

63rd Annual Report

***31st
March,
2013***

BAGALKOT UDYOG LIMITED

63rd Annual General Meeting

Time **11.00 A. M.**
Day **Wednesday, 25th September, 2013**
Venue **Stadium House, Block No.1,
6th Floor, Veer Nariman Road,
Churchgate, Mumbai 400 020**

CONTENTS

1.	Notice to the shareholders -----	2
2.	Directors' Report -----	3
3.	Corporate Governance -----	4
4.	Management Discussion -----	5
5.	Auditors' Report -----	9
6.	Balance Sheet -----	12
7.	Profit & Loss Account -----	13
8.	Schedules -----	14
9.	Cash Flow Statement -----	18

ANNUAL REPORT 2012-2013

NOTICE

Notice is hereby given that the 63rd Annual General Meeting of the Shareholders of BAGALKOT UDYOG LIMITED will be held on Wednesday, the 25th September, 2013, at 11.00 A.M. at Stadium House, Block No.1, 6th Floor, Veer Nariman Road, Churchgate, Mumbai 400020, to transact the following business:

AS ORDINARY BUSINESS

1. To consider and adopt the Directors' Report and the audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2013.
2. To appoint a Director in place of Shri L.N. Chaturvedi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri R.K. Kejriwal who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditor and to fix their remuneration.

By Order of the Board

For Bagalkot Udyog Limited
S. K. Sharma

Director

Mumbai, 30th May, 2013

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be properly signed and delivered to the Company not less than 48 hours before the time of the meeting.
2. The Share Transfer Books and the Register of Members of the Company would remain closed from Thursday, the 19th September, 2013, to Wednesday, the 25th September, 2013 (both days inclusive).
3. Members are requested to intimate the change of address, if any, immediately to the Company's Registrars & Transfer Agents, M/s. Bigshare Services Pvt. Ltd, E-2 & 3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai 400 072.
4. Members are hereby informed that the Company has transferred all unclaimed dividends declared upto and including the Accounting Year ended 30.6.1997 to the Investors Education and Protection Fund of the Central Government in terms of the provisions of Section 205C of the Companies Act, 1956. The Company had not declared dividend since 1st April, 1997.
5. Members who are holding shares in identical order of names in more than one folio are requested to intimate the Registrars and Transfer Agents of the Company, the Ledger Folio of such accounts and send all the Share Certificates to the Registrars to enable them to consolidate their holdings under one folio.
6. The Equity Shares of the Company are listed in the Bombay Stock Exchange Limited, Mumbai, Phiroze Zeejeebhoy Towers, Dalal Street, Mumbai 400 001 and Annual Listing Fee has been paid to them.
7. Nomination facility for shares is now available for members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents at the address as stated in note (3) above.
8. Pursuant to Clause 49 (VI) (A) of the Listing Agreement, the particulars of the Directors being re-appointed/appointed at

the Annual General Meeting are annexed.

Information required under clause 49 of the Listing Agreement in respect of Directors being appointed / re-appointed.

1. Name	:	Shri L.N. Chaturvedi
Date of Birth	:	05.07.1945
Qualifications	:	B. Sc., B.O.A.T. from Calcutta Technic School
Date of Appointment	:	16.11.2000
Expertise in specific function area	:	General Management
Other Directorships	:	Asiatic Explosive Pvt. Ltd. Shree Hanuman Steel Rolling Mills Co. Ltd.

Memberships on Committees of the Board of Directors of other Companies

: Nil

Shareholding

: Nil

2. Name	:	Shri R.K. Kejriwal
Date of Birth	:	08.05.1960
Qualifications	:	B.Com (Hons)
Date of Appointment	:	30.07.2001
Expertise in specific function area	:	General Management, Finance & Accounting Areas.
Other Directorships	:	Kay-Sec Brokerage House (India) Ltd. P.A. Investments Limited Pratap Holdings Limited Samaresh Investments Limited Supertech Additives Limited Kanoria Mercantile Ltd. Pradyumna Finance & Properties Ltd. Asiatic Air-O-Gas Engineering Co. Ltd. Tirupati Holdings Ltd. Anchor Leasing Limited Alpha Oxygen Limited Sanatan Investment Co. Ltd. Bihar Air Products Ltd. Popular Jute Trading Co. Ltd. Tanna Electro Mechanics Pvt. Ltd. Shree Bhagya Luxmi Resources Pvt. Ltd. Six Sigma Gases India Pvt. Ltd. Indessa Gases Private Ltd.

Memberships on Committees of the Board of Directors of other Companies

: Nil

Shareholding

: Nil

DIRECTORS' REPORT

To

The Shareholders

The Directors hereby present the 63rd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS	Current Year (12 Months) (₹ in lacs)	Previous Year (12 Months (₹ in lacs))
After meeting all operating and administrative expenses, the working of the year shows a deficit of	(8.58)	(3.64)
Add:		
Depreciation	0.66	0.66
Profit / (Loss) for the year	(9.24)	(4.30)
Profit / (Loss) brought forward from the previous year	(190.72)	(186.42)
Balance Carried to Balance Sheet (Reserve Surplus)	(199.96)	(190.72)

PERFORMANCE

Your Company is an investment, leasing, finance and miscellaneous services Company.

REHABILITATION SCHEME

Your Company has fully implemented the Sanctioned Scheme.

The application made to the Bombay Stock Exchange for re-listing of the new Equity Shares issued to the existing Shareholders, is still pending for approval.

AUDIT COMMITTEE

As per the requirement of Section 292A of the Companies Act, 1956, and also the Listing Agreements with Bombay Stock Exchange Limited, Mumbai, an Audit Committee of the Board of Directors is already in place. During the year, the Committee held four meetings.

CORPORATE GOVERNANCE

Pursuant to Clause 49 (VI) of the Listing Agreement, a report on Corporate Governance and Certificate from the Company's Auditors confirming compliance is annexed hereto.

DIRECTORS

S/Shri L.N. Chaturvedi and R.K. Kejriwal retire by rotation and, being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company state:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- that the Directors have prepared the annual accounts as on 31st March, 2013, on a going concern basis.

DEPOSITS

The Company has not accepted any deposits from the public during the year.

PARTICULARS OF EMPLOYEES

The Company has no employee, therefore the details specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are not applicable.

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

The Company has no manufacturing activity and therefore, the disclosure of particulars as required under Section 217(1)(e) of the Companies Act, 1956, in so far as it relates to the conservation of energy, technology absorption is not applicable. There is no foreign exchange earnings and outgo during the year.

AUDITORS' REPORT

The observations made by the Auditors in their Report do not require any comments as the same are either self explanatory or have been fully explained in the notes attached to the Accounts.

APPOINTMENT OF AUDITORS

The retiring Auditor M/s. V.K. Beswal & Associates have furnished certificates to the Company to the effect that their appointment, if made, would be within the limits prescribed under the Companies Act, 1956. Shareholders are requested to appoint the Auditors and to fix their remuneration.

APPRECIATION

The Directors wish to place on record their appreciation of the co-operation received from the various departments of the Central and State Governments, Bankers and Financial Institutions.

On behalf of the Board of Directors

S. K. Sharma
Director

P. Sharma
Director

Mumbai, the 30th May, 2013.

ANNUAL REPORT 2012-2013

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is aimed in the efficient conduct of its business and in meeting its obligations to the shareholders.

The Company is committed to learn and adopt the best practices of corporate governance.

2. BOARD OF DIRECTORS

The present strength of Board of Directors of your Company is Five Directors.

The Composition and category of Directors is as follows:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	Directorship in other Companies including private companies in India	No. of Committees in which Chairman/ Member (other than Bagalkot Udyog Limited)	
					Member	Chairman
Shri M.S. Sanganerla	Independent & Non-Executive Director	2	Yes	1	2	1
Shri L.N. Chaturvedi	Independent & Non-Executive Director	Nil	No	5	NIL	NIL
Shri R.K. Kejriwal	Independent & Non-Executive Director	4	No	19	NIL	NIL
Shri S.K. Sharma	Professional & Non-Executive Director	5	Yes	4	2	NIL
Shri P.Sharma	Professional & Non-Executive Director	5	Yes	2	1	NIL

No. of Board Meetings held : 5

Dates : 29.05.2012, 14.08.2012, 26.09.2012, 09.11.2012

08.02.2013.

3. AUDIT COMMITTEE

The Audit Committee comprises solely of Independent & Non-Executive Directors. Shri R.K. Kejriwal, Shri M.S. Sanganerla, Shri L.N. Chaturvedi and Shri Suresh Sharma are the members of the Committee. Shri R.K. Kejriwal is the Chairman of the Audit Committee.

The terms of reference to the Audit Committee cover the matters specified in Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Number of Committee meeting held : 4

Dates : 29.05.2012, 14.08.2012, 09.11.2012, 08.02.2013

Attendance at Audit Committee Meetings

Members	No. of Meetings attended
Shri R.K. Kejriwal	4
Shri M.S. Sanganerla	2
Shri L.N. Chaturvedi	Nil
Shri Suresh Sharma	4

The Statutory Auditors of the Company is the Permanent Invitee.

4. REMUNERATION OF DIRECTORS / REMUNERATION COMMITTEE

The Remuneration Committee comprises of three non-executive Directors viz. Shri M.S. Sanganerla, Shri R.K. Kejriwal and Shri L.N. Chaturvedi. Shri R.K. Kejriwal is the Chairman of the Committee.

Term of reference to the Remuneration Committee of the Company is to comply with Schedule XIII of the Companies Act, 1956, and Listing Agreement and to carry out functions as envisaged therein.

Details of the Directors' Remuneration paid for the period 2012-2013 as follows:

Sitting fees paid to Non-Executive Directors

Name of Directors	Amount (₹)
Shri M.S. Sanganerla	4,000
Shri L.N. Chaturvedi	Nil
Shri R.K. Kejriwal	8,000
Shri S.K. Sharma	10,000
Shri P. Sharma	10,000

The Company does not have a scheme for grant of stock option.

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Shri M.S. Sanganerla Chairman

Shri S.K. Sharma Compliance Officer

Shri P. Sharma Director

Number of shareholders complaints received and resolved so far 12

Number not solved to the satisfaction of shareholders Nil

Number of pending share transfers Nil

6. GENERAL BODY MEETINGS

	Time	Location
29.09.2010	11.00 A.M.	Stadium House, Block No.1, 6th Floor, Veer Nariman Road, Churchgate, Mumbai-400020.
28.09.2011	11.00 A.M.	Stadium House, Block No.1, 6th Floor, Veer Nariman Road, Churchgate, Mumbai-400020.
26.09.2012	11.00 A.M.	Stadium House, Block No.1, 6th Floor, Veer Nariman Road, Churchgate, Mumbai-400020.

During the last year, there have been no special resolutions passed by the Company's Shareholders through Postal Ballot. At the ensuing Annual General Meeting there is no resolution proposed to be passed by Postal Ballot.

7. DISCLOSURES

1. The particulars of transactions between the Company and related parties as per Accounting Standard are set out in the notes on accounts in the Annual Report. None of these transactions have any potential conflict with the interest of the Company at large.

2. There were no instances of non compliance on any matter related to the capital market, during the last three years.

8. MEANS OF COMMUNICATION

The quarterly results are published in the dailies, Navshakti and Free Press Journal. Half yearly results are not sent to the shareholders individually.

No presentations were made to the institutional investors or analysts.

The Company does not have any website.

9. GENERAL SHAREHOLDERS INFORMATION

- 9.1 Annual General Meeting
- Date, Time and Venue : 25th September, 2013, at 11.00 A.M. at Stadium House, Block No. 1, 6th floor, Veer Nariman Road, Churchgate, Mumbai 400 020.
- 9.2 Financial Calendar
April 2012 to March 2013 : 1st quarter - 2nd week of August*
2nd quarter - 2nd week of November*
3rd quarter - 2nd week of February*
4th quarter - 2nd week of April*
*Tentative
- 9.3 Date of Book Closure : 19th September, 2013 to 25th September, 2013 (both days inclusive)
- 9.4 Dividend Payment Date : No dividend proposed
- 9.5 Listing on Stock Exchange : Bombay Stock Exchange Limited
- 9.6 (a) Stock Code : 502125
(b) ISIN Number in NSDL : Not Applicable as the shares are not and CDSL dematerialized.
- 9.7 Stock Price Data : Securities are yet to be re-listed.
- 9.8 Registrar & Transfer Agents : Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka
Andheri (East), Mumbai 400 072.

9.9 Share Transfer System:

Share transfer applications are processed by the Registrar & Transfer Agents and placed before the Share Transfer Committee for approval. The share certificates are forwarded to the lodger thereof, hereafter.

The Committee meets as often as necessary to approve transfers and other related matters.

9.10 Distribution of shareholding as on 31st March, 2013.

Particulars	No. of shares held	Percentage to total share capital
Promoters	6488392	76.26
Financial Institutions/ Banks/Mutual Funds	121187	1.43
Corporate Bodies	322833	3.79
NRIs	24066	0.28
General Public	1551928	18.24
Total	8508406	100.00

3. 1 The shares of the Company are not dematerialised.
3. 2 The Company has no outstanding of GDR / ADR / Warrants or other convertible instruments.

9.13 Address for Correspondence:

Bagalkot Udyog Limited
Stadium House, Block No.1, 6th floor,
Veer Nariman Road, Churchgate,
Mumbai 400 020.

10. MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

On and after the de-merger of the Cement Unit, your Company is now an Investment Finance Company and the activities are yet to be commenced. The Company is fully committed to ensuring an effective internal control environment and periodically checks the adequacy and effectiveness of internal control system.

11. DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

The Company has framed a specific code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited.

All the members of the Board have confirmed compliance with the code for the period ended 31st March, 2013.

12. CEO / CFO CERTIFICATION

The necessary certificate under Clause 49 V of the Listing Agreement has been placed before the Board of Directors.

On behalf of the Board of Directors

S. K. Sharma
Director

P. Sharma
Director

Mumbai, the 30th May, 2013.