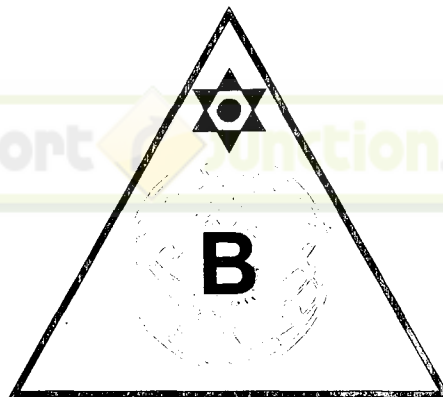


# Bhagwandas Metals Limited



CERTIFIED TRUE COPY

For BHAGWANDAS METALS LIMITED



*[Signature]*  
Director

**26th ANNUAL REPORT 2007-2008**

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**Bhagwandas Metals Limited**

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## **BHAGWANDAS METALS LIMITED**

<b>BOARD OF DIRECTORS</b>	Sri Govind Prasad	➤ Chairman-Cum- Managing Director
	Sri Nand Kishore Sonthalia	➤ Whole Time Director
	Sri C.Ramasamy	➤ Director
	Sri Narender Lunawat	➤ Director
	Sri Nirmal Gadhiya	➤ Director

**COMPANY SECRETARY**      **Mrs. P. Manjulatha**

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

**BANKERS**                      **Punjab National Bank**  
21, Raja Annamalai Road  
Purasawalkam  
Chennai - 600 084

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

**GODOWN**  
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



## 26<sup>th</sup> Annual Report 2007-2008

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

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of Bhagwandas Metals Limited will be held on Thursday, **the 25<sup>th</sup> day of September 2008 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, 2008 and the Profit and Loss Account for the year ended 31st March, 2008 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. C. Ramasamy who retires by rotation and being eligible, offers himself for re – appointment.
3. To appoint Auditors of the Company and to fix their remuneration. M/s. M.Raghunath & Co., who retires at this meeting, being eligible, offers themselves for reappointment.

Report

For and on behalf of the Board of Directors

Sd/-

Place : CHENNAI

GOVIND PRASAD

Date : 30.07.2008

Chairman-cum-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 Register of Members and the Share Transfer Books of the Company shall remain closed from **16.09.2008 to 25.09.2008 (both days inclusive)**.
- C. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
- D. Members/ Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting.

**Bhagwandas Metals Limited****ANNEXURE TO THE NOTICE:**

**Information pursuant to clause 49 of the Listing Agreement for re – appointment of Director**

1. Name of the Director	<b>Mr. C. Ramasamy</b>
a. Age	47 yrs
b. Date of Appointment	21-05-1998
c. Qualification	B.Com., F.C.A.
d. Experience	24 years as Chartered Accountant
e. Expertise	Taxation, Finance and Accounts
f. Directorship in other Companies	Nil
g. Chairman / Member of committees of Companies	Bhagwandas Metals Limited Audit Committee – Chairman Share Transfer Committee - Chairman Remuneration Committee - Chairman
h. Share holding in the company	Holds 200 equity shares in the Company


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26<sup>th</sup> Annual Report 2007-2008**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their report for the year ended 31st March 2008 together with the Balance Sheet as at 31st March 2008 and the Profit and Loss account for the year ended on that date.

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

Sl. No.	Particulars	Audited financial Statement for the year ended March 31 <sup>st</sup> 2008	Audited financial Statement for the year ended March 31 <sup>st</sup> 2007
1.	Income from Operation	4654	4766
2.	Profit before Interest, Depreciation, Extraordinary items and Tax	55	53
3.	Interest	15	20
4.	Depreciation	2	4
5.	Profit before Extraordinary items and Tax	38	29
6.	Provision for taxation Fringe Benefit Tax & Deferred Tax	13	9
7.	Profit after Extraordinary Item and Tax	25	20
8.	Dividend Proposed	Nil	Nil
9.	Share Capital	364	364
10.	Reserves & Surplus	234	222

**OPERATIONS**

During the year 2007-2008, the Company has earned a net profit of Rs. 25 Lakhs as against Rs. 20 Lakhs earned in the previous year. On the sales front, the Company has achieved a turnover of about Rs 4654 Lakhs during the year 2007 - 2008 as against Rs. 4766 Lakhs achieved in 2006 - 2007. The directors are happy to inform you that all the accumulated losses have been wiped out. In view of the meagre profit after adjusting brought forward losses and with a view to conserve resources the directors express their inability to declare any dividend for the current financial year 2007-2008.

## **Bhagwandas Metals Limited**

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### **PROSPECTS FOR THE CURRENT YEAR**

During the current year 2008-2009, the Company has achieved a turnover of Rs. 1660 Lakhs in the first quarter ending 30.06.2008.

### **DIRECTORS**

Mr. Arun Kumar Agarwal has resigned from the Board of Directors and his resignation has been accepted with effect from 10.10.2007. Your Board places on record their appreciation of his invaluable contribution in the growth of the company.

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

### **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. The auditors have expressed their willingness to continue in office if they are re-appointed. 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 not applicable to the Company since the Company was not engaged in any manufacturing activities during the last 6 years.

None of the employees of the Company is covered by section 217(2A) read with Companies (Particulars of Employees) Rules 1975 as amended.

1. Foreign Exchange inflow - Nil
2. Foreign Exchange outflow - Nil
3. Value of Imports on CIF Basis - Rs. 4,75,49,499/-

### **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 judgments 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, 2008 and of the profit of the Company for the year ended 31st March, 2008;
- 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**

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

### **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 : 30.07.2008

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



**Bhagwandas Metals Limited****CORPORATE GOVERNANCE REPORT****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 to attaining optimum level of financial stability thereby enhancing the shareholders value through prudential 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 is five out of which 2 are Promoter Directors namely Mr. Govind Prasad, Chairman-cum-Managing Director and Mr. Nand Kishore Sonthalia, Both these Directors are Executive Directors of the Company. The rest 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. Five Board Meetings were held during the financial year 2007-2008 on 27.04.2007, 02.07.2007, 30.07.2007, 10.10.2007 and 23.01.2008.

**c. Attendance of each Director at the Board Meetings and the last Annual General Meeting**

1.	Mr. Govind Prasad	4
2.	Mr. C.Ramasamy	5
3.	Mr. Arun Kumar Agarwal (Resigned w.ef. 10.10.2007)	--
4.	Mr. Nirmal Gadhiya	3
5.	Mr. Nand Kishore Sonthalia	3
6.	Mr. Narender Lunawat	4

Mr. Govind Prasad, Mr. C. Ramasamy and Mr. Nand Kishore Sonthalia attended the last Annual General Meeting held on 24<sup>th</sup> September 2007.



### 3. AUDIT COMMITTEE

#### a. Composition

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

Mrs. P. Manjulatha, Company Secretary is the secretary for the Audit Committee.

#### 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 5 times on 27.04.2007, 02.07.2007, 30.07.2007, 10.10.2007 and 23.01.2008.

#### c. Attendance at the Audit Committee

1.	Mr. C.Ramasamy	5
2	Mr. Nirmal Gadhiya	3
3	Mr. Narender Lunawat	4

### 4. SHAREHOLDERS/ INVESTORS' GRIEVANCE COMMITTEE

#### a. COMPOSITION

The Committee consisting of Directors Mr. Arun Kumar Agarwal - Chairman, Mr. Nirmal Gadhiya - Member, Mr. Narender Lunawat - Member, was re-constituted by the Board at the Board meeting held on 10<sup>th</sup> October 2007 with the following Directors.

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

#### b. FUNCTION

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