



**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 30th Annual General Meeting of the members of Bhagwandas Metals Limited will be held on **Friday, the 21<sup>st</sup> day of September, 2012 at 10 a.m. at NARADA GANA SABHA TRUST (MINI HALL) 314 (OLD NO.254) TTK ROAD, ALWARPET, CHENNAI – 600 018** to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2012 and the reports of the Directors and Auditors thereon.
2. To declare Dividend
3. To appoint a Director in place of Mr. Narender Lunawat who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditor and to fix their remuneration.

For and on behalf of the Board of Directors  
Sd/-

Place : CHENNAI  
Date : 27.07.2012

**GOVIND PRASAD**  
Chairman-cum-Managing Director

**Notes:**

- a. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b. The Instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
- c. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 12<sup>th</sup> September 2012 to Friday, 21<sup>st</sup> September 2012 (both days inclusive).
- d. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
- e. Members are requested to notify immediately any change in their address to the Registrar and Share transfer Agent – M/s. Cameo Corporate Services Ltd., "Subramanian Buildings", 1, Club House Road, Chennai-600 002.
- f. After declaration of dividend at the Annual General Meeting, the Dividend warrants are scheduled to be posted on or after 28.09.2012. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership, as per the details to

**Bhagwandas Metals Limited**

be furnished for this purpose by National Securities Depository Limited and Central Depository Services (India) Limited.

g. Members who desire to have their Bank Account details incorporated in their Dividend warrants may please furnish the (i) Share Folio No. (ii) Name and address of Sole/First Shareholder (iii) Bank Account No. (iv) Name of the Bank and Branch (v) Full address of the Branch with Pin code. These details may be sent to the Company's Registrar & Transfer Agent, M/s. Cameo Corporate Services Ltd., "Subramanian Buildings", 1, Club House Road, Chennai-600 002.

h. Details of Dividend declared during the financial year 2010-11 is as follows:

Financial Year	Declared on	Rate of Dividend	Amount of Dividend per share
2010-2011	22.09.2011	6%	0.60 paise

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the company or Registrar for obtaining payment thereof.

i. INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT FOR RE-APPOINTMENT OF DIRECTOR

	Name of the Director	Mr. Narender Lunawat
a.	Age	41 yrs.
b.	Date of Appointment	31-12-2005
c.	Qualification	B. Com
d.	Experience	16 years
e.	No. of Shares held in the Company	Nil
f.	Expertise	Mr. Narender Lunawat has about 16 years of experience in the construction industry
g.	Directorship held in other Companies	Indus City Scapes Construction (P) Ltd Indus City Properties (P) Ltd
h.	Chairman/Member of Committees of other companies	Nil



### DIRECTORS' REPORT

Your Directors have pleasure in presenting their report for the year ended 31st March 2012 together with the Balance Sheet as at 31st March 2012 and the Profit and Loss account for the year ended on that date.

#### FINANCIAL HIGHLIGHTS

(Rupees)

Sl. No.	Particulars	Audited financial Statement for the year ended March 31st 2012	Audited financial Statement for the year ended March 31st 2012
1.	Income	78,95,85,524	69,44,92,565
2.	Profit before Interest, Depreciation, Extraordinary Items and Tax	85,12,220	65,72,116
3.	Interest	11,42,501	9,36,985
4.	Depreciation	4,62,846	5,69,610
5.	Profit before Extraordinary items and Tax	69,06,873	50,65,521
6.	Provision for taxation & Deferred Tax	20,63,000	15,92,000
7.	Profit after Extraordinary item and Tax	48,43,873	34,73,521
8.	Dividend Proposed	21,89,280	21,89,280
9.	Share Capital	3,64,68,500	3,64,68,500
10.	Reserves & Surplus	3,16,19,123	2,93,19,686

#### OPERATIONS

During the year 2011-2012, the Company has earned a net profit after tax of Rs 48.44 Lakhs as against Rs. 34.74 Lakhs earned in the previous year. On the sales front, the Company has achieved a turnover of about Rs. 7896 Lakhs during the year 2011-2012 as against Rs. 6945 Lakhs achieved in 2010-2011.

#### DIVIDEND

The Directors wish to recommend a Dividend of 6% (0.60paise per equity share of Rs.10/- paid up) on the paid up capital of the company aggregating to Rs.21,89,280 for the year ended 31st March 2012.

#### FUTURE PROSPECTS

During the current year 2012-2013, the Company had already achieved a turnover of Rs. 23.85 Crores in the first quarter ending 30.06.2012 and is confident of growth higher than the previous financial year.

#### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Narender Lunawat, Director of the Company is liable to retire by rotation and your Directors recommend his reappointment.

**AUDITORS**

**M/s. R.R. More & Co.** Chartered Accountants, Chennai, the statutory auditor of the Company hold office until the conclusion of the ensuing Annual General Meeting of the Company. They have confirmed their eligibility and willingness to accept office, if re - appointed.

**FIXED DEPOSITS**

During the year under review, the Company has not accepted any Fixed Deposits from the public.

**PARTICULARS AS REQUIRED UNDER SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956**

**A. CONSERVATION OF ENERGY**

- a. Energy conservation measures taken  
The Company is not a manufacturing Company and hence there is no energy conservation measures are taken.
- b. **Additional Investment Proposals.** — NIL
- c. **Impact of above measures on energy consumption** – Introduction of efficient lighting system and other energy saving systems has considerably reduced power consumption.
- d. **Total energy consumption and energy consumption per unit of production as per Form A – Not Applicable.**

**B. TECHNOLOGY ABSORBPTION**

- a. As per Form B – Not applicable
- b. Research and Development (R & D)
  - i. Specific areas in which Research and Development carried out by the Company  
-NIL
  - ii. Benefits derived as a result of the above Research and Development  
-NIL
  - iii. Future Plan of action – the Company has tentative proposals to introduce Research and Development division in the next two years.
  - iv. Expenditure on Research and Development at present Percentage of the turnover  
-NIL
    - a. Capital
    - b. Recurring
    - c. Total
    - d. Total Research and Development as a percentage of Turnover.



## II Technology, Absorption, Adoption and Innovation

i. Efforts made	- NIL
ii. Benefits derived	
1. Production Improvement	
2. Cost reduction	
3. Import substitution	
iii. Technology imported	- NIL
Year of Report	- NIL
Has technology been fully absorbed	- NIL
If not fully absorbed areas where this has not been reasons therefore and future plans of action	- NIL

## FOREIGN EXCHANGE EARNINGS AND OUTGO

	31.03.2012	31.03.2011
Foreign Exchange earned during the year	Nil	Nil
Foreign Exchange used during the year	Nil	Nil
Value of Imports on CIF Basis	Rs. 4,82,19,444	Rs. 19,92,03,896

## PERSONNEL

None of the employees of the Company is in receipt of salary in excess of the limits laid down in section 217(2A) read with Companies (Particulars of Employees) Rules 1975 as amended.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- Appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012 and of the profit of the Company for the year ended 31st March, 2012.
- Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report and Auditors' Certificate regarding compliance of the same are made part of this Annual Report

**COMPLIANCE CERTIFICATE**

In accordance with Section 383A of the Companies Act, 1956, and Companies (Certificate) Rules, 2001, the company has obtained a certificate from M/s. Lakshmmi Subramanian & Associates, Chennai, secretary in the whole time practice confirming that the company has complied with all the provisions of Companies Act, 1956 and a copy of such certificate is annexed to the report.

**ACKNOWLEDGEMENTS**

The Directors acknowledge with gratitude and wish to place on record their appreciation for the valuable support and kind co-operation extended to the Company by the Companies Bankers, Financial Institution, Government Authorities, Shareholders and the Employees.

For and on behalf of the Board of Directors

Sd/-

**GOVIND PRASAD**

Chairman- Cum-Managing Director

Place : Chennai  
Date : 27.07.2012



## CORPORATE GOVERNANCE REPORT AS ON 31.03.2012

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's focus on Corporate Governance is to attain higher level of transparency and accountability in all facets of its operations and its dealing with shareholders, employees, customers, banks, regulatory and Government Agencies. Accordingly the company always seeks to ensure they attain their performance rule with integrity. The Company sincerely believes that all its operations and actions must serve towards its main object of attaining optimum level of financial stability thereby enhancing the shareholders value through prudent financial management and sound business decisions over a sustained period of time. The company is regularly reviewing the Board processes and the management systems for further improvement.

### 2. BOARD OF DIRECTORS

#### a. Composition

The total strength of the Board as on 31.03.2012 is five, out of which 2 are Promoter Directors namely Mr. Govind Prasad, Chairman-cum-Managing Director and Mr. Nand Kishore Sonthalia Whole time Director. Both these Directors are Executive Directors of the Company. The rest three of the Directors are non-executive independent Directors.

#### b. Board Meetings

The meetings of the Board of Directors are normally held at the registered office in Chennai. Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The Board meets at least once a quarter to review the quarterly performance and the financial results. The gap between two Board Meetings did not exceed four months. Four Board Meetings were held during the financial year 2011-2012 on 25.04.2011, 22.07.2011, 28.10.2011 and 30.01.2012

The Names of Board Members, their attendance at Board Meetings and Board Committee Memberships held by them as on 31.3.2012 are given below:-

Name of the Director	Category	Attendance Particulars		Number of Directorships in other Public companies and Committee Members / Chairmanships		
		Board Meetings	Last AGM (Yes/No)	Other Directorships	Committee Memberships (other than Bhagwandas)	Committee Chairmanships (other than Bhagwandas)
Govind Prasad	Managing Director	4	Yes	-	-	-
Nand Kishore Sonthalia	Whole Time Director	3	Yes	-	-	-
C.Ramasamy	Non-Executive Independent Director	4	Yes	-	-	-
Narender Lunawat	Non-Executive Independent Director	4	Yes	-	-	-
Nirmal Gadhya	Non-Executive Independent Director	3	Yes	-	-	-

### 3. AUDIT COMMITTEE

#### a. Composition

1.	Mr. C.Ramasamy – Chairman
2.	Mr. Nirmal Gadhiya – Member
3.	Mr. Narender Lunawat – Member

#### b. Brief description of terms of reference

- Overseeing the Company's overall financial reporting process.
- Reviewing with management the quarterly and annual financial statements with primary focus on accounting policies and practices and compliance therewith, stock exchange requirements and other legal requirements concerning financial statements.
- Reviewing the internal control system, internal audit and the reports.

During the year under report, the Audit Committee met 4 times on 25.04.2011, 22.07.2011, 28.10.2011, & 30.01.2012.

#### c. Attendance at the Audit Committee

1.	Mr. C.Ramasamy	4
2.	Mr.Nirmal Gadhiya	3
3.	Mr. Narender Lunawat	4

### 4. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

#### a. Composition

1.	Mr. C.Ramasamy – Chairman
2.	Mr. Nirmal Gadhiya – Member
3.	Mr. Narender Lunawat – Member

#### b. Function

The main function of the Committee is to look into the matter of Investors Grievance pertaining to

- Non Receipt of Annual Reports
- Non receipt of dividends
- Any other investor complaint





During the year 2011-2012, no Shareholders/investor grievance Committee meeting was held as there was no investor complaints. There was no Investor Complaints pending as on 31st March 2012.

c. Compliance Officer : Mr. Nand Kishore Sonthalia  
Whole Time Director

d. Investor Complaints, if any can be addressed to [investorgrievance@metal-bml.com](mailto:investorgrievance@metal-bml.com) for redressal of the same.

## 5. SHARE TRANSFER COMMITTEE

### a) Composition

1.	Mr. C. Ramasamy	– Chairman
2.	Mr. Govind Prasad	– Member
3.	Mr. Nand Kishore Sonthalia	– Member

### b) Functions

The main functions of the Committee are:

- i. Transfer, transmission, Split and consolidation of investor holding.
- ii. Dematerialisation of shares
- iii. Replacement of lost/ mutilated/ stolen share certificates.

During the year the Committee met on 03.09.2011, 30.11.2011, 30.01.2012, 30.03.2012

There were no pending share transfers as on 31st March 2012.

## 6. REMUNERATION COMMITTEE

### a) Composition

1.	Mr. C. Ramasamy	– Chairman
2.	Mr. Nirmal Gadhiya	– Member
3.	Mr. Narender Lunawat	– Member

### b) Functions

The Remuneration Committee of the Company recommends the compensation package and other terms and conditions of Executive Directors.

During the year 2011-2012, no meeting has been held as there was no instance arising for the same.

**c) Remuneration policy**

The remuneration of the Executive directors is recommended by the Remuneration Committee, based on criteria such as industry benchmarks, the company's performance vis-à-vis the industry and responsibilities shouldered. The company pays remuneration by way of salary and perquisites to its Executive Directors.

The Non-executive Directors are not paid any remuneration except sitting fees. Further the company has not entered into any pecuniary relationship or transactions with the Non-executive Directors.

The details of the remuneration paid/payable to the Directors during the Financial Year 2011-2012, shareholding and relationship with Directors are as under :

Name of the Director	Salary & Perquisites (Rs.)	Sitting Fees (Rs.)	No. of shares held as on 31.3.2012	Relationship with Directors
Mr. Govind Prasad	12,00,000	-	503637	Father of Mr. Nand Kishore Sonthalia
Mr. Nand Kishore Sonthalia	9,60,000	-	424800	Son of Govind Prasad
Mr.C. Ramasamy	-	7000	200	-
Mr. Narender Lunawat	-	5000	-	-
Mr.Nirmal Gadhiya	-	3750	1200	-

**7. GENERAL BODY MEETINGS**

The last three Annual General Meetings of the Company were held as follows:

DATE	TIME	LOCATION
25th September 2009	10.00 a.m	Rani Seethai Hall, 603, Anna Salai, Chennai – 6
24th September 2010	10.00 a.m	Rani Seethai Hall, 603, Anna Salai, Chennai – 6
22nd September 2011	10.00 a.m	Rani Seethai Hall, 603, Anna Salai, Chennai – 6



**a) Special Resolution passed in the past three Annual General Meetings:**

<b>2010-2011:</b>	<b>Nil</b>
<b>2009-2010:</b>	<b>Nil</b>
<b>2008-2009:</b>	<b>Nil</b>

**b) Postal Ballots:**

Postal Ballot resolution passed during the last year – NIL

**NOTES ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT**

As required under clause 49 VI (A), particulars of Directors seeking appointment/reappointment are given in the Annexure to the Notice of the Annual General Meeting.

**9. DISCLOSURES**

a. There were no materially significant related party transactions. i.e. transactions of the Company of material nature, with its promoters, the Directors or the management or relatives etc that may have potential conflict with the interest of the Company at large.

b. Transactions with Related Parties are disclosed in the Notes of Accounts in Schedule 17 forming part of the Balance Sheet.

c. During the last 3 years, there were no strictures or penalties imposed on the Company by either Stock Exchanges or SEBI or any statutory authority for non-compliance on any matter related to capital markets.

d. Disclosure of Accounting Treatment: No differential treatment from the Accounting Standard was followed in the preparation of the financial statements.

e. Whistle Blower Policy: The Company does not have Whistle Blower Policy. No employee has been denied access to approach the Audit Committee to report any serious concerns.

f. The company has complied with all the mandatory requirements of clause 49 of the Listing Agreement and the extent of compliance of the non- mandatory requirements is given in the end of this report.

g. Proceeds from public issue, rights issue, preferential issue etc.- No money have been raised through public/ rights/ preferential issues during the year.

**10. MEANS OF COMMUNICATION**

The Quarterly, Half yearly and the Annual results of the Company are sent to the stock exchanges immediately after the Board's approval. The results are also published in the Newspapers Makkal Kural and Trinity Mirror. As per the requirements of clause 51 of listing agreement, the quarterly financial results, share holding pattern, annual report etc, are uploaded on the website [www.metal-bml.com](http://www.metal-bml.com).

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**GLOBAL STEEL INDUSTRY**

Overall the global steel industry witnessed steady growth during 2011-2012. The growth in global steel demand was driven by increased demand from key steel end-user industries including infrastructure, construction and automotive, especially in the emerging markets; in spite of financial turbulence in the Eurozone, weak private demand in the United States and events in Japan and the Middle East.

In 2011, the global steel demand is estimated to have increased by 6% to reach a new of 1,373 million tonnes, 13% above the pre crisis levels in 2007. Growth was led by the emerging economies, notably China (6% up) and India (4% up), where new demand records were set. In the developed economies, demand levels remained 15-25% below 2007 levels. Europe saw steel demand increase by 5% and North America by 9% in 2011, but steel demand in Japan fell by 3%, as the impact of the earthquake and subsequent tsunami was felt on the manufacturing activity.

Steel Industry in India: India improved its ranking to become the 4th largest producer of crude steel in the world during 2011-2012 after China, Japan and the USA. The country's production grew by around 6% in 2011-2012 over 2010.

**OUTLOOK**

World steel forecasts that apparent steel consumption worldwide will grow by 3.6% to 1,422 mt in 2012 and should grow by 4.5% in 2013. Steel demand in the EU in 2012 is expected to contract by 1.2% in 2012, while growing by 3.3% in the following year. This represents below 80% of the pre-crisis demand levels. Chinese steel demand growth is expected to be moderate as the government pursues economic restructuring. As such, steel demand in China is projected to grow by 4% every year in the next two years.

Indian steel demand growth is expected to remain subdued due to slowdown in investments and delayed start-up of industrial projects. However, the automotive segment, is expected to grow by 11-13% in Financial Year 2012-13. As per world steel forecasts, steel demand in India should grow by 6.9% in 2012 and the growth should accelerate to 9.4% in 2013.

**RISKS, OPPORTUNITIES AND THREATS:**

The steel industry is subject to cyclical swings arising from factors such as excess capacity, regional demand and supply imbalances and volatile swings in market demand and prices,



more recently exacerbated by swings in input prices as well as the debt crisis in Euro zone. After showing a positive growth trend in Financial Year 2010-11, global demand for steel started tempering again in line with slowing economic growth in both developed as well as emerging markets.

The Indian operations benefited from strong domestic demand and achieved record crude steel output at 7.13 million tonnes. The South East Asian plants also benefited from good demand and operated close to full capacity. Steel demand has not recovered to pre-crisis levels in the developed countries.

#### **INTERNAL CONTROL SYSTEMS:**

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. These procedures are designed to ensure.

- That all assets and resources are used efficiently and are adequately protected.
- That all the internal policies and statutory guidelines are complied with.
- The accuracy and timing of financial reports and management information.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

Your Company considers its employees as one the key stakeholders. It has created a Human Resources environment which fasters speed and agility in responding to the changing environment, learning and innovation to survive and prosper and integrity in all operation.

#### **STATUTORY COMPLIANCE:**

The Managing Director makes a declaration at each Board Meeting regarding the compliance with provisions of various statutes after obtaining confirmation from all the units of the company. He ensures compliance with the SEBI regulations and provisions of the Listing Agreement. The Compliance Officer ensures compliance with the guidelines on the insider trading for prevention of insider trading.

#### **CAUTIONARY STATEMENT:**

Statements made in this report describing the Company's objectives, 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 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.

**GENERAL SHAREHOLDERS INFORMATION**

**1. ANNUAL GENERAL MEETING**

DATE : 21st September, 2012  
TIME : 10.00 a.m.  
VENUE : Narada Gana Sabha Trust, (Mini Hall) New No.314 (Old No.254)  
TTK Road, Alwarpet, Chennai – 600 018.

**2. TENTATIVE FINANCIAL CALENDAR**

SI. NO	Particulars	Period
1.	Annual General Meeting.	21st September 2012
2.	Publication of Quarterly Results ending 30th June 2012.	Last week of July 2012.
3.	Publication of Quarterly Results ending 30th September 2012.	Last week of October 2012.
4.	Publication of Quarterly Results ending 31st December 2012.	Last week of January 2013
5.	Publication of Quarterly Results ending 31st March 2013.	Last week of April 2013

**3. BOOK CLOSURE**

The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 12th September 2012 to Friday, the 21st September 2012 (both days inclusive).

**3A. DIVIDEND PAYMENT DATE**

On or after 28.9.2012

**4. LISTING ON STOCK EXCHANGES**

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

- i. **Madras Stock Exchange Limited**  
Exchange Building 11, Second Line Beach, CHENNAI – 600 001.
- ii. **Bombay Stock Exchange, P.J. Towers, Dalal Street, Fort, MUMBAI – 400001.**

The Company has paid the listing fee to the above stock exchanges for the financial years 2011 - 2012. Scrip Code : 530095

**5. REGISTRARS AND SHARE TRANSFER AGENTS**

The Company's share transfer agents are M/s. Cameo Corporate Services Limited, Subramanian Building, V Floor, No 1, Club House Road, Chennai – 600 002.



M/s Cameo Corporate Services Limited is acting as Common Transfer Agent for both physical and electronic transfer of Company's shares.

#### 6. DEMATERIALISATION OF SHARES

The Company has established connectivity with M/s. National Securities Depositories Limited and Central Depository Services (India) Limited to facilitate investors to trade the shares in dematerialised form. The Demat ISIN number is INE656B01019. As on 31st March 2012, about 16,22,115 (44.46%) of Equity shares of the Company has been dematerialised.

#### STOCK MARKET DATA

Month	Madras Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
	Stock Code: BHAGWANMET		Stock Code: 530095	
Apr 2011	Not quoted		6.93	5.20
May 2011	Not quoted		6.30	5.51
June 2011	Not quoted		6.06	4.92
July 2011	Not quoted		5.68	5.05
Aug 2011	Not quoted		5.56	4.86
Sep 2011	Not quoted		7.00	4.55
Oct 2011	Not quoted		8.99	7.00
Nov 2011	Not quoted		7.50	5.92
Dec 2011	Not quoted		7.45	6.01
Jan 2012	Not quoted		9.41	7.18
Feb 2012	Not quoted		8.30	6.40
Mar 2012	Not quoted		10.03	8.40

#### 8. DISTRIBUTION OF SHAREHOLDINGS AS ON 31.03.2012

No. of Shares Held	Share holders		Share Amount	
	Number	% to total	Rupees	% of total
1 - 500	1972	80.33	4,025,000	11.03
501 - 1000	219	8.92	1,848,300	5.07
1001 - 2000	162	6.60	2,377,140	6.51
2001 - 3000	36	1.47	922,650	2.53
3001 - 4000	12	0.49	415,250	1.14
4001 - 5000	10	0.41	476,010	1.30
5000 - 10000	20	0.81	1,487,120	4.08
10000 and above	24	0.97	24,936,530	68.34
<b>Total</b>	<b>2455</b>	<b>100.00</b>	<b>36488000</b>	<b>100.00</b>

**9. PATTERN OF SHARE HOLDINGS AS ON 31.03.2012**

Category	No. of Shares Held	Percentage of Share holding
<b>A.PROMOTER HOLDING</b>		
1.Promoters		
Indian Promoters	2159865	59.19%
Foreign Promoters	NIL	NIL
2.Persons acting in concert	NIL	NIL
Sub-Total	2159865	59.19%
<b>B.Non-Promoters Holding</b>		
3. Institutional Investors	NIL	NIL
a. Mutual Funds and UTI	NIL	NIL
b.Banks, financial Institutions, Insurance Companies (central/state Govt.Institutions/Non-government Institutions)	NIL	NIL
c. FIIs	NIL	NIL
Sub-Total	NIL	NIL
4. a. Bodies Corporate	255248	7.00%
b. Indian Public	1195161	32.75%
c. Clearing Member	NIL	NIL
d. Hindu Undivided Family	9867	0.27%
e. NRI	26959	0.74%
f. Independent Directors	1700	0.05%
Sub-Total	1488935	40.81%
Grand Total	3648800	100.00

**10. GODOWN ADDRESS**

Sadayankuppam Village Road,  
Manali, Chennai 600 103.

**11. ADDRESS FOR CORRESPONDENCE**

New No 54 (Old No 61) Sembudoss Street,  
First Floor, Chennai 600 001.

**12. Email for Investor Grievance Redressal:** The Investor compliance, if any, can be redressed to [investorgrievance@metal-bml.com](mailto:investorgrievance@metal-bml.com) for redressal of the same.





## **NON MANDATORY REQUIREMENTS**

The Company has adopted the following non-mandatory requirements of Corporate Governance recommended under Clause 49 of the Listing Agreement:

### **i) CHAIRMAN OF THE BOARD**

The Company maintains the office of the chairman at its registered office and also reimburse the expenses incurred in performance of duties.

### **ii) REMUNERATION COMMITTEE**

The Company has constituted a Remuneration Committee to analyse the skills of the management. The policy of the Committee is to continuously monitor the availability of the potential skill and also to recommend suitable salary package.

### **iii) SHARE HOLDERS RIGHTS**

By way of disclosure in News Papers, the shareholders have an access to the unaudited financial results including summary of major events and information on any accounting policies as regards the audited accounts through Annual Reports.

### **iv) POSTAL BALLOT**

The Company does not contemplate the need to pass any resolution under postal ballot in the immediate future.

### **v) AUDIT QUALIFICATION**

The company has unqualified financial statement.

### **vi) TRAINING OF BOARD MEMBERS**

Periodical meetings are held with outside skilled consulting agencies for Board Members to appraise them in recent developments and existing laws and practices.

### **vii) MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS**

-Same as above-

### **viii) WHISTLE BLOWER POLICY**

As mentioned earlier, the company does not have Whistle Blower Policy.

**DECLARATION**

I, Govind Prasad, Chairman-cum-Managing Director of the Company, hereby declare that the Board of Directors has laid down a code of conduct for its Board Members and Senior Management of the Company and Board Members have affirmed Compliance with the said code of conduct.

For and on behalf of the Board of Directors

Place : Chennai

Date : 27.07.2012

Sd/-  
**GOVIND PRASAD**  
Chairman-cum-Managing Director



**MANAGING DIRECTOR/ WHOLE TIME DIRECTOR CERTIFICATION**

Dear Sirs,

In connection with the Audited Financial Results for the Financial Year ended 31st March, 2012, we Govind Prasad, Chairman cum Managing Director and Nand Kishore Sonthalia, Whole Time Director certify that

(a) We have reviewed financial statements and the cash flow statement for the year 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 affair and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions have been entered into by the Company during the year which are fraudulent, illegal or violative 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 the 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 taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the audit committee

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed 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 a significant role in the company's internal control system over financial reporting.

**GOVIND PRASAD**  
Chairman cum Managing Director

**NAND KISHORE SONTHALIA**  
Whole Time Director

Place : Chennai  
Date : 27.07.12

**Compliance Certificate**

**Registration No. 18-009418**  
**Authorised Capital: Rs. 5,00,00,000/-**

To,

The Members,  
**M/s. BHAGWANDAS METALS LIMITED**

We have examined the registers, records, books and papers of M/s. BHAGWANDAS METALS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2012. In our opinion and to the best of our information and according to the examinations carried out by us and information, explanations and declarations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, on the dates mentioned therein.
3. The company being a public limited company the applicability of Section 3(1)(iii) does not arise.
4. The Board of Directors met 4 (FOUR) times on 25.04.2011, 22.07.2011, 28.10.2011 and 30.01.2012 in respect of which meetings the proceedings were recorded in the Minutes Book maintained for the purpose.
5. The company has opted to close its Register of Members during the financial year under review from 13.09.2011 to 22.09.2011 (both days inclusive) and has complied with provisions of Section 154 of the Act.
6. The Annual general meeting of the company for the financial year ended on 31.03.2011 was held on 22.09.2011 and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extraordinary Meeting of members was held during the financial year under review.
8. As per the information, explanations and declarations given by the management the company has not granted any loans to directors or persons or firms or companies referred in the provisions of Section 295 of the Act.
9. As per the information and explanation given by the management, the company had not entered into any inter-se transactions specified under Section 297 of the Act during the financial year under review.



10. The company has made necessary entries in the register maintained under section 301 of the Act.

11. According to the information, explanations and declaration furnished by the management, there was no instance falling within the purview of section 314 of the Companies Act, 1956 and hence the company was not required to obtain any approval from the Board of Directors, members, Central Government during the financial year under review.

12. The Board of Directors had not approved any issue of duplicate share certificates during the year under review.

13. The Company, during the financial year under review, has:

(i) Delivered all the certificates on lodgment thereof for transfer of shares and not made any allotment of securities or received any request for approval of any transmission of securities.

(ii) Deposited the amount of dividend declared in a separate Bank Account which is within five days from the date of declaration of such dividend.

(iii) Paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Bank.

(iv) No unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which has remained unclaimed or unpaid for more than seven years to be transferred to Investor Education and Protection Fund.

(v) Generally complied with the requirements of section 217 of the Act.

14. The Board of Directors of the company is generally well constituted, and no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy has been made during the financial year under review.

15. The Company has re-appointed Managing Director and Whole-time director and filed the necessary forms with Registrar of Companies during the financial year under review.

16. The Company has not appointed any sole-selling agents during the financial year under review.

17. The Company has no transaction, which necessitated the Company to seek any approval from the Company Law Board, Regional Director, Registrar of Companies, Central Government during the financial year under review.

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19. The company has not issued shares/debentures/other securities during the financial year under review.

20. The company has not bought back any shares during the financial year under review.

21. The company has not issued any redeemable preference Shares/debentures; and hence the question of redeeming any preference shares/debentures does not arise.

22. The Company has not kept in abeyance rights to dividend, rights shares, and bonus shares pending registration of transfer of shares during the financial year under review not arise.

23. According to the information and explanation given by the management, the company has not accepted any deposits from the public, during the financial year under review and hence compliance with the provisions of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 does not arise.

24. The amount borrowed by the Company from banks and financial institutions during the financial year under review are within the borrowing limits of the company as fixed by the Board of Directors in terms of Section 292 of the Act. Since the borrowing made by the company is within the limits laid under Section 293(1)(d) of the Companies Act 1956, the question of compliance of the provisions of the said section does not arise.

25. According to the information, explanations and declaration furnished by the management, the company has not made any loans/ given guarantees or provided securities to other bodies corporate during the year under review except investments made in Body corporate by way of share application money and complied with the provision of the Companies Act 1956.

26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.

27. The company has not altered the provisions of the memorandum with respect to objects of the company during the year under scrutiny.

28. The company has not altered the provisions of the memorandum with respect to name during the year under scrutiny.

29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny and complied with the provisions of the act.

30. The company had not altered its articles of association during the financial year under review.

31. According to the information, explanations and declaration furnished by the management, no prosecution has been initiated against the Company or no show cause notices has been received by the company for any alleged offences under the Act and hence the question of fine or penalties does not arise.

**LAKSHMI SUBRAMANIAN & ASSOCIATES**

Continued Sheet

32. The company has not received any amount as security from its employees during the financial year under certification as per provisions of section 417(1) of the Act.

33. According to the information and explanations furnished by the management, the Company has not constituted its own Provident Fund pursuant to the provisions of Section 418 of the Companies Act, however the company has generally been regular in depositing both the employers and employees contributors to the Provident Fund with prescribed authorities.

Place: Chennai

Signature : Sd/-

Date: 27.07.2012

Name of Company Secretary : Lakshmi Subramanian

C. P. No. : 1087

**Annexure A****Registers as maintained by the Company**

1. Register of Members u/s 150 of the Companies Act, 1956
2. Register of Directors u/s 303 of the Companies Act, 1956
3. Register of Directors Shareholdings u/s 307 of the Companies Act, 1956
4. Register of Transfer and Transmission.
5. Register of Charges u/s 141 of the Companies Act, 1956
6. Minutes of the Annual General Meeting/Extra Ordinary General Meeting & Board Meetings u/s 193 of the Companies Act, 1956.
7. Register of companies and firms in which the directors of the company are interested under section 301 of the Companies Act, 1956

**Annexure B**

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on **31st March 2012**.

Name of the Document	Date of Event	Date of filing	Due Date	Remarks
Form 66	22.09.2011	21.10.2011	22.10.2011	In time
Form 23AC & ACA-XBRL	22.09.2011	21.10.2011	31.12.2011	In time
Form 20B	22.09.2011	18.10.2011	21.11.2011	In time
Form 23	22.09.2011	21.10.2011	22.10.2011	In time
Form 8	01.03.2012	21.03.2012	30.03.2012	In time

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of  
**BHAGWANDAS METALS LIMITED**, Chennai.

We have examined the compliance of the conditions of Corporate Governance by M/s. Bhagwandas Metals Limited for the year ended 31.03.12 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statement of the Company.

In our opinion and to the best of our information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as certified by the Registrars of the Company.

We further state that such compliance 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.

For **R.R. MORE & Co.**  
Chartered Accountants

Place : Chennai  
Date : 27.07.2012

**C.A. RAJARAM MORE**  
Proprietor  
Membership No. 21233  
FR. No. 2133S



**AUDITORS' REPORT**

To the Shareholders of

**BHAGWANDAS METALS LIMITED, Chennai.**

1. We have audited the attached Balance Sheet of BHAGWANDAS METALS LIMITED, as at 31st March, 2012 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;

d. In our opinion, the Balance Sheet, the Profit and Loss Account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

e. On the basis of the written representation received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

**Bhagwandas Metals Limited**

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- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- i. In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2012; and
- ii. In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.
- iii. In the case of cash flow statement, of the cash flow for the year ended on that date.

For **R.R. MORE & Co.**  
Chartered Accountants

Place : Chennai  
Date : 27.07.2012

**C.A. RAJARAM MORE**  
Proprietor  
Membership No. 21233  
FR. No. 2133S



**ANNEXURE TO THE AUDITOR'S REPORT**  
(Referred to in Paragraph (3) of our report of even date)

In terms of the information and explanations given to us and books and records examined by us in normal course of audit and to the best of our information and belief, we state that:

- 1) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b. The fixed assets were physically verified during the year and no discrepancies were noticed during such verification.  
c. The Company has not sold substantial portion of Fixed Assets during the year.
- 2) a. The management has conducted physical verification of inventory at reasonable intervals.  
b. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c. On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between physical stock and the book records were not material in relation to the operations of the Company.
- 3) The Company has neither granted nor taken any loans secured or unsecured, from Companies, firms, or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted/taken any loans, secured or unsecured, to / from parties listed in the registers maintained under Section 301 of the Companies Act, 1956 paragraphs iii (b) (c) (d) (e) & (f) of the Order, are not applicable.
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- 5) a. According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under Sections 301 of the Companies Act, 1956 have been so entered.  
b. In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or agreements entered into the register maintained under section 301 of the act have been made at prices which are generally reasonable considering the strategic relationship and having regard to the prevailing market prices at the relevant time.

**Bhagwandas Metals Limited**

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- 6) The Company has not accepted any deposits under the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- 7) The internal audit for the Company has been carried out during the year and the system and procedures adopted by the Company is adequate commensurate with the size and nature of the Company.
- 8) To the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 for the products of the Company.
- 9) a. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including Provident fund, investor education and protection fund, employees state insurance, Income Tax, Sales Tax, Wealth tax, Service Tax, Customs duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities.  
  
b. As at 31st March 2012 according to the records of the Company and information and explanations given to us, there is no undisputed dues on account of Sales Tax, Income Tax, Excise Duty, Wealth Tax, Service Tax, Customs duty and Cess which is outstanding for a period of more than 6 months from the date they became applicable.
- 10) Based on our audit procedures and information and explanations given by the management the Company has not defaulted in repayment of dues to any financial institutions or Bank.
- 11) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 12) The Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- 13) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly to the provisions of clause 4 (xiv) of the Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the Company.
- 14) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 15) According to the information and explanations given to us, the loans have been applied for the purpose for which they were obtained.
- 16) According to the information and explanations given to us, and on an overall examinations of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short term basis have been used for long term investment.



- 17) The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 18) The Company has not issued any debentures during the year.
- 19) The Company has not raised any money through a public issue during the year.
- 20) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported that during the course of our audit.

For **R.R. MORE & Co.**  
Chartered Accountants

Place : Chennai  
Date : 27.07.2012

**C.A. RAJARAM MORE**  
Proprietor  
Membership No. 21233  
FR. No. 2133S

## BALANCE SHEET AS ON 31.03.2012

	PARTICULARS	Note No.	31.03.2012 Rs.	31.03.2011 Rs.
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
1.	Shareholders' funds			
	(a) Share Capital	2.1	36,468,500	36,468,500
	(b) Reserves and Surplus	2.2	31,619,123	29,319,686
2.	Non-current liabilities			
	(a) Long-term borrowings	2.3		-
	(b) Long term provisions	2.5	1,370,963	824,000
3.	Current Liabilities			
	(a) Short term borrowings	2.6	39,721,347	-
	(b) Trade payables	2.7	37,835,359	53,456,907
	(c) Other current liabilities	2.8	543,351	824,935
	(d) Short term provisions	2.9	4,997,837	4,398,703
	<b>TOTAL</b>		<b>152,556,480</b>	<b>125,292,731</b>
<b>II.</b>	<b>ASSETS</b>			
1.	Non-current assets			
	(a) Fixed assets	2.10		
	(i) Tangible assets		1,522,980	1,830,363
	(ii) Intangible assets			
	(iii) Capital work-in-progress			
	(b) Non-current investments	2.11	3,000,000	-
	(c) Deferred Tax Asset (Net)	2.4	516,000	329,000
	(d) Long-term loans and advances	2.12	4,934,348	4,637,124
2.	Current assets			
	(a) Inventories	2.13	5,610,350	28,811,806
	(b) Trade receivables	2.14	102,250,028	68,644,942
	(c) Cash and Bank Balances	2.15	6,168,296	17,519,826
	(d) Short-term loans and advances	2.16	25,323,921	833,305
	(e) Other current assets	2.17	3,230,557	2,686,365
	<b>TOTAL</b>		<b>152,556,480</b>	<b>125,292,731</b>
	See accompanying notes to the financial statements	1 & 2		
For and on behalf of the Board		As per my report of even date For <b>R.R.More &amp; Co</b> Chartered Accountants		
sd/-	sd/-	sd/-		
<b>GOVIND PRASAD</b>	<b>NAND KISHORE SONTALIA</b>	<b>C.A. Raja Ram More</b>		
Chairman cum Managing Director	Director	Proprietor		
Place : Chennai		M.No.21233		
Date: 27.07.2012				



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012

	PARTICULARS	Note No.	31.03.2012 Rs.	31.03.2011 Rs.
I	<b>Revenue from operations:</b>	2.18		
	Sale of Products		789,585,524	694,492,565
II	Other Income	2.19	1,477,260	1,181,138
III	<b>Total Revenue (I + II)</b>		<b>791,062,784</b>	<b>695,673,703</b>
IV	<b>Expenses</b>			
	Purchases of Stock in Trade	2.20	733,902,188	658,196,398
	Changes in inventories of finished goods, work in progress and Stock-in-trade	2.20	23,201,456	(9,319,586)
	Employee benefits expense	2.21	4,331,923	2,325,004
	Finance Costs	2.22	2,077,460	1,807,617
	Depreciation and amortization expense	2.10	462,846	569,610
	Other expense	2.23	20,180,038	37,029,139
	<b>Total Expense</b>		<b>784,155,911</b>	<b>690,608,182</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>6,906,873</b>	<b>5,065,521</b>
VI	<b>Exceptional Items</b>			
VII	<b>Profit before extraordinary Items and tax (V-VI)</b>		<b>6,906,873</b>	<b>5,065,521</b>
VIII	<b>Extraordinary items</b>			
IX	<b>Profit before tax (VII-VIII)</b>		<b>6,906,873</b>	<b>5,065,521</b>
X	<b>Tax expense:</b> (1) Current tax (2) Deferred tax		2,250,000 (187,000)	1,675,000 (83,000)
XI	<b>(IX - X)</b>		<b>4,843,873</b>	<b>3,473,521</b>
XII	<b>Profit/(Loss) for the period from discontinuing operations</b>			
XIII	<b>Tax expense of discontinuing operations</b>			
XIV	<b>Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)</b>			
XV	<b>Profit/(Loss) for the period (XI + XIV)</b>		<b>4,843,873</b>	<b>3,473,521</b>
XVI	<b>Earnings per equity share:</b> (1) Basic (2) Diluted		1.33 0.95	
	See accompanying notes to the financial statements	1 & 2		
For and on behalf of the Board			As per my report of even date For R.R. More & Co Chartered Accountants	
	sd/- <b>GOVIND PRASAD</b> Chairman cum Managing Director Place : Chennai Date: 27.07.2012	sd/- <b>NAND KISHORE SONTALIA</b> Director	sd/- <b>C.A. Raja Ram More</b> Proprietor M.No.21233	

**SCHEDULE 1: NOTES ON ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**a. Accounting Convention**

Accounts are prepared under the historical cost convention and on the basis of going concern concept.

**b. Sales**

Sales are recognised on despatch to customers.

**c. Fixed Assets**

All fixed assets are valued at cost less depreciation.

**d. Depreciation**

Depreciation has been provided on written down value basis at the rates applicable in Schedule XIV of the Companies Act, 1956.

**e. Inventories**

Trading Stock is valued at cost or net realisable value whichever is less.

**f. Gratuity and Provident Fund**

**(i). Defined Contribution Plan:**

Contribution as per the Employees provident fund & miscellaneous provisions act 1952 towards provident fund & family pension fund are provided for and payments in respect there of are made to relevant authorities on actual basis and accounted as an expense in the year it is incurred.

**(ii). Defined Benefit Plan:**

**Gratuity:**

The company provides for the gratuity concerning all employees. The plan provides for lump sum payment to employees on retirement, death while in employment or on termination of employment. The company accounts for liability of future gratuity benefit on projected unit credit method carried on annually for assessing liability as at the balance sheet date.

**g. Taxation**

Income Tax expenses comprises of current and deferred tax charge or realisation. The deferred tax charge or credit is recognised subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

When there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised if there is a certainty of realisation of such assets. Such assets are reviewed at each Balance Sheet date to reassess realisation.



**NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012****Note No: 2.1 - SHARE CAPITAL**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
<b>Authorised Share Capital</b> 5000000 Equity Shares of Rs 10/- each		50,000,000		50,000,000
<b>Issued, Subscribed and Paid up Capital</b> 3648800 Equity Shares of Rs 10/- each Less : Calls Unpaid		36,488,000 19,500		36,488,000 19,500
<b>TOTAL</b>		<b>36,468,500</b>		<b>36,468,500</b>

**Note No: 2.1.1 - Reconciliation of Shares: -**

Particulars	Number of Shares	Amount Rupees	Number of Shares	Amount Rupees
Opening Share Capital	3,648,800	36,488,000	3,648,800	36,488,000
Add: Shares issued During the year	-	-	-	-
Add: Rights / Bonus Shares Issued	-	-	-	-
<b>Total</b>	<b>3,648,800</b>	<b>36,488,000</b>	<b>3,648,800</b>	<b>36,488,000</b>
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Closing Share Capital	3,648,800	36,488,000	3,648,800	36,488,000

**Note No: 2.1.2 - List of Share holders having 5% or more Shares (In Nos) :-**

Name of Shareholders	In Nos	In %	In Nos	In %
Govind Prasad	503,637	13.80	482,993	13.24
Gita agarwal	520,171	14.26	461,138	12.64
Nand Kishore Sonthalia	424,800	11.64	424,800	11.64
Bobby Sonthalia	322,542	8.84	322,542	8.84
Century Cbase P Ltd	198,672	5.44	-	-
Deccan Financial Services P Limited	-	-	201,872	5.53

As per records of the company, including its register of shareholders / members.

**Note No: 2.2 - RESERVES AND SURPLUS**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
<b>a) General Reserve</b>	551,864		551,864	
Balance as per Last Financial Statement				
Add: Share premium	21,668,500		21,668,500	
Add: Transfer made during the year				
<b>b) Surplus/ (Deficit) in the statement of Profit and Loss</b>	7,099,322	22,220,364	6,170,237	22,220,364
Balance as per Last Financial Statement				
Add: Profit During The Year	4,843,873		3,473,521	
Less: Appropriations				
Proposed Dividend - Re0.60 per share ( Re.0.60 )	2,189,280		2,189,280	
Tax on proposed Dividend	355,156		355,156	
Transfer to General Reserves	-		-	
Closing Balance		9,398,759		7,099,322
<b>TOTAL</b>		<b>31,619,123</b>		<b>29,319,686</b>

**Bhagwandas Metals Limited**

**Note No: 2.3 - LONG TERM BORROWINGS**

Particulars	31.03.2012		31.03.2011	
	Non- Current Maturities	Current Maturities	Non- Current Maturities	Current Maturities
a) Deferred payment liabilities				
Hire Purchase Loan from Banks - (Secured)				
- HDFC Bank - Finance Loan - I	-	-	-	323,796
- HDFC Bank - Finance Loan - II	-	-	-	318,812
<b>The above amount includes:-</b>				<b>642,608</b>
Secured Borrowings				642,608
Unsecured Borrowings				(642,608)
Amount disclosed under the head "Other Current Liabilities" (Ref:- Note 2.8)				
<b>NET AMOUNT</b>	-	-	-	-

a) HDFC Bank - Finance Loan I from bank carries interest @ 12.75 % p.a. The loan is repayable in 36 Monthly Installment of Rs.800000/- from March 2009. The loan is secured by hypothecation of car created out of this loan.

a) HDFC Bank - Finance Loan II from bank carries interest @ 15.01 % p.a. The loan is repayable in 36 Monthly Installment of Rs.900000/- from February 2009. The loan is secured by hypothecation of car created out of this loan.

**Note No: 2.4 - DEFERRED TAX ASSET**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
<b>Deferred Tax Assets</b>				
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting		92,000		66,000
Employee Retirement Benefits: Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis.		424,000		263,000
<b>Deferred Tax Asset (Net)</b>		<b>516,000</b>		<b>329,000</b>

**Note No: 2.5 - LONG TERM PROVISIONS**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Provision for employee benefits		1,370,963		824,000
<b>TOTAL</b>		<b>1,370,963</b>		<b>824,000</b>

**Note No: 2.6 - SHORT TERM BORROWINGS**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
<b>a) Loans repayable on demand</b>				
<b>(i) From Bank</b>				
Cash Credit from Punjab National Bank - (Secured)		9,403,281		
LC from Punjab National Bank - (Secured)		30,318,066		
<b>TOTAL</b>		<b>39,721,347</b>		<b>-</b>
<b>The above amount includes:-</b>				
Secured Borrowings		39,721,347		
Unsecured Borrowings				

a) Cash Credit and LC from Punjab National Bank is secured by first charge on the Stock-in-trade, book debts and entire current asset including loans and advances of the company. The whole time directors Mr.Govind Prasad & Mr. Nand Kishore Sonthalia along with Mrs.Bobby Sonthalia have given their personal property as security and they have personally guaranteed the loan. The cash credit is repayable on demand and carries interest @ 14.75% p.a.

**Note No: 2.7 - TRADE PAYABLES**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
<b>Trade Payables</b>				
For Goods		30,292,220		44,893,744
For Expenses		7,529,880		7,740,375
(MSM Enterprise disclosure Refere Note No. 2.24. g)				
<b>Others</b>				
For Statutory Dues		13,259		822,788
<b>TOTAL</b>		<b>37,835,359</b>		<b>53,456,907</b>

**Note No: 2.8 - OTHER CURRENT LIABILITIES**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Advance received from customers		316,598		182,327
Current maturities of long term debt		-		-
Current maturities of deferred payment liabilities		-		642,608
Unpaid dividend		226,753		-
<b>TOTAL</b>		<b>543,351</b>		<b>824,935</b>

**Note No: 2.9 - SHORT TERM PROVISIONS**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Provision for Taxation		2,413,598		1,827,815
Proposed Dividend		2,189,280		2,189,280
Tax on Dividend		355,156		355,156
Bonus		39,803		26,452
<b>TOTAL</b>		<b>4,997,837</b>		<b>4,398,703</b>

Note No: 2.10 - FIXED ASSETS

SR. NO.	DESCRIPTION OF ASSETS	DEPRECIATION RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			COST AS ON 01.04.2011	ADDITION DURING THE YEAR	ADJUSTMENTS DURING THE YEAR	TOTAL COST AS AT 31.03.2012	DEPRECIATION AS AT 01.04.2011	ADDITION DURING THE YEAR	DEPRECIATION ADJUSTMENTS	TOTAL DEP. AS AT 31.3.2012	AS AT 31.03.2012	AS AT 31.03.2011
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Tangible Assets:-											
1	CUTTING & STREIGHTENING MACHINERY	13.91%	243,660	-	-	243,660	158,261	11,879		170,140	73,520	85,399
2	FURNITURE & FIXTURES	18.91%	682,835	-	-	682,835	621,065	11,681		632,746	50,089	61,770
3	OFFICE EQUIPMENT	13.91%	742,359	86,650	(99,830)	729,179	533,607	42,576	(64,643)	511,540	217,639	208,752
4	COMPUTER	40.00%	378,322	104,000	-	482,322	275,106	61,951		337,057	145,265	103,216
5	AIR CONDITIONER	13.91%	332,162	-	-	332,162	163,113	23,515		186,628	145,534	169,049
6	VEHICLES	25.89%	2,302,806	-	-	2,302,806	1,100,629	311,244		1,411,873	890,933	1,202,177
	Total		4,682,144	190,650	(99,830)	4,772,964	2,851,781	462,846	(64,643)	3,249,984	1,522,980	1,830,363
	Intangible Assets:-											
	Total		-	-	-	-	-	-	-	-	-	-
	Previous Year		4,567,944	114,200	-	4,682,144	2,282,171	569,610	-	2,851,781	1,830,363	2,285,773

**Note No: 2.11 - NON-CURRENT INVESTMENTS**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
<b>Trade Investment (Long Term)</b>				
<b>Share Application Money</b>				
Karismaa MEP Services P Limited (Non Quoted) (3,00,000 Equity Shares of Rs.10/- each)		3,000,000		-
<b>Total Non- Current Investment</b>		<b>3,000,000</b>		<b>-</b>
<b>Aggregate amount of Unquoted Investment</b>		<b>3,000,000</b>		<b>-</b>

Equity shares have been allotted against the above share application money in April 2012

**Note No: 2.12 - LONG TERM LOANS AND ADVANCES**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
<b>Unsecured Considered Good:</b>				
Deposits		4,934,348		4,637,124
<b>TOTAL</b>		<b>4,934,348</b>		<b>4,637,124</b>

**Note No: 2.13 - INVENTORIES**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Traded Goods		5,610,350		28,811,806
<b>TOTAL</b>		<b>5,610,350</b>		<b>28,811,806</b>

**Note No: 2.14 - TRADE RECEIVABLES**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
<b>Over Six Months - From Due Date</b>				
Good		7,123,655		9,809,256
Doubtful		-		-
<b>Below Six Months - From Due Date</b>				
Good		95,126,373		58,835,686
Doubtful		-		-
Less : Provision for Doubtful Debts		-		-
<b>TOTAL</b>		<b>102,250,028</b>		<b>68,644,942</b>

**Bhagwandas Metals Limited**

**Note No: 2.15 - CASH AND BANK BALANCES**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
<b>- Cash and Cash Equivalents</b>				
Balance with Banks		269,442		12,002,700
- In Current Accounts		5,689,743		5,139,130
- In Deposit Accounts				
Cash on Hand		209,111		377,996
		<b>6,168,296</b>		<b>17,519,826</b>
Deposit account with less than 12 months maturity The above deposits are given as security for LC and FLC opened by the company		5,689,743		5,139,130
<b>The details of balances as on Balance Sheet date with banks are as follows:-</b>				
Punjab National Bank-		42,689		25,767
Punjab National Bank-				11,976,933
Punjab National bank -		226,753		
		<b>269,442</b>		<b>12,002,700</b>

**Note No: 2.16 - SHORT TERM LOANS AND ADVANCES**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Advances to Suppliers		23,973,847		615,020
Prepaid Expenses		52,795		42,285
Prepaid Interest		734,279		-
Advances Staff and Others		563,000		176,000
				-
<b>TOTAL</b>		<b>25,323,921</b>		<b>833,305</b>

**Note No: 2.17 - OTHER CURRENT ASSETS**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Income Tax		3,204,908		2,686,365
Value Added Tax		25,649		-
<b>TOTAL</b>		<b>3,230,557</b>		<b>2,686,365</b>

**Note No: 2.18 - REVENUE FROM OPERATION**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Indigenous Sales		789,585,524		694,492,565
Traded Goods - Iron & Steel				
<b>TOTAL</b>		<b>789,585,524</b>		<b>694,492,565</b>

**Note No: 2.19 - OTHER INCOME**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Interest Earned		1,450,786		1,102,955
Discount		9,497		72,869
Sundry Credit & Debit Balance written off		16,977		5,314
<b>TOTAL</b>		<b>1,477,260</b>		<b>1,181,138</b>

**Note No: 2.20 - PURCHASE OF STOCK - IN - TRADE**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Purchase of Trading Materials - Iron & Steel		733,902,188		658,196,398
<b>TOTAL</b>		<b>733,902,188</b>		<b>658,196,398</b>
<b>Change in Stocks</b>				
<b>Stock at Commencement</b>				
Traded goods - Iron & steel		28,811,806		19,492,220
<b>Less: Stock at Close</b>				
Traded goods - iron & steel		5,610,350		28,811,806
Stock Decreased /( Increased ) by		<b>23,201,456</b>		<b>(9,319,586)</b>

**Note No: 2.21 - EMPLOYEE BENEFITS EXPENSES**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Salaries & Other Benefits		1,116,773		827,630
Gratuity		546,963		112,000
Staff Welfare Expenses		46,884		44,886
EPF & ESI Contribution		429,069		250,619
Director's Remuneration & Related Expenses		2,192,234		1,089,869
<b>TOTAL</b>		<b>4,331,923</b>		<b>2,325,004</b>

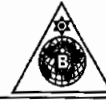
**Note No: 2.22 - FINANCE COSTS**

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
LC & Bank Charges		934,959		870,633
Interest		1,142,501		936,984
<b>TOTAL</b>		<b>2,077,460</b>		<b>1,807,617</b>

## Note No: 2.23 - OTHER EXPENSES

Particulars	31.03.2012		31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Carriage Inward		2,096,631		2,074,420
Custom Duty		6,499,267		19,560,226
Clearing & Forwarding		1,273,390		6,265,652
Advertisement		70,024		51,763
Brokerage & Commission		843,153		158,207
Carriage Outward & Cooly Charges		5,490,266		5,509,433
Sales Promotion		152,864		134,875
Audit Fee		22,060		22,060
Bad Debts		-		208,785
Donation		141,000		21,000
Electricity Charges		183,174		170,517
General Expenses		141,948		181,932
Insurance		54,014		57,158
Loss on sale of fixed assets		15,187		-
Other Miscellaneous Expenses		167,528		319,244
Postage & Telephone Charges		344,109		226,034
Printing & Stationery		131,430		80,729
Professional Charges		381,689		338,058
Rates & Taxes		211,321		220,769
Rent		1,199,175		774,000
Repairs & Maintenance		117,061		136,192
Subscription Charges		29,040		26,406
Security Service Charges		80,587		-
Service Charges		26,774		41,085
Travelling & Conveyance Expenses		230,663		142,303
Vehicle Running & Maintenance		243,082		218,563
Share transfer expense		68,851		70,228
Sitting Fees		15,750		19,500
<b>TOTAL</b>		<b>20,180,038</b>		<b>37,029,139</b>
Payment to Auditor		<b>31.03.2012</b>		<b>31.03.2011</b>
a) As Auditor				
Audit Fee		16,545		16,545
Tax Audit Fee		5,515		5,515
		<b>22,060</b>		<b>22,060</b>



**Note No: 2.24 - ADDITIONAL INFORMATION TO FINANCIAL STATEMENT**

- a) Contingent Liability & Commitments - Nil (31.03.2011 - Nil)
- b) Value of Import on CIF basis is Rs.4,82,19,444/- (31.03.2011 - Rs.19,92,03,896/-)
- d) Earnings in Foreign Currency - Nil (31.03.2011 - Nil)
- e) Expenditure in Foreign Currency - Nil (31.03.2011 - Nil)

f) Amount remitted during the year in foreign exchange on account of dividend for the previous year - Nil

g) Under Micro, Small & Medium Enterprises Development Act 2006, certain disclosures are required to be made relating to such enterprises. In view of the insufficient information from suppliers regarding their coverage under the said Act, no disclosure have been made in the accounts. However, in view of the management the impact of interest if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

h). The company has provided interest for electricity payable up to 31-03-2001. In view of the cases filed by the company before the Hon'ble High Court disputing the amount due, the management is of the opinion that there will not be further liability on the company beyond the amount already provided for.

i) Related Parties:

Name of the Related Party	Nature of Relationship
MGM Steels	A Partnership concern in which our chairman Mr. Govind Prasad is a Partner.

Key Management Personnel and their relatives

- Mr. Govind Prasad, Chairman-cum-Managing Director
- Mrs. Gita Agrawal (Wife)
- Mr. Nand Kishore Sonthalia (Director)
- Mrs. Bobby Sonthalia (Wife)

## Bhagwandas Metals Limited

### Related Party Transactions

Name of the Related Party	Nature of Transactions	Value 31.03.2012	Value 31.03.2011
Govind Prasad	Salary & Allowance	1,200,000	600,000
Nand Kishore Sonthalia	Salary & Allowance	960,000	480,000
Gita Agrawal	Rent Paid	360,000	180,000
Bobby Sonthalia	Rent Paid	-	600,000
Govind Prasad	Rent Paid	923,175	-

j) Consequent to the adoption of Accounting Standard 15 on Employee Benefits as notified by the companies (Accounting Standard) Rules 2006, the following disclosure have been made as required by the standard.

i. The Company has recognized the following amounts in the Profit and Loss Account towards contribution to defined contribution Plans which are included under contribution to provident and other funds:

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Provident Fund	407,589	233,942

ii. The details of post retirement benefit plans for Gratuity are given below which is certified by the actuary and relied upon by the auditors :

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Change in Defined Benefit Obligations:		
Accrued liability at the beginning of the year	824,010	712,438
Interest Cost	65,921	56,995
Current Service Cost	535,821	101,401
Past Service Cost	-	-
Curtailment Cost	-	-
Settlement Cost	-	-
Benefits Paid	-	-
Actuarial gain/Loss	(54,789)	(46,824)
Accrued Liability As At the End of the Period	<b>1,370,963</b>	824,010

(No Fund is being maintained)

Amount Recognised In the Balance Sheet	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Present Value of Obligations	1,370,963	824,010
Fair Value of the Plan Assets	-	-
Liability to be Recognized in the Balance Sheet	(1,370,963)	(824,010)



Amount Recognised In the Profit and Loss Account	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Interest Cost	65,921	56,995
Current Service Cost	535,821	101,401
Past Service Cost	-	-
Expected Return on Plan Assets	-	-
Curtailment Cost (Credit)	*	-
Settlement Cost (Credit)	*	-
Net Actuarial (gain) /Loss	(54,789)	(46,824)
Net Expenses recognized in P&L A/c	546,953	111,572
<b>Reconciliation</b>	<b>31.03.2012 (Rs.)</b>	<b>31.03.2011 (Rs.)</b>
Net Liability as at the beginning of the period:	824,010	712,438
Net Expenses in P&L A/c	546,953	111,572
Benefits Paid	-	-
Net Liability as at the end of the period:	1,370,963	824,010
<b>Principal Actuarial Assumptions</b>		
Interest (Discount) Rate (Liabilities)	8.00%	8.00%
Rate of Return on Assets	N.A	N.A
Mortality Table	LIC(94-96)	LIC(94-96)
Resignation Rate per Annum	0.00%	0.00%
Salary Escalation Rate	10.00%	10.00%
<b>Experience Rated Adjustments</b>	<b>31.03.2012 (Rs.)</b>	<b>31.03.2011 (Rs.)</b>
Liability Side	(54,789)	(46,824)
Asset Side	N.A	N.A

k) Previous year figures have been regrouped & reclassified wherever necessary.

l) In the opinion of the Board of Directors Current Assets, Loans & Advances have a value on realisation in the ordinary course of business atleast equal to the amount stated.

m) The notes referred to in the Profit & Loss Account and Balance Sheet form an integral part of accounts.

For and on behalf of the Board

As per my report of even date  
For R.R. More & Co  
Chartered Accountants

sd/-

sd/-

sd/-

**GOVIND PRASAD**

**NAND KISHORE SONTALIA**

**C.A. Raja Ram More**

Chairman cum Managing Director

Director

Proprietor

Place : Chennai

Date: 27.07.2012

M.No.21233

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

PARTICULARS	31.03.2012 Rs.	31.03.2011 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	6,906,873	5,065,521
<b>Non-Cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation / Amortization	462,846	569,610
Loss / (Profit) on sale of Fixed Assets	15,187	-
Net Gain on Sale of Current Investments	-	-
Interest & Financial charges	2,077,460	1,807,617
Interest Income	(1,450,786)	(1,102,955)
Operating Profit before working capital changes	<b>8,011,580</b>	6,339,793
<b>Movements in working capital:</b>		
(Increase) / Decrease in receivables & others	(63,950,093)	29,387,559
(Increase) / Decrease in Inventories	23,201,456	(9,319,586)
Increase / (Decrease) in Current Liabilities & Provision	(21,226,547)	17,217,087
<b>Cash generated from / ( used in) operations</b>	<b>(53,963,604)</b>	43,624,853
Interest & financial charges paid	(2,077,460)	(1,807,617)
Interest income	1,450,786	1,102,955
Direct Taxes paid (net of refunds)	2,012,975	1,541,251
<b>Net Cash flow from/ (used in) Operating Activities (A)</b>	<b>(52,577,303)</b>	44,461,442
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(190,650)	(114,200)
Proceeds from sale of Fixed Asset	20,000	-
<b>Net Cash flow from/ (used in) Investing Activities (B)</b>	<b>(170,650)</b>	(114,200)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing of unsecured loans	-	(10,139,150)
Increase/(Decrease) in Bank Borrowings	39,078,739	(18,898,936)
Dividend Paid	1,962,527	-
Tax on Dividend	355,156	-
<b>Net Cash flow from/ (used in) Financing Activities (C)</b>	<b>41,396,422</b>	(29,038,086)
Net Increase / (Decrease) in Cash and CashEquivalents (A) + (B) + (C) Effect of Exchange Differences on Cash & Cash Equivalents held in Foreign Currency	<b>(11,351,531)</b>	15,309,156
Cash and Cash equivalents at the beginning of the year	17,519,827	2,210,671
<b>Cash and Cash equivalents at the end of the year</b>	<b>6,168,296</b>	17,519,827
For and on behalf of the Board	As per my report of even date For <b>R.R.More &amp; Co</b> Chartered Accountants	
sd/- <b>GOVIND PRASAD</b> Chairman cum Managing Director	sd/- <b>NAND KISHORE SONTALIA</b> Director	sd/- <b>C.A. Raja Ram More</b> Proprietor M.No.21233
Place : Chennai Date: 27.07.2012		