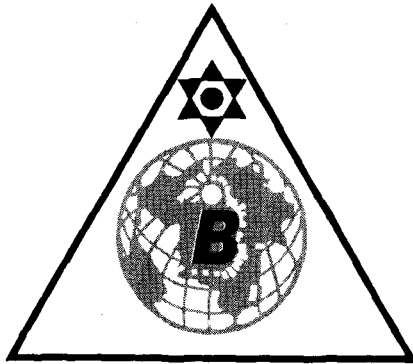


# **Bhagwandas Metals Limited**



**29th Annual Report 2010-2011**

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## **BHAGWANDAS METALS LIMITED**

### **BOARD OF DIRECTORS**

Sri Govind Prasad

- Chairman-Cum-  
Managing Director
- Whole Time Director
- Director
- Director
- Director

Sri Nand Kishore Sonthalia  
Sri C. Ramasamy  
Sri Narender Lunawat  
Sri Nirmal Gadhiya

### **AUDITORS**

**M/s. R.R. More & Co.**  
Chartered Accountants  
No.356, Mint Street  
11 nd Floor, Sowcarpet  
Chennai - 600 001

### **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



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

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of Bhagwandas Metals Limited will be held on Thursday, the 22<sup>nd</sup> day of September, 2011 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 31<sup>st</sup> March, 2011 and the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 and the reports of the Directors and Auditors thereon.
2. To declare Dividend
3. To appoint a Director in place of Mr. C. Ramasamy who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditor and to fix their remuneration.

#### **SPECIAL BUSINESS**

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

a) **"RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members be and is hereby accorded to the Board for the reappointment of Mr. Govind Prasad as Chairman cum Managing Director for a further period of Five years with effect from 01.01.2011 on non-rotational basis on a remuneration of not exceeding a sum of Rs.1.25 lakhs per month, (inclusive of all allowances and perquisites) as per recommendation made by the Remuneration committee and the Board of Directors at its meeting held on 22.10.2010."

b) **"RESOLVED FURTHER THAT** the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary and commission) as also the type and amount of perquisites and other benefits payable to Mr. Govind Prasad in such manner as may be agreed to between the Board of Directors and Mr. Govind Prasad provided, however, that the remuneration payable to him shall not exceed the limits specified in the explanatory statement attached herewith as also the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof."

c) **"RESOLVED FURTHER THAT** the company on attaining adequate profits the Board of Directors/Remuneration committee constituted by the Board do hereby authorise to vary the terms of remuneration and perquisites with the liberty to revise the remuneration payable to the above Managerial Personnel, if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. with in

## **Bhagwandas Metals Limited**

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the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the share holders of the company."

**d) "RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. Govind Prasad the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, without the approval of Central Government (if required), exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof."

**e) "RESOLVED FURTHER THAT** the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956.

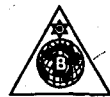
**f) "RESOLVED FURTHER THAT** the board be and hereby authorized to do all such acts, deeds and to things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors to give effect to the aforesaid resolution"

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

**a) "RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members be and is hereby accorded to the Board for the reappointment of Mr. Nand Kishore Sonthalia as Whole Time Director for a further period of Five years with effect from 01.01.2011 on non-rotational basis on a remuneration of not exceeding a sum of Rs.1.25 lakhs per month, (inclusive of all allowances and perquisites) as per recommendation made by the Remuneration committee and the Board of Directors at its meeting held on 22.10.2010."

**b) "RESOLVED FURTHER THAT** the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary and commission) as also the type and amount of perquisites and other benefits payable to Mr. Nand Kishore Sonthalia in such manner as may be agreed to between the Board of Directors and Mr. Nand Kishore Sonthalia provided, however, that the remuneration payable to him shall not exceed the limits specified in the explanatory statement attached herewith as also the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof."

**c) "RESOLVED FURTHER THAT** the company on attaining adequate profits the Board of Directors/Remuneration committee constituted by the Board do hereby authorise to vary the terms of remuneration and perquisites with the liberty to revise the remuneration payable to the above Managerial Personnel, if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the share holders of the company."



**d) "RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. Nand Kishore Sonthalia the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, without the approval of Central Government (if required), exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof."

**e) "RESOLVED FURTHER THAT** the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956.

**f) "RESOLVED FURTHER THAT** the board be and hereby authorized to do all such acts, deeds and to things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors to give effect to the aforesaid resolution"

For and on behalf of the Board of Directors

Sd/-

**GOVIND PRASAD**

Chairman-cum-Managing Director

Place : CHENNAI  
Date : 22.07.2011

#### 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 Tuesday, 13th September 2011 to Thursday, 22nd September 2011 (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 28.09.2011. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership, as per the details to 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.

## **Bhagwandas Metals Limited**

h. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 with respect to items 5 & 6 are given below.

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

1.	Name of the Director	Mr. C. Ramasamy
a.	Age	50 yrs.
b.	Date of Appointment	21.05.1998
c.	Qualification	B. Com, F.C.A
d.	Experience	27 years as Chartered Accountant
e.	No. of Shares	200
f.	Expertise	Taxation, Finance and Accounts
g.	Directorship in other Companies	Nil
h.	Chairman/Member of Committees of Companies	-Bhagwandas Metals Limited. -Audit Committee – Chairman. -Share Transfer committee – Chairman, -Remuneration Committee – Chairman.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

#### **Item No.5**

The tenure of Shri. Govind Prasad as Chairman cum Managing Director expires on 31st December 2010. Considering the exemplary service provided by him in the past and his irrevocable role in the wholesome development of the Company, the Board of Directors has recommended the reappointment of Shri. Govind Prasad as Chairman Cum Managing Director for a further period of five years with effect from 01.01.2011 as per the terms and conditions including remuneration as recommended by the Remuneration Committee and Board of Directors at its meeting held on 22nd October 2010, for approval of shareholders at the Annual General Meeting.

The Board of Directors of your Company recommends this resolution for your approval.

None of the Directors of your Company are interested in the proposed resolution except Mr. Govind Prasad and Mr. Nand Kishore Sonthalia.

#### **Item No.6**

The tenure of Shri. Nand Kishore Sonthalia as Whole Time Director expires on 31st December 2010. Considering the exemplary service provided by him in the past and his role in the development of the Company, the Board of Directors has recommended the reappointment of Shri. Nand Kishore Sonthalia as Whole Time Director for a further period of five years with effect from 01.01.2011 as per the terms and conditions including remuneration as recommended by the Remuneration Committee and Board of Directors at its meeting held on 22nd October 2010, for approval of shareholders at the Annual General Meeting.

The Board of Directors of your Company recommends this resolution for your approval. None of the Directors of your Company are interested in the proposed resolution except Mr. Govind Prasad and Mr. Nand Kishore Sonthalia.



## DIRECTORS' REPORT

Your Directors have pleasure in presenting their report for the year ended 31st March 2011 together with the Balance Sheet as at 31st March 2011 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 31st 2011	Audited financial Statement for the year ended March 31st 2010
1.	Income from Operation	6945	5523
2.	Profit before Interest, Depreciation, Extraordinary Items and Tax	66	54
3.	Interest	9	8
4.	Depreciation	6	7
5.	Profit before Extraordinary items and Tax	51	39
6.	Provision for taxation, Fringe Benefit Tax & Deferred Tax	16	12
7.	Profit after Extraordinary item and Tax	35	27
8.	Dividend Proposed	22	Nil
9.	Share Capital	364	364
10.	Reserves & Surplus	293	284

### OPERATIONS

During the year 2010-2011, the Company has earned a net profit after tax of Rs 34.74 Lakhs as against Rs.26.93 Lakhs earned in the previous year. On the sales front, the Company has achieved a turnover of about Rs.6945 Lakhs during the year 2010-2011 as against Rs.5523 Lakhs achieved in 2009-2010.



## **Bhagwandas Metals Limited**

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### **DIVIDEND**

The Directors wish to recommend a Dividend of 6% (0.60paise per equity share of Rs.10/- fully paid up) on the paid up capital of the company aggregating to Rs. 21,89,280 for the year ended 31st March 2011.

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

During the current year 2011-2012, the Company has achieved a turnover of Rs. 1632 Lakhs in the first quarter ending 30.06.2011.

### **DIRECTORS**

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

The term of office of Mr.Govind Prasad, Chairman cum Managing Director and Mr. Nand Kishore Sonthalia, Whole Time Director expires on 31.12.2010. The Board of Directors at their meeting held on 22.10.10 reappointed them as the Chairman cum Managing Director and Whole Time Director with effect from 01.01.2011 for a Further period of 5 years. The necessary resolution reappointing them as Chairman cum Managing Director and Whole Time Director is placed before the shareholders as Item no 5 & 6 in the notice attached herewith.

### **AUDITORS**

M/s. R.R. More & Co. , Chartered Accountants, retire at this meeting and being eligible are proposed for reappointment. They also expressed their willingness to continue in office if reappointed, at the ensuing annual general meeting.

### **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**

#### **Conservation of Energy:-**

Though the company has not carried on any manufacturing activities, it had taken steps to conserve energy in its office/ godown use, consequent to which energy consumption has been minimized. No additional Proposals/Investments was made to conserve energy. Since the company has not carried on any industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc., are not applicable.

**Technology Absorption:-**

The company has not adopted / intend to adopt any technology for its business and hence no reporting is required to be furnished under this heading.

**Foreign Exchange Inflow & Outgo:-**

Since the company has not carried on any export during the financial year under review, the disclosures requirement relating to exports, initiatives taken to increase exports; development of new export markets for products and services and export plans is not applicable to the company.

Foreign Exchange earned during the year :- Rs. Nil (31.03.2010 Rs.Nil)

Foreign Exchange used during the year :- Rs. Nil (31.03.2010Rs.Nil)

Value of Imports on CIF Basis – Rs. 19,92,03,896 (31.03.2010 - Rs. 7,65,09,258/- )

**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

- 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, 2011 and of the profit of the Company for the year ended 31st March, 2011.
- 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