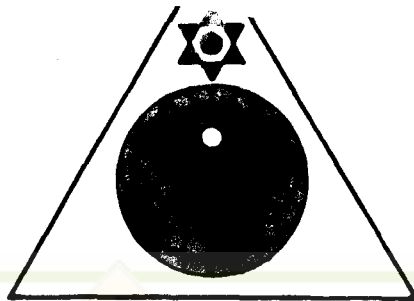


## **BHAGWANDAS METALS LIMITED**



CERTIFIED TRUE COPY

*For* BHAGWANDAS METALS LIMITED,

*C. Nandappa*  
Company Secretary.

**20<sup>th</sup> ANNUAL REPORT 2001-2002**



## **BHAGWANDAS METALS LIMITED**

<b>BOARD OF DIRECTORS</b>	Sri G.P.Agarwal	<i>Chairman</i>
	Sri M.L.Sonthaliya	<i>Managing Director</i>
	Sri V.Sankarasubbiyan, I.A.S.(Retd.)	<i>Director</i>
	Sri C.Ramasamy	<i>Director</i>
	Sri Harish Kumar Lohia	<i>Director</i>
	Sri Naresh Sharma	<i>Director</i>

**COMPANY SECRETARY** Sri C.Namasivayam

**AUDITORS** **M/s.M.Raghunath & Co.**  
Chartered Accountants  
No.4, Stringer Street  
III Floor, Broadway  
Chennai - 600 108

**BANKERS** **Syndicate Bank**  
Chennai Main Branch  
69, Armenian Street  
Chennai - 600 001

### **REGISTERED OFFICE**

New No. 54 (Old No. 61) 1<sup>st</sup> Floor, Sembudoss Street,  
Chennai – 600 001

### **FACTORY**

No.117, Sadayankuppam Village Road,  
Manali, Chennai – 600 103

### **SHARE TRANSFER AGENTS**

**M/s. CAMEO CORPORATE SERVICES LIMITED**  
Subramanian Building V<sup>th</sup> Floor,  
No.1, Club House Road, Chennai – 600 002

## **Bhagwandas Metals Limited**

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### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Twentieth Annual General Meeting of the members of **Bhagwandas Metals Limited** will be held on Wednesday, the 25th day of September, 2002 at 10 a.m. at RANI SEETHAI HALL, 603, ANNA SALAI, CHENNAI – 600 006, to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended 31st March, 2002 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M.L. Sonthaliya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. V. Sankarasubbiyan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration. M/s. M.Raghunath & Co., who retire at this meeting, being eligible offer themselves for re-appointment.

#### **SPECIAL BUSINESS**

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

"RESOLVED THAT Mr. Harish Kumar Lohia, who was appointed as an Additional Director on the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 82 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 together with the requisite deposit signifying his intention to propose Mr. Harish Kumar Lohia as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT Mr. Naresh Sharma, who was appointed as an Additional Director on the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 82 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 together with the requisite deposit signifying his intention to propose Mr. Naresh Sharma as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT pursuant to section 314 and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord consent to the reappointment of Mr. Nand Kishore Sonthalia, a relative of two Directors of the



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Company, as "CHIEF EXECUTIVE" of the Company for a period of 3 years from 01.04.2003 to 31.03.2006 on the following terms and conditions:

- a) A salary of Rs 13,500/- (Rupees Thirteen Thousand Five hundred Only) per month in the grade of Rs 13,500 – 18,500.
- b) House accommodation to be provided by the Company at a rent not exceeding Rs 7500/- (Rupees Seven Thousand Five hundred only) per month and 10% of the salary to be recovered as rent."

"RESOLVED FURTHER THAT this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction, at their discretion and with the approval of the Central Government, where necessary, increment within the grade as they deem fit and proper in due course."

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and is hereby altered as follows:

After Article 64, the following new Article shall be inserted as under:

64A. Notwithstanding anything contained in Article 64 of the Articles of Association, a member entitled to vote at General Meetings, may cast his vote either by Postal Ballot or through electronic media as provided in Section 192A of the Companies Act, 1956 on such business as the Central Government may notify in this behalf or amend from time to time the Act or Rules framed thereunder."

For and on behalf of the Board of Directors

sd/-

PLACE : CHENNAI  
DATE : 27.07.2002

**M.L.SONTHALIYA**  
Managing Director

### NOTES

- A. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- B. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 for item numbers 5 to 8 is detailed below.
- C. The Register of Members and the Share Transfer Books of the Company shall remain closed from **16.09.2002 to 25.09.2002 (both days inclusive)**
- D. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
- E. Members/ Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting.

**Bhagwandas Metals Limited**

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**ANNEXURE TO THE NOTICE**

**Notes on Directors seeking appointment/ re-appointment, as required under clause 49 of the Listing Agreement, entered into with the Stock Exchanges.**

**Item No: 2**

Mr. M. L. Sonthaliya is 48 years old. He is a Commerce Graduate and a leading industrialist and has been on the Board of Directors of the Company since inception. Mr. M. L. Sonthaliya is the Managing Director of the Company. He has been associated with the steel business for over two and half decades. He is also a Director in Sudarshan Plantations (P) Ltd. and Honey Constructions (P) Ltd.

**Item No: 3**

Mr V.Sankarasubbiyan is 65 years old. He is a retired IAS officer with more than 35 years experience having served various Departments of the Government. Mr.V.Sankarasubbiyan joined the Board in 1994. He is not in any other Board.

**Item No: 5**

Mr. Harish Kumar Lohia is 42 years old. He is a Commerce Graduate with experience in managing diverse business. He is at present acting as Authorised Dealers of consumer products. He has also got about 15 years experience in dealing of Iron and Steel products. He is also in the Board of Lohia Investments (P) Ltd.

**Item No: 6**

Mr. Naresh Sharma is 36 years old. He is in the steel industry for the past 10 years and has wide experience and interaction with various main producers. He is not in any other Board.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****For Item No.5**

The Board of Directors of the Company appointed Mr. Harish Kumar Lohia as an Additional Director on 27th April 2002 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 82 of the Articles of Association of the Company. Mr. Harish Kumar Lohia holds office as Additional Director upto the date of the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Harish Kumar Lohia as a Director of the Company alongwith the requisite deposit.

In view of his rich experience in the industry and expertise, the Board of Directors consider it beneficial and in the interest of the Company to have him in the Board and recommend his appointment as a Director of the Company.

None of the Directors of the Company except Mr. Harish Kumar Lohia is interested or concerned in the above resolution.

**For Item No.6**

The Board of Directors of the Company appointed Mr.Naresh Sharma as an Additional Director on 27th April 2002 in accordance with the provisions of Section 260 of the



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Companies Act, 1956 and Article 82 of the Articles of Association of the Company. Mr. Naresh Sharma holds office as Additional Director upto the date of the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Naresh Sharma as a Director of the Company alongwith the requisite deposit.

Mr. Naresh Sharma has been in the steel industry for the past 10 years and the Board considers that the appointment of Mr. Naresh Sharma will be beneficial to the Company and accordingly recommends adoption of the resolution.

None of the Directors of the Company except Mr. Naresh Sharma, is interested or concerned in the above resolution.

### **For Item No.7**

At the Board meeting held on 27.03.98, Mr. Nand Kishore Sonthalia has been appointed as "CHIEF EXECUTIVE" of the Company for a period of 5 years from 01.04.1998 to 31.03.2003. His appointment has been subsequently confirmed by the Share holders by Special Resolution at the Annual General Meeting held on 25.09.98. The tenure of office of Mr. Nand Kishore Sonthalia expires on 31.03.2003. At the Board Meeting held on 27.07.2002, the Board of Directors, subject to the approval of Share Holders at the Annual General Meeting, reappointed Mr. Nand Kishore Sonthalia as "CHIEF EXECUTIVE" for a further period of 3 years from 01.04.2003 to 31.03.2006 on the same original terms and conditions.

Under section 314 of the Companies Act, 1956, a Special Resolution is required for enabling any relative of a Director of the Company to hold any office or place of profit in the Company. Since Mr. Nand Kishore Sonthalia is the son of Chairman Mr. G.P. Agarwal and also related to the Managing Director Mr. M.L. Sonthaliya, the Special Resolution is intended to obtain the consent of the Company for the aforesaid reappointment. The resolution also seeks authority on the Board to sanction, in due course, increment within the grade as it deems fit and proper.

Mr. G.P. Agarwal and Mr. M.L. Sonthaliya being relatives, are interested in the above resolution.

### **For Item No.8**

The Companies (Amendment) Act, 2000, has introduced postal ballot system giving shareholders a right to cast their vote by postal ballot including electronic media. To facilitate the same, Article 64A is proposed to be included in the Articles of Association of the Company. Since the alteration of the Articles requires the approval of Shareholders by Special Resolution, the said resolution is placed before the Shareholders for their approval.

None of the Directors of the Company is concerned or interested in the resolution.

For and on behalf of the Board of Directors

sd/-

PLACE : CHENNAI  
DATE : 27.07.2002

**M.L.SONTHALIYA**  
Managing Director

**Bhagwandas Metals Limited****DIRECTORS' REPORT**

Your Directors have pleasure in presenting their report for the year ended 31st March, 2002 together with the Balance Sheet as at 31st March, 2002 and the Profit and Loss account for the year ended on that date.

**FINANCIAL HIGHLIGHTS***(Rupees in Lakhs)*

S.No.	Particulars	Audited financial statement for the year ended March 31st 2002	Audited financial statement for the year ended March 31st 2001
1.	Income from operations	2759	3215
2.	Profit /(Loss) before interest depreciation and tax	45	(2)
3.	Interest	31	66
4.	Profit/(Loss) before depreciation and tax	14	(68)
5.	Depreciation	35	41
6.	Profit/(Loss) before tax	(21)	(109)
7.	Provision for taxation - deferred tax	(6)	—
8.	Profit/(Loss) after tax	(15)	(109)
9.	Dividend Proposed	—	—
10.	Share Capital	364	364
11.	Reserves & Surplus	222	249

**OPERATIONS**

The performance of the Company during the year 2001–2002 was better compared to than that of 2000-2001. Consequent to the closure of the manufacturing operations since August' 2000, the Company concentrated on trading activity and was able to minimise the net loss from Rs 109 lakhs in 2000 –2001 to Rs 21 lakhs in 2001–2002. During the period under relevance, the Company has earned a cash profit of Rs.14 lakhs and whatever net loss incurred was due to depreciation on idle assets of the factory. The Company is yet to restart its manufacturing operations as the present conditions are not conducive for the same. In view of the loss, your Directors express their inability to declare any dividend.





## 20th Annual Report 2001-2002

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### PROSPECTS FOR THE CURRENT YEAR

Your Directors have pleasure in informing you that your Company has been appointed as Authorised Dealers of TMT bars manufactured by Steel Authority of India Limited for a period of 2 years for Chennai and other major districts in Tamil Nadu. Consequent to that, the performance of the Company in the current year has improved and the Company has earned a net profit of about Rs 4 lakhs for the first 3 months in the current year 2002-2003. Your Directors are hopeful of sustaining this improved performance.

### DIRECTORS

Since the last Annual General Meeting, the following changes have taken place in the Board of Directors:

- (i) Mr. S.C.M. Jamaldeen has resigned from the Board of Directors and his resignation has been accepted by the Board w.e.f. 30.01.2002. The Directors place on record their appreciation of the services rendered by Mr. S.C.M. Jamaldeen.
- (ii) Mr. Harish Kumar Lohia was appointed as Additional Director of the Company w.e.f. 27.04.2002. The Company has received a notice from a member signifying his intention to propose Mr. Harish Kumar Lohia as Director of the Company.
- (iii) Mr. Naresh Sharma was appointed as Additional Director of the Company w.e.f. 27.04.2002. The Company has received a notice from a member signifying his intention to propose Mr. Naresh Sharma as Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. M.L. Sonthaliya and Mr. V. Sankarasubbiyan, Directors of the Company are liable to retire by rotation and your Directors recommend their re-appointment.

### AUDITORS

The Statutory Auditors, M/s. M. Raghunath & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment for the current financial year. Your Board recommends their re-appointment.

### FIXED DEPOSITS

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

### INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

The information required under section 217(1)(e) read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are given in the annexure and forms part of this report. None of the employees of the Company is covered by section 217(2A) read with Companies (Particulars of Employees) Rules 1975 as amended.



## **Bhagwandas Metals Limited**

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### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) 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, 2002 and of the loss of the Company for the year ended 31st March, 2002;
- c) 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;
- d) The annual accounts have been prepared on a going concern basis.

### **CORPORATE GOVERNANCE**

During the current year 2002 –2003, your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Agreement with the Stock Exchanges. A separate Report on Corporate Governance alongwith the certificate of the Auditors confirming compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreements entered into with the Stock Exchanges is annexed.

### **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 Company's Bankers, Financial Institution, Government Authorities, Shareholders and the Employees.

For and on behalf of the Board of Directors

Place : CHENNAI  
Date : 27.07.2002

sd/-  
**G.P.AGARWAL**  
Chairman

**ANNEXURE TO DIRECTORS' REPORT**

**INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

**FORM A : FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

**A. Power and fuel consumption**

	<b>Current Year 2001-2002</b>	<b>Previous Year 2000-2001</b>
1. Electricity		
a) Purchased units	NIL	12,48,700
Total Amount (in Rs.)	NIL	64,06,677
Rate/Unit (in Rs.)	NIL	5.13
b) Own Generation		
i) Through generator unit	NIL	NIL
Unit per ltr of diesel oil Cost/unit		
ii) Through steam turbine/generator Units	NIL	NIL
Unit per ltr of fuel oil/gas Cost/unit		
2. Coal (specify quality and where used)	NIL	NIL
3. Furnace Oil		
Quantity (Ltrs.)	NIL	2,75,400
Total amount (in Rs.)	NIL	25,22,917
Average rate (in Rs.)	NIL	9.16
4. Others/internal generation	NIL	NIL

**B. Consumption per unit of production**

Electricity (units per ton)	NIL	212.06
Furnace Oil (litres per ton)	NIL	46.77

**FORM B :**

A. Technology Absorption	NIL	NIL
B. Foreign Exchange Earnings	NIL	NIL
C. Foreign Exchange Outgo (in Rs.)	2,51,398	4,82,35,027

Note:- Since the Company was not engaged in any manufacturing activity during 2001-2002, the above details are not relevant for this period.

For and on behalf of the Board of Directors

Place : Chennai  
Date : 27.07.2002

Sd/-  
**G. P. AGARWAL**  
Chairman