whom The company has pending obligation to transfer goods or services.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

**Modification in contract**

Contracts are subject to modification to account for changes in contract specification and requirements. The company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The company disaggregates revenue from contracts with customers by industry verticals, geography and nature of goods or services.

b) **Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that assets' net carrying amount on initial recognition.

c) **Other Operating Revenue**

Export incentive and subsidies are recognized when there is reasonable assurance that The company will comply with the conditions and the incentive will be received.

**12) Retirement and other employee benefits**

a) **Short Term Employee Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

b) **Other Long Term Employee Benefits**

The liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value (determined by actuarial valuation using the projected unit credit method) of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period and recognised in books of accounts. The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Re-measurements as the result of experience adjustment and changes in actuarial assumptions are recognized in consolidated statement of profit and loss.

c) **Post-Employment Benefits**

The company operates the following post-employment schemes:

i) **Defined Benefit Plan**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods.

The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method. The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Past service cost is recognised in the consolidated statement of profit and loss in the period of a plan amendment. The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to consolidated statement of profit and loss.

The company contributes to fund maintained with Life Insurance Corporation of India.

ii) **Defined Contribution Plan**

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation other than the contribution payable to the Provident fund. Contribution payable under the provident fund is recognised as expenditure in the consolidated statement of profit and loss and/or carried to Construction work-in-progress when an employee renders the related service.

**13) Government Grants**

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and The company will comply with all the attached conditions.

- a) Government grants are recognised in the statement of profit or loss on a systematic basis over the periods in which The company recognises the related costs for which the grants are intended to compensate.
- b) Grants related to acquisition/ construction of property, plant and equipment are recognised as deferred revenue in the Balance Sheet and transferred to the statement of profit or loss on a systematic and rational basis over the useful lives of the related asset.

**14) Foreign Currency Transactions**

- a) The functional currency and presentation currency of The company is Indian Rupee (INR).
- b) Transactions in currencies other than The company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each balance sheet date, foreign currency monetary items are reported using the closing rate.
- c) Non- monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange difference that arise on settlement of monetary items or on reporting of monetary items at each Balance sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise except for:
  - i) exchange difference on foreign currency borrowings related to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings; and
  - ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks.

**15) Borrowing Cost**

Borrowing cost include interest expense calculated using the Effective interest method, finance charges in respect of assets acquired on finance lease and exchange difference arising on foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

Borrowing costs (including other ancillary borrowing cost) directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset hat necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR)method. All other borrowing costs are recognized in the consolidated statement of profit and loss in the period in which they are incurred.

**16) Earnings per Share**

Earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**17) Exceptional Item**

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

**18) Financial Guarantee Contract**

Financial guarantee contract provided to the lenders of the Company by its Parent Company is measured at their fair values and benefit of such financial guarantee is recognised to equity as a capital contribution from the parent.

**19) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the company and its joint-venture entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit and loss.

a) **Financial Assets**

i) **Classification and Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- Measured at Fair Value Through Profit or Loss (FVTPL) and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period The company changes its business model for managing financial assets.

• **Measured at Amortized Cost**

The Financial assets are subsequently measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the consolidated statement of profit and loss.

• **Measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

The financial assets are measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the consolidated statement of profit and loss in investment income.

• **Measured at Fair Value Through Profit or Loss (FVTPL)**

Financial assets are measured at fair value through profit or Loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on re-measurement are recognised in the consolidated statement of profit and loss. The net gains or loss recognised in consolidated statement of profit and loss incorporates any dividend or interest earned on the financial assets and is included in the "Other income" line item.

• **Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, The company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. In case The company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are



recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

ii) **Derecognition**

The company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

iii) **Impairment of Financial Assets**

In accordance with Ind AS 109, The company uses 'Expected Credit Loss' (ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The company uses historical default rate to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, The company uses 12 month ELC to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ELC is used.

iv) **Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognised in the consolidated statement of profit and loss.

b) **Financial Liabilities and equity instruments**

Debts and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instruments.

**Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an equity after deducting all of its liabilities. Equity instruments issued by The company are recognised at the proceeds received, net of direct issue costs.

**Financial Liabilities**

i) **Recognition and Initial Measurement**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

ii) **Subsequent Measurement**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

iii) **Financial Guarantee Contracts**

Financial guarantee contracts issued by The company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

iv) **De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

v) **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are included in consolidated statement of profit and loss. The fair value of the financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

vi) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

c) **Derivative financial instruments**

The company uses derivative financial instruments such as forward, swap, options etc. to hedge against interest rate and foreign exchange rate risks, including foreign exchange fluctuation related to highly probable forecast sale. The realized gain / loss in respect of hedged foreign exchange contracts which has expired / unwinded during the year are recognized in the consolidated statement of profit and loss and included in other operating revenue / other expense as the case may be. However, in respect of foreign exchange forward contracts period of which extends beyond the balance sheet date, the fair value of outstanding derivative contracts is marked to market and resultant net loss/gain is accounted in the consolidated statement of profit and loss. Company does not hold derivative financial instruments for speculative purposes.

d) **Derivatives and Hedge Accounting**

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses are recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item. The company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the company documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which is a cash flow hedge.

e) **Cash Flow Hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to the ineffective portion are recognised in the Statement of Profit and Loss. Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non- financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non- financial asset. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains /losses recognised in other comprehensive income and accumulated in equity at that time remain in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity are recognised immediately in the Statement of Profit and Loss

20) **Provisions, Contingent Liabilities and Contingent Assets**

a) **Provisions**

- i) Provisions are recognised when The company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

ii) **Decommissioning Liability**

Restoration/ Rehabilitation/ Decommissioning cost are provided for in the accounting period when the obligation arises based on the NPV of the estimated future cost of restoration to be incurred. It includes the dismantling and demolition of infrastructure and removal of residual material. This provision is based on all regulatory requirements and related estimated cost based on best available information.

iii) **Onerous Contracts**

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

b) **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of The company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

c) **Contingent Assets**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

21) **Operating Segment**

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. An operating segment is a component of The Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of The Company and for which discrete financial information is available. All operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

22) **Employee Share based payment**

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date. The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "General Reserve".

23) **Measurement of Fair Values**

A number of The company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by The company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using

the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- c) Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of The company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

#### 24) **Non-Current Assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale. Indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

#### 25) **Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

#### 26) **Research and Development**

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

## Notes forming part of the Consolidated Financial Statements

### Note : 5 Property, Plant and Equipment

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)  
Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31<sup>st</sup> March 2023

Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Grand Total
Gross carrying Value as of April 01, 2022	2,705.44	48.95	851.52	9,919.47	846.94	175.83	625.26	167.80	87.14	0.02	15,428.36
Additions	9.00	-	-	451.52	9.12	2.78	429.46	0.35	6.43	-	908.66
Deletions	-	(3.60)	-	(57.60)	-	-	(18.46)	-	-	-	(79.66)
<b>Gross carrying Value as at March 31, 2023</b>	<b>2,714.44</b>	<b>45.35</b>	<b>851.52</b>	<b>10,313.38</b>	<b>856.07</b>	<b>178.62</b>	<b>1,036.26</b>	<b>168.14</b>	<b>93.56</b>	<b>0.02</b>	<b>16,257.35</b>
Accumulated depreciation as at April 01, 2022	-	-	365.03	6,120.41	424.81	166.33	448.29	153.87	82.71	0.02	7,761.47
Depreciation	-	-	33.54	465.13	36.50	1.51	47.28	0.87	4.36	-	589.19
Accumulated depreciation on disposals	-	-	-	(28.80)	-	-	(17.36)	-	-	-	(46.16)
<b>Accumulated depreciation as at March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>398.57</b>	<b>6,556.74</b>	<b>461.30</b>	<b>167.85</b>	<b>478.21</b>	<b>154.74</b>	<b>87.07</b>	<b>0.02</b>	<b>8,304.50</b>
<b>Carrying Value as at March 31, 2023</b>	<b>2,714.44</b>	<b>45.35</b>	<b>452.95</b>	<b>3,756.64</b>	<b>394.76</b>	<b>10.77</b>	<b>558.05</b>	<b>13.40</b>	<b>6.49</b>	<b>-</b>	<b>7,952.85</b>

Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31<sup>st</sup> March 2022

Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Plantation
Gross carrying Value as of April 01, 2021	2,705.44	52.55	849.54	9,782.50	846.10	175.83	619.67	161.80	85.23	0.02	15,278.67
Additions	-	-	8.45	136.97	0.85	-	5.59	6.00	1.91	-	159.77
Disposals	-	(3.60)	(6.48)	-	-	-	-	-	-	-	(10.08)
<b>Gross carrying Value as at March 31, 2022</b>	<b>2,705.44</b>	<b>48.95</b>	<b>851.52</b>	<b>9,919.47</b>	<b>846.94</b>	<b>175.83</b>	<b>625.26</b>	<b>167.80</b>	<b>87.14</b>	<b>0.02</b>	<b>15,428.36</b>
Accumulated depreciation as at April 01, 2021	-	-	336.56	5,667.60	386.00	162.77	412.38	153.58	79.10	0.02	7,198.01
Depreciation	-	-	33.86	452.81	38.81	3.57	35.91	0.29	3.62	-	568.86
Accumulated depreciation on disposals	-	-	(5.39)	-	-	-	-	-	-	-	(5.39)
<b>Accumulated depreciation as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>365.03</b>	<b>6,120.41</b>	<b>424.81</b>	<b>166.33</b>	<b>448.29</b>	<b>153.87</b>	<b>82.71</b>	<b>0.02</b>	<b>7,761.47</b>
<b>Carrying Value as at March 31, 2022</b>	<b>2,705.44</b>	<b>48.95</b>	<b>486.48</b>	<b>3,799.06</b>	<b>422.13</b>	<b>9.50</b>	<b>176.97</b>	<b>13.93</b>	<b>4.42</b>	<b>-</b>	<b>7,666.88</b>

## Notes forming part of the Consolidated Financial Statements

**Note: 6**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Capital Work in Progress	As at 31.03.2023	As at 31.03.2022
Plant and Machinery	14.41	-
<b>TOTAL</b>	<b>14.41</b>	<b>-</b>

CWIP Ageing Schedule	As on 31/03/2023			
Particulars	>1 year	1-2 year	2-3 year	< 3 year
Total	14.41	-	-	-
Previous year reporting period				
Project in Progress	14.41	-	-	-
Project Temporarily Suspended	-	-	-	-

**Note: 7**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Investments - Non Current	As at 31.03.2023		As at 31.03.2022	
	No.s	Value	No.s	Value
<b>Equity Instruments (Unquoted - At Cost)</b>				
<b>A) Investment in companies (Unquoted)</b>				
Mana Effluent Treatment Plant (Equity shares of Rs 1000/-each fully paid up)	200	2.00	200	2.00
<b>SUB - TOTAL</b>	<b>200</b>	<b>2.00</b>	<b>200</b>	<b>2.00</b>
<b>B) Investment in Associate companies (Unquoted)</b>				
Surana Electrix Limited (Equity shares of Rs 10/-each fully paid up)	1,900	0.19	1,900	0.19
<b>SUB - TOTAL</b>	<b>1,900</b>	<b>0.19</b>	<b>1,900</b>	<b>0.19</b>
<b>GRAND TOTAL</b>		<b>2.19</b>		<b>2.19</b>

**Note: 8**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Other Non current Financial Assets	As at 31.03.2023	As at 31.03.2022
Unsecured, Considered good.		
(a) Security Deposits	179.20	145.55
<b>TOTAL</b>	<b>179.20</b>	<b>145.55</b>

**Note 8(a)** Security deposits primarily include Deposits to Shipping Agencies and Electricity deposits.

**Note: 9**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Deferred Tax Assets (Net)	As at 31.03.2023	As at 31.03.2022
(a) Deferred Tax Asset at the beginning of the year	-	(67.52)
Less: Deferred Tax Asset/ (Liability) for the year, on account of timing difference.	58.66	67.52
<b>TOTAL</b>	<b>58.66</b>	<b>-</b>

## Notes forming part of the Consolidated Financial Statements

**Note: 10**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Inventories	As at 31.03.2023	As at 31.03.2022
<b>(Valued at lower of Cost and Net Realisable Value)</b>		
Raw Materials	6,713.05	6,397.97
Work-in-Progress	6,548.54	4,082.17
Finished Goods	567.78	-
Material in Transit - Raw Materials	679.17	-
<b>TOTAL</b>	<b>14,508.54</b>	<b>10,480.15</b>

Note 10(a) Inventories is hypothecated to banks for availing cash credit facility. The quarterly returns/ statements filed by the company with the bank(s) in respect of such facilities are in agreement with the books of accounts.

**Note: 11**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Trade Receivables	Sub Note	As at 31.03.2023	As at 31.03.2022
Considered good – Unsecured			
Undisputed trade receivables considered good		12,059.78	9,793.66
Undisputed trade receivables -credit impaired		-	-
Less: Allowance for expected credit losses		-	-
<b>TOTAL</b>		<b>12,059.78</b>	<b>9,793.66</b>

Trade receivables ageing schedule

As at 31.03.2023	Outstanding for following periods from due date of payment as on Balance sheet date					
Particulars	Less than 6 months	6 months to 1 year	1 to 2 years	2-3 Years	More than 3 years	Total
Undisputed trade receivables considered good	11,909.80	142.31	6.53	1.13	-	12,059.78
Credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit losses	-	-	-	-	-	-
<b>Balance as at year end</b>	<b>11,909.80</b>	<b>142.31</b>	<b>6.53</b>	<b>1.13</b>	<b>-</b>	<b>12,059.78</b>

As at 31.03.2022	Outstanding for following periods from due date of payment as on Balance sheet date					
Particulars	Less than 6 months	6 months to 1 year	1 to 2 years	2-3 Years	More than 3 years	Total
Undisputed trade receivables considered good	9,633.63	148.60	10.30	1.13	-	9,793.66
Credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit losses	-	-	-	-	-	-
<b>considered good</b>	<b>9,633.63</b>	<b>148.60</b>	<b>10.30</b>	<b>1.13</b>	<b>-</b>	<b>9,793.66</b>

- There are no disputed trade receivables in the current and previous year.
- All the Trade Receivables are Unsecured and considered good
- Trade receivables are generally with the credit term of 30 to 90 days and are non interest bearing.
- The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Trade Receivables are hypothecated to banks for availing cash credit facility. The quarterly returns/ statements filed by the company with the bank(s) in respect of such facilities are in agreement with the books of accounts.
- No Debts due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.



## Notes forming part of the Consolidated Financial Statements

**Note: 12**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Cash and cash Equivalents	As at 31.03.2023	As at 31.03.2022
Cash & Cash Equivalents		
(i) Balances lying with the bank	5.24	912.25
(ii) Cash On Hand	4.16	1.52
<b>TOTAL</b>	<b>9.40</b>	<b>913.78</b>

**Note 12(a)** Cash and Bank balances are denominated and held in Indian rupees

**Note: 13**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Bank Balances	As at 31.03.2023	As at 31.03.2022
Other Balances		
(i) In Dividend account {See Note 13(b)}	-	2.58
(ii) Deposit held to the extent of margin money {See Note 13(a)}	103.18	268.98
(iii) Accrued interest on Fixed Deposits with Banks	2.43	4.52
<b>TOTAL</b>	<b>105.62</b>	<b>276.09</b>

**Notes:**

\*Balances with banks are denominated and held in Indian Rupees.

13(a) Margin money represents money with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance sheet date

13(b) Unpaid Dividend: Section 124 of the Companies Act, 2013 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to Investor Education &amp; Protection Fund (IEPF). Accordingly, dividend of 2.58 lakhs pertaining to FY 2014-15, has been transferred to IEPF Account.

**Note: 14**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Current Tax Assets (Net)	As at 31.03.2023	As at 31.03.2022
(a) Income tax Receivable	694.64	688.18
Less: Provision for Taxes	(362.58)	396.82
(b) Others		
MAT Credit Entitlement	88.87	137.27
<b>TOTAL</b>	<b>420.93</b>	<b>428.64</b>

**Note: 15**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Other Current Assets	As at 31.03.2023	As at 31.03.2022
<b>(Unsecured, Considered Good Unless Otherwise Stated)</b>		
(i) Balances with Statutory Authorities See Note 15(c )	2,518.97	2,439.36
(ii) Advances To Suppliers	2,292.90	1,710.08
(iii) Loans to Staff	38.32	22.96
(iv) Margin Money for Copper Hedging	1,455.44	1,260.90
(v) Taxes Paid under Protest See Note 15(a)	800.00	-
<b>TOTAL</b>	<b>7,105.64</b>	<b>5,433.30</b>

**Notes:**

15(a) The Company has deposited an amount of INR 800 lacs with the GST department under protest which is disclosed in the financial statement as "Taxes paid under protest " under the schedule "Other Current Assets". The management of the company and the legal experts are confident that there will be no liability in the case and hence no provision is made in the books of accounts.

15(b) No advances are due from directors or other officers of the company or any of them either severally or jointly with any other persons or advances due to firms or private companies respectively in which any director is a partner or a director or a member.

15(c) The Balance with Statutory Authorities includes IGST Refund (paid on Exports) Receivable - INR 409.40 lacs

## Notes forming part of the Consolidated Financial Statements

**Note: 16**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Share Capital	As at 31st March 2023		As at 31st March 2022	
	Number	Amount (INR)	Number	Amount (INR)
Authorised				
Equity Shares of Rs.2/- each	12,50,00,000	2,500.00	12,50,00,000	2,500.00
Issued				
Equity Shares of Rs.2/- each	3,19,95,000	639.90	3,19,95,000	639.90
Subscribed & Paid up				
Equity Shares of Rs.2/- each fully paid	3,19,95,000	639.90	3,19,95,000	639.90
<b>Total</b>	<b>3,19,95,000</b>	<b>639.90</b>	<b>3,19,95,000</b>	<b>639.90</b>

a. Terms /Rights attached to Shareholders

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

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount (INR)	Number	Amount (INR)
Shares outstanding at the beginning of the year	3,19,95,000	639.90	3,19,95,000	639.90
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	3,19,95,000	639.90	3,19,95,000	639.90

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

Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SURANA INFOCOM PRIVATE LIMITED	43,41,581	13.57	43,41,581	13.57
NARENDER SURANA	33,59,814	10.40	33,59,814	10.40
DEVENDRA SURANA	33,45,549	10.46	31,34,660	9.80
MANISH SURANA	32,19,807	10.06	32,19,807	10.06
NAMRATA SURANA	18,70,435	5.85	18,70,435	5.85
	<b>1,61,37,186</b>	<b>50.34</b>	<b>1,59,26,297</b>	<b>49.67</b>

Rights, preferences and restriction attached to the Equity Shares

The Equity Shares of the Company, having par value of Rs. 2.00 per share, rank pari passu in all respects including voting rights and entitlement of dividend.

d) Shares Held by Promoters at the end of the year

Promoter Name	As at March 2023			As at March 2022		
	No. of shares Held	% of Holding of total shares	% change during the year	No. of shares Held	% of Holding of total shares	% change during the year
G M SURANA (MHUF)	1,78,775	0.56	-	1,78,775	0.56	-
NARENDER SURANA (HUF)	1,06,500	0.33	-	1,06,500	0.33	-
DEVENDRA SURANA (HUF)	67,500	0.21	-	67,500	0.21	-
G M SURANA (HUF)	1,66,380	0.52	-	1,66,380	0.52	-
NAMRATA SURANA	18,70,435	5.85	-	18,70,435	5.85	-
DEVENDRA SURANA	33,45,549	10.46	6.73	31,34,660	9.8	-
SUNITA SURANA	15,52,396	4.85	-	15,52,396	4.85	-
NARENDER SURANA	33,28,466	10.40	-	33,28,466	10.40	(0.10)

## Notes forming part of the Consolidated Financial Statements

Promoter Name	As at March 2023			As at March 2022		
	No. of shares Held	% of Holding of total shares	% change during the year	No. of shares Held	% of Holding of total shares	% change during the year
VINITA SURANA	7,16,822	2.24	-	7,16,822	2.24	-
MANISH SURANA	32,19,807	10.06	-	32,19,807	10.06	-
NIVRITI SAMKIT JAIN	3,47,500	1.09	-	3,47,500	1.09	-
RAHUL SURANA	14,04,500	4.39	-	14,04,500	4.39	-
SRESHA SURANA	6,72,932	2.10	-	6,70,732	2.1	-
MITALI SURANA	3,00,000	0.94	-	3,00,000	0.94	-
ADVAIT SURANA	10,17,036	3.18	-	10,17,036	3.18	-
BHAGYANAGAR SECURITIES PRIVATE LIMITED	78,957	0.25	-	78,957	0.25	-
SURANA INFOCOM PRIVATE LIMITED	43,41,581	13.57	-	43,41,581	13.57	-
SURANA TELECOM AND POWER LIMITED	11,71,267	3.66	1.95	11,47,166	3.59	-

**Note : 17** (All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Other Equity	As at 31.03.2023	As at 31.03.2022
<b>General Reserves</b>		
Balance as per Last Account	2,500.00	2,500.00
<b>Add:</b> Transferred from Retained Earnings	-	-
Add: Created on account of discontinuation of Subsidiaries/Associates	-	-
<b>Balance at the year end</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Capital Reserves</b>		
Balance as per Last Account	653.41	653.41
Add: Created on account of acquisition of new subsidiary	-	-
<b>Balance at the year end</b>	<b>653.41</b>	<b>653.41</b>
<b>Capital Redemption Reserve</b>		
Balance as per Last Account	210.20	210.20
<b>Balance at the year end</b>	<b>210.20</b>	<b>210.20</b>
<b>Retained Earnings</b>		
<b>Add:</b> Profit during the year/period	<b>9,747.76</b>	<b>8,639.57</b>
Amount available for Appropriation	1,013.04	1,108.19
Amount available for Appropriation	10,760.80	9,747.76
Transfer to General Reserve	-	-
<b>Balance at the year end</b>	<b>10,760.80</b>	<b>9,747.76</b>
<b>TOTAL</b>	<b>14,124.41</b>	<b>13,111.37</b>

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

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

**Retained Earnings:** Retained earnings comprise of net accumulated profit/(loss) of the company, after declaration of dividend of BIL and comprises of prior year's undistributed earnings after taxes along with current year profit of BCPL.

**Capital Reserve:** Capital Reserve was created on account of merger of various entities with the company. It is also created on account of Revaluation of Land at the time of conversion of Land from inventory to Capital Asset and the same is not available for distribution to the shareholder.

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

## Notes forming part of the Consolidated Financial Statements

Note : 18

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Non Current Liabilities - Borrowings	As at 31.03.2023	As at 31.03.2022
<b>Secured(Loans from Banks)</b>		
(a) Car Loan - Kotak Bank	-	6.87
(b) Car Loan - Yes Bank	-	0.85
(c) Term loan-HDFC Bank	555.06	859.67
(d) GECL - HDFC Bank	759.58	875.05
(e) GECL - SBI	-	441.77
(f) GECL - HSBC	1,850.00	1,850.00
(g) Vehicle Loan - HDFC Bank	243.23	-
(h) Vehicle Loan - Benz Financial Services	82.32	-
(A)	<b>3,490.19</b>	<b>4,034.21</b>
Less: Current maturities of long term borrowings	(B) 674.01	599.76
Total C = (A-B)	<b>2,816.18</b>	<b>3,434.45</b>
<b>UnSecured (Loan repayable on demand from related parties)</b>		
(a) Loan from Body Corporate	1,722.81	1,113.02
(b) Loan from Directors	1,297.74	186.71
	<b>3,020.55</b>	<b>1,299.73</b>
(Refer Note Below 18(a) to 18(j))		
<b>TOTAL</b>	<b>5,836.73</b>	<b>4,734.19</b>

### Notes:

#### 18(a) Car Loan - Kotak Bank

Car Loan from Kotak Bank was availed, interest rate is linked with MCLR rate which is reset for every 3 months..The loan was repayable in 60 equal monthly instalments. The loan is completely repaid in the FY 2022-23.

#### 18(b) Car Loan - Yes Bank

Car Loan from Kotak Bank was availed, interest rate is linked with MCLR rate which is reset for every 3 months..The loan was repayable in 60 equal monthly instalments. The loan is completely repaid in the FY 2022-23.

#### 18(c) Term loan - HDFC Bank

The term loan sanctioned by HDFC Bank in April,2020 - 1461 lacs . The loan is secured by personal guarantee of Directors,Corporate Guarantee of Holding Company and an Exclusive charge on entire Current Assets and Fixed Assets of the Company .It is also Secured by certain Fixed assets of the Holding Company.The Principal is repayable in 57 Monthly Instalments ending in November,2024 and carries a floating rate of interest .The Principal repayable during FY 2023-24 amounting to 323.26 lacs- is classified under Current Maturities of Long Term Debt-Note:20

#### 18(d) Guaranteed Emergency Credit Line(GECL-WCTL) - HDFC Bank

Guaranteed Emergency Credit Line (GECL) of 372 lacs is sanctioned by HDFC Bank by way of Working Capital Term Loan(WCTL) in the month of November,2020.There is a Principal Moratorium of 12 Months and the Principal repayment starts in the Month of December,2021. The Loan is repayable in 36 equal Monthly instalments and carries floating interest rate .The loan is secured by personal guarantee of Directors,Corporate Guarantee of Holding Company and an Exclusive charge on entire Current Assets and Fixed Assets of the Company .It is also Secured by certain Fixed assets of the Holding Company.The Principal repayable during FY 2023-24 amounting to 125.31 lacs is classified under Current Maturities of Long Term Debt-Note:20.

Guaranteed Emergency Credit Line (GECL) Extension of 540 lacs is sanctioned by HDFC Bank by way of Working Capital Term Loan(WCTL) in the month of January,2022.There is a Principal Moratorium of 24 Months and the Principal repayment starts in the Month of January,2024. The loan is secured by personal guarantee of Directors,Corporate Guarantee of Holding Company and an Exclusive charge on entire Current Assets and Fixed Assets of the Company .It is also Secured by certain Fixed assets of the Holding Company. The Loan is repayable in 36 equal Monthly instalments starting from January,2024 and carries a floating interest rate.The Principal repayable during FY 2023-24 amounting to 12.82 lacs is classified under Current Maturities of Long Term Debt-Note:20.

#### 18(e).Guaranteed Emergency Credit Line -State Bank Of India

Guaranteed Emergency Credit Line (GECL) of 500 lacs was sanctioned by State Bank of India by way of Working Capital Term Loan(WCTL) in the month of January,2021.The loan is prepaid during the FY 2022-23. Interest rate is linked with MCLR rate which is reset for every 3 months.

## Notes forming part of the Consolidated Financial Statements

### 18(f).Guaranteed Emergency Credit Line - HSBC

Guaranteed Emergency Credit Line (GECL) of 1850 lacs is sanctioned by HSBC by way of Working Capital Term Loan(WCTL) in the month of December,2021.There is a Principal Moratorium of 24 Months and the Principal repayment starts in the Month of December,2023.The Loan is repayable in 48 Monthly instalments starting from December,2023 .interest rate is linked with MCLR rate which is reset for every 3 months. The Principal repayable during FY 2023-24 amounting to 154.16 lacs is classified under Current Maturities of Long Term Debt-Note:20

### 18(g)Vehicle Loan - HDFC Bank

The company availed a Car loan of 253.62 lakhs from HDFC Bank during the FY 2022-23.The Loan is repayable in 60 Monthly instalments starting from January,2023 and carries floating interest rate.The loan is secured by exclusive charge on specific vehicles to specified lender The Principal repayable during FY 2023-24 amounting to 43.76 lacs is classified under Current Maturities of Long Term Debt-Note:20.

### 18(h)Vehicle Loan - Mercedes Benz Financial Services Pvt Limited

The company availed a Car loan of 84.64 lakhs from Mercedes Benz Financial Services Pvt Limited during the FY 2022-23.The Loan is repayable in 60 Monthly instalments starting from January,2023 and carries floating interest rate..The loan is secured by exclusive charge on specific vehicles to specified lender The Principal repayable during FY 2023-24 amounting to 14.69 lacs is classified under Current Maturities of Long Term Debt-Note:20.

#### Notes: Details of Unsecured Loans\*

18 (i)	Loan from Associate Companies	Balance as on 31.03.2023	Balance as on 31.03.2022
	Name of the company		
	Surana Telecom and Power Ltd	1722.81	1113.02
	<b>Total</b>	<b>1722.81</b>	<b>1113.02</b>

\*Unsecured Loan have been taken for business purpose at a mutually agreed rate of interest. There is no specific repayment Schedule.

18 (j)	Loan from Director	Balance as on 31.03.2023	Balance as on 31.03.2022
	Name of the Director		
	Devendra Surana	1297.74	186.71
	<b>Total</b>	<b>1297.74</b>	<b>186.71</b>

\*Unsecured Loan have been taken for business purpose at a mutually agreed rate of interest. There is no specific repayment Schedule.

**Note : 19** (All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Deferred Tax Liability (Net)	As at 31.03.2023	As at 31.03.2022
Current Tax Liabilities(Net)		
(a)Deferred Tax Liability at the beginning of the year	-	-
Add: Deferred Tax Liability for the year, on account of timing difference.	82.58	-
<b>TOTAL</b>	<b>82.58</b>	<b>-</b>

**Note: 20** (All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Current Liabilities - Borrowings	As at 31.03.2023	As at 31.03.2022
<b>Secured</b>		
<b>Working Capital Facilities from Banks</b>		
(refer note below 20(a) to 20(e ))		
- Working Capital Demand Loan/LOCSTL	1,500.00	4,050.00
- Cash Credit	4,707.12	1,641.94
- Buyers Credit	-	907.67
- Foreign Currency Demand Loan	3,100.00	3,500.00
- Export Packaging Credit	5,801.75	2,488.77
	<b>15,108.87</b>	<b>12,588.38</b>

## Notes forming part of the Consolidated Financial Statements

Current Liabilities - Borrowings	As at 31.03.2023	As at 31.03.2022
<b>Current Maturities on Long Term Debt</b> <b>(Refer Note 18(a) to 18(f))</b>		
(a) Term loan - HDFC Bank	323.26	308.25
(b) Guaranteed Emergency Credit Line - HDFC Bank	138.14	117.12
(c) Car Loan - Kotak Bank	-	6.87
(d) Car Loan - Yes Bank	-	0.85
(e) GECL - SBI	-	166.67
(f) GECL - HSBC	154.17	-
(g) Vehicle Loan - HDFC Bank	43.76	-
(h) Vehicle Loan - Benz Financial Services	14.69	-
	<b>674.01</b>	<b>599.76</b>
<b>UnSecured</b> <b>(Refer Note 20(f) &amp; 20(g))</b> <b>(Loan from related parties)*</b>		
(a) Loan from Directors	264.27	-
(b) Loan from Associate Companies	123.03	-
	387.30	-
<b>TOTAL</b>	<b>16170.18</b>	<b>13188.13</b>

### Notes:

- 20(a) Cash Credit loan from SBI, HSBC Bank, HDFC Bank, ICICI Bank is secured by personal guarantee of Directors, Corporate Guarantee of Company and an Exclusive charge on entire Current Assets and Fixed Assets of the Company. The Company has taken loans against security of current assets and monthly statements of current assets filed by the Company with bank are in agreement with the books of accounts. It is repayable on demand and carries floating Interest rate is linked with MCLR rate which is reset for every 3 months.
- 20(b) The Company has availed Working Capital Demand Loan (WC DL) from ICICI Bank, for a tenure of 180 days as a sub limit of cash credit, to the extent of INR 1500 lacs. Interest rate is linked with MCLR rate which is reset for every 3 months.
- 20(c) The Company has availed Foreign Currency Demand Loan (FCDL) from SBI, for a tenure of 180 days as a sub limit of cash credit, to the extent of INR 3100 lacs. The facility is linked with SDFR and is fully hedged. Interest rate is linked with MCLR rate which is reset for every 3 months.
- 20(d) Cash Credit loan from HDFC Bank and ICICI Bank is secured by personal guarantee of Directors, Corporate Guarantee of Holding Company and an Exclusive charge on entire Current Assets and Fixed Assets of the Company. The Company has taken loans against security of current assets and monthly statements of current assets filed by the Company with bank are in agreement with the books of accounts. It is repayable on demand and carries a floating interest rate.
- 20(e) The company has availed Export packing credit from HDFC Bank and ICICI Bank. This facility is granted the Exporter Company for Financing its working capital needs as a Sub limit to Cash Credit which is eligible for interest Subvention of 3% .

20(f)	Loan from Director*	Balance as on 31.03.2023	Balance as on 31.03.2022
	Name of the Director		
	Devendra Surana	264.27	-
	<b>Total</b>	<b>264.2</b>	<b>-</b>

20(g)	Loan from Associate Companies*	Balance as on 31.03.2023	Balance as on 31.03.2022
	Name of the company		
	Surana Infocom Pvt LTD	123.03	-
	<b>Total</b>	<b>123.03</b>	<b>-</b>

\*Unsecured Loan have been taken for business purpose at a mutually agreed rate of interest. There is no specific repayment Schedule

## Notes forming part of the Consolidated Financial Statements

**Note: 21**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Trade Payables	Sub note	Balance as on 31.03.2023	Balance as on 31.03.2022
<b>Unsecured</b>			
- Total Outstanding dues of Micro and Small Enterprises		12.14	-
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises		3,834.06	2,039.82
Outstanding dues to related parties	21(a)	4.70	579.27
<b>TOTAL</b>		<b>3,850.90</b>	<b>2,619.09</b>

**Trade payable ageing schedule**

As at March 31, 2023	Outstanding for following periods from due date of payment				
Undisputed Outstanding Dues	> 1 year	1-2 year	2-3 year	< 3 Year	Total
- Total Outstanding dues of Micro and Small Enterprises	12.14	-	-	-	12.14
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises	3,750.59	82.35	5.81	-	3,838.76

As at March 31, 2022	Outstanding for following periods from due date of payment				
Undisputed Outstanding Dues	> 1 year	1-2 year	2-3 year	< 3 Year	Total
- Total Outstanding dues of Micro and Small Enterprises					-
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises	2,515.49	91.96	11.62	-	2,619.08

- a. All the Trade payable are Unsecured
- b. There are no disputed trade payables in the current and previous year.
- c. **Terms and conditions of the above financial liabilities:**  
 Trade payables are non-interest bearing and are normally settled on 30-120 day terms.  
 For explanations on the Company's credit risk management processes.
- d. No Debts due to Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member except as mentioned below

**Notes:**

21(a)	Payable to Related Party	Balance as on 31.03.2023	Balance as on 31.03.2022
	<b>Name of the company</b>		
	Surana Solar Limited	-	282.99
	Surana Solar Systems Pvt Limited	4.70	296.28
	<b>Total</b>	<b>4.70</b>	<b>579.27</b>

**Note: 22**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Other Financial Liabilities	As at 31.03.2023	As at 31.03.2022
(a) Unclaimed Dividends	-	2.58
(b) Security Deposits	29.20	29.20
<b>TOTAL</b>	<b>29.20</b>	<b>31.78</b>

**Notes:**

- 22 a. Unpaid Dividend: Section 124 of the Companies Act, 2013 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to Investor Education & Protection Fund (IEPF). Accordingly, dividend of 2.58 lakhs pertaining to FY 2014-15, has been transferred to IEPF Account.



## Notes forming part of the Consolidated Financial Statements

**Note: 23**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Other Current Liabilities	As at 31.03.2023	As at 31.03.2022
Advance from Customers	1,422.65	638.86
Statutory Dues Payable	79.12	51.15
<b>TOTAL</b>	<b>1,501.77</b>	<b>690.01</b>

**Note: 24**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Provisions	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits-Bonus	13.00	13.00
Liability For Expense	168.55	112.77
<b>TOTAL</b>	<b>181.55</b>	<b>125.77</b>

**Note: 25**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Revenue from Operations	For the Year 31.03.2023	For the Year 31.03.2022
(a) Sale of Products		
Copper Products	2,15,257.81	1,80,901.25
Sale of Wind Power	459.33	450.36
<b>SUB - TOTAL</b>	<b>2,15,717.14</b>	<b>1,81,351.61</b>
Less: Inter-Unit Sales		
<b>GROSS SALES</b>	<b>2,15,717.14</b>	<b>1,81,351.61</b>
Less: Sales Tax/ GST	31,139.85	24,113.52
<b>NET SALES</b>	<b>1,84,577.29</b>	<b>1,57,238.08</b>
(b) Property Leasing and Sales	81.78	125.38
<b>TOTAL</b>	<b>1,84,659.07</b>	<b>1,57,363.46</b>

**Note: 26**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Other Income	For the Year 31.03.2023	For the Year 31.03.2022
(a) Interest Income		
Interest on Loans, Deposits and Others	69.58	21.72
(b) Profit on Sale of Sundry Assets	1.40	42.91
(c) Miscellaneous Income	11.46	1.22
(d) Balances no Longer Payable Written Back	10.81	11.65
<b>TOTAL</b>	<b>93.25</b>	<b>77.50</b>

**Note: 27**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Cost of Raw Materials and Components Consumed	For the Year 31.03.2023	For the Year 31.03.2022
Opening Stock Raw Materials	6,397.97	4,696.90
Add: Purchases net of GST	1,77,294.82	1,50,171.12
Less: Closing Stock Raw Materials	6,713.05	6,397.97
Less: Closing Stock Material in Transit	679.17	-
<b>Raw Material Consumed</b>	<b>1,76,300.57</b>	<b>1,48,470.05</b>

## Notes forming part of the Consolidated Financial Statements

**Note: 28**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

(Increase)/Decrease in Inventories	For the Year 31.03.2023	For the Year 31.03.2022
Opening Stock WIP	4,082.17	3,853.83
Less: :Closing Stock WIP	6,548.54	4,082.17
Less: Closing Stock Finished Goods	567.78	-
(Increase)/Decrease in Stock	(3,034.14)	(228.35)

**Note: 29**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Employee Benefits Expense	For the Year 31.03.2023	For the Year 31.03.2022
Salaries, Wages and Other Employee Benefits	1,054.53	894.05
Contribution To Provident And Other Funds	174.79	90.20
<b>TOTAL</b>	<b>1,229.32</b>	<b>984.25</b>

**Note: 30**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Finance Costs	For the Year 31.03.2023	For the Year 31.03.2022
Interest Expense		
Cash Credit & Others	909.64	776.39
Unsecured Loan	233.77	145.05
Long Term Loan	276.17	181.68
Financial Charges	102.45	79.62
<b>TOTAL</b>	<b>1,522.02</b>	<b>1,182.74</b>

**Note: 31**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Depreciation and Amortisation Expenses	For the Year 31.03.2023	For the Year 31.03.2022
Depreciation	589.19	568.86
Amortisation Expenses - Lease Rent	3.60	3.60
<b>TOTAL</b>	<b>592.79</b>	<b>572.46</b>

**Note: 32**

(All amounts are in Indian Rupees (lakhs) except share data and where otherwise stated)

Other Expenses	For the Year 31.03.2023	For the Year 31.03.2022
Consumption Of Stores And Spare Parts	600.80	444.49
Processing & Conversion Charges	85.78	123.89
Power And Fuel	3,351.75	2,483.64
Rent	27.36	26.67
Repairs		
Buildings	65.88	45.17
Machinery	1,265.73	918.02
Others	56.21	68.74
Insurance	92.44	71.19
Rates And Taxes	31.95	31.25
Packing And Forwarding	647.79	487.63
Advertisement And Sales Promotion	17.16	34.81
Travelling & Conveyance	96.37	37.42
Corporate Social Responsibility Expense	23.31	13.11
Director's Sitting Fees	3.12	2.88
Payments To The Auditor for Statutory Audit	5.60	4.60

## Notes forming part of the Consolidated Financial Statements

Other Expenses	For the Year 31.03.2023	For the Year 31.03.2022
for Tax Audit	0.70	0.70
for Taxation/Other Matters	0.70	0.70
for Reimbursement Of Expenses	0.40	0.40
Other Miscellaneous Expenses	320.77	323.00
<b>TOTAL</b>	<b>6,693.81</b>	<b>5,118.30</b>

Other Miscellaneous Expenses	For the Year 31.03.2023	For the Year 31.03.2022
Post.Tel & Telephone	10.38	10.50
Legal & Licence Fees	11.35	11.58
Commission On Sales/Purchases	58.30	60.57
Professional Charges	40.67	37.83
Sundry Balances Written Off	13.62	17.59
Agm & Board Expenses	0.13	0.16
Water Charges	10.07	16.89
Office Maintenance	9.95	11.48
Testing Charges	0.03	0.40
Watch & Ward	123.92	110.81
Books & Periodicals	0.15	0.14
Donation	1.13	0.78
Weighment Charges	1.83	2.87
Listing Fees	5.60	5.40
Membership & Subscription	12.52	17.67
Other.Expenses	5.53	5.33
Printing & Stationery	9.01	6.76
Software Development Charges	6.28	5.87
Filing Fees	0.30	0.38
<b>TOTAL</b>	<b>320.77</b>	<b>323.00</b>

### 33) Related party transactions

#### a. List of Related Parties:

- i. **Subsidiary Company (Wholly Owned)** : Bhagyanagar Copper Pvt Limited

#### Key Managerial Personnel & their relatives:

- (i) Narender Surana
- (ii) Devendra Surana
- (iii) N.C.Bhardwaj (Whole Time Director)
- (iv) Rakesh kumar Agarwal(Whole Time Director)
- (v) Manish Surana
- (vi) Namrata Surana
- (vii) Nivriti Sanket Jain
- (viii) Advait Surana
- (ix) Surendra Bhutoria (CFO)
- (x) Srinivas Dudam (CS – Until 20.08.22)
- (xi) Lalit Kumar Thanvi (CS – From 14.02.23)

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

- (i) Surana Solar Systems Private Limited
- (ii) Surana Infocom Private Limited
- (iii) Surana Telecom and Power Limited

## Notes forming part of the Consolidated Financial Statements

(iv) Surana Solar Limited

(v) Tejas India Solar Energy Private Limited

### A. List of Transactions Occurred during the year are as follows:

Amount in Lacs (INR)

Related Party	Nature of transaction	2022-23	2021-22
Surana Solar Limited	Purchase Of SPV Modules	-	-
Surana Solar Limited	Purchase of copper scrap	-	1235.14
Surana Solar Limited	Sale of Aluminum Scrap	-	0.54
Surana Solar System private Limited	Purchase of solar power	202.07	131.15
Surana Infocom Private Limited	Interest Expense	24.23	7.40
Surana Telecom & Power Limited	Interest Expense	81.93	112.93
Devendra Surana	Interest Expense	117.10	24.71
Tejas India Solar Private Limited	Purchase of Solar Modules	-	15.68
Rakesh Agarwal	Salary-WTO	30.28	26.45
Devendra Surana	Salary -MD	108.00	108.00
Surendra Bhutoria	Salary -CFO	23.70	22.26
N C Bhardwaj	Salary - WTD	17.58	15.57
Namrata Surana	Salary	19.80	18.00
Bhagyanagar Ventures Pvt Limited	Lease Rent Paid	8.22	8.21
Nivriti Sanket Jain	Salary	21.60	15.10
Advait Surana	Salary	10.80	-
Manish Surana	Salary	16.92	-
Srinivas Dudam (till 20.08.22)	Salary - CS	5.90	8.88
Lalit Kumar Thanvi (From 14.02.23)	Salary - CS	1.54	-
GM Surana Foundation Trust	CSR Expenditure	1.21	-

### B. List of Transactions Occurred during the year are as follows:

Balance Outstanding	Nature of transaction	2022-23	2021-22
Surana Solar Limited	Trade Payable	-	282.99
Surana Solar Systems Pvt Limited	Trade Payable	4.70	296.28

### C. Details of Loan given and recovered with the related parties during the year:

	Opening Balance	1113.02	667.97
	Loan taken	609.79	2522.13
	Repaid during the Year	-	2077.10
	Closing Balance	1722.81	1113.01
	Opening Balance	186.71	593.49
	Loan taken	4297.39	528.91
	Repaid during the Year	2922.09	935.69
	Closing Balance	1562.01	186.71

## Notes forming part of the Consolidated Financial Statements

<b>Surana Infocom Private Limited</b>	Opening Balance	-	-
	Loan taken	1562.01	-
	Repaid during the Year	1097.79	-
	Closing Balance	123.03	-

(\*) There are multiple transactions with the party. The amount represents net balance of multiple transactions during the year.

### 34) Disclosure required under Section 186(4) of the Companies Act 2013

In the opinion of Board of Directors and to the best of their knowledge and belief, the above disclosure pursuant to Securities Exchange Board Of India (Listing Obligation and Disclosure Requirement and Regulation 2015) and Section 186 of the Companies Act 2013.

35) 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.

36) The Company is primarily engaged 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.

### 37) Auditors' Salary includes:

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Statutory Auditors</b>		
Audit Fees	5.60	4.60
Certification & Other Services	1.80	1.80
<b>Total</b>	<b>7.40</b>	<b>6.40</b>

### 38) Sitting Fee to Directors

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Sitting Fee to Directors</b>	3.12	2.88

### 39) TAX Expenses

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Current Tax</b>		
Current Tax Expense for the Year	362.58	333.67
<b>Deferred Tax</b>		
Deferred Tax Liability/(Asset)	23.92	(67.52)
MAT Credit entitlement for current year	48.40	(48.72)
Excess MAT Credit Reversed	-	15.90
<b>Total Income Tax Expense</b>	<b>434.90</b>	<b>233.33</b>

### 40) Reconciliation of estimated income tax expenses at Indian statutory income tax rates to income tax expenses reported in statement of profit and loss:

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Income before taxes	1447.94	1341.52
Effective Tax Rate	22.41%	23.33%
Estimated Income Tax Expense	<b>324.51</b>	<b>312.99</b>
Add: Effect of non-deductible expenses	<b>93.28</b>	113.75
(Less):Effect of allowances for tax purpose	(55.20)	(93.07)
Add/(Less): Effect of deferred tax	23.91	(67.52)

## Notes forming part of the Consolidated Financial Statements

Add/(Less): Effect of MAT Credit	48.40	(32.80)
Tax Expense in Statement of Profit and Loss	<b>434.90</b>	<b>233.33</b>

### 41) Net Debt Reconciliation

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Opening Balances of Borrowings	<b>4734.19</b>	<b>3270.00</b>
Add: Proceeds from Non Current Borrowings	<b>1102.54</b>	<b>1464.19</b>
Less: Repayment of Non Current Borrowings	-	-
Closing Balance of Borrowings	<b>5836.73</b>	<b>4734.19</b>

- 42) As per Section 135 of the Companies Act, 2015, a CSR committee has been formed by the company. The disclosure in respect of CSR Expenditure during the year as aligned with the CSR Policy of the Company which is in line with the activities specified in Schedule VII of the Companies Act, 2013 is as under: Amount Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Gross amount required to be spent by the Company during the year	13.11	-
Related Party Transaction as per Ind AS 24 in relation to CSR activities (Refer note: 33)		-
GM Surana Trust	1.21	
Others	12.05	

Amount Lacs (INR)

Particulars	Amount Paid	Amount yet to be paid	Amount Paid	Amount yet to be paid
	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
(i) Construction/ acquisition of any asset	-	-	-	-
(ii) Purposes other than (i) above	<b>13.11</b>	-	-	-
<b>TOTAL</b>	<b>13.11</b>	-	-	-

Nature of CSR activities undertaken by the company	1. "Rural Development" - "Integrated Village Development (IVD) Project" 2. "Promoting Healthcare including preventive health care – Health Project"	1. "Rural Development" - "Integrated Village Development (IVD) Project" 2. "Promoting Healthcare including preventive health care – Health Project" 3. Promoting Education 4. Environmental Sustainability 5. Animal Welfare
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### CSR Movement

Amount Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Opening Balance	<b>13.11</b>	-
Gross amount required to be spent by the Company during the year	<b>13.11</b>	-
Actual Spent	<b>13.26</b>	-
(Excess)/Short Spent	<b>(0.15)</b>	-

- 43) The information regarding amounts due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006, has been given to the extent available with the Company based on the intimation received from the suppliers regarding their status under the Act. The required disclosures of outstanding dues of micro, small & medium enterprises are as under:

## Notes forming part of the Consolidated Financial Statements

Amount Lacs (INR)

SI No	Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
a)	Principal amount remaining unpaid as at 31st March	12.14	-
b)	Interest amount remaining unpaid as at 31st March	-	-
c)	Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e)	Interest accrued and remaining unpaid as at 31st March	-	-
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

### 44) Earnings Per Share (EPS)

Amount Lacs (INR)

Particulars	2022-23	2021-22
Net Profit after Tax	1013.04	1108.19
Net Profit after Tax available for equity shareholders - For Basic and Diluted EPS	1013.04	1108.19
Weighted Average No. Of Equity Shares For Basic EPS (No.)	3,19,95,000	3,19,95,000
Weighted Average No. Of Equity Shares For Diluted EPS (No.)	3,19,95,000	3,19,95,000
Nominal Value of Equity Shares	2/-	2/-
Basic Earnings Per Equity Share	3.17	3.46
Diluted Earnings Per Equity Share	3.17	3.46

### 45) Contingent Liabilities and Commitments (to the extent not provided for)

Amount Lacs (INR)

Particulars	As at 31-03-2023	As at 31-03-2022
Contingent Liabilities	179.66	184.78
Commitments:		
Guarantees issued by banks	709.50	645.00
Corporate Guarantee given for Wholly-Owned Subsidiary – BCPL	8187.44	6859.74

Note: TSSPDCL has raised a demand of Rs.154.65Lacs for previous years when the company was not under the control of current management. The demand is being contested and has been stayed by the Honorable High Court of Telangana.

### 46) Segment Reporting:

#### Factors used to identify the reportable segments:

The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information:

SI No.	Reportable segments	Product/Service
1.	Manufacturing of Copper Products	Copper Products
2.	Wind Power	Generation of Wind Power Energy

Particulars	Copper Products		Renewable Energy		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022



## Notes forming part of the Consolidated Financial Statements

REVENUE						
External Sales	1,84,120.65	1,56,791.69	456.64	446.40	1,84,577.29	1,57,238.09
Other Operating income	-	-	-	-	81.78	125.38
Total Revenue		<b>1,56,791.69</b>		<b>446.40</b>	<b>1,84,659.07</b>	<b>1,57,363.46</b>
RESULTS						
Segment results	3473.94	2850.57	72.78	57.93	3546.72	2908.50
Unallocable income/Expenses					(576.75)	(384.23)
Operating Profit					2969.97	2524.27
Interest Expenses					1522.02	1182.74
Profit from Ordinary Activities					1447.96	1341.52
Net Profit					<b>1013.03</b>	<b>1108.57</b>
Other Information						
Segment Assets	39240.17	31881.56	963.63	1,172.03	40203.80	33053.59
Unallocable Assets					2213.39	2,086.65
Total Assets					<b>42417.19</b>	<b>35140.24</b>
Segment Liabilities	27601.62	21343.22	42.22	29.11	27643.84	21372.33
Unallocable Liabilities					9.24	16.64
Total Liabilities					<b>27653.08</b>	<b>21388.97</b>
Capital Expenditure	908.65	159.77	-	-	908.65	159.77
Unallocable Capital Expenditure					-	-
Total Capital Expenditure	<b>908.65</b>	<b>159.77</b>			908.65	159.77
Depreciation	326.51	279.10	217.56	236.52	544.07	515.62
Unallocable Depreciation					48.71	56.84
Total Depreciation					<b>592.78</b>	<b>572.46</b>

### 47) Retirement and Other Employees Benefits

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

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the Profit & Loss account in the year in which they accrue. Gratuity liability is a defined benefit obligation and is based on the actuarial valuation done. The gratuity liability and the net periodic gratuity cost is actually determined after considering discounting rates, expected long term return on plan assets and increase in compensation level. All actuarial gain/ losses are immediately charged to the Profit & Loss account and are not deferred.

A	Expenses recognized in the Profit & Loss Account		
	Particulars	Gratuity	
		2022-23	2021-22
	Current service cost	18.32	9.87
	Interest cost	13.80	12.21
	Expected Return on Planned Assets	8.78	6.59
	Net Actuarial Loss/ (Gain) recognized in the year	(1.44)	(15.27)
	Expenses recognized in Statement of Profit & Loss	<b>28.53</b>	<b>0.22</b>
<b>B Change in Present value of obligation during the year ended 31st March, 2023</b>			
	Particulars	Gratuity	
		2022-23	2021-22
	Present Value of obligation as at beginning of the year	196.28	174.43
	Interest Cost	13.80	12.21
	Current Service Cost	18.32	9.87
	Benefits Paid-Actuals	(17.60)	(6.87)
	Actuarial (Gain)/ Loss on Obligations	2.32	(15.27)

## Notes forming part of the Consolidated Financial Statements

	Present Value of obligation as at end of the year	216	174.37
<b>C</b>	<b>Change in fair value of Plan Assets during the year ended 31st March, 2023</b>		
	<b>Particulars</b>	<b>Gratuity</b>	
		<b>2022-23</b>	<b>2021-22</b>
	Fair value of Plan Assets as at the beginning of the year	130.95	98.21
	Expected Return on Plan Assets	8.78	6.60
	Contributions	10.12	12.01
	Benefits Paid	(17.60)	(6.87)
	<b>Fair value of Plan Assets as at the end of the year</b>	<b>132.26</b>	<b>109.95</b>
<b>D</b>	<b>Actuarial Gain/ loss recognized</b>		
	<b>Particulars</b>	<b>Gratuity</b>	
		<b>2022-23</b>	<b>2021-22</b>
	Actuarial (Gain) / Loss for the year –Obligation	2.32	15.27
	Total Loss for the Year	-	15.27
	Actuarial (Gain) / Loss recognized in the year	2.32	15.27
			-
<b>E</b>	<b>Actuarial assumption</b>		
	<b>Particulars</b>	<b>Gratuity</b>	
		<b>2022-23</b>	<b>2020-21</b>
	Discount rate used	7.25%	7.00%
	Salary escalation	6.00%	6.00%

- 48) Income tax assessment of the company, "Bhagyanagar Copper Private Limited" for the assessment year 2021-22 was completed on December 30, 2022, and the department has raised a demand for Rs. 66.42 crore on some unreasonable grounds. The company has appealed against it to the Commissioner of the Income Tax (Appeals) and a petition for review of order/ stay of demand has also been filed before the High-Pitched Assessment Committee. The company has been advised by the legal experts that it has a strong/ solid case, and hence, no provision has been made in the books of accounts.
- 49) Note No.15 (a) of the accompanying standalone financial results which refers that the GST authorities conducted an investigation and on the insistence of the authorities, the company has deposited an amount of Rs.800 lakhs with GST Department under protest and shown in financial statements under the head "Current Assets". The company has not received any show cause notice till date. The company has been advised by the legal experts that it has fair chance of ultimately succeeding in the matter and accordingly no provision has been made in the books of accounts.
- 50) **Sales (Gross) during the year:**

Sl.No.	Particulars	2022-23		2021-22	
		Qty (MTs)	Amount (Rs.in Lac)	Qty(MTs)	Amount (Rs. in Lac)
i	Copper	24613.786	206412.629	21764.886	176916.42
ii	By-Products		8269.730		3458.33
iii	Wind-Power		459.33		450.35
iv	Job Work Charges	2743.366	575.46	2299.989	526.50
	<b>TOTAL</b>	<b>27357.152</b>	<b>215717.14</b>	<b>24064.875</b>	<b>181351.60</b>

- 51) **Raw material consumed during the year:** Amount in Lacs (INR)

Sl.No.	Particulars	2022-23	2021-22
i	Copper/ Copper Scrap	1,69,353.82	146170.28
ii	Others	3,912.61	2071.42
	<b>TOTAL</b>	<b>1,73,266.43</b>	<b>148241.70</b>

## Notes forming part of the Consolidated Financial Statements

### 52) Details of imported and indigenous raw materials, spares and packing materials consumed:

Amount in Lacs (INR)

Particulars	2022-23		2021-22	
	Value	% of Total Consumption	Value	% of Total Consumption
Raw materials & Components				
(a) Imported	43115.04	24.89	48909.14	33.00
(b) Indigenous	130151.39	75.11	99332.56	67.00
<b>TOTAL</b>	<b>173266.43</b>	<b>100.00</b>	<b>148241.70</b>	<b>100.00</b>
Stores & Spare Parts (including consumed for repair)				
(a) Imported	471.35	35.46	566.76	27.79
(b) Indigenous	857.93	64.54	1472.88	72.71
<b>TOTAL</b>	<b>1329.28</b>	<b>100.00</b>	<b>2039.60</b>	<b>100.00</b>

### 53) CIF Value of Imports

Amount in Lacs (INR)

Particulars	2022-23	2021-22
Raw material / Traded Goods	43115.04	48909.14
Stores & Spares	471.35	566.72
<b>Total</b>	<b>43586.39</b>	<b>49475.86</b>

### 54) Earning in Foreign Currency

Particulars	2022-23	2021-22
FOB value of Export sale of goods	32195.76	42330.05
<b>Total</b>	<b>32195.76</b>	<b>42330.05</b>

### 55) Financial Instruments and Risk management

The fair value of financial assets and liabilities is included in the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The fair value of trade receivable, trade payable and other current financial assets and liabilities is considered to be equal to the coiling value amounts of these items due to their short term nature. Where such items are non-current in nature the same has been classified as level 3 and fair value determine using discounted cash value basis.

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximates of fair values:

Particulars	Carrying value		Fair value	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Other Financial Assets	179.20	145.55	179.20	145.55
Total Financial Assets	179.20	145.55	179.20	145.55
Borrowings	5836.73	4734.18	5836.73	4734.18
Total Financial Liabilities	5836.73	4734.18	5836.73	4734.18

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the 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 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

## Notes forming part of the Consolidated Financial Statements

- c) Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

### 56) Financial risk management objectives and policies

The Company's principal financial liabilities other than derivatives comprise long-term and short-term borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets other than derivatives include trade and other receivables, cash and cash equivalents and deposits that derive directly from its operation.

The Company is exposed to market, credit, liquidity and regulatory risks. The Company does not have any foreign Currency Liabilities; therefore, the exchange fluctuation risk is negligible. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

#### 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 three types of risk: commodity risk, interest rate risk and foreign currency risk.

##### (i) Commodity Price Risk

The principal commodity of the company, which is copper, is fully hedged, insulating it from any price risk.

##### (ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rate relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Further, the Company has foreign currency risk on import of input materials, capital commitment and also borrow funds in foreign currency for its business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies, for the remaining exposures to foreign exchange risks, the Company adopts a policy of selective hedging based on risk perception of management using derivative, whenever required, to mitigate or eliminate the risks.

##### (iii) Interest Rate risk

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. It maintains a balance of fixed and floating interest rate borrowings and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates.

#### B. Credit Risk

Financial Asset of the Company include trade receivables, employee advances and bank deposits which represents Company's maximum exposure to the credit risk.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payment and other relevant factors. The Company's exposure to credit risk is influence mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associated with the industry and country in

## Notes forming part of the Consolidated Financial Statements

which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. with respect to other financial risk Viz loan and advances , deposit with government, the credit risk is insignificant since the loans and advances are given to its employees only and deposits are held with reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

### C. Regulatory Risks

The Company performance may be impacted due to change in Regulatory Environment. The Company is closely monitoring the regulatory developments and risks thereof and proactively implementing course correction for proper compliance commensurate with new regulatory requirements.

### D. Liquidity Risk

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

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

Amount in Lacs (INR)

Year Ended	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total
<b>31-Mar-23</b>	-	<b>16170.17</b>	<b>5836.73</b>	-	<b>22006.90</b>
<b>Borrowings</b>					
<b>31-Mar-22</b>	-	13188.18	4425.86	308.33	17922.37
<b>Borrowings</b>					

### 57) 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 (Excluding Loans from Holding Co.), trade and other payables, less cash and cash equivalents

Amount Lacs (INR)

Particulars	31-Mar-23	31-Mar-22
Borrowings -Non-Current	5836.73	4734.18
Borrowings - Current	16170.18	13188.13
Other Payables	5563.42	3466.65
Less: Cash and Cash Equivalents	115.02	1189.86
<b>Net Debt (A)</b>	<b>27455.31</b>	<b>20199.10</b>
Equity Share capital	639.90	639.90
Other Equity	14124.41	13111.37
<b>Total Capital (B)</b>	<b>14764.31</b>	<b>13751.27</b>
<b>Capital and Net debt (A+B)</b>	<b>42219.62</b>	<b>33950.37</b>
<b>Gearing ratio (in %)</b>	<b>65.02</b>	<b>59.49</b>

In order to achieve this overall objective, the Company's capital management, amongst other things including working capital management, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

## Notes forming part of the Consolidated Financial Statements

### 58) Ratio analysis and its elements.

Ratio	Numerator	Denominator	March 31,2023	March 31,2022	% Change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.57	1.64	(4.06)	-
Debt-Equity Ratio	Long Term Debt	Shareholder's Equity	0.40	0.34	14.83	-
Debt Service Coverage Ratio	Earning for debt service = Net profit before taxes + non-cash operating expenses + Finance Costs	Debt service = Interest & lease payments + Principal repayments	1.62	1.74	(6.63)	-
Return on Equity ratio(%)	Net profit after taxes	shareholder's equity.	6.86	8.06	(14.89)	-
Inventory Turnover Cycle(No.of days)	Inventory	Net Sales	29	24	17.97	-
Trade receivables turnover Cycle(No.of days )	Trade Receivables	Gross Sales	20	20	-	-
Trade payables turnover Cycle(No.of days )	Trade Payables	Net Purchases	8	6	24.54	-
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working Capital = Current assets - Current liabilities	14.80	14.75	0.36	-
Net Profit Ratio(%)	Net profit after taxes	Net Sales = Total sales - Sales return	0.55	0.70	(22.13)	-
Return on capital employed(%)	Earnings before interest, Depreciation and taxes	Capital employed = Total Assets – Current Liabilities	17.29	16.75	3.22	-

### 59) Other Statutory Information

#### A. RELATIONSHIP WITH STRUCK OFF COMPANIES

The company do not have any transactions with company's struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March, 2023 (Previous year: Nil).

#### B. DISCLOSURE IN RELATION TO UNDISCLOSED INCOME

The company do not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31st March, 2023 and also for the year ended 31st March, 2022 in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

#### C. DETAILS OF BENAMI PROPERTY HELD

The Company do not hold any property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, hence there are no proceedings against the company for the year ended 31st March, 2023 and also for the year ended 31st March, 2022.

#### D. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

The Company do not have any charges or satisfaction, which are yet to be registered with ROC beyond the statutory period, during the year ended 31st March, 2023 and also during the year ended 31st March, 2022.

#### E. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The company have not traded or invested in crypto currency or virtual currency during the year ended 31st March, 2023 and also during the year ended 31st March, 2022.

#### F. UTILISATION OF BORROWED FUND AND SHARE PREMIUM

The company have not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (intermediaries) with the understanding that the intermediary shall: (a) directly or indirectly lend or

## Notes forming part of the Consolidated Financial Statements

invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The company have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**G.** The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- 60) **Confirmation letters** of majority of balances under the heads Trade Payables, Claims Recoverable, Loans & Advances, Trade Receivables and Deposits from and with various parties/ Government Departments have been sent but in number of cases such confirmation letters from the parties are yet to be received.
- 61) Previous year's figures have been regrouped and rearranged, wherever found necessary.

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

**For Luharuka & Associates**

Chartered Accountants,  
Firm Reg No.01882S

**Naveen Lohia**

Partner  
M. No. 214548

Place: Secunderabad,  
Date :May 27, 2023

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

**Narender Surana**

Managing Director  
DIN: 00075086

**Surendra Bhutoria**

Chief Financial Officer

**Devendra Surana**

Managing Director  
DIN: 00077296

**Lalit Kumar Thanvi**

Company Secretary  
M.No. A62058



**Form AOC - 1**

**(Pursuant to First proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures

**Part "A": Subsidiaries**

1	Name of the Subsidiary	<b>Bhagyanagar Copper Pvt Limited (Earlier known as Aanvik Mecantile Private Limited)</b>
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N/A
4	Share Capital	2,000
5	Reserves & Surplus	1,288
6	Total Assets	16,071
7	Total Liabilities	12,783
8	Investments	-
9	Turnover	51,225
10	Profit before taxation	641
11	Provision for taxation	-
12	Profit after taxation	641
13	Proposed Dividend	-
14	% of shareholding	100.00%

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

**For Luharuka & Associates**

Chartered Accountants,  
Firm Reg No.01882S

**Naveen Lohia**

Partner

M. No. 214548

Place: Secunderabad,

Date :May 27, 2023

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

**Narender Surana**

Managing Director

DIN: 00075086

**Surendra Bhutoria**

Chief Financial Officer

**Devendra Surana**

Managing Director

DIN: 00077296

**Lalit Kumar Thanvi**

Company Secretary

M.No. A62058



# **BHAGYANAGAR COPPER PRIVATE LIMITED**

(Formerly Aanvik Mercantile Private Limited)

## **FINANCIAL STATEMENTS 2022-23**



## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF  
BHAGYANAGAR COPPER PRIVATE LIMITED  
(EARLIER 'AANVIK MERCANTILE PRIVATE LIMITED')  
Report on the Audit of Financial Statements**

### Opinion

We have audited the accompanying financial statements of **BHAGYANAGAR COPPER PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, 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 Financial Statements, including the summary of the significant accounting policies and other explanatory information ("The Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2023, of total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities 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 (ICAI) together with the ethical requirements that are relevant to our Audit of the Financial Statements under the provision of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Emphasis of matter

We draw attention to the following matters:

- (a) Note No. 53 of the accompanying Financial Statements wherein, balances under the head Claims Recoverable, Loans & Advances, Deposits from and with various parties and certain balances of trade receivables, trade payables and other current liabilities have not been confirmed as at March 31, 2023, although letters have been sent by the Company seeking confirmation of balances. Consequential  

impact upon receipt of such confirmation / reconciliation / adjustments of such balances, if any is not ascertainable at this stage.
- (b) Note No.42 of the accompanying notes to accounts of the financial statements which describes income tax assessment in the company for the A.Y. 2021-2022 which was completed and the department has raised a demand of Rs. 66.42 Crores against which the company has filed an appeal to the Commissioner of Income Tax Appeal. The company has been advised by the legal experts that it has fair chance of ultimately succeeding in the matter and accordingly no provision has been made in the books of accounts.

### Key Audit Matters

1. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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:



Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p>1. Accuracy and completeness of revenue recognized.</p> <p>Refer to note 21 to the Financial Statements the Company reported revenue of Rs.51224.89 Lakhs from sale of copper products. The application of revenue recognition accounting standards is complex and involves a number of key judgments and estimates. Due to the estimates and judgment and complexity involved in the application of the revenue recognition accounting standards, we have considered this matter as a key audit matter. The Company's accounting policies relating to revenue recognition are presented in note 12 to the financial statements.</p>	<p>We addressed the Key Audit Matter as follows :-</p> <ol style="list-style-type: none"> <li>As part of our audit, we understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition and evaluated the design and operating effectiveness of the financial controls from the above through our test of control procedures.</li> <li>Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof.</li> <li>Review the company's judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.</li> <li>Tested a sample of sales transactions for compliance with the Company's accounting Principles to assess the completeness and accuracy of revenue recorded.</li> <li>We evaluated the management's process to recognize revenue over a period of time, total cost estimates, status of the projects and re-calculated the arithmetic accuracy of the same.</li> <li>Evaluated management assessment of the impact on revenue recognition.</li> <li>We examined contracts with exceptions including contracts with low or negative margins, loss making contracts, etc to determine the level of provisioning.</li> <li>Our tests of detail focused on transactions occurring within proximity of the year end and obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents. We considered the appropriateness and accuracy of any cut-off adjustments.</li> <li>Performed analytical procedures over revenue and receivables. Compared revenue with historical trends and where appropriate, conducted further enquiries and testing.</li> <li>Traced disclosure information to accounting records and other supporting documentation.</li> <li>Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.</li> <li>Our Observation: Based on the audit procedures performed we did not identify any material exceptions in the revenue recognition.</li> </ol>
<p>1. Valuation of Inventories.</p> <p>Refer to note 7 to the Financial Statements, the Company is having the Inventories of Rs.5598.01 Lakhs as on 31st March 2023. As described in the accounting policies in note 1 to the financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory.</p>	<p>We addressed the Key Audit Matter as follows :-</p> <p>We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions and management assertion regarding existence and ownership by:-</p> <ol style="list-style-type: none"> <li>Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</li> <li>Verifying the effectiveness of key inventory controls operating over inventories;</li> <li>Reviewing the physical verification documents related to inventories conducted during the year.</li> <li>Verifying for a sample of individual products that costs have been correctly recorded.</li> <li>Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.</li> <li>Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.</li> <li>Re-computing provisions recorded to verify that they are in line with the Company policy.</li> <li>Our Observation: Based on the audit procedures performed we did not identify any material exceptions in the Inventory valuation and existence.</li> </ol>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rule, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibilities for the Audit of Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.

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**

- 1) As required by the Companies (Auditor's Report) Order, 2023 (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.
- 2) As required by section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
  - e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its Notes to the Financial Statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on March 31, 2023 .
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

- (iv) a) The Management of the company have represented to us, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from the borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries;
  - b) The Management of the Company have represented to us, to the best of the knowledge and belief, no funds have been received by the company from any person or entity, including foreign entity ("Funding parties") with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company, nothing has come to our notice that has caused us to believe that the representations are under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- 3) The company has not declared any dividend in the previous financial year which has been paid in current year. Further, no dividend has been declared/ proposed for the current year accordingly the section 123 of the Act is not applicable to the company.
  - 4) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Naveen Lohia  
(Partner)

Place : Secunderabad  
Date : 26<sup>th</sup> May, 2023

Membership No.214548  
UDIN: **23214548BGWOPK3812**





## **ANNEXURE “A “TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **BHAGYANAGAR COPPER PRIVATE LIMITED (EARLIER ‘AANVIK MERCANTILE PRIVATE LIMITED’)** of even date)

**Report on the Internal Financial Controls Over Financial Reporting 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 Financial Statements of **BHAGYANAGAR COPPER PRIVATE LIMITED (EARLIER ‘AANVIK MERCANTILE PRIVATE LIMITED’)** (“the Company”) as of 31 March, 2023 in conjunction with our audit of the 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.

### **Auditor’s Responsibility**

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

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

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Secunderabad  
Date: 26th May, 2023

Naveen Lohia  
(Partner)  
Membership No.214548  
UDIN: **23214548BGWOPK3812**



## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members BHAGYANAGAR COPPER PRIVATE LIMITED (EARLIER 'AANVIK MERCANTILE PRIVATE LIMITED') of even date)**

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the company's Property, Plant and Equipment and intangible assets-
- a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i) (a) (B) of the Order is not applicable to the Company.
  - b) The Property, Plant and Equipment have been physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies have been 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 properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) included in Property, Plant and Equipment are held in the name of company.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) or intangible assets during the year ended March 31, 2023. Accordingly the reporting under clause 3(i)(d) of the order is not applicable to the company.
  - e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition Benami Transactions Act, 1988 (as amended in 2016) (formerly the benami transactions (prohibition) Act, 1988 (45 of 1988) and rules made thereunder and therefore the question of our commenting on whether the company appropriately disclosed the details in its financial statements does not arise.
- (ii) **In the respect of matters specified in clause (ii) of paragraphs 3 the order :**
- (a) As explained to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such verification.
  - (b) As disclosed in notes to the financial statements, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly statement returns with such banks which are in agreement with the books of accounts of the Company.
- (iii) During the year, the Company has not made any investments, not provided any loans, advances in the nature of loans, stood guarantee or provided security to any companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii) of the Order to such extent is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no investments, loan, guarantees and securities given in respect of which the provisions of section 185 and 186 of the Act, are applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3 (v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the company prescribed by the Central Government of India under section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however , not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and based on the records of the company examined by us, in respect of statutory dues:

- a) 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) there are no dues of Income Tax, goods and service tax, provident fund, employees' state insurance, customs duty , cess and any other statutory dues 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 explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) 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 or other borrowings or in the payment of interest thereon to any financial institution or banks or lender.
- (b) According to the records of the company examined by us and as per the information and explanations given to us, The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the company examined by us and as per the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- (d) According to the records of the company examined by us and as per the information and explanations given to us, on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the records of the company examined by us and as per the information and explanations given to us, on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies.
- (f) According to the records of the company examined by us and as per the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix) (f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the company, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under audit and hence reporting under clause 3(x) (b) of the Order is not applicable.
- (xi) (a) 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.
- (b) According to the information and explanations given to us, during the year and upto the date of this audit report, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the secretarial auditor or by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, during the year there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties, are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.



- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us and based on our examination of the records of the company, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.
- (xvii) In our opinion, there is no cash loss in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe
- that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us and based on our examination of the records of the company, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII to the companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. Accordingly reporting under clause 3(xx) (a) and (b) of the Order is not applicable.

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

Naveen Lohia  
(Partner)

Place : Secunderabad  
Date : 26th May 2023

Membership No.214548  
UDIN: **23214548BGWOPK3812**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2023**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

PARTICULARS	Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
(i) Property, Plant and equipment	5	4,356.47	3,854.66
(ii) Financial Assets			
a) Other Financial Assets	6	79.81	47.49
<b>CURRENT ASSETS</b>			
(i) Inventories	7	5,598.01	2,157.60
(ii) Financial Assets			
a. Trade Receivables	8	1,755.83	2,445.88
b. Cash and Cash Equivalents	9	4.60	909.50
c. Other Balance with bank	10	29.81	146.88
(iii) Current Tax Assets (net)	11	79.62	157.14
(iv) Other Current Asset	12	4,167.03	3,011.70
<b>TOTAL ASSETS</b>		<b>16,071.18</b>	<b>12,730.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(i) Equity Share Capital	13	2,000.00	2,000.00
(ii) Other Equity	14	1,288.50	885.42
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(i) Financial Liabilities			
-Borrowings	15	4,156.02	3,650.61
<b>CURRENT LIABILITIES</b>			
(i) Financial Liabilities			
a Borrowings	16	7,454.40	5,230.83
b Trade Payables			
- Total Outstanding dues of Micro and Small Enterprises		1.07	-
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises	17	909.34	490.02
(ii) Deferred Tax Liability (net)	18	82.58	-
(iii) Other Current Liabilities	19	70.39	418.66
(iv) Provisions	20	108.88	55.29
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,071.18</b>	<b>12,730.83</b>

Summary of significant accounting policies

1 to 4

See accompanying notes to the standalone financial statements

28 to 54

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

Chartered Accountants,

**For and on behalf of the BOD of  
Bhagyanagar Copper Private Limited****Naveen Lohia**

Partner

M. No. 214548

**Narender Surana**

Director

DIN: 00075086

**Devendra Surana**

Director

DIN: 00077296

**Surendra Bhutoria**  
Chief Financial Officer**Lalit Kumar Thanvi**  
Company Secretary  
M.No. A62058Place: Secunderabad,  
Date : 26.05.2023

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

PARTICULARS	Note No.	For the Year ended 31.03.2023	For the Year ended 31.03.2022
<b>I. REVENUE FROM OPERATIONS</b>	21	51,224.89	54,507.44
<b>II. OTHER INCOME</b>	22	16.31	12.71
<b>III. TOTAL REVENUE (I+II)</b>		<b>51,241.20</b>	<b>54,520.16</b>
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	23	47,143.27	50,248.81
Changes in Finished Goods, Work in Process and Material In Transit	24	(1,574.40)	-
Employee Benefit Expenses	25	465.20	329.90
Finance costs	26	745.60	698.07
Depreciation Expense	5	231.20	204.49
Other expenses	27	3,589.26	2,367.67
<b>TOTAL EXPENSES (IV)</b>		<b>50,600.13</b>	<b>53,848.94</b>
<b>V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY</b>		641.07	671.22
<b>VI. EXCEPTIONAL ITEMS</b>		-	-
<b>VII. PROFIT BEFORE TAX (V+VI)</b>		<b>641.07</b>	<b>671.22</b>
<b>VIII. TAX EXPENSE:</b>			
1. Current tax		107.01	112.04
2. Deferred tax		130.98	(112.04)
<b>IX. PROFIT FOR THE YEAR</b>		<b>403.08</b>	<b>671.22</b>
<b>X. OTHER COMPREHENSIVE INCOME</b>			
A Items that will not be reclassified to profit or loss		-	-
B Items that will be reclassified to profit or loss		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		-	-
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>403.08</b>	<b>671.22</b>
<b>XII Earning Per Equity Share</b>			
(a) Basic		2.02	3.36
(b) Diluted		2.02	3.36
Summary of significant accounting policies	1 to 4		
See accompanying notes to the standalone financial statements	28 to 54		

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

**For and on behalf of the BOD of**  
**Bhagyanagar Copper Private Limited**

**Naveen Lohia**  
Partner  
M. No. 214548

**Narender Surana**  
Director  
DIN: 00075086

**Devendra Surana**  
Director  
DIN: 00077296

Place: Secunderabad,  
Date : 26.05.2023

**Surendra Bhutoria**  
Chief Financial Officer

**Lalit Kumar Thanvi**  
Company Secretary  
M.No. A62058

## Statement of Changes in Equity for the Year ended 31<sup>st</sup> March 2023

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

### A. Equity Share capital

Particulars	No of shares	Amount
Balance as at 1 April 2022	200	2,000
Changes in equity share capital during 2022-23	-	-
<b>Balance as at 31 March 2023</b>	<b>200</b>	<b>2,000</b>
<b>Previous year Reporting period</b>		
Balance as at 1 April 2021	200	2,000
Changes in equity share capital during 2021-22	-	-
<b>Balance as at 31 March 2022</b>	<b>200</b>	<b>2,000</b>

### B. Other equity

PARTICULARS	Reserves and Surplus		Total
	Retained Earnings	Capital Reserve	
Balance as at 1 April 2022	398.78	486.64	885.42
Profit for the year	403.08	-	403.08
Other Comprehensive Income (net of tax)	-	-	-
<b>Total Comprehensive Income for the year 2022-23 (B)</b>	<b>403.08</b>	<b>486.64</b>	<b>403.08</b>
Transfer In/Out General Reserve	-	-	-
Dividends	-	-	-
Tax on dividends	-	-	-
<b>Balance at 31 March 2023 C= (A+B)</b>	<b>801.86</b>	<b>973.29</b>	<b>1,288.50</b>
<b>Previous year Reporting period</b>			
Balance at 1 April 2021 (D)	(272.44)	486.64	214.20
Profit for the year	671.22	-	671.22
Other Comprehensive Income (net of tax)	-	-	-
Reserve created during the year	-	-	-
<b>Total Comprehensive Income for the year 2021-22 (E)</b>	<b>671.22</b>	<b>-</b>	<b>671.22</b>
Transfer In/Out General Reserve	-	-	-
Dividends	-	-	-
Tax on dividends	-	-	-
<b>Balance at 31 March 2022 F=(D+E)</b>	<b>398.78</b>	<b>486.64</b>	<b>885.42</b>

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

General Reserve: This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of OCI. The same can be utilised in accordance with the provisions of Companies Act 2013.

Retained Earnings: This reserve represents the cumulative profits of the company. The reserve can be utilised in accordance with the provisions of the Companies Act 2013

Significant accounting policies and key accounting estimates and judgements

1 to 4

The accompanying notes form an integral part of financial statements

28 to 54

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,

For and on behalf of the BOD of  
Bhagyanagar Copper Private Limited

Naveen Lohia

Partner

M. No. 214548

Narender Surana

Director

DIN: 00075086

Devendra Surana

Director

DIN: 00077296

Surendra Bhutoria

Chief Financial Officer

Lalit Kumar Thanvi

Company Secretary

M.No. A62058

Place: Secunderabad,

Date : 26.05.2023



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

PARTICULARS	For the Year 2022-23	For the Year 2021-22
<b>A Cash flow from Operating Activities</b>		
Net profit before tax as per annexed Profit and loss account	641.07	671.22
Add: Adjustments for:		
Depreciation & Amortisation	231.20	204.49
Interest Paid	745.60	698.07
Sundry Balance Written Back	29.30	-
Interest Received	(3.09)	-
Sundry Balances Written Back	(10.81)	5.70
<b>Operating profit before working Capital Changes</b>	<b>1,633.28</b>	<b>1,579.48</b>
Other Non current Financial Assets	(32.32)	(5.95)
Other current assets	(1,155.33)	(421.34)
Inventory	(3,440.41)	(677.18)
Trade receivables	700.86	696.73
Trade Payables	419.90	(353.51)
Other Current Liabilities	(348.27)	358.36
Provisions	53.59	25.71
<b>Cash generated from Operations</b>	<b>(2,168.71)</b>	<b>1,202.30</b>
Income Tax Paid (including Prior Period)	(77.89)	(136.64)
<b>Net cash (used in)/from Operating Activities(A)</b>	<b>(2,246.61)</b>	<b>1,065.66</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of Fixed Assets & Other Capital Expenditure	(761.82)	(146.92)
Interest Received	3.09	-
<b>Net Cash (used in)/from Investing Activities (B)</b>	<b>(758.73)</b>	<b>(146.92)</b>
<b>C Cash flow from Financing Activities</b>		
Interest Paid	(745.60)	<b>(698.07)</b>
Increase (Decrease) in Unsecured Loans	694.42	(2,165.55)
Borrowings	2,034.56	2,843.97
(Increase)/Decrease in restricted deposits	117.06	6.08
<b>Net Cash (used in)/from Financing Activities (C)</b>	<b>2,100.44</b>	<b>(13.57)</b>
<b>Net Increase / Decrease in cash and Cash Equivalents (A+B+C)</b>	<b>(904.90)</b>	<b>905.17</b>
Cash and Cash Equivalents Opening Balance	909.50	4.32
Cash and Cash Equivalents Closing Balance	4.60	909.50
<b>Change in Cash and Cash Equivalents</b>	<b>(904.90)</b>	<b>905.17</b>

The Cash flow Statement has been prepared as set out in Indian Accounting Standard (IND AS) 7 : STATEMENT OF CASH FLOWS, as amended by Companies (Indian Accounting Standards) (Amendment) Rules 2016. This is the Cash Flow Statement referred to in our report of even date attached

2. Components of cash and cash equivalents	2022-23	2021-22
Cash In hand	1.90	1.25
Balances with bank	2.69	908.24
	<b>4.60</b>	<b>909.50</b>
Summary of significant accounting policies	1 to 4	
See accompanying notes to the standalone financial statements	28 to 54	

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

For and on behalf of the BOD of  
**Bhagyanagar Copper Private Limited**

**Naveen Lohia**  
Partner  
M. No. 214548

**Narender Surana**  
Director  
DIN: 00075086

**Devendra Surana**  
Director  
DIN: 00077296

Place: Secunderabad,  
Date : 26.05.2023

**Surendra Bhutoria**  
Chief Financial Officer

**Lalit Kumar Thanvi**  
Company Secretary  
M.No. A62058

## SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

### I. CORPORATE OVERVIEW:

Bhagyanagar Copper Pvt Ltd ("the company") is a Company registered under the companies act, 1956. It was incorporated on 30-04-2008 having its registered office at Sy No 98 to 105, 107, 111, 230, 231, 232, 234 Shabashpally Village, Shivampet, Mandal, Medak- 502334. Bhagyanagar India Limited on 6th February 2018 acquired 100% shareholding of the company. It proposes to engage in the manufacture of copper products. The company's CIN is U27100TG2008PTC125034. It is the subsidiary company of Bhagyanagar India Limited, which is listed on the stock exchange.

The financial statements of the Company have been approved by the Board of Directors in their meeting held on May 26, 2023.

### II. BASIS OF PREPARATION:

#### a) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (amended), guidelines issued by the Securities and Exchange Board of India (SEBI), and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial Statement, other relevant provisions of the Act and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### b) Basis of Measurement

The financial statements of the Company have been prepared on historical cost basis except for the following assets and liabilities which have been measured at fair value:

- i. Certain financial assets & liabilities (including derivative instruments)
- ii. Defined Benefit Plans as per actuarial valuation
- iii. Share based Payments

#### c) Functional and Presentation Currency

The financial statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial

information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

### III. Use of Assumptions, Judgments and Estimates

The key assumption, judgment and estimation at the reporting date, that have significant risk causing the material adjustment to the carrying amounts of assets and liabilities within the next financial year, are describe below. The company based its assumption, judgment and estimation on parameters available on the financial statements were prepared. Existing circumstances and assumption about future development, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumption when they occur.

#### i) Revenue

The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

#### ii) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its 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. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognized as an expense in the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

#### iii) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual



developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**iv) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**v) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**vi) Share-based payments**

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment

reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. No expense is recognized for awards that do not ultimately vest because service conditions have not been met. When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**vii) Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.

**viii) Classification of Leases**

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**ix) Restoration, rehabilitation and decommissioning**

Estimation of restoration/ rehabilitation/ decommissioning costs requires interpretation of scientific and legal data, in addition to

assumptions about probability of future costs.

**x) Provisions and Contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

**d) Classification of Assets and Liabilities into Current/Non-Current**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013, as given below.

The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- i) Expected to be realized or intended to sold or consumed in normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Expected to be realized within twelve months after the reporting period; or
- iv) 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 the other assets are classified as non-current.

Similarly, a liability is current if:

- i) It is expected to be settled in normal operating cycle;
- ii) It is held primarily for the purpose of trading;
- iii) It is due to be settled within twelve months after the reporting period; or
- iv) 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.

Deferred Tax Assets and Liabilities are classified as current assets and liabilities respectively.

**IV. SIGNIFICANT ACCOUNTING POLICIES:**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the

financial statements, unless otherwise stated.

**1) Inventories**

**a) Raw materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis.

**b) Work-in-progress (WIP) and finished goods**

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

**c) Waste / Scrap**

Waste / Scrap inventory is valued at NRV. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or below the cost.

Materials in transit are valued at cost to date.

**d) Stores, spares and consumables**

Stores spares, packing material and all consumables items held for use in the production of inventories are charged to profit & loss account as and when purchased.

Provision is recognized for damaged, defective or obsolete stocks where necessary.

**2) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, Cheques on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

**3) Cash Flows**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any



deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

#### **4) Income Tax**

Income Tax comprises current and deferred tax.

##### **a) Current Tax**

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961. Current income tax is recognized in the statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

##### **b) Deferred Tax**

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

MAT Credit is recognized 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 Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to 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 entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

#### **5) Property, Plant and Equipment**

##### **a) Recognition and Measurement**

- i) Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- ii) Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- iii) In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- iv) For transition to IND AS, the company has revalued land at fair value as deemed cost and considered other assets at Ind AS Cost.
- v) Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit and loss.

- vi) Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.
- vii) 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.
- viii) The Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.
- ix) Research and development costs that are in nature of tangible/ intangible assets and are expected to generate probable future economic benefits are capitalized and classified under tangible/intangible assets and depreciated on the same basis as other fixed assets. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

#### b) Depreciation and Amortization

- i) Depreciation commences when the assets are ready for their intended use which is generally on commissioning. Depreciation on property, plant and equipment is provided under Straight Line Method over the useful lives of assets prescribed by Schedule II of the Companies Act, 2013. Depreciation in change in the value of fixed assets due to exchange rate fluctuation has been provided prospectively over the residual life of the respective assets. Land is not depreciated.

The estimated useful lives of property plant and equipment of the company are as follows:

Building	30-60 Years
Leasehold Improvements	Shorter of lease period or estimated useful lives
Plant and Equipment	7-25 Years
Furniture and Fixtures	8-10 Years
Vehicles	8-10 Years
Office Equipments	5 Years

- ii) Depreciation in respect of property, plant and equipment added / disposed off during the year is provided on pro-rata basis, with reference to the date of addition/disposal.

#### 6) Intangible Assets

- i) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.
- ii) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss.
- iii) Intangible assets are amortised on straight line basis over its estimated useful life of 5 years.

#### 7) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.





Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

## 8) Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

## 9) Investment in Joint-Venture

Investment in Joint-venture is measured at cost less impairment loss, if any.

The joint arrangement is structured through a separate vehicle and the legal form of the separate vehicle, the terms of the contractual arrangement and, when relevant, any other facts and circumstances gives the Company rights to the net assets of the arrangement (i.e. the arrangement is a joint venture). The activities of the joint venture are primarily aimed to provide the third parties with an output and the parties to the joint venture will not have rights to substantially all the economic benefits of the assets of the arrangement.

## 10) Investment in subsidiaries and associates

Investments in subsidiaries and associates are recognised at cost as per IND AS 27. Except where investments accounted for at cost shall be accounted for in accordance with IND AS 105, Non-current Assets held for Sale and Discontinued Operations, when they are classified as held for sale.

## 11) Leases

### a) The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### b) The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

### c) Lease Liability

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

#### **d) Right of Use (ROU) Assets**

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but

presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

## **12) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents amount receivable from sale of copper products, sale of energy, lease rental and export incentives, stated net of discounts.

Ind AS 115 "Revenue from Contracts with Customers", introduced one single new model for recognition of revenue which includes a 5-step approach and detailed guidelines. Among other, such guidelines are on allocation of revenue to performance obligations within multi-element arrangements, measurement and recognition of variable consideration and the timing of revenue recognition.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

### **a) Revenue from sale of goods**

Revenue from the sale copper products is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Company recognizes revenue at a point in time, when control is transferred to the customer, and the consideration agreed is expected to be received. Control is generally deemed to be transferred upon





delivery of the products in accordance with the agreed delivery plan.

In case of related party transactions where related party meets the definition of customer (i.e. a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activity in exchange for consideration) and the transactions are within the scope of the standard then the revenue is recognized based on the principles of IND AS 115.

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Revenues for services are recognized when the service rendered has been completed.

**b) Revenue from services**

Revenue from services mainly consists of the following;

- **Income from Lease Rent**

Revenue from services, which mainly consists of lease rentals from letting of space, is recognized over time on satisfying performance obligations as per the terms of agreement, that is, by reference to the period in which services are being rendered. Revenue from services, if any, involving single performance obligation is recognized at a point in time

- **Income from job works**

Income from job work is accounted for on the basis of actual quantity dispatched. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion (Percentage of Completion Method) of the transaction at the end of the reporting period. Advances received from the customers are reported as customer's deposits unless the above conditions for revenue recognition are met.

- **Sale of energy**

Revenue from operations comprises of sale of power. Revenue is recognized at an amount that reflects the consideration for which the Company expects to be entitled in exchange for transfer of power (goods / service) to the customer. Revenue from

sale of power is accounted for in accordance with tariff provided in Power Purchase Agreement (PPA) read with the regulations of respective regulatory authorities and no significant uncertainty as to the measurability or collectability exist. There is no impact on the adoption of the standard in the financial statement as the Company's revenue primarily comprised of revenue from sale of power and the recognition criteria of this revenue stream is largely unchanged by Ind AS 115.

**Contract Assets**

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Unbilled receivables where further subsequent performance obligation is pending are classified as contract assets when the company does not have unconditional right to receive cash as per contractual terms. Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

**Impairment of Contract asset**

The Company assesses a contract asset for impairment in accordance with Ind AS 109. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of Ind AS 109.

**Contract Liability**

Contract Liability is recognized when there are billings in excess of revenues and it also includes consideration received from customers for whom the company has pending obligation to transfer goods or services.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

**Modification in contract**

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or

transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

**c) Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that assets' net carrying amount on initial recognition.

**13) Retirement and other employee benefits**

**a) Short Term Employee Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

**b) Other Long Term Employee Benefits**

The liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value (determined by actuarial valuation using the projected unit credit method) of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period and recognized in books of accounts. The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Re-measurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

**c) Post-Employment Benefits**

The Company operates the following post-employment schemes:

**i) Defined Benefit Plan**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect

of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods.

The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method. The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Past service cost is recognized in the statement of profit and loss in the period of a plan amendment. The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to statement of profit and loss.

**ii) Defined Contribution Plan**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation other than the contribution payable to the Provident fund. Contribution payable under the provident fund is recognized as expenditure in the statement of profit and loss and/or carried to Construction work-in-progress when an employee renders the related service.

**14) Government Grants**

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions.

a) Government grants are recognized in the statement of profit or loss on a systematic



basis over the periods in which the Company recognizes the related costs for which the grants are intended to compensate.

- b) Grants related to acquisition/ construction of property, plant and equipment are recognized as deferred revenue in the Balance Sheet and transferred to the statement of profit or loss on a systematic and rational basis over the useful lives of the related asset.

## 15) Foreign Currency Transactions

- a) The functional currency and presentation currency of the company is Indian Rupee (INR).
- b) Transactions in currencies other than the company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each balance sheet date, foreign currency monetary items are reported using the closing rate.
- c) Non- monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange difference that arise on settlement of monetary items or on reporting of monetary items at each Balance sheet date at the closing spot rate are recognized in profit or loss in the period in which they arise except for:
  - i) exchange difference on foreign currency borrowings related to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings; and
  - ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks.
  - iii) exchange differences on monetary items receivable from or payable to a foreign operation for

which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the Statement of Profit and Loss on repayment of the monetary items.

According to Appendix B of Ind AS 21 "Foreign currency transactions and advance consideration", purchase or sale transactions must be translated at the exchange rate prevailing on the date the asset or liability is initially recognized. In practice, this

is usually the date on which the advance payment is paid or received. In the case of multiple advances, the exchange rate must be determined for each payment and collection transaction

## 16) Borrowing Cost

Borrowing cost include interest expense calculated using the Effective interest method, finance charges in respect of assets acquired on finance lease and exchange difference arising on foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

Borrowing costs (including other ancillary borrowing cost) directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

## 17) Earnings per Share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 18) Exceptional Item

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

## 19) Financial Guarantee Contract

Financial guarantee contract provided to the lenders of the Company by its Parent Company is measured at their fair values and benefit of such financial guarantee is recognized to equity as a capital contribution from the parent.

## 20) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

### a) Financial Assets

#### i) Classification and Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- Measured at Fair Value Through Profit or Loss (FVTPL) and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

#### • Measured at Amortized Cost

The Financial assets are subsequently measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of

principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognized in the statement of profit and loss.

#### • Measured at Fair Value Through Other Comprehensive Income (FVTOCI)

The financial assets are measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

#### • Measured at Fair Value Through Profit or Loss (FVTPL)

Financial assets are measured at fair value through profit or Loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on re-measurement are recognized in the statement of profit and loss. The net gains or loss recognized in statement of profit and loss incorporates any dividend or interest earned on the financial assets and is included in the "Other income" line item.

#### • Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)



All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

## ii) Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

## iii) Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rate to determine

impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ELC to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ELC is used.

## iv) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognized in the statement of profit and loss.

## b) Financial Liabilities and equity instruments

Debts and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instruments.

### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an equity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

### Financial Liabilities

#### i) Recognition and Initial Measurement

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### ii) Subsequent Measurement

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial

recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

**iii) Financial Guarantee Contracts**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

**iv) De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**v) Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are included in statement of profit and loss. The fair value of the financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

**vi) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an

intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

**c) Derivative financial instruments**

The Company uses derivative financial instruments such as forward, swap, options etc. to hedge against interest rate and foreign exchange rate risks, including foreign exchange fluctuation related to highly probable forecast sale. The realized gain / loss in respect of hedged foreign exchange contracts which has expired / unwinded during the year are recognized in the statement of profit and loss and included in other operating revenue / other expense as the case may be. However, in respect of foreign exchange forward contracts period of which extends beyond the balance sheet date, the fair value of outstanding derivative contracts is marked to market and resultant net loss/gain is accounted in the statement of profit and loss. Company does not hold derivative financial instruments for speculative purposes.

**d) Derivatives and Hedge Accounting**

Derivatives are initially recognized at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses are recognized in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item. The Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which is a cash flow hedge.

**e) Cash Flow Hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to





the ineffective portion are recognized in the Statement of Profit and Loss. Amounts previously recognized and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non- financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non- financial asset. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains /losses recognized in other comprehensive income and accumulated in equity at that time remain in equity and is reclassified when the underlying transaction is ultimately recognized. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity are recognized immediately in the Statement of Profit and Loss.

## 21) Provisions, Contingent Liabilities and Contingent Assets

### a) Provisions

- i) Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

- ii) **Decommissioning Liability**

Restoration/ Rehabilitation/ Decommissioning cost are provided

for in the accounting period when the obligation arises based on the NPV of the estimated future cost of restoration to be incurred. It includes the dismantling and demolition of infrastructure and removal of residual material. This provision is based on all regulatory requirements and related estimated cost based on best available information.

- iii) **Onerous Contracts**

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

### b) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### c) Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

## 22) Operating Segment

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. All operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions

about resources to be allocated to the segments and assess their performance.

## 23) Employee Share based payment

Equity- settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date. The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "General Reserve". When the options are exercised, the Company issues new equity shares of the Company of ₹1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

## 24) Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into

account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

## 25) Non-Current Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale. Indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

## 26) Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

## 27) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.





## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

Note: 5 Property, Plant & Equipment

Following are the changes in the carrying value of Property, Plant and Equipment for the Period Ended 31<sup>st</sup> March 2023

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Particulars	Free hold land	Factory Building	Plant & Machinery	Electrical Installation	Vehicles	Furniture and Fixtures	Computers	Grand Total
<b>A. Gross Block</b>								
At 1st April, 2021	1,202.31	377.12	2,206.20	459.89	37.19	-	2.50	4,285.21
Additions	-	-	135.33	-	5.59	6.00	-	146.92
Disposals	-	-	-	-	-	-	-	-
At 31st March, 2022	1,202.31	377.12	2,341.53	459.89	42.78	6.00	2.50	4,432.13
Additions	-	-	355.96	-	404.23	0.35	1.29	761.82
Disposals	-	-	(57.60)	-	-	-	-	(57.60)
At 31 <sup>st</sup> March, 2023	1,202.31	377.12	2,639.89	459.89	447.00	6.35	3.79	5,136.35
<b>B. Depreciation</b>								
At 1st April, 2021	-	66.95	242.22	55.38	7.45	-	1.00	372.99
Charge for the Year	-	23.88	146.10	29.13	4.57	0.02	0.80	204.49
Disposals	-	-	-	-	-	-	-	-
At 31st March, 2022	-	90.83	388.32	84.50	12.01	0.02	1.79	577.48
Charge for the Year	-	23.88	159.13	28.89	17.93	0.60	0.76	231.20
Disposals	-	-	(28.80)	-	-	-	-	(28.80)
At 31st March, 2023	-	114.72	518.64	113.40	29.95	0.62	2.56	779.88
<b>C. Net Block (A-B)</b>								
At 31st March, 2022	1,202.31	286.29	1,953.21	375.39	30.76	5.98	0.70	3,854.66
At 31st March, 2023	1,202.31	262.41	2,121.25	346.50	417.06	5.73	1.23	4,356.47

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

**Note: 6** (All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Other financial assets	Sub Note	As at 31.03.2023	As at 31.03.2022
<b>Unsecured, Considered good.</b>			
(a) Security Deposits	6(a)	79.81	47.49
<b>TOTAL</b>		<b>79.81</b>	<b>47.49</b>

**Note: 6(a)** Security deposits primarily include Deposits to Shipping Agencies and Electricity deposits.

**Note: 7** (All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Inventories (Valued at lower of Cost and Net Realisable Value)	Sub Note	As at 31.03.2023	As at 31.03.2022
Raw Materials	7(a)	4,023.61	2,157.60
Work in Process		624.44	-
Finished Goods		270.78	-
Material - in- Transit		<b>679.17</b>	-
<b>TOTAL</b>		<b>5,598.01</b>	<b>2,157.60</b>

**Note: 7(a)** All the Working Capital Facilities of the company are secured by hypothecation of inventories (Part of Current Assets). The monthly statements filed by the company with the bank(s) in respect of such facilities are in agreement with the books of accounts.

**Note: 8** (All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Trade Receivables	Sub Note	As at 31.03.2023	As at 31.03.2022
<b>Considered good - unsecured</b>			
Undisputed trade receivables considered good		1,755.83	2,445.88
Undisputed trade receivables - credit impaired		-	-
Disputed trade receivables considered good		-	-
Disputed trade receivables - credit impaired		-	-
Less: Allowance for expected credit losses		-	-
<b>TOTAL</b>		<b>1,755.83</b>	<b>2,445.88</b>

### Trade receivables ageing schedule

As at 31.03.2023	Outstanding for following periods from due date of payment as on Balance sheet date					
Particulars	Less than 6 mnth	6 months to 1 year	1 to 2 years	2-3 Years	More than 3 years	Total
Undisputed trade receivables considered good	1,751.08	4.75	-	-	-	1,755.83
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit losses	-	-	-	-	-	-
<b>Total Trade receivables</b>	<b>1,751.08</b>	<b>4.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,755.83</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023**

As at 31.03.2022	Outstanding for following periods from due date of payment as on Balance sheet date					
Particulars	Less than 6 mnth	6 months to 1 year	1 to 2 years	2-3 Years	More than 3 years	Total
Undisputed trade receivables considered good	2,431.07	11.04	3.76	-	-	2,445.88
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit losses	-	-	-	-	-	-
<b>Balance as at year end</b>	<b>2,431.07</b>	<b>11.04</b>	<b>3.76</b>	<b>-</b>	<b>-</b>	<b>2,445.88</b>

- 1) All the Trade Receivables are Unsecured and good
- 2) No Debts due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- 3) The company considers its maximum exposure to credit risk with respect to customers as at 31st March 2023 to be Rs. 1755.83 Lakhs (31st March 2022:2445.88 Lakhs) which is the carrying value of trade receivable after allowance for credit losses.
- 4) All the Working Capital Facilities of the company are secured by hypothecation of Trade Receivables(Part of Current Assets) . The monthly statements filed by the company with the bank(s) in respect of such facilities are in agreement with the books of accounts.

**Note: 9** (All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Cash and Cash Equivalents	Sub Note	As at 31.03.2023	As at 31.03.2022
(i) Cash on hand		1.90	1.25
(ii) Balances with Bank			
- In Foreign Currency account		2.69	908.24
<b>TOTAL</b>		<b>4.60</b>	<b>909.50</b>

**Note: 10** (All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Other Balances with Bank	Sub Note	As at 31.03.2022	As at 31.03.2021
Bank Balance other than Cash and Cash Equivalents			
Earmarked Balances with Bank*			
(i) Margin Money Deposit Against Bank Guarantee	10(a)	28.73	143.89
(ii) Accrued Interest on Fixed Deposit		1.09	2.98
<b>TOTAL</b>		<b>29.80</b>	<b>146.88</b>

\*Earmarked balances with banks are denominated and held in Indian Rupees.

**Notes: 10(a)**

Margin money represents money with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance sheet date

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

**Note: 11**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Current Tax Assets(Net)	Sub Note	As at 31.03.2023	As at 31.03.2022
(a) Income tax Receivable		97.76	131.9
Less: Provision for taxes		(107.01)	(112.04)
(b) MAT Credit Entitlement		88.87	137.27
<b>TOTAL</b>		<b>79.62</b>	<b>157.14</b>

**Note: 12**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Other Current Asset	Sub Note	As at 31.03.2023	As at 31.03.2022
(a) Balances with Statutory Authorities	12(a)	2,011.65	1,369.32
(b) Advances To Suppliers		2,146.61	1,639.62
(c) Loan to staff		8.77	2.76
<b>TOTAL</b>		<b>4,167.03</b>	<b>3,011.70</b>

**Notes: 12(a)**

The Balance with Statutory Authorities includes IGST Refund (paid on Exports) Receivable - ₹ 409.40 lacs

No advances are due from directors or other officers of the company or any of them either severally or jointly with any other persons or advances due to firms or private companies respectively in which any director is a partner or a director or member

**Note: 13**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Share Capital	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number	Amount	Number	Amount
<b>Authorised</b>				
20,000,000 (March 31, 2022 : 20,000,000) Equity Shares of ₹ 10 each	200,00,000	2,000	200,00,000	2,000
<b>Issued, subscribed and fully paid-up shares</b>				
20,000,000 (March 31, 2022 : 20,000,000) Equity Shares of ₹ 10 each fully paid up	200,00,000	2,000	200,00,000	2,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>200,00,000</b>	<b>2,000</b>	<b>200,00,000</b>	<b>2,000</b>

**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 at the beginning and at the end of the reporting year:**

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	200,00,000	2,000	200,00,000	2,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	200,00,000	2,000	200,00,000	2,000

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023****c) Particulars of share holders holding more than 5% shares in the Company**

Name of Shareholder	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
BHAGYANAGAR INDIA LIMITED	199,99,900	100	199,99,900	100
Devendra Surana*	100	0	100	0
<b>Total</b>	<b>200,00,000</b>	<b>100</b>	<b>200,00,000</b>	<b>100</b>

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**d) Shares Held by Promoters at the end of the year**

Promoter Name	As at March 2023			As at March 2022		
	No. of shares Held	% of Holding of total shares	% change during the year	No of shares	% of holding of total shares	% Change during the year
BHAGYANAGAR INDIA LIMITED	199,99,900	100	-	199,99,900	100.00	-
Devendra Surana*	100	0	-	100	0	-

\* 100 shares of Devendra surana - Beneficial interest held by Bhagyanagar India Limited

The shareholding information has been extracted from the records of the Company including register of shareholders/ members and is based on legal ownership of shares.

**Note: 14**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Other equity	Reserves and Surplus		
	Retained Earnings	Capital reserve	Total
<b>Balance at 1 April 2022 (A)</b>	398.78	486.64	885.42
Profit for the year	403.08	-	403.08
Other Comprehensive Income (net of tax)	-	-	-
Reserve created during the year	-	-	-
<b>Total Comprehensive Income for the year 2022-23 (B)</b>	<b>403.08</b>	<b>-</b>	<b>403.08</b>
	-	-	-
<b>Balance at 31 March 2023 C=(A+B)</b>	<b>801.86</b>	<b>486.64</b>	<b>1,288.50</b>
	-	-	-
<b>Balance at 1 April 2021 (D)</b>	<b>(272.44)</b>	<b>486.64</b>	<b>214.20</b>
Profit for the year	671.22	-	671.22
Other Comprehensive Income (net of tax)	-	-	-
<b>Total Comprehensive Income for the Year 2021-22 (E)</b>	<b>671.22</b>	<b>-</b>	<b>671.22</b>
	-	-	-
<b>Balance at 31 March 2022 F=(D+E)</b>	<b>398.78</b>	<b>486.64</b>	<b>885.42</b>

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

**Retained earnings**

Retained earnings comprises of prior year's undistributed earnings after taxes along with current year profit.

**Capital Reserve**

Capital Resere is created on account of Revaluation of Land at the time of conversion of Land from inventory to Capital Asset and the same is not available for distribution to the shareholders.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

**Note: 15**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Non-Current - Borrowings	Sub Note	As at 31.03.2022	As at 31.03.2021
<b>Non-Current Liabilities - Borrowings</b>			
<b>Secured (Loan from banks)</b>			
(a) Term Loan - HDFC Bank	15 (a)	555.06	859.67
(b) Guaranteed Emergency Credit Line - HDFC Bank	15 (b)	759.58	875.05
<b>(A)</b>		<b>1,314.64</b>	<b>1,734.72</b>
<b>Vehicle Loans</b>			
(a) HDFC Bank	15 (c)	243.23	
(b) Benz Financial Services	15 (d)	82.32	
	(A)	1,640.19	1,734.72
<b>Less: Current maturities of long term borrowings</b>	(B)	519.84	425.37
<b>Total C = (A-B)</b>		<b>1,120.34</b>	<b>1,309.35</b>
<b>Unsecured</b>			
<b>(Loan from related parties)*</b>			
(a) Loan from holding Company	15 (e)	1,312.86	1,041.53
(b) Loan from Directors	15 (f)	-	186.71
(c) Loan from Associate Companies	15 (g)	1,722.81	1,113.02
	(D)	<b>3,035.68</b>	<b>2,341.26</b>
<b>TOTAL (C+D)</b>		<b>4,156.02</b>	<b>3,650.61</b>

**Notes: 15(a)**

### Term loan - HDFC Bank

The term loan sanctioned by HDFC Bank in April, 2020 - Rs.1461 lacs. The loan is secured by personal guarantee of Directors, Corporate Guarantee of Holding Company and an Exclusive charge on entire Current Assets and Fixed Assets of the Company. It is also Secured by certain Fixed assets of the Holding Company. The Principal is repayable in 57 Monthly Instalments ending in November, 2024 and carries a floating rate of interest. The Principal repayable during FY 2023-24 amounting to Rs.323.26 lacs- is classified under Current Maturities of Long Term Debt-Note:16

**Notes: 15(b)**

### Guaranteed Emergency Credit Line (GECL-WCTL) - HDFC Bank

Guaranteed Emergency Credit Line (GECL) of Rs.372 lacs is sanctioned by HDFC Bank by way of Working Capital Term Loan (WCTL) in the month of November, 2020. There is a Principal Moratorium of 12 Months and the Principal repayment starts in the Month of December, 2021. The Loan is repayable in 36 equal Monthly instalments and carries floating interest rate. The loan is secured by personal guarantee of Directors, Corporate Guarantee of Holding Company and an Exclusive charge on entire Current Assets and Fixed Assets of the Company. It is also Secured by certain Fixed assets of the Holding Company. The Principal repayable during FY 2023-24 amounting to Rs.125.31 lacs is classified under Current Maturities of Long Term Debt-Note:16.

Guaranteed Emergency Credit Line (GECL) Extension of Rs.540 lacs is sanctioned by HDFC Bank by way of Working Capital Term Loan (WCTL) in the month of January, 2022. There is a Principal Moratorium of 24 Months and the Principal repayment starts in the Month of January, 2024. The loan is secured by personal guarantee of Directors, Corporate Guarantee of Holding Company and an Exclusive charge on entire Current Assets and Fixed Assets of the Company. It is also Secured by certain Fixed assets of the Holding Company. The Loan is repayable in 36 equal Monthly instalments starting from January, 2024 and carries a floating interest rate. The Principal repayable during FY 2023-24 amounting to Rs.12.82 lacs is classified under Current Maturities of Long Term Debt-Note:16.

**Notes: 15(c)**

### Vehicle Loan - HDFC Bank

The company availed a Car loan of Rs.253.62 lakhs from HDFC Bank during the FY 2022-23. The Loan is repayable in 60 Monthly instalments starting from January, 2023 and carries floating interest rate. The loan is secured by exclusive charge on specific vehicles to specified lenders. The Principal repayable during FY 2023-24 amounting to Rs.43.76 lacs is classified under Current Maturities of Long Term Debt-Note:16.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

### Notes: 15(d)

#### Vehicle Loan - Mercedes Benz Financial Services Pvt Limited

The company availed a Car loan of Rs.84.64 lakhs from Mercedes Benz Financial Services Pvt Limited during the FY 2022-23. The Loan is repayable in 60 Monthly instalments starting from January, 2023 and carries floating interest rate. The loan is secured by exclusive charge on specific vehicles to specified lenders. The Principal repayable during FY 2023-24 amounting to Rs.14.69 lacs is classified under Current Maturities of Long Term Debt-Note:16.

#### Details of Unsecured Loans\*

##### Notes: Loan from Holding Company

15(e) Name of the company	Balance as On 31.03.2023	Balance as on 31.03.2022
Bhagyanagar India Limited	1,312.86	1,041.53
<b>TOTAL</b>	<b>1,312.86</b>	<b>1,041.53</b>

\*Unsecured Loan have been taken for business purpose at a mutually agreed rate of interest. There is no specific repayment Schedule.

##### Notes: Loan from Director

15(f) Name of the company	Balance as On 31.03.2023	Balance as on 31.03.2022
Devendra Surana	-	186.71
<b>TOTAL</b>	<b>-</b>	<b>186.71</b>

##### Notes: Loan from Associate Companies

15(g) Name of the company	Balance as On 31.03.2023	Balance as on 31.03.2022
Surana Telecom and power Ltd	1,722.81	1,113.02
<b>TOTAL</b>	<b>1,722.81</b>	<b>1,113.02</b>

\*Unsecured Loan have been taken for business purpose at a mutually agreed rate of interest. There is no specific repayment Schedule.

### Note: 16

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Current Borrowings	Sub Note	As at 31.03.2023	As at 31.03.2022
<b>Secured</b>			
Cash Credit	16(a)	745.51	209.02
Export Packaging Credit	16(b)	5,801.75	2,488.77
Buyers Credit		-	907.67
Working Capital Loan ICICI Bank		-	1,200.00
		<b>6,547.26</b>	<b>4,805.46</b>
<b>Current Maturities on Long Term Debt</b>			
(a) Term loan - HDFC Bank	16(c)	323.26	308.25
(b) Guaranteed Emergency Credit Line - HDFC Bank	16(d)	138.14	117.12
(c) HDFC Bank - Vehicle Loan	16(e)	43.76	-
(d) Benz Financial Services - Vehicle Loan	16(f)	14.69	-
		<b>519.84</b>	<b>425.37</b>
<b>UnSecured</b>			
<b>(Loan from related parties)*</b>			
(a) Loan from Directors	16(g)	264.27	
(b) Loan from Associate Companies	16(h)	123.03	
		<b>387.30</b>	
<b>TOTAL</b>		<b>7,454.40</b>	<b>5,230.83</b>



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

### Notes: 16(a)

Cash Credit loan from HDFC Bank and ICICI Bank is secured by personal guarantee of Directors, Corporate Guarantee of Holding Company and an Exclusive charge on entire Current Assets and Fixed Assets of the Company. The Company has taken loans against security of current assets and monthly statements of current assets filed by the Company with bank are in agreement with the books of accounts. It is repayable on demand and carries a floating interest rate.

### Notes: 16(b)

The company has availed Export packing credit from HDFC Bank and ICICI Bank. This facility is granted the Exporter Company for Financing its working capital needs as a Sub limit to Cash Credit which is eligible for interest Subvention of 3%.

### Notes: 16(c)

#### Term loan - HDFC Bank:

Principal amount of Term loan from HDFC Bank repayable within one year is grouped under Current Maturities. (Also See Note: 15(a))

### Notes: 16(d)

#### Guaranteed Emergency Credit Line - HDFC Bank:

Principal amount of Guaranteed Emergency Credit Line from HDFC Bank repayable within one year is grouped under Current Maturities. (Also See Note: 15(b))

### Notes: 16(e)

#### Vehicle Loan - HDFC Bank

Principal amount of Vehicle Loan from HDFC Bank repayable within one year is grouped under Current Maturities. (Also See Note: 15(c))

### Notes: 16(f)

#### Vehicle Loan - Mercedes Benz Financial Services Pvt Limited

Principal amount of Vehicle Loan from Mercedes Benz Financial Services Pvt Limited repayable within one year is grouped under Current Maturities. (Also See Note: 15(d))

### Notes: Loan from Director\*

16(g) Name of the company	Balance as On 31.03.2023	Balance as on 31.03.2022
Devendra Surana	264.27	-
<b>TOTAL</b>	<b>264.27</b>	<b>-</b>

### Notes: Loan from Associate Companies\*

16(h) Name of the company	Balance as On 31.03.2023	Balance as on 31.03.2022
Surana Infocom Pvt LTD	123.03	-
<b>TOTAL</b>	<b>123.03</b>	<b>-</b>

\*Unsecured Loan have been taken for business purpose at a mutually agreed rate of interest. There is no specific repayment Schedule.

### Note: 17

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Trade Payables	Sub Note	As at 31.03.2023	As at 31.03.2022
<b>Unsecured</b>			
- Total Outstanding dues of "Micro and Small Enterprises"-(MSME)		1.07	-
- Total Outstanding dues of Creditors Other than "Micro and Small Enterprises"-(MSME)	(a)	909.34	490.02
<b>TOTAL</b>		<b>910.41</b>	<b>490.02</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023****Trade payable ageing schedule****As at March 31, 2023****Outstanding for following periods from due date of payment**

Particulars	Less than 1 Year	1-2Year	2-3 Year	More than 3 Years	Total
MSME	1.07	-	-	-	1.07
Others	872.97	36.37	-	-	909.34
Disputed due- MSME	-	-	-	-	-
Disputed due- others	-	-	-	-	-
<b>Total</b>	<b>874.04</b>	<b>36.37</b>	<b>-</b>	<b>-</b>	<b>910.41</b>

**As at March 31, 2022****Outstanding for following periods from due date of payment**

Particulars	Less than 1 Year	1-2Year	2-3 Year	More than 3 Years	Total
MSME	-	-	-	-	-
Others	-	-	-	-	-
Disputed due- MSME	-	-	-	-	-
Disputed due- others	438.22	45.98	5.81	-	490.02
<b>Total</b>	<b>438.22</b>	<b>45.98</b>	<b>5.81</b>	<b>-</b>	<b>490.02</b>

a. Total Outstanding dues of Creditors Other than "Micro and Small Enterprises"- (MSME)

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Payable to Related Party	Sub Note	Balance as on 31.03.2023	Balance as on 31.03.2022
<b>Name of the company</b>			
Surana Solar Limited		-	282.99
<b>TOTAL</b>		<b>-</b>	<b>282.99</b>

b) All the Trade payable are Unsecured mand good

c) There are no disputed trade payables in the current and previous year.

d) Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

e) No Debts due to Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

**Note: 18**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Deferred Tax Liability (net)	Sub Note	As at 31.03.2023	As at 31.03.2022
Deferred Tax Liability at the beginning of the year		-	-
Add: Deferred tax Liability on property, plant and equipment		82.58	-
Deferred Tax Liability at the end of the year		-	-
<b>TOTAL</b>		<b>82.58</b>	<b>-</b>

**Note: 19**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Other Current Liabilities	Sub Note	As at 31.03.2023	As at 31.03.2022
(a) Statutory Dues Payable		25.61	13.92
(b) Advance from Customers		44.78	404.74
<b>TOTAL</b>		<b>70.39</b>	<b>418.66</b>

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

**Note: 20**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Short Term Provisions	Sub Note	As at 31.03.2023	As at 31.03.2022
(a) Provision for employee benefits		4.00	4.00
(b) Provision for Expenses		104.88	51.29
<b>TOTAL</b>		<b>108.88</b>	<b>55.29</b>

**Note: 21**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Revenue from Operations	Sub Note	For the Year 31.03.2023	For the Year 31.03.2022
(a) Sale of Products			
Copper & Allied Products - Domestic		27,222.61	23,049.88
Copper Products - Export		30,808.33	37,314.68
<b>GROSS SALES</b>		<b>58,030.94</b>	<b>60,364.56</b>
Less: GST		6,806.05	5,857.12
<b>NET SALES</b>		<b>51,224.89</b>	<b>54,507.44</b>
<b>TOTAL</b>		<b>51,224.89</b>	<b>54,507.44</b>

**Note: 22**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Other Income	Sub Note	For the Year 31.03.2023	For the Year 31.03.2022
(a) Interest on Fixed Deposits		3.09	7.02
(b) Sundry Balances Written Back		10.81	5.70
(c) Other Income		2.41	-
<b>TOTAL</b>		<b>16.31</b>	<b>12.71</b>

**Note: 23**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Cost of Materials Consumed Cost of Raw Materials and Components Consumed	Sub Note	For the Year 31.03.2023	For the Year 31.03.2022
Opening Stock Raw Materials		2,157.60	1,480.42
Add:Purchases (Net of GST)		49,009.27	50,925.98
Less:Closing Stock Raw Materials		4,023.61	2,157.60
<b>TOTAL</b>		<b>47,143.27</b>	<b>50,248.81</b>

**Note: 24**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Changes in Finished Goods, Work in Process and Material In Transit	Sub Note	For the Year 31.03.2023	For the Year 31.03.2022
Inventories at the Beginning of the year			
Finished Goods		-	-
Semi Finished Goods		-	-
Material in Transit		-	-
<b>Total (A)</b>		<b>-</b>	<b>-</b>
Inventories at the end of the year			
Finished Goods		270.78	-
Semi Finished Goods		624.44	-
Material in Transit		679.17	-
<b>Total (B)</b>		<b>1,574.40</b>	<b>-</b>
<b>Total C=(A-B)</b>		<b>(1,574.40)</b>	<b>-</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023****Note: 25**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Employee Benefits Expense	Sub Note	For the Year 31.03.2023	For the Year 31.03.2022
(a) Salaries, Wages and Other Employee Benefits		419.59	305.04
(b) Contribution To Provident And Other Funds		45.61	24.86
<b>TOTAL</b>		<b>465.20</b>	<b>329.90</b>

**Note: 26**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Finance costs	Sub Note	For the Year 31.03.2023	For the Year 31.03.2022
(a) Interest on borrowing from Banks			
- Cash Credit & Others		283.63	206.62
- Long Term Loan		54.06	78.31
- Guaranteed Emergency Credit Line		72.78	34.57
- Financial Charges		39.63	32.40
(b) Interest expense On Unsecured Loan		295.50	346.17
<b>TOTAL</b>		<b>745.60</b>	<b>698.07</b>

**Note: 27**

(All amounts are in Indian Rupee (lakhs) except share data and where otherwise stated)

Other expenses	Sub Note	For the Year 31.03.2023	For the Year 31.03.2022
Consumption Of Stores and Spare Parts		381.88	243.67
Processing and Conversion charges		83.46	174.81
Power And Fuel		2,000.88	1,169.89
Repairs			
Buildings		63.66	43.86
Machinery		552.95	300.99
Others		30.54	23.87
CSR Expense		10.68	6.26
Insurance		22.88	10.92
Rates And Taxes		6.26	5.62
Packing And Forwarding		207.02	167.81
Other Miscellaneous Expenses		0.31	1.54
Payments To The Auditors			
- for Statutory Audit		2.00	1.00
for Tax Audit		-	-
for Taxation/Other Matters		-	-
for Reimbursement Of Expenses		-	-
Rent		8.22	8.22
Post.Tel & Telephone		2.21	4.52
Legal & Licence Fees		9.93	7.79
Advertisement And Sales Promotion		5.19	14.74
Professional Charges		14.22	16.13
Travelling & Conveyance		29.34	15.55
Sundry Balances Written Off		0.50	1.20
Office Maintenance		0.17	1.54
Watch & Ward		99.35	85.29
Membership & Subscription		0.60	8.21

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

Other expenses	Sub Note	For the Year 31.03.2023	For the Year 31.03.2022
Printing & Stationery		2.00	1.20
Filing Fees		0.30	0.38
Donation		1.13	0.28
Commission On Sales/Purchases		53.57	52.40
<b>TOTAL</b>		<b>3,589.26</b>	<b>2,367.67</b>

Other Miscellaneous Expense	Sub Note	For the Year 31.03.2023	For the Year 31.03.2022
Testing Charges		-	0.28
Other Expenses		0.31	1.23
Water Charges		-	0.04
<b>TOTAL</b>		<b>0.31</b>	<b>1.54</b>

### 27. Related party transactions

#### a. List of Related Parties:

##### i. Holding Company : Bhagyanagar India Limited

##### Key Managerial Personnel : (i) Narender Surana (ii) Devendra Surana

(iii) Rakesh Kumar Agarwal (Whole Time Director)

(iv) Surendra Bhutoria (CFO)

(v) Lalit Kumar Thanvi (CS)

(vi) Manish Surana

(vii) Nivriti Sanket Jain

(viii) Advait Surana

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

(i) Surana Telecom and Power Limited

(ii) Surana Solar Limited

(iii) Surana Infocom Private Limited.

(iv) Tejas India Solar Energy Private Limited

#### A. List of Transaction Occured during the year are as follows

Amount in Lacs (INR)

Related Party	Nature of transaction	2022-23	2021-22
Tejas India Solar Energy Pvt Ltd	Purchase Of Solar Modules	-	15.68
Surana Solar Limited	Purchase of copper	-	912.76
Surana Solar Limited	Sale of Aluminum Scrap	-	0.54
Bhagyanagar India Ltd	Purchase of copper	138.50	2333.57
Bhagyanagar India Ltd	Job work paid	-	74.91
Bhagyanagar India Ltd	Sale of copper	1808.12	3630.18
Bhagyanagar India Ltd	Job work income	3839.05	1052.81
Bhagyanagar India Ltd	Interest Expense	105.03	201.12
Surana Telecom & Power Limited	Interest Expense	81.93	112.93
Surana Infocom Private Limited	Interest Expense	10.04	7.40
Devendra Surana	Interest Expense	98.50	24.71
Rakesh Agarwal	Remuneration – WTD	30.28	26.45
Manish Surana	Salary	16.92	-
Nivriti Jain	Salary	21.60	-
Advait Surana	Salary	10.80	-
Bhagyanagar Ventures Pvt Ltd	Lease Rent Paid	8.22	8.21
GM Surana Foundation Trust	CSR Expense	1.21	-

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

### B. List of Transaction Occurred during the year are as followa:

Balance Outstanding	Nature of transaction	2022-23	2021-22
Surana Solar Limited	Trade Payable	-	282.99

### C. Details of Loan given and recovered with the related parties during the year

Related Party	Nature of transaction	2022-23	2021-22
<b>BHAGYANAGAR INDIA LIMITED</b>	Opening Balance	1041.53	2912.60
	Loan given during the year (net of amount received back)	271.34	Nil
	Repaid during the Year	-	1871.07
	<b>Balance at the end of the Year (cr)*</b>	1312.86	1041.53
<b>Devendra Surana</b>	Opening Balance	186.71	593.49
	Loan taken	2720.65	528.91
	Repaid during the Year	2643.09	935.69
	<b>Closing Balance</b>	264.27	186.71
<b>Surana Telecom &amp; Power Limited</b>	Opening Balance	1113.02	667.97
	Loan taken	609.79	2522.13
	Repaid during the Year	-	2077.10
	<b>Closing Balance</b>	1722.81	1113.01
<b>Surana Infocom Private Limited</b>	Opening Balance	-	332.60
	Loan taken	173.03	335.66
	Repaid during the Year	50.00	668.26
	<b>Closing Balance</b>	123.03	-

(\*) There are multiple transactions with the party. The amount represents net balance of multiple transactions during the year.

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

In the opinion of Board of Directors and to the best of their knowledge and belief, the above disclosure pursuant to Securities Exchange Board Of India (Listing Obligation and Disclosure Requirement and Regulation 2015) and Section 186 of the Companies Act 2013.

30. 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.

31. The Company is primarily engaged 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.

### 32. Auditors' Remuneration includes:

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Statutory Auditors</b>		
Audit Fees	2.00	1.00
Certification & Other Services	-	-
<b>Total</b>	<b>2.00</b>	<b>1.00</b>

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

### 33. Sitting Fee to Directors

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Sitting Fee to Directors	NIL	NIL

### 34. TAX Expenses

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Current Tax</b>		
Current Tax Expense for the Year	107.01	112.04
<b>Deferred Tax</b>		
Deferred Tax Liability/(Asset)	82.58	-
MAT Credit entitlement for current year	48.40	(112.04)
<b>Total Income Tax Expense</b>	<b>237.99</b>	<b>-</b>

### 35. Reconciliation of estimated income tax expenses at Indian statutory income tax rates to income tax expenses reported in statement of profit and loss:

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Income before taxes	641.07	671.22
Applicable Tax Rate	16.69%	16.69%
Estimated Income Tax Expense	<b>107.01</b>	<b>112.04</b>
Add: Effect of non-deductible expenses	-	-
(Less):Effect of allowances for tax purpose	-	-
Add/(Less): Effect of deferred tax	82.58	-
Add/(Less): Effect of MAT Credit	48.40	(112.04)
Tax Expense in Statement of Profit and Loss	<b>237.99</b>	<b>-</b>

### 36. Net Debt Reconciliation

Amount in Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Opening Balances of Borrowings	3,650.61	5,704.55
Add: Proceeds from Non Current Borrowings	505.41	-
Less: Repayment of Non Current Borrowings	-	2053.94
Closing Balance of Borrowings	<b>4,156.02</b>	<b>3,650.61</b>

### 37. As per Section 135 of the Companies Act, 2015, a CSR committee has been formed by the company. The disclosure in respect of CSR Expenditure during the year as aligned with the CSR Policy of the Company which is in line with the activities specified in Schedule VII of the Companies Act, 2013 is as under:

Amount Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Gross amount required to be spent by the Company during the year	6.26	
Related Party Transaction as per Ind AS 24 in relation to CSR activities (Refer note: 28)		
GM Surana Trust	1.21	
Others	5.04	

Amount Lacs (INR)

Particulars	Amount Paid	Amount yet to be paid	Amount Paid	Amount yet to be paid
	For the year ended 31 <sup>st</sup> March 2023		For the year ended 31 <sup>st</sup> March 2022	
(i) Construction/ acquisition of any asset	-	-	-	-
(ii) Purposes other than (i) above	6.26	-	-	-
<b>TOTAL</b>	<b>6.26</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023**

<b>Nature of CSR activities undertaken by the company</b>	<b>1. “Rural Development” - “Integrated Village Development (IVD) Project”</b> <b>2. “Promoting Healthcare including preventive health care – Health Project”</b>	1. “Rural Development” - “Integrated Village Development (IVD) Project” 2. “Promoting Healthcare including preventive health care – Health Project” 3. Promoting Education 4. Environmental Sustainability 5. Animal Welfare
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**CSR Movement**

Amount Lacs (INR)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Opening Balance	6.26	-
Gross amount required to be spent by the Company during the year	-	-
Actual Spent	6.26	-
(Excess)/Short Spent	-	-

38. The information regarding amounts due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006, has been given to the extent available with the Company based on the intimation received from the suppliers regarding their status under the Act. The required disclosures of outstanding dues of micro, small & medium enterprises are as under:

Amount Lacs (INR)

SI No	Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
a)	Principal amount remaining unpaid as at 31 <sup>st</sup> March	1.07	-
b)	Interest amount remaining unpaid as at 31 <sup>st</sup> March	-	-
c)	Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e)	Interest accrued and remaining unpaid as at 31 <sup>st</sup> March	-	-
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

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

(Amount Lacs (INR))

Particulars	2022-23	2021-22
Net Profit after Tax	403.08	671.21
Net Profit after Tax available for equity share holders - For Basic and Diluted EPS	403.08	671.21
Weighted Average No. Of Equity Shares For Basic EPS (No.)	2,00,00,000	2,00,00,000
Weighted Average No. Of Equity Shares For Diluted EPS (No.)	2,00,00,000	2,00,00,000
Nominal Value of Equity Shares	2000.00	2000.00
Basic Earnings Per Equity Share	2.02	3.36
Diluted Earnings Per Equity Share	2.02	3.36

**40. Contingent Liabilities and Commitments (to the extent not provided for)**

(Amount Lacs (INR))

Particulars	As at 31-03-2023	As at 31-03-2022
Contingent Liabilities – Electricity Demand	154.65	154.65
Guarantees issued by the Bank	207.81	-

Note: TSSPDCL has raised a demand of Rs.154.65Lacs for previous years when the company was not under the control of current management. The demand is being contested and has been stayed by the Honorable High Court of Telangana.



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

### 41. Retirement and Other Employees Benefits

The Company's employee benefits primarily cover provident fund, gratuity and leave encashment. Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the Profit & Loss account in the year in which they accrue. Gratuity liability is a defined benefit obligation and is based on the actuarial valuation done. The gratuity liability and the net periodic gratuity cost is actually determined after considering discounting rates, expected long term return on plan assets and increase in compensation level. All actuarial gain/ losses are immediately charged to the Profit & Loss account and are not deferred.

#### A Expenses recognized in the Profit & Loss Account

Particulars	Gratuity	
	2022-23	2021-22
Current service cost	6.31	-
Interest cost	1.59	-
Expected Return on Planned Assets	1.47	-
Net Actuarial Loss/ (Gain) recognized in the year	2.32	-
Expenses recognized in Statement of Profit & Loss	10.19	-

#### B Change in Present value of obligation during the year ended 31st March, 2023

Particulars	Gratuity	
	2022-23	2021-22
Present Value of obligation as at beginning of the year	21.91	-
Interest Cost	1.59	-
Current Service Cost	6.31	-
Benefits Paid-Actuals	-	-
Actuarial (Gain)/ Loss on Obligations	3.76	-
Present Value of obligation as at end of the year	33.57	-

#### C Change in fair value of Plan Assets during the year ended 31st March, 2023

Particulars	Gratuity	
	2022-23	2021-22
Fair value of Plan Assets as at the beginning of the year	21.00	-
Expected Return on Plan Assets	1.47	-
Contributions	-	-
Benefits Paid	-	-
Fair value of Plan Assets as at the end of the year	22.48	-

#### D Actuarial Gain/ loss recognized

Particulars	Gratuity	
	2022-23	2021-22
Actuarial (Gain) / Loss for the year –Obligation	3.76	-
Total Loss for the Year	3.76	-
Actuarial (Gain) / Loss recognized in the year	3.76	-

#### E Actuarial assumption

Particulars	Gratuity	
	2022-23	2021-22
Discount rate used	7.25%	-
Salary escalation	7.00%	-

42. Income tax assessment of the company, "Bhagyanagar Copper Private Limited" for the assessment year 2021-22 was completed on December 30, 2022, and the department has raised a demand for Rs. 66.42 crore on some unreasonable grounds. The company has appealed against it to the Commissioner of the Income Tax (Appeals) and a petition for review of order/ stay of demand has also been filed before the High-Pitched Assessment Committee. The company has been advised by the legal experts that it has a strong/ solid case, and hence, no provision has been made in the books of accounts.

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023****43. Sales (Gross) During the year :**

Sl. No.	Particulars	2022-23		2021-22	
		Qty(MTs)	Amount (Rs. in Lacs)	Qty(MTs)	Amount (Rs. in Lacs)
i	Copper	6072.41	45824.39	7345.88	55708.36
ii	By-Products	-	8269.73	-	3458.33
iii	Job Work Charges	14766.80	3936.82	7715.51	1197.88
	<b>TOTAL</b>	<b>20839.21</b>	<b>58030.94</b>	<b>15061.39</b>	<b>60364.56</b>

**44. Raw material consumed during the year:**

(Amount Lacs (INR))

Sl.No.	Particulars	2022-23	2021-22
I	Copper	42337.85	48886.60
li	Others	3231.02	1362.21
	<b>TOTAL</b>	<b>45568.87</b>	<b>50248.81</b>

**45. Details of imported and indigenous raw materials, spares and packing materials consumed:** (Amount in ₹)

Particulars	2022-23		2021-22	
	Value	% of Total Consumption	Value	% of Total Consumption
Raw materials & Components				
(a) Imported	40288.82	88.41	43519.12	86.60
(b) Indigenous	5280.05	11.59	6729.68	13.40
<b>TOTAL</b>	<b>45568.87</b>	<b>100.00</b>	<b>50248.81</b>	<b>100</b>
Stores & Spare Parts (including consumed for repair)				
(a) Imported	125.50	22.70	286.97	21.07
(b) Indigenous	427.55	77.30	1075.24	78.93
<b>TOTAL</b>	<b>553.05</b>	<b>100.00</b>	<b>1362.21</b>	<b>100</b>

**46. CIF Value of Imports**

(Amount in ₹)

Particulars	2022-23	2021-22
Raw material / Traded Goods	40288.82	43519.12
Stores & Spares	125.50	286.97
<b>TOTAL</b>	<b>40414.32</b>	<b>43806.10</b>

**47. Earning in Foreign Currency**

Particulars	2022-23	2021-22
FOB value of Export sale of goods	30808.23	37314.68
<b>Total</b>	<b>30808.23</b>	<b>37314.68</b>

**48. Financial Instruments and Risk management**

The fair value of financial assets and liabilities is included in the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The fair value of trade receivable, trade payable and other current financial assets and liabilities is considered to be equal to the coiling value amounts of these items due to their short term nature. Where such items are non-current in nature the same has been classified as level 3 and fair value determine using discounted cash value basis.

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximates of fair values:

Particulars	Carrying value		Fair value	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Other Financial Assets	79.81	47.49	79.81	47.49
Total Financial Assets	<b>79.81</b>	<b>47.49</b>	<b>79.81</b>	<b>47.49</b>
Borrowings	4156.02	3650.61	4156.02	3650.61
<b>Total Financial Liabilities</b>	<b>4156.02</b>	<b>3650.61</b>	<b>4156.02</b>	<b>3650.61</b>

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

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

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- c) Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

### 49. Financial risk management objectives and policies

The Company's principal financial liabilities other than derivatives comprise long-term and short-term borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets other than derivatives include trade and other receivables, cash and cash equivalents and deposits that derive directly from its operation.

The Company is exposed to market, credit, liquidity and regulatory risks. The Company does not have any foreign Currency Liabilities; therefore, the exchange fluctuation risk is negligible. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

#### 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 three types of risk: commodity risk, interest rate risk and foreign currency risk.

##### (i) Commodity Price Risk

The principal commodity of the company, which is copper, is fully hedged, insulating it from any price risk.

##### (ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rate relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Further, the Company has foreign currency risk on import of input materials, capital commitment and also borrow funds in foreign currency for its business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies, for the remaining exposures to foreign exchange risks, the Company adopts a policy of selective hedging based on risk perception of management using derivative, whenever required, to mitigate or eliminate the risks.

##### (iii) Interest Rate risk

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. It maintains a balance of fixed and floating interest rate borrowings and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates.

#### B. Credit Risk

Financial Asset of the Company include trade receivables, employee advances and bank deposits which represents Company's maximum exposure to the credit risk.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payment and other relevant factors. The Company's exposure to credit risk is influence mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associated with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. with respect to other financial risk Viz loan and advances , deposit with government, the credit risk is insignificant since the loans and advances are given to its employees only and deposits are held with reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

### C. Regulatory Risks

The Company performance may be impacted due to change in Regulatory Environment. The Company is closely monitoring the regulatory developments and risks thereof and proactively implementing course correction for proper compliance commensurate with new regulatory requirements.

### D. Liquidity Risk

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

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

(Amount in ₹)

Year Ended	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total
<b>31-Mar-23</b>	-	<b>7454.40</b>	<b>4156.02</b>	-	<b>11610.42</b>
<b>Borrowings</b>					
<b>31-Mar-22</b>	-	5230.83	3650.61	-	8881.44
<b>Borrowings</b>					

### 50. 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 (Excluding Loans from Holding Co.), trade and other payables, less cash and cash equivalents.

(Amount in ₹)

Particulars	31-Mar-23	31-Mar-22
Borrowings -Non-Current (Excluding Loan from Holding Co.)	2843.16	2609.08
Borrowings - Current	7454.40	5230.83
Other Payables	1089.68	963.97
Less: Cash and Cash Equivalents	34.41	1056.37
<b>Net Debt (A)</b>	<b>11352.82</b>	<b>7747.51</b>
Equity Share capital	2000.00	2000.00
Other Equity	1288.50	885.42
<b>Quasi Equity (Loan from Holding Company)</b>	<b>1312.86</b>	<b>1041.53</b>
<b>Total Capital (B)</b>	<b>4601.36</b>	<b>3926.95</b>
<b>Capital and Net debt (A+B)</b>	<b>15954.18</b>	<b>11674.46</b>
<b>Gearing ratio (in %)</b>	<b>71.16</b>	<b>66.36</b>

In order to achieve this overall objective, the Company's capital management, amongst other things including working capital management, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

### 51. Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31,2023	March 31,2022	% Change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.36	1.43	(4.45)	-
Debt-Equity Ratio	Long Term Debt	Shareholder's Equity+Quasi Equity.	0.24	0.33	(26.98)	Note(a)
Debt Service Coverage Ratio	Earning for debt service = Net profit before taxes + non-cash operating expenses + Finance Costs	Debt service = Interest & lease payments + Principal repayments	1.28	1.40	(8.73)	-
Return on Equity ratio(%)	Net profit after taxes	shareholder's equity+Quasi Equity.	8.76	17.09	(48.75)	Note(b)
Inventory Turnover Cycle(No.of days)	Cost of goods sold or sales	Average inventory	40	14	176.08	Note(c)
Trade receivables turnover Cycle(No.of days )	Trade Receivables	Gross Sales	11	15	(25.33)	Note(d)
Trade payables turnover Cycle(No.of days )	Trade Payables	Net Purchases	7	4	93.06	Note(e)
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working Capital = Current assets - Current liabilities	16.57	20.69	(19.92)	-
Net Profit Ratio(%)	Net profit after taxes	Net Sales = Total sales - Sales return	0.79	1.23	(36.10)	Note(f)
Return on capital employed(%)	Earnings before interest, Depreciation and taxes	Capital employed = Tangible Net Worth + Long Term Debt	21.73	24.08	(9.74)	-

#### Notes:

- Change in the ratio is due to increase in Net worth on accumulation of Current Year Profits.
- Change in the ratio is due to decrease in net profit because of revenue decline and higher Tax outflow.
- Inventory Holding period is high due to high percentage of import purchases wherein transit period cover of 30 to 35 days has to be maintained.
- Change in ratio is due to company's policy of not extending Credit to all the Customers.
- Change in ratio is due to company's policy of holding a certain percentage of payment to suppliers until the supplier files his GSTR – 1 and GSTR 3B.
- Change in the ratio is due to decrease in net profit because of revenue decline and higher Tax outflow.



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2023

### 52. Other Statutory Information

#### A. RELATIONSHIP WITH STRUCK OFF COMPANIES

The company do not have any transactions with company's struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March, 2023 (Previous year: Nil).

#### B. DISCLOSURE IN RELATION TO UNDISCLOSED INCOME

The company do not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31st March, 2023 and also for the year ended 31st March, 2022 in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

#### C. DETAILS OF BENAMI PROPERTY HELD

The Company do not hold any property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, hence there are no proceedings against the company for the year ended 31st March, 2023 and also for the year ended 31st March, 2022.

#### D. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

The Company do not have any charges or satisfaction, which are yet to be registered with ROC beyond the statutory period, during the year ended 31st March, 2023 and also during the year ended 31st March, 2022.

#### E. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The company have not traded or invested in crypto currency or virtual currency during the year ended 31st March, 2023 and also during the year ended 31st March, 2022.

#### F. UTILISATION OF BORROWED FUND AND SHARE PREMIUM

The company have not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (intermediaries) with the understanding that the intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The company have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

#### G. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

### 53. Confirmation letters of majority of balances under the heads Trade Payables, Claims Recoverable, Loans & Advances, Trade Receivables and Deposits from and with various parties/ Government Departments have been sent but in number of cases such confirmation letters from the parties are yet to be received.

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

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,

For and on behalf of the BOD of  
Bhagyanagar Copper Private Limited

Naveen Lohia

Partner

M. No. 214548

Firm Reg No.01882S

Place: Secunderabad,

Date : 26.05.2023

Narender Surana

Director

DIN: 00075086

Surendra Bhutoria

Chief Financial Officer

Devendra Surana

Director

DIN: 00077296

Lalit Kumar Thanvi

Company Secretary

M.No. A62058

# OUR VALUES

## Quality

We have established our brand as a quality manufacturer over the last 30 years. Total Quality Management (TQM) is integral to our operations and helps optimize our end to end process in response to feedback from customers, suppliers and other stakeholders.

## Cost

We take pride in being one of the most cost efficient manufacturers of copper products in the global market. Our streamlined processes and engineering ensure cost efficiency and enable us to price our products at very competitive rates.

## Delivery

Our state of the art manufacturing facility and experienced personnel ensure the lead time for orders is short and our customers receive orders on time.

## Service

Customer satisfaction is paramount at our company. Our design, development and engineering are eager to meet the diverse needs of the electrical and auto industry.



If undelivered please return to:  
**Secretarial Department**

## **BHAGYANAGAR INDIA LIMITED**

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