



# BHAGYANAGAR INDIA LIMITED

ISO 9001 - 2008 Certified Company

BHAGYANAGAR INDIA LIMITED  
CIN - L27201AP1991PLC012449

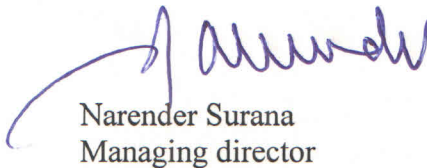
5th Floor, Surya Towers,  
Sardar Patel Road,  
Secunderabad - 500 003. A.P., India  
Tel : +91 40 27845119/27841198/44665700  
Fax : +91-40-27848851/27818868  
Website : www.surana.com  
E.mail : bil@surana.com

## FORM A

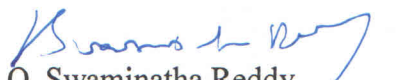
*Format of covering letter of the Annual Audit Report to be filed with the stock exchanges*


*(In Pursuance of Clause 31 of Listing Agreement)*


|    |  |                               |
|----|--|-------------------------------|
| 1. | Name of the Company                            | M/s Bhagyanagar India Limited |
| 2. | Annual financial statements for the year ended | 31 <sup>st</sup> March, 2014  |
| 3. | Type of Audit observation                      | Un-qualified                  |
| 4. | Frequency of observation                       | Not Applicable                |

  
Narender Surana  
Managing director

  
Surendra Bhutoria  
Chief Financial Officer

  
O. Swaminatha Reddy  
Chairman of Audit Committee

  
G. Ganesh  
Sekhar & Co., Chartered Accountants,  
Statutory Auditor of the Company







# BHAGYANAGAR INDIA LIMITED

## 29<sup>th</sup> Annual Report 2013-14



- ◆ Auto and Electrical Components
- ◆ Copper Products
- ◆ Renewable Energy

# COPPER PRODUCT RANGE

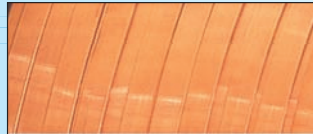
## ETP/OFC/SILVER BEARING COPPER PRODUCTS

**Copper Flats / Bus Bars**  
 Min.Size 15mm X 3mm  
 Max.Size 150mm X 20mm



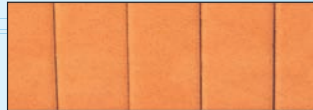
**Traction Motors, Earthing**  
 Heavy Electrical Machines,  
 Panel Boards

**Annealed Bare Copper Strips**  
 WITH DIFF.RADIUS  
 Sizes: Max. 18X3mm  
 Min.2.67x1.14



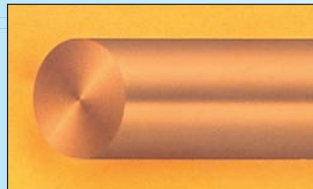
**Armature Pins in Starter Motors**  
 Connectors in Heavy Electrical  
 Machines etc.,

**Paper Insulated Copper  
 Conductors (Strip & Wire)**



**Power & Distribution Transformers**

**Continuous Copper Rod**  
 Sizes:8mm to 40 mm



### Applications

Telecommunication  
 Power & Distribution Transformers  
 terminals, Battery Connectors  
 Electrodes in Wire Cutting Machine &  
 Other Power Engineering Publications

**Copper Tubes**  
 Sizes: 3/16", 1/4", 5/16", 3/8, 7/16  
 1/2", 9/16", 5/8, 11/16", 15/16, 1"  
 1 1/8", 1.1/4, 1.1/2" and  
 Thickness 16 SWG to 25 SWG



### Refrigeration

Air Conditioning  
 Heat Exchangers  
 commutators & Slip rings in  
 Automobile Industry

**Copper Sheets**  
 Sizes: Max Width 190mm  
 Min.Thickness 0.05mm



Switchgears & Low Range Transformers  
 Automobile Radiators Lightning  
 Arresters, Solar Energy Collectors &  
 Copper Gaskets & Power Cables.

**Cotton Tape Insulated  
 Copper Coils**  
 (Field Coils)



All Kinds of Starter Motors for  
 Automobile Engines.

**Nalsun Solar Copper Fins  
 &  
 Solar Water Heater**



Solar Water Heater Manufacturing

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**BOARD OF DIRECTORS**

|                    |                       |
|--------------------|-----------------------|
| G Mangilal Surana  | - Chairman            |
| O Swaminatha Reddy | - Director            |
| R Surender Reddy   | - Director            |
| Kamlesh Gandhi     | - Director            |
| Dr. R.N. Sreenath  | - Director            |
| D Venkatasubbiah   | - Director            |
| Narender Surana    | - Managing Director   |
| Devendra Surana    | - Managing Director   |
| Narender Munoth    | - Executive Director  |
| N Krupakar Reddy   | - Whole-time Director |

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**STATUTORY COMMITTEES****AUDIT COMMITTEE**

|                    |            |
|--------------------|------------|
| O Swaminatha Reddy | - Chairman |
| G Mangilal Surana  | - Member   |
| R Surender Reddy   | - Member   |
| Kamlesh Gandhi     | - Member   |

**NOMINATION & REMUNERATION COMMITTEE:**

|                    |            |
|--------------------|------------|
| R Surender Reddy   | - Chairman |
| O Swaminatha Reddy | - Member   |
| D Venkatasubbiah   | - Member   |

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

|                   |            |
|-------------------|------------|
| G Mangilal Surana | - Chairman |
| Narender Surana   | - Member   |
| Devendra Surana   | - Member   |

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**CHIEF FINANCIAL OFFICER**

Surendra Bhutoria

**COMPANY SECRETARY**

Biswa Ranjan Subudhi

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**BANKERS**

State Bank of India  
Corporation Bank  
HDFC Bank Limited  
ICICI Bank Limited

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**REGISTRARS & TRANSFER AGENTS**

KARVY COMPUTERSHARE PRIVATE LIMITED

Plot No.17-24, Vittalrao Nagar,  
Madhapur, Hyderabad - 500 081

Tel No.040-44655000

Fax No.040-23420814, Toll Free No.1800-3454-001

E-mail : einward.ris@karvy.com

Web Site : www.karvy.com

Regd.Office : Karvy House 46, Avenue 4,

Street No.1, Banjara Hills, Hyderabad - 500 034

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**STATUTORY AUDITORS**

Sekhar & Co.,  
Chartered Accountants  
133/4, R. P. Road, Secunderabad-500 003.

**INTERNAL AUDITORS**

Luharuka & Associates  
Chartered Accountants  
5-4-187/3&4, Soham Mansion,  
2nd Floor, Above Bank of Baroda  
M G Road, Secunderabad - 500 003.

**COST AUDITORS**

BVR & Associates  
H.No. 6-3-628/3, Flat No. 101, R.V. Naipunya Apts  
Anand Nagar Colony, Khairatabad, Hyderabad - 500 004

**SECRETARIAL AUDITOR**

GSLN Gupta  
A47, Sree Nilayam, 1st Floor,  
Indian Airlines Employees Colony, Lane No - 3  
Begumpet, Hyderabad - 500 016

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**WORKS****Copper Division (Auto Electric, Electrical & Solar Components)**

- Bhagyanagar India Limited  
Plot No. P-9/13(1) & P-9/14,  
IDA Nacharam, Hyderabad - 500 076.
- Harinam Wires  
Plot No. P 9/13 (A),(B),(C)  
Industrial Development Area,  
Nacharam, Hyderabad - 500 076.
- Hardware Park  
Plot No. 22B, Raviyal Village,  
Maheshwaram Mandal, R.R. Dist, Hyderabad - 532 409.

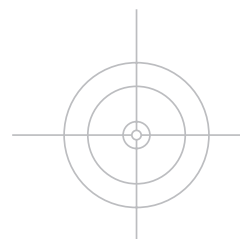
**Non-Conventional Energy****Wind Power**

Kapatgudda, Gadag District,  
Karnataka - 582 101

**Solar Power**

Sy. No. 468-470, 477 & 478  
Munipally (V & M), Medak District, Telangana

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## *Financial Highlights-10 Years' Record*

₹ in lacs

|                                    | 2013-14      | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 |
|------------------------------------|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Turnover                           | <b>23622</b> | 20676   | 19796   | 18603   | 17453   | 18963   | 19,995  | 23,843  | 17,233  | 13,882  |
| Total Income                       | <b>24432</b> | 21490   | 21,410  | 19235   | 18461   | 20149   | 22,073  | 24,833  | 18,264  | 14,963  |
| Profit Before tax                  | <b>300</b>   | 457     | 107     | 1360    | 1459    | 1523    | 4,258   | 8,041   | 3,145   | 2,958   |
| Profit After tax                   | <b>263</b>   | 412.62  | 55.25   | 1019    | 1335    | 1104    | 3,741   | 7,017   | 2,596   | 2,696   |
| Equity dividend %                  | <b>15%</b>   | 20%     | 20%     | 20%     | 20%     | 0       | 30%     | 30%     | 30%     | 25%     |
| Equity Share Capital               | <b>1279</b>  | 1279    | 1279    | 1368    | 1379    | 1490    | 1,490   | 1,490   | 740     | 630     |
| Reserve & Surplus                  | <b>19542</b> | 19888   | 20094   | 21703   | 21127   | 20614   | 20,380  | 17,161  | 11,448  | 7,734   |
| Net Worth                          | <b>20822</b> | 21168   | 21374   | 23071   | 22506   | 22104   | 21,870  | 18,651  | 12,188  | 8,364   |
| Gross Fixed Assets                 | <b>13062</b> | 11493   | 12754   | 12633   | 12554   | 12683   | 12,176  | 12,798  | 7,098   | 7,066   |
| Net Fixed Assets                   | <b>8303</b>  | 6759    | 8486    | 8623    | 8970    | 7433    | 7,341   | 8,252   | 2,602   | 2,579   |
| Total Assets                       | <b>32199</b> | 30283   | 31124   | 30846   | 29499   | 31894   | 34,981  | 29,006  | 13,005  | 9,812   |
| Contribution to National Exchequer | <b>3710</b>  | 3442    | 2557    | 2884    | 2128    | 3498    | 3,998   | 4,791   | 4,008   | 2,392   |

## *Key Indicators*

|                          | 2013-14       | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 |
|--------------------------|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Earning per share- Basic | <b>0.41</b>   | 0.64    | 0.08    | 1.49    | 1.82    | 1.48    | 5.02    | 9.42    | 7.02    | 8.56    |
| Book Value Per Share     | <b>32.58</b>  | 33.08   | 33.4    | 33.73   | 32.64   | 29.67   | 29.36   | 25.03   | 32.94   | 26.55   |
| Debt Equity Ratio        | <b>0.38:1</b> | 0.32:1  | 0.33:1  | 0.05:1  | 0.11:1  | 0.06:1  | 0.26:1  | 0.20:1  | 0.07:1  | 0.17:1  |

**Note :** For calculating Basic EPS and Book Value per share face value of equity share is taken as Rs 2 per share for the entire period to make it comparable

## NOTICE OF 29th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29th Annual General Meeting of the members of BHAGYANAGAR INDIA LIMITED, will be held on 22nd September, 2014 at 12.00 Noon at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit & Loss Account for the year ended 31st March, 2014, along with the Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2014.
3. To appoint a Director in place of Shri G. M. Surana who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Sec 139 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, M/s. Sekhar & Co., Chartered Accountants, (Registration No. 003695S), be and are hereby appointed as Auditors of the Company, to hold office for a period of 3 (three) years from the conclusion of 29th Annual General Meeting (AGM) till the conclusion of 32nd Annual General Meeting (AGM) of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS:

5. In this regard to consider and if though fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to provision of

section 149, 152, all other applicable provisions of Companies Act, 2013 and the rules framed there under read with schedule IV to the Companies Act, 2013 and Listing Agreement, Shri Kamlesh Gandhi (DIN : 00004969) who was earlier appointed as a Director liable to retire by rotation and in respect of the whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intension to propose Shri Kamlesh Gandhi (DIN : 00004969) as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the company to hold office from 22.09.2014 upto 22.09.2019 whose period of office shall not be liable to retire by rotation"

6. In this regard to consider and if though fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to provision of section 149, 152, all other applicable provisions of Companies Act, 2013 and the rules framed there under read with schedule IV to the Companies Act, 2013 and Listing Agreement Shri O. Swaminatha Reddy (DIN : 00006391) who was earlier appointed as a Director liable to retire by rotation and in respect of the whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intension to propose Shri O. Swaminatha Reddy (DIN : 00006391) as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office from 22.09.2014 upto 22.09.2019 whose period of office shall not be liable to retire by rotation"

7. In this regard to consider and if though fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to provision of section 149, 152, all other applicable provisions

of Companies Act, 2013 and the rules framed there under read with schedule IV to the Companies Act, 2013 and Listing Agreement Shri D. Venkatasubbiah (DIN : 00006618) who was earlier appointed as a Director liable to retire by rotation and in respect of the whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intension to propose Shri D. Venkatasubbiah (DIN : 00006618) as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office from 22.09.2014 upto 22.09.2019 whose period of office shall not be liable to retire by rotation"

8. In this regard to consider and if though fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to provision of section 149, 152, all other applicable provisions of Companies Act, 2013 and the rules framed there under read with schedule IV to the Companies Act, 2013 and Listing Agreement Shri R. Surender Reddy (DIN : 00083972) who was earlier appointed as a Director liable to retire by rotation and in respect of the whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intension to propose Shri R. Surender Reddy (DIN : 00083972) as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office from 22.09.2014 upto 22.09.2019 whose period of office shall not be liable to retire by rotation"

9. In this regard to consider and if though fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to provision of section 149, 152, all other applicable provisions of Companies Act, 2013 and the rules framed there under read with schedule IV to the Companies Act, 2013 and Listing Agreement

DR. R. N. Sreenath (DIN : 00124157) who was earlier appointed as a Director liable to retire by rotation and in respect of the whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intension to propose DR. R. N. Sreenath (DIN : 00124157) as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the company to hold office from 22.09.2014 upto 22.09.2019 whose period of office shall not be liable to retire by rotation"

10. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **SPECIAL RESOLUTION:**

**"RESOLVED THAT** in partial modification of Resolution No. 7 passed at the 27th Annual General Meeting of the Company held on 29th September, 2012 regarding the re-appointment and remuneration of Shri Narender Surana as Managing Director of the Company for a period of three years w.e.f. 18th January, 2012 to 17th January, 2015 in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the Company do hereby approves the revision in remuneration payable to Shri Narender Surana as mentioned below w.e.f. 01.05.2014 for the residual period of his term, i.e., up to 17.01.2015, and that the other existing terms and conditions of the appointment, remain unchanged."

1. Salary:

Rs.6,00,000 - Rs. 50,000 - Rs. 7,00,000 per month

2. Housing:

Shri Narender Surana shall be entitled to house rent allowance equal to 50% (fifty



percent) of the salary. In case accommodation for Shri Narender Surana is provided by the Company, the expenditure incurred by the Company on hiring accommodation will be subject to a ceiling of 50% (Fifty percent) of the salary of Shri Narender Surana. Expenditure on furnishing, electricity, water, gas at actuals shall in addition be payable by the Company to Shri Narender Surana.

**RESOLVED FURTHER THAT** the Board of Directors or committee of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in the absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by it to be in the best interests of the Company."

11. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **SPECIAL RESOLUTION**:

**"RESOLVED THAT** in partial modification of Resolution No. 8 passed at the 27th Annual General Meeting of the Company held on 29th September, 2012 regarding the re-appointment and remuneration of Shri Devendra Surana as Managing Director of the Company for a period of three years w.e.f. 18th January, 2012 to 17th January, 2015 in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the Company do hereby approves the revision in remuneration payable to Shri Devendra Surana as mentioned below w.e.f. 01.05.2014 for the residual period of his term, i.e., up to 17.01.2015, and that the other existing terms and conditions of the appointment, remain unchanged."

1. Salary:  
Rs.6,00,000 - Rs. 50,000 - Rs. 7,00,000 per month
2. Housing:  
Shri Devendra Surana shall be entitled to house rent allowance equal to 50% (fifty percent) of the salary. In case accommodation for Shri Devendra Surana is provided by the Company, the expenditure incurred by the Company on hiring accommodation will be subject to a ceiling of 50% (Fifty percent) of the salary of Shri Devendra Surana. Expenditure on furnishing, electricity, water, gas at actuals shall in addition be payable by the Company to Shri Devendra Surana.

**RESOLVED FURTHER THAT** the Board of Directors or committee of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in the absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by it to be in the best interests of the Company."

12. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), Shri N. Krupakar Reddy, be and is hereby re-appointed as Whole-time Director of the Company and shall continue to act as "Director-Operations" for a further period of 3 years with effect from 07th June, 2014 i.e., upto 06th June, 2017 in the

scale of Rs.35,000 - 3,000 - 41,000 per month.

**RESOLVED FURTHER THAT** Shri N. Krupakar Reddy, shall also be entitled for reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits / amenities and other privileges, as may from time to time, be available to other senior executives of the Company as per the service rules of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in the absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by it to be in the best interests of the Company."

13. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **SPECIAL RESOLUTION:**

**"RESOLVED THAT** subject to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force and in supersession of all the earlier resolutions passed in this regard, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter called "the Board") and which term shall be deemed to include any Committee, which the Board may have constituted or herein after for borrowing from time to time as they may think fit, any sum or sums of money on such terms and conditions as the Board may deem fit, to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 400 Crores (Rupees Four hundred

crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

14. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **SPECIAL RESOLUTION:**

**"RESOLVED THAT** consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'the Board', which term shall include its Committee(s) constituted for the purpose) to create mortgages/charges on all any of the movable and/or immovable properties and assets both present and future or on the whole or substantially whole of the undertaking or undertakings of the Company exclusively or ranking pari-passu with or second or subordinate to the mortgages/charges. if any, already created or to be created in future by the Company, for any loans and/or advances and/or issue of debentures/ bonds and/or guarantees and/or any financial assistance obligations obtained/undertaken/made or that may be obtained/undertaken/made by the Company and/or any one or of its subsidiary/ group companies both present and that which may be established or acquired by the Company in India or abroad, with power to take over the management, business and undertaking of the Company in certain events of default, on such terms and conditions and at such times and in such form and manner as the Board may deem fit, So that the total outstanding amount at any time so secured shall not exceed the amounts consented by the Company by the Resolution passed at this meeting pursuant to Section 180(1)(c) of the Companies Act, 2013 or upto the higher amount/s as may be so consented by the Company from time to time in future, together with interest thereon, and further interest, costs, charges, expenses, remuneration and other monies payable in connection therewith and that this consent shall also be the consent of the members under and as contemplated by Section 180(1)(a) and other applicable provisions if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable rules made thereunder;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to and cause to prepare, finalise, approve and execute on behalf of the Company, all documents, deeds, agreements, declarations, undertakings and writings as may be necessary and/or expedient for giving effect to the foregoing resolution and to vary and / or alter the terms and conditions of the security created/to be created as aforesaid as it may deem fit and generally to do and/or cause to do all acts, deeds matters and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

15. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 42, 62 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debenture) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, as applicable, and/or Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India), Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Deposit Receipt Mechanism) Scheme, 1993, as amended and the applicable Rules, Regulations, Notifications and Circulars, if any, issued by Securities and Exchange Board of India (SEBI) from time to time, including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the ICDR Regulations), Reserve Bank of India (RBI), Government of India or any other competent Authority and clarifications, if any, issued thereon from time to time by appropriate authorities, the Equity Listing Agreements (the "Listing Agreement") entered into by the Company with the Stock Exchanges where the Company's Equity Shares of face value of Rs.2/-each (the "Equity Shares") are listed and other concerned and appropriate authorities, and other applicable laws, if any,

and relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of the Government of India, RBI, SEBI and any other appropriate Authority(ies), Bank(s), Institution(s) or Body(ies), as may be necessary and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, as are accepted, the Board of Directors of the Company, (hereinafter referred to as the "Board", which term shall be deemed to include any duly constituted Committee thereof), be and is hereby authorized to create, offer, issue and allot Equity Shares/Securities in one or more tranches, in the course of domestic or international offerings, by way of Follow-on Public Offer (FPO) and/or by way of a Qualified Institutions Placement (QIP) in terms of the Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time and/or Equity Shares in the form of Global Depository Receipts (GDRs), and/or American Depository Receipts (ADRs), and/ or External Commercial Borrowings (ECBs) with rights of conversion into shares, and/ or Foreign Currency Convertible Bonds (FCCBs) and/or Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPS/CCPS), convertible into Equity Shares of the Company with voting rights or with differential rights as to voting, dividend or otherwise in accordance with such rules and subject to such conditions as may be prescribed or any other instrument convertible into Equity Shares with voting rights or with differential voting rights as to voting, dividend or otherwise (hereinafter referred to as the "Securities"), to be subscribed to, by International and/or Indian Banks, Institutions, Institutional Investors, Mutual Funds, companies, other Corporate Bodies, Resident/ Non-Resident Indians, Foreign Nationals and other eligible Investors, as may be decided by the Board, (hereinafter referred to as "Investors"), whether or not such Investors are members of the Company or not (including the provisions for reservation on firm and/or

competitive basis, of such part of issue and for such categories of persons including employees of the Company, group/associate company(ies) as may be permitted by the ICDR Regulations from time to time), at such time or times, at such price or prices, at discount / premium to the market or prices in such manner and on such terms and conditions including security, rate of interest etc. including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors, as may be determined by the Board at the time of such issue and allotment, considering the then prevailing market conditions and other relevant factors wherever necessary, upto an aggregate of US\$ 50 million in any foreign currency or in Rupees (inclusive of such premium as may be determined) and such issue and allotment be made at such time or times, in such tranche or tranches, in such currency or currencies, in such manner and on such terms and conditions (including, if necessary, in relation to security on convertible debt instruments) as may be decided and deemed appropriate by the Board in its sole discretion at the time of issue / allotment."

**"RESOLVED FURTHER THAT** in case of QIP, pursuant to Chapter VIII of the ICDR Regulations, the allotment of Equity Shares/ Securities shall only be made to Qualified Institutional Buyers at a price including a discount of not more than 5% (or such discount as may be prescribed by SEBI from time to time) within the meaning of Chapter VIII of ICDR Regulations and such securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this Resolution."

**"RESOLVED FURTHER THAT** the Company and/ or any agency or body authorized by the Company, may issue receipts/certificates representing the underlying securities and/ or Equity Shares issued by the Company with such features and attributes as are prevalent in International Capital Markets for instruments of this nature and provide for the tradability

or free transferability thereof as per the domestic/international practices, norms and regulations, and under the norms and practices prevalent in the International Markets."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot, from time to time, such number of Equity Shares at such premium as may be decided by the Board in its absolute discretion, upon conversion of such Securities or as may be necessary in accordance with the terms of the offering, including additional Equity Shares, and all such shares shall rank pari- passu with the then existing Equity Shares of the Company in all respects including to dividend."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any issue and/or allotment of Equity Shares in the Company or Securities or instruments or Securities representing or convertible into Equity Shares in the Company, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion, deem necessary, appropriate or desirable for such purpose, including, without limitation, determining the form and manner of the issue, the class of investors to whom the Equity Shares/ Securities are to be issued and allotted, number of Equity Shares/Securities to be allotted in each tranche, issue price, face value, premium amount on issue/conversion of Securities/ exercise of warrants/redemption of Securities, rate of interest, redemption period, to appoint Lead Managers, Merchant Bankers, Global Business Coordinators, Book Runners, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodians, Registrars, Trustees, Bankers and all other agencies, to enter into or execute all such agreements/ arrangements /MOUs/documents with any such agencies, as may be necessary; to list the Securities and the Equity Shares to be issued on conversion of the said Securities on any Indian and/or Foreign Stock Exchange(s), as it may in its absolute discretion deem fit."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to settle all questions,

difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares or Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of the aforesaid Resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Whole-time Director(s) or any Director(s) or any other Officer(s) of the Company to implement the aforesaid Resolution."

16. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules framed there under and subject to all

other approvals, if any required, the Company be and is hereby authorized to pay an amount of Rs. 25,000/- (Rupees Twenty Five Thousand Only) as remuneration to M/s. BVR & Associates, Cost Accountants in practice, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31.03.2015"

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board  
For **BHAGYANAGAR INDIA LIMITED**

**BISWA RANJAN SUBUDHI**  
COMPANY SECRETARY

Place : Secunderabad  
Date : 08.08.2014

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### NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
- Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on their behalf at the Meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 18.09.2014 to 22.09.2014 (both days inclusive).
- The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company
- Dividend on shares @ 15 % as recommended by the Board of Directors, if declared by the Company at the meeting, will be paid subject to the provisions of Section 123 of the Companies Act, 2013 (corresponding to the section 205A of Companies Act, 1956) to those shareholders whose names appear on the Register of Members of the Company as on 22.09.2014 or to their mandates, to the extent



- eligible, and also to the beneficial owners of equity shares held in electronic form on the same date as per the details furnished by the Depositories for this purpose.
6. The Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service (ECS) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders' account, elimination of loss of instruments in transit or fraudulent encashment etc. Currently, the facility is available at locations specified by Reserve Bank of India. In case of shareholders staying at locations not currently covered by ECS, the bank account details will be used for suffixing along with the name of the shareholder on the Dividend Warrant. In view of the above:
    - i. Shareholders holding shares in Physical Form and desirous of availing the facility are requested to complete the ECS Form attached to this Annual Report and forward the same to the Company at its registered address.
    - ii. Shareholders holding shares in **Dematerialized Form** are requested to provide the Bank details to their Depository participants for incorporation in their records. The Depository in turn would also forward the required information to the Company.
  7. The Company's Equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 and the Company has paid the Listing Fees to the said Stock Exchanges.
  8. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
  9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Karvy Computershare Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy Computershare Private Limited
  10. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Karvy Computershare Private Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
  11. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
  12. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
  13. ***The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be made through electronic mode. In view of the circular issued by MCA the Company proposes to henceforth deliver document like the Notice calling the Annual General Meeting/Extra Ordinary General Meeting/Auditors/Report of the Directors etc., in electronic form to the email address provided by the shareholders.***
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14. ***Shareholders are requested to furnish their e-mail ids to enable the Company to forward all the requisite information in electronic mode. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and mode available to the Company shall be the registered email IDs unless communication is received to the contrary.***
15. ***Shareholders requiring a printed copy of the Annual Report should forward their request to the Company.***
16. The Securities Exchange Board of India has notified that the shareholder/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other Corporate Action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other corporate action.
17. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rule, 2014 and as per the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting by electronic mode and the business will be available at the <http://evoting.karvy.com> during the following voting period: **From 9 a.m. on September 16, 2014 to 6 pm on September 18, 2014.**
18. E-voting shall not be allowed beyond 6pm on September 18, 2014. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company.
19. The Company has appointed GSLN Gupta (CP No. 11271), Practicing Company Secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
20. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail ids with the Company/their respective Depository Participant along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company/their respective Depository Participant are being forwarded the login ID and password for e-voting along with process, manner and instruction by e-mail.
21. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at M/s KARVY COMPUTERSHARE PRIVATE LIMITED, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081. Further, kindly note that members holding shares in physical form and intending to transfer their shares have to furnish the PAN particulars of transferee along with the share transfer deeds for affecting the physical share transfer.
22. Please note that, any queries pertaining to accounting related aspects, may be posted/handed over to the Company Secretary at the Registered Office of the Company at least 48 hours before the Annual General Meeting, so that the same could be clarified to the shareholders at the Annual General Meeting.
23. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of Special Businesses set out above is annexed herewith.

By Order of the Board  
For **BHAGYANAGAR INDIA LIMITED**

**BISWA RANJAN SUBUDHI**  
COMPANY SECRETARY

Place : Secunderabad  
Date : 08.08.2014

## EXPLANATORY STATEMENT

### PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ('the act')

#### Item no. 5 to 9

Shri R. Surender Reddy, Shri O. Swaminatha Reddy, Shri Kamlesh Gandhi, Shri D Venkatasubbiah and Dr. R.N. Sreenath has been appointed as Independent Director of the company, at various times, pursuant to clause 49 of the Listing Agreement, whose office was liable to retire by rotation. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Director' as defined in Section 149 of the Act, which has been notified w.e.f 1st April 2014, who are not liable to retire by rotation and shall hold office for a term upto 5 (five) consecutive years. The Securities and Exchange Board of India (SEBI) has also amended clause 49 of the listing agreement inter alia stipulating similar conditions for appointment of Independent Director by the Listed Company.

Accordingly, it is proposed to appoint Shri R. Surender Reddy, Shri O. Swaminatha Reddy, Shri Kamlesh Gandhi, Shri D Venkatasubbiah and Dr. R.N. Sreenath as Independent Director under section 149 of the Act and clause 49 (revised) of the listing agreement to hold the office for 5(five) consecutive years from 22.09.2014 to 22.09.2019.

The Company has received declarations from Shri R. Surender Reddy, Shri O. Swaminatha Reddy, Shri Kamlesh Gandhi, Shri D. Venkatasubbiah and Dr. R.N. Sreenath that they meet with criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Brief profile of Shri R. Surender Reddy, Shri O. Swaminatha Reddy, Shri Kamlesh Gandhi, Shri D. Venkatasubbiah and Dr. R.N. Sreenath is annexed to the Corporate Governance Report.

The Company has received notices in writing from members, along with the deposit of requisite amount.

Under Section 160 of the Act proposing the candidature of each of Shri R. Surender Reddy, Shri O. Swaminatha Reddy, Shri Kamlesh Gandhi, Shri D Venkatasubbiah and Dr. R.N. Sreenath for the office of Directors of the Company. Shri R. Surender Reddy,

Shri O. Swaminatha Reddy, Shri Kamlesh Gandhi, Shri D Venkatasubbiah and Dr. R.N. Sreenath are not disqualified from being appointed as Directors in terms of Section 164 of the Act. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Shri R. Surender Reddy, Shri O. Swaminatha Reddy, Shri Kamlesh Gandhi, Shri D Venkatasubbiah and Dr. R.N. Sreenath fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act and Clause 49 of the Listing Agreement. The Board of Directors of your Company is also of the opinion that Shri R. Surender Reddy, Shri O. Swaminatha Reddy, Shri Kamlesh Gandhi, Shri D Venkatasubbiah and Dr. R.N. Sreenath are independent of the management of the Company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri R. Surender Reddy, Shri O. Swaminatha Reddy, Shri Kamlesh Gandhi, Shri D Venkatasubbiah and Dr. R.N. Sreenath as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri R. Surender Reddy, Shri O. Swaminatha Reddy, Shri Kamlesh Gandhi, Shri D Venkatasubbiah and Dr. R.N. Sreenath as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act and Clause 49 of the listing agreement for the approval by the shareholders of the Company.

The Board recommends the Ordinary Resolutions at Item Nos.5 to 9 of the Notice for approval shareholders.

None of the other Directors/Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

#### Item No. 10

Shri Narender Surana is serving as Managing Director on the Board of the Company since 12.03.1991. The members of the Company approved the payment of

remuneration of Rs.5,00,000 - Rs.50,000 - Rs.7,00,000/- to Shri Narender Surana in the 22nd Annual General Meeting held on 27.09.2007 and accordingly the Company was paying the remuneration to Shri Narender Surana. Because of the ceiling limit as specified in Schedule XIII of the Companies Act, 1956, the remuneration was limited to Rs. 4,00,000/- per month from the year 2008-09. As per schedule V, Part II, Section II of the Companies Act, 2013 (corresponding to Schedule XIII of the Companies Act, 1956) and by keeping in view the vast knowledge and experience of Shri Narender Surana which has been of immense value and benefit to the Company over the past years, it is proposed to restore the said remuneration w.e.f 01.05.2014 for the residual period of his term, i.e., up to 17.01.2015 as set out in the resolution. Your Directors feel that the resolution is in the best interest of the Company and recommends for your approval.

The Board recommends the Special Resolution at Item Nos. 10 of the Notice for approval of shareholders.

None of the Directors of the Company other than Shri G M Surana and Shri Devendra Surana are concerned or interested in the resolution to the extent of their shareholding.

### **Item No. 11**

Shri Devendra Surana is serving as Managing Director on the Board of the Company since 12.03.1991. The members of the Company approved the payment of remuneration of Rs.5,00,000 - Rs.50,000 - Rs.7,00,000/- to Shri Devendra Surana in the 22nd Annual General Meeting held on 27.09.2007 and accordingly the Company was paying the remuneration to Shri Devendra Surana. Because of the ceiling limit as specified in Schedule XIII of the Companies Act, 1956, the remuneration was limited to Rs. 4,00,000/- per month from the year 2008-09. As per schedule V, Part II, Section II of the Companies Act, 2013 (corresponding to Schedule XIII of the Companies Act, 1956) and by keeping in view the vast knowledge and experience of Shri Devendra Surana which has been of immense value and benefit to the Company over the past years, it is proposed to restore the said remuneration w.e.f 01.05.2014 for the residual period of his term, i.e.,

up to 17.01.2015 as set out in the resolution. Your Directors feel that the resolution is in the best interest of the Company and recommends for your approval.

The Board recommends the Special Resolution at Item Nos. 11 of the Notice for approval of shareholders.

None of the Directors of the Company other than Shri G M Surana and Shri Narender Surana are concerned or interested in the resolution to the extent of their shareholding.

### **Item No. 12**

Shri N. Krupakar Reddy was re-appointed as Whole-time Director of the Company by the Board of Directors for a period of 3 years ending 06.06.2017, as per Sections 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 on remuneration as mentioned in the resolution.

The said re-appointment was made keeping in view the vast knowledge and experience of Shri N. Krupakar Reddy which will be of immense value and benefit to the Company.

As per the provisions of Schedule V of the Companies Act, 1956 approval by a resolution of the shareholders in the General Meeting is required for re-appointment of the Whole-time Director. The Remuneration Committee at their meeting held on 08.08.2014 has approved the remuneration payable to Shri N. Krupakar Reddy.

Your Directors recommend the resolution for your approval.

None of the Directors are concerned or interested in the said resolution.

### **Item No. 13**

The members of the Company at their 27th Annual General Meeting held on 29th September, 2012 had approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 for borrowings over and above the aggregate of paid up share capital and free reserves of the Company, provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in

excess of Rs. 400 Crores (Rupees Four Hundred crores). Section 180(1)(c) of the Companies Act, 2013 is effective from 12th September, 2013 and the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No.13 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 400 Crores (Rupees Four Hundred Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Item No. 14**

In order to secure the borrowings/ financial assistance, the Company may be required to create security by way of mortgage/charge and/or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company. As per section 180(1)(a) of the Act consent of the Company by Special Resolution is required to be obtained by the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. Since mortgaging or charging the movable and/or movable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of section 180(1)(a) of the Act, it is proposed to seek approval of the shareholders for creating such mortgages and/or charges on the assets and properties of the Company both present and future. Hence the resolution at item no. 14 of the

accompanying Notice which your Board recommends for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Item No. 15**

The resolution contained in the AGM Notice relates to a proposal by the Company to create, offer, issue and allot Securities through further public offerings, preferential allotments, qualified institutions placements, issuance of Global Depository Receipts, American Depository Receipts and such other Securities in such manner as stated in the resolution. The Company intends to issue Securities for a value of up to US\$ 50 million. Subject to applicable laws and regulations, the Company intends to use the net proceeds of the Issue primarily for making acquisition, expansion and modernization of exiting facilities, working capital requirements and general corporate purpose.

The Special Resolution also seeks to empower the Board of Directors to undertake a qualified institutions placement with qualified institutional buyers as defined by SEBI (ICDR) Regulations. The Board of Directors, may in their discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI (ICDR) Regulations for raising the funds for the expansion plans of the company, without the need for fresh approval from the shareholders. In case of an issuance of Securities to qualified institutional buyers, whether or not such investors are existing members of the Company, through a qualified institutions placement under Chapter VIII of the SEBI (ICDR) Regulations, the final price at which the Securities will be offered will be subject to investor response and prevailing market conditions, and computed in accordance with the relevant provisions of Chapter VIII of the SEBI (ICDR) Regulations. Furthermore, a discount of 5% to the floor price of the Equity Shares, or such other discount as may be permitted under Chapter VIII of the SEBI (ICDR) Regulations may also be contemplated at the time of issuance, for which authorization is being taken from the shareholders of the Company through this Special Resolution. The detailed terms and conditions of the issue as and when made will be determined by the Board of



Directors in consultation with the Merchant Bankers, Lead Mangers, Advisors and other experts in accordance with the applicable provisions of law.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies or otherwise as the Board in its absolute discretion deem fit. The consent of the Shareholders is being sought pursuant to the provisions of Section 62(1) (c) and Section 42 of the Companies Act, 2013 and other applicable provisions and rules of the Companies Act, 2013, to the extent notified and in force, and in terms of the provisions of the listing agreements executed by the Company with the Stock Exchanges where the Equity Shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited. Section 62(1)(c) of the Companies Act, 2013 provides, inter-alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in accordance with the Act unless the shareholders in a general meeting decide otherwise. The special resolution seeks the consent and authorization of the members to the Board to make the proposed issue of Securities and in the event it is decided to issue Securities convertible into Equity Shares, to issue to the holders of such convertible Securities in such manner and such number of Equity Shares on conversion as may be required to be issued in accordance with the terms of the issue.

The Board of Directors believe that the issue of Securities to investors who are/ are not Shareholders of the Company is in the interest of the Company and therefore recommends the resolution for your approval.

None of the Directors / Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

### **Item No. 16**

The Board of Directors, on recommendation of the Audit committee, at their meeting held on 12.05.2014 has approved the appointment and remuneration of the M/s. BVR & Associates, Cost Accountants in practice, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31.03.2015 on a remuneration of Rs. 25,000/- (Twenty Five Thousand).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 16 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31.03.2015.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

By Order of the Board  
For **BHAGYANAGAR INDIA LIMITED**

**BISWA RANJAN SUBUDHI**  
COMPANY SECRETARY

Place : Secunderabad  
Date : 08.08.2014

## DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting the 29th Annual Report of your Company together with the Audited Balance Sheet as at 31st March 2014 and Profit and Loss A/c for the year ended 31st March, 2014.

### FINANCIAL RESULTS:

The performance of the Company during the year has been as under: (₹ in lakhs)

| Particulars  | Consolidated Results |                    | Standalone Results |                    |
|--|----------------------|--------------------|--------------------|--------------------|
|  | 2014                 | 2013               | 2014               | 2013               |
| Sales and other Income   | 2,514,415,730        | 2,143,146,867      | 2,443,212,415      | 2,148,954,728      |
| Profit before Depreciation and Interest                        | 184,952,841          | 175,625,940        | 175,597,029        | 180,986,556        |
| DEDUCT:  |                      |                    |                    |                    |
| Depreciation   | 74,753,622           | 67,536,409         | 68,027,104         | 64,833,404         |
| Interest   | 77,766,134           | 70,434,092         | 77,562,598         | 70,429,615         |
| Profit for the year  | 32,433,085           | 37,655,439         | 30,007,327         | 45,723,537         |
| Prior period Adjustments                                       | -                    | -                  | -                  | -                  |
| Profit before Taxation   | 32,433,085           | 37,655,439         | 30,007,327         | 45,723,537         |
| Provision for Taxation: Current Tax                            | 4,165,188            | 27,000,000         | 4,165,188          | 27,000,000         |
| Deferred Tax   | (4,629,401)          | (2,866,000)        | (1,654,313)        | (2,866,000)        |
| MAT Entitlement Credit   | 115,0052             | -                  | 1,150,052          | -                  |
| Income Tax in respect of earlier years                         | -                    | (19,672,226)       | -                  | (19,672,226)       |
| Profit after Tax   | 31,747,246           | 33,193,665         | 26,346,400         | 41,261,763         |
| Less: Minority Interest  | (652,721)            | 1,962,999          | -                  | -                  |
| Less: Change in Reserves on divestment in subsidiary/Associate | (2,806)              | (514,937)          | -                  | -                  |
| Less: Share in net assets of associate cos.                    | -                    | -                  | -                  | -                  |
| Surplus brought forward from previous year                     | 762,838,412          | 808,150,709        | 770,109,947        | 808,794,185        |
| Balance available for appropriation                            | 793,930,131          | 842,784,412        | 796,456,347        | 850,055,948        |
| <b>APPROPRIATION:</b>  |                      |                    |                    |                    |
| Dividend   | 19,197,000           | 25,596,000         | 19,197,000         | 25,596,000         |
| Tax on Dividend  | 3,262,500            | 4,350,000          | 3,262,500          | 4,350,000          |
| Transfer to General Reserves                                   | 20,000,000           | 50,000,000         | 20,000,000         | 50,000,000         |
| Balance c/f to Balance Sheet                                   | 751,470,631          | 762,838,412        | 753,996,847        | 770,109,947        |
| <b>TOTAL</b>   | <b>793,930,131</b>   | <b>842,784,412</b> | <b>796,456,347</b> | <b>850,055,948</b> |

### PERFORMANCE:

In the year 2013-14, the Company focused on its core business Copper, its allied products and Solar & Wind Power Generation. The Copper, its allied products segment turnover grew by 14.83% compared to previous year.

During the year the Company transferred one Suzlon Make 1.50 MW Wind turbine situated at Kasthuirengapuram village, Radhapuram Taluk, Tirunelveli Dist., Tamilnadu to its Subsidiary of 72% M/s. Solar Dynamics Private Limited. The decision was taken primarily to realize better revenue from

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the third parties under group captive power selling arrangement and low payments from Tamilnadu Electricity Board. The Book profit of Rs. 40,822/- has occurred due their transaction.

The income from operations is Rs. 2,362,204,664 as against Rs. 2,067,607,964 for the corresponding previous year. The profit before tax stood at Rs. 30,007,327 as against Rs. 45,723,537 for the previous year. The profit after tax stood at Rs. 26,346,400 as against Rs. 41,261,763 for the corresponding period. The Basic Earnings Per Share for the year-ended 31.03.2014 is Rs. 0.41 as against Rs. 0.64 for the corresponding previous year ended 31.03.2013.

### SUBSIDIARIES

The company has 5 subsidiary companies as mentioned below:

| S.No. | Name of the Subsidiary                 | %    |
|-------|--|------|
| 1.    | Bhagyanagar Metals Limited             | 100% |
| 2.    | Bhagyanagar Properties Private Limited | 100% |
| 3.    | Scientia Infocom India Private Limited | 76%  |
| 4.    | Metropolitan Ventures India Limited    | 100% |
| 5.    | Solar Dynamics Private Limited         | 72%  |

### CONSOLIDATED FINANCIAL STATEMENTS:

The Ministry of Corporate Affairs (MCA) by General Circular No. 2/2011 dated 8th February, 2011, issued a direction under Section 212(8) of the Companies Act, 1956 that the provisions of Section 212 shall not apply to Companies in relation to their subsidiaries, subject to fulfilling certain conditions mentioned in the said circular with immediate effect. The Board of Directors of your Company at its meeting held on 12.05.2013 approved the Audited Consolidated Financial Statements for the financial year 2013-14 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as Clause 32 of the Listing Agreement, which include financial information of all its subsidiaries, and forms part of this report. The annual

accounts and financial statements of the subsidiary companies of your Company and related detailed information are available on the website of the Company and shall also be made available to members on request and are open for inspection at the Registered Office of your Company. Your Company has complied with all the conditions as stated in the circular and accordingly has not attached the financial statements of its subsidiary Companies for the financial year 2013-14. A statement of summarized financials of all subsidiaries of your Company including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to the General Circular issued by Ministry of Corporate Office, forms part of this report.

### DIVIDEND:

Your Directors recommended a Dividend @ 15% amounting to Rs. 19,197,000 for the year ended 31st March 2014. This will entail an outflow of Rs. 22,459,500 (inclusive of tax thereon).

### RESERVES:

During the year the Company has transferred an amount of Rs.20,000,000 to General Reserves.

### FIXED DEPOSITS:

The Company had not accepted or invited any Deposits and consequently no deposit has matured / become due for re-payment as on 31st March 2014.

### OPERATIONS:

**Copper:** The strategy for financial year 2014-15 will be to have continued focus on copper business with addition of new products. Your Company plans to achieve a growth of 10% in this segment with emphasis on value added products.

**Real Estate & Infra:** As stated in the previous Financial Year, the Company proposes to exit from real estate ventures wherever possible. In respect of Land situated at Gachibowli which is held through subsidiaries, the applicability of G.O.111 is still under review by Hon'ble High Court of A.P. Further action on the property will be considered only after decision in this matter is taken by the Hon'ble High Court/ State Govt.

In respect of Uppal land, the company is looking for interested parties to either develop/ outright sale.

**Wind Power:** The Company currently has an overall installed capacity of 9 MW comprising of 7 wind turbines in state of Karnataka.

**Solar Power:** The Company successfully set up 5MW Solar Power project at Munipally, Medak District, Andhra Pradesh. After obtaining all the required approvals, the Company has entered into Power Purchase Agreement (PPA) with Tata Communications Limited, Mumbai for supply of Power. The project is also entitled for benefits of REC schemes.

#### **DIRECTORS:**

In accordance to the provision of Companies Act, 2013 and Articles of Association of the Company, Shri G M Surana, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

With the enactment of the Companies Act, 2013 it is now incumbent upon every listed Company to appoint 'Independent Directors' as defined in section 149 of the Act, which has been notified w.e.f 01.04.2014, who are not liable to retire by rotation and shall hold office for term of 5 consecutive years. Accordingly it is proposed to appoint Shri O Swaminatha Reddy, Shri R Surrender Reddy, Shri Kamlesh Gandhi, Shri. D Venakatasubbiah and Shri Dr. R N Sreenath whose office shall not be liable to retire by rotation at the ensuing Annual General Meeting of the Company

The brief particulars of the Directors seeking appointment/re-appointment at this Annual General Meeting is being annexed to the Corporate Governance Report.

#### **AUDITORS:**

M/s. Sekhar & Co, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting are eligible for re-appointment. The Company is in receipt of confirmation from M/s Sekhar & Co that in the event of their re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting, such re-appointment will be in accordance

with the Section 139, 142 and other applicable provision of the Companies Act, 2013 read with Companies (Audit and Auditor) Rules, 2014.

#### **COST AUDITORS:**

As per the Companies (Cost Accounting Records) Rules 2011, the Company filed the Cost Audit Report along with Cost Compliance Report for the financial year 2013-14 in XBRL format.

The Board of Directors, subject to the approval of the Central Government, re-appointed M/s BVR & Associates, Cost Accountants, holding certificate of practice No.16851, as a Cost Auditor for conducting the Cost Audit for the financial year 2014-15. Subject to section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 issued by the MCA, the Audit Committee recommended their re-appointment.

The Company has also received a letter from the Cost Auditor, stating that the appointment, if made, will be within the limits prescribed pursuant to the section 141 of Companies Act, 2013.

#### **ISO 9001-2000 CERTIFICATION:**

Your Company continues to hold ISO 9001-2000 Certification by meeting all the requirements of Certification from time to time.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The CSR activities of the Surana Group are guided by the vision and philosophy of its Founding Father, Shri G Mangilal Surana, who embodied the value of trusteeship in business and laid the foundation for its ethical and value-based functioning. The core elements of CSR activities include ethical functioning, respect for all stake-holders, protection of human rights, and care for the environment. The G.M. Surana Charitable Clinic is situated at H. No. 576, Bollaram, Hyderabad - 502 325. It has been running a charitable clinic for the last 15 years. It is established purely for the purpose of providing medical relief to the people who are in below poverty line. It is being run by qualified and registered doctors. Daily 20 to 30 patients on an average are being treated at the clinic. As part of the Corporate Social Responsibility (CSR) activity, the Company has contributed Rs. 1 Lakh during 2013-14.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement, forms part of this Report and is annexed hereto.

### CORPORATE GOVERNANCE:

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges.

A separate report on Corporate Governance is annexed herewith, as a part of the Annual Report along with the Auditor's Certificate on its compliance.

### DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

- a) That in the preparation of the accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 account of the Company for the year under review;
- c) 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;
- d) That the Directors have prepared the accounts for the Financial Year ended 31st March 2014 on a 'going concern' basis.

## PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo required to be disclosed under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998, are provided in the Annexure forming part of this Report.

### PARTICULARS OF EMPLOYEES:

During the period under review, none of the employees who were under employment for whole of the year or part of the year, were in receipt of remuneration exceeding Rs. 60,00,000 per annum or Rs.5,00,000 per month as set out in Section 217(2A) of the Companies Act, 1956.

### APPRECIATION:

Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry, despite increased competition from several existing and new players.

### ACKNOWLEDGEMENTS:

The Board desires to place on record its sincere appreciation for the support and co-operation that the Company received from the suppliers, customers, strategic partners, Bankers, Auditors, Registrar and Transfer Agents and all others associated with the Company. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be the Company's endeavor to build and nurture strong links with trade based on mutuality, respect and co-operation with each other.

For and on behalf of the Board of Directors

Place : Secunderabad  
Date : 08.08.2014

**G. MANGILAL SURANA**  
**CHAIRMAN**



**ANNEXURE TO THE DIRECTORS' REPORT**

**Information Under Section 217(1)(E) Of The Companies Act, 1956, Read With Companies (Disclosure Of Particulars In The Report Of The Board Of Directors) Rules, 1988 And Forming Part Of The Directors Report:**

**FORM – A****1. CONSERVATION OF ENERGY:**

- (i) Energy Conservation measures : More introduction of Variable Frequency Drive (VFD) to reduce the Power Consumption
- (ii) Total energy consumption : N.A.

**2. TECHNOLOGY ABSORPTION :****FORM – B**

(Disclosure of particulars with respect to Technology Absorption)

**A. Research and Development (R & D):**

1. Specific areas in which R & D is carried out by the Company : NIL
2. Benefits derived as a result of the above R & D : NIL
3. Future plan of action : The Company plans to develop thinner copper foils and commutator segments
4. Expenditure on R & D : As no significant amount has been spent, the same has not being shown separately

**B. Technology absorption, adaptation and innovation**

: The Company is making all its efforts for improving productivity, product quality and reducing consumption of scarce raw materials and fuels.

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

: Activities relating to exports and initiatives taken to increase export products and services and export plans: NIL

Total Foreign Exchange used and earned

Used : ₹ 326,477,059

Earned : NIL

For and on behalf of the Board of Directors

Place : Secunderabad

Date : 08.08.2014

**G. MANGILAL SURANA**  
**CHAIRMAN**

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance:

Your Company believes in a Code of Governance, which fulfills the motto of 'Service to Society through Commercial activities'. Corporate Governance is more a way of Business life than a mere legal compulsion. Your Company believes that, though its primary focus is on the core objective of earning profits, the corporate governance goes beyond being a regulatory requirement. The Company continuously reviews its policies and practices of Corporate Governance with the clear goal not merely to comply with statutory requirement in letter and spirit but also to implement the best practice of Corporate Governance. Your Company believes that good Corporate Governance builds a long-term value to stakeholders, contemplates that corporate actions which balance the interests of all stakeholders and satisfy the tests of transparency, accountability, fairness and social responsibility and it must serve the underlying goal of enhancing the shareholder value over a sustained period of time.

### 2. Board of Directors (Board):

#### a) The Board of Directors of the Company as on 31st March, 2014 consists of:

- 5 Independent Non-executive Directors;
- 4 Executive Directors;
- 1 Non-Executive Director.

#### b) Attendance Record for 2013-14:

| Sl. No. | Name of Director        | Category                   | Meetings attended | Attendance at last AGM on 27.09.2013 | Remarks |
|---------|-------------------------|----------------------------|-------------------|--------------------------------------|---------|
| 1       | Shri G Mangilal Surana  | Non-executive              | 5                 | Present                              | -       |
| 2       | Shri O Swaminatha Reddy | Independent, Non-executive | 5                 | Present                              | -       |
| 3       | Shri R Surender Reddy   | Independent, Non-executive | 4                 | Present                              | -       |
| 4       | Shri Kamlesh Gandhi     | Independent, Non-executive | 4                 | Present                              | -       |
| 5       | Dr R N Sreenath         | Independent, Non-executive | 4                 | Present                              | -       |
| 6       | Shri D Venkatasubbiah   | Independent, Non-executive | 5                 | Present                              | -       |
| 7       | Shri Narender Surana    | Executive                  | 4                 | Present                              | -       |
| 8       | Shri Devendra Surana    | Executive                  | 5                 | Present                              | -       |
| 9       | Shri Narender Munoth    | Executive                  | 5                 | Present                              | -       |
| 10      | Shri N Krupakar Reddy   | Executive                  | 4                 | Present                              | -       |

**c) Number of other Directorships, Committee Membership(s) & Chairmanship(s):**

| Sl. No. | Name of the Director     | Other Directorships | Committee Membership | Committee Chairmanship |
|---------|--------------------------|---------------------|----------------------|------------------------|
| 1       | Shri. G Mangilal Surana  | 4                   | 2                    | 2                      |
| 2       | Shri. O Swaminatha Reddy | 12                  | 5                    | 6                      |
| 3       | Shri. R Surender Reddy   | 8                   | 4                    | 7                      |
| 4       | Shri. Kamlesh Gandhi     | 4                   | 3                    | -                      |
| 5       | Dr. R.N. Sreenath        | 6                   | 3                    | -                      |
| 6       | Shri. D Venkata Subbiah  | 2                   | 4                    | 3                      |
| 7       | Shri. Narender Surana    | 24                  | -                    | -                      |
| 8       | Shri. Devendra Surana    | 21                  | 3                    | -                      |
| 9       | Shri. Narender Munoth    | 0                   | -                    | -                      |
| 10      | Shri. N Krupakar Reddy   | 8                   | -                    | -                      |

**d) Number of Board Meetings held and the date on which held:**

A total of 5 Board Meetings were held during the year as against the minimum requirement of 4 meetings. The maximum gap between any two Board Meetings was not more than four months at any time.

The dates on which the Board meetings were held are:

|                   |                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>06.05.2013</b> | <b>03.08.2013</b> | <b>27.09.2013</b> | <b>29.10.2013</b> | <b>11.02.2014</b> |
|-------------------|-------------------|-------------------|-------------------|-------------------|

**e) Pecuniary relationship or transactions of Non-Executive Director:**

Apart from receiving sitting fees for attending the Board and Audit Committee Meetings, the Non-Executive Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect independence of judgment of such Directors.

**3. Audit Committee:**

The Company's Audit Committee comprises of the following Directors all of whom are Non-Executive, the majority being Independent Directors:

|    |                          |          |
|----|--------------------------|----------|
| 1. | Shri. O Swaminatha Reddy | Chairman |
| 2. | Shri. G Mangilal Surana  | Member   |
| 3. | Shri. R Surender Reddy   | Member   |
| 4. | Shri. Kamlesh Gandhi     | Member   |

The Company Secretary is acting as Secretary to the Audit Committee.

The terms of reference stipulated by the Board to the Audit Committee includes review of the following:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions submitted by Management;
- Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- Internal Audit Reports relating to internal control weaknesses; and

- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- The annual financial statements before submission to the Board for approval, with particular reference to following with the Management:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgment by Management
  - iv. Significant adjustments made in the financial statements arising out of Audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements
  - vi. Disclosure of any related party transactions
  - vii. Qualifications in the draft Audit Report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with Internal Auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-Audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Company continued to derive immense benefit from the deliberation of the Audit Committee comprising of three Non-Executive Independent Directors and one Non-Executive Director. As Shri O. Swaminatha Reddy who is heading the Audit Committee as Chairman having rich experience and professional knowledge in Finance, Accounts and Company Law, the members always added the value for the Company. Minutes of each Audit Committee are placed before the Board and discussed in the meeting.

**During the year, the Audit Committee Meetings were held on the following dates:**

|            |            |            |            |
|------------|------------|------------|------------|
| 06.05.2013 | 03.08.2013 | 29.10.2013 | 11.02.2014 |
|------------|------------|------------|------------|

**Attendance Record - 2013-2014**

| Sl. No. | Name of the Director    | No. of Meetings Attended |
|---------|-------------------------|--------------------------|
| 1       | Shri O Swaminatha Reddy | 4                        |
| 2       | Shri G Mangilal Surana  | 4                        |
| 3       | Shri R Surender Reddy   | 3                        |
| 4       | Shri Kamlesh Gandhi     | 3                        |

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The Chairman of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.

**4. Nomination & Remuneration Committee:**

a) Composition, Name of the Chairman and Members:

|    |                          |          |
|----|--------------------------|----------|
| 1. | Shri. R Surender Reddy   | Chairman |
| 2. | Shri. O Swaminatha Reddy | Member   |
| 3. | Shri. D Venkata Subbiah  | Member   |

b) The terms of reference stipulated by the Board to the Remuneration Committee are as follows:

To formulate a remuneration policy and approve the remuneration or revise the remuneration payable to the Managing/Wholetime Directors. The remuneration policy of the Company is directed towards motivating and retaining the senior officers of the Company by rewarding performance.

During the year, the Nomination & Remuneration Committee Meeting was held on 03.08.2013 and all the members were present at the meeting.

**Attendance Record - 2013-2014**

| Sl. No. | Name of the Director     | No. of Meetings Attended |
|---------|--------------------------|--------------------------|
| 1       | Shri. R Surender Reddy   | 1                        |
| 2       | Shri. O Swaminatha Reddy | 1                        |
| 3       | Shri. D Venkata Subbiah  | 1                        |

**5. Remuneration of Non - Executive Directors:**

The Company pays Sitting fees to all the Non-executive Directors at the rate of Rs.10,000/- for each meeting. The details of Sitting Fees paid to the Non-executive Directors for attending Board Meetings and Committee Meetings during the financial year 2013-14 are as follows:

| Sl. No. | Name of Director        | Sitting Fees Paid (₹) |
|---------|-------------------------|-----------------------|
| 1       | Shri G Mangilal Surana  | 90,000                |
| 2       | Shri O Swaminatha Reddy | 90,000                |
| 3       | Shri R Surender Reddy   | 70,000                |
| 4       | Dr. R.N. Sreenath       | 40,000                |
| 5       | Shri Kamlesh Gandhi     | 70,000                |
| 6       | Shri D.Venkata Subbiah  | 50,000                |
|         | <b>TOTAL</b>            | <b>4,10,000</b>       |



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No pecuniary relationship exists between the Company and its Independent Directors except for the Sitting Fees as mentioned above.

### Remuneration to Executive Directors

(Amount in ₹)

| Name of Director | Salary      | H R A    | Commission | Perks | Total       |
|------------------|-------------|----------|------------|-------|-------------|
| Narender Surana  | 56,00,000   | Nil      | Nil        | Nil   | 56,00,000   |
| Devendra Surana  | 56,00,000   | Nil      | Nil        | Nil   | 56,00,000   |
| Narender Munoth  | 19,99,355   | 8,82,581 | Nil        | Nil   | 28,81,936   |
| N K Reddy        | 3,78,000    | Nil      | Nil        | Nil   | 3,78,000    |
| TOTAL            | 1,35,77,355 | 8,82,581 | Nil        | Nil   | 1,44,59,936 |

### 6. Stakeholders Relationship Committee:

|    |                         |          |
|----|-------------------------|----------|
| 1. | Shri. G Mangilal Surana | Chairman |
| 2. | Shri. Narender Surana   | Member   |
| 3. | Shri. Devendra Surana   | Member   |

The Stakeholders Relationship Committee constituted by the Board of Directors interalia approves transfer of shares and redresses shareholders/investor's grievances and complaints regarding non-receipt of Dividends, Annual Reports, etc.

The Company Secretary is acting as the Compliance Officer to the Committee.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 23. There are no outstanding complaints as on 31st March 2014.

### 7. General Body Meetings:

#### i) Location and time for the last 3 years General Meetings were:

| Year                  | Locations   | Date                 | Time       |
|-----------------------|---|----------------------|------------|
| 28th AGM<br>(2012-13) | Kamat Lingapur Hotel, 1-10-44/2,<br>Chikoti Gardens, Begumpet,<br>Hyderabad - 500 016 | 27th September, 2013 | 10.30 A.M. |
| 27th AGM<br>(2011-12) | Taj Tristar, 1-1-40, Seven Hills,<br>Sarojini Devi Road,<br>Secunderabad-500003       | 29th September, 2012 | 10.30 A.M. |
| 26th AGM<br>(2010-11) | Kamat Lingapur Hotel, 1-10-44/2,<br>Chikoti Gardens, Begumpet,<br>Hyderabad - 500 016 | 21st September, 2011 | 10.30 A.M. |

**2012-13:** In the AGM held on 27th September, 2013 the company has passed no Special Resolutions.

**2011-12:** In the AGM held on 29th September, 2012 the company has passed Special Resolution for re-appointment of Shri. Narender Surana and Shri Devendra Surana as Managing Director w.e.f. 18.01.2012 up to 17.01.2015.

**2010-11:** In the AGM held on 21st September, 2011 the company has passed Special Resolution for re-appointment of Shri N. Krupakar Reddy as Whole Time Director w.e.f. 07.06.2011 up to 06.06.2014.

**ii) Postal Ballot passed during the year i.e., 2013-14**

During the year 2013-14 your Company has not passed any resolution through Postal Ballot as per the provisions of Section 192 A of the Companies Act, 1956.

**8. Disclosures:**

**a) Disclosures on materially significant related party transactions, i.e., transactions of the Company of material nature with the Promoters, the Directors or the Management, their subsidiaries, Group Companies or relatives etc., that may have potential conflict with the interest of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

**b) There were no strictures, penalties or non-compliances imposed on the Company by Stock Exchanges or Securities Exchange Board of India (SEBI) or any other statutory authority of any matter related to Capital Markets, during the last 3 years except the following:-**

**c) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as on 31st March, 2014.**

**d) In Compliance with Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for the Board Members, Senior Management. The Company in its Board Meeting held on 12.05.2014 has adopted Code of Conduct for Independent Director as per the Companies Act, 2013 and the same is available on the Company website, [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com)**

**e) The Company has adopted Whistle Blower policy in its Board Meeting held on 12.05.2014. The Company has established a mechanism for its employees to report concerns about the unethical behavior, actual or suspected fraud. The policy is available on the Company website, [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com)**

**9. CEO/CFO Certification:**

In line with the requirements of Clause 49 (V) of the Listing Agreement, Shri Narender Surana, Shri Devendra Surana, Managing Directors, Shri Surendra Bhutoria, Chief Finance Officer have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2014 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

**10. Means of Communication:**

**Financial/Quarterly Results:**

The Company intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Normally the results are published in Business Standard (English) and Suryaa (Telugu). The financial results are also displayed on the Company's website [www.surana.com](http://www.surana.com) & [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com).

# Annual Report 2013 - 2014

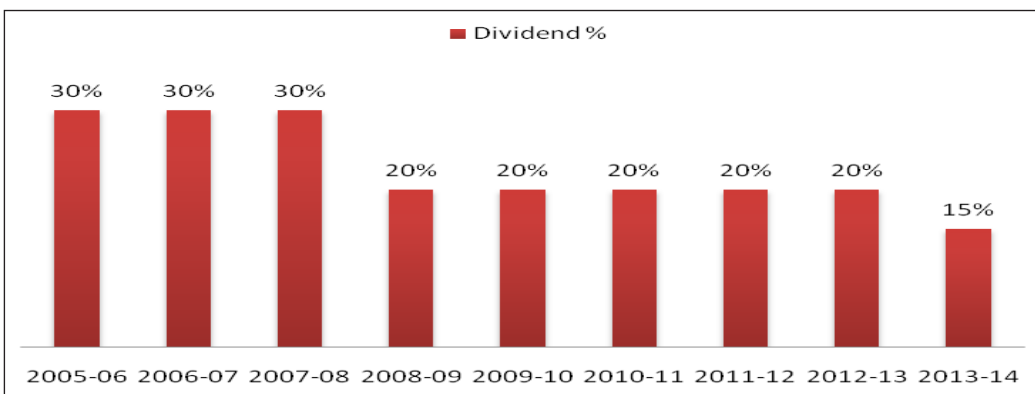
## News Release, Analyst Presentation, etc.:

The official news releases, detailed presentations made to institutional investors, financial analyst, etc. are displayed on the Company's website [www.surana.com](http://www.surana.com) & [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com).

## Website :

The website [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com) contains a separate dedicated section for the Company's "Investor Relations" where shareholders' information is available. The full Annual Report, shareholding pattern etc. is also available in the 'Investor Relations' sections on the website of the Company.

## 11. Dividend History of the Company



## 12. Unclaimed Dividend:

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, Dividends for the financial year ended 31st March, 2008 and thereafter, which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 (c) of the Companies Act, 1956, Information in respect of the due date for transfer of such unclaimed dividend to the said fund is given below:

| For the Financial Year | Date of Declaration | Due for Transfer on |
|------------------------|---------------------|---------------------|
| 2007-08                | 17.09.2008          | 16.10.2015          |
| 2008-09                | 29.09.2009          | 28.10.2016          |
| 2009-10                | 24.09.2010          | 23.10.2017          |
| 2010-11                | 21.09.2011          | 20.10.2018          |
| 2011-12                | 29.09.2012          | 28.10.2019          |
| 2012-13                | 27.09.2013          | 26.10.2020          |

The Members, who have not encashed the Dividend Warrant(s) so far for the financial year ended 31st March, 2008 or any subsequent financial years are requested to make their claim to the Company at its Registered Office. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.

## 13. The Management Discussion and Analysis Report:

A Report of the Management Discussion and Analysis is attached as part of the Annual Report.

**14. General Shareholders Information:**

|  |   |
|--|---|
| <i>Annual General Meeting</i>          | : Date - 22nd September, 2014   |
|  | Time - 12.00 Noon   |
|  | Venue - Kamat Lingapur Hotel,<br>1-10-44/2, Chikoti Gardens,<br>Begumpet, Hyderabad- 500016 |
| <i>Financial Calendar</i>              | : April 1st to March 31st   |
| <i>Date of Book Closure</i>            | : 18.09.2014 to 22.09.2014 (both days inclusive)  |
| <i>Dividend Payment Date</i>           | : 30.09.2014  |
| <i>Listing on Stock Exchanges</i>      | : BSE Ltd & National Stock Exchange of India Limited  |
| <i>Stock Code</i>                      | : 512296 on BSE<br>BHAGYNAGAR on NSE  |
| <i>ISIN Number for NSDL &amp; CDSL</i> | : INE458B01028  |

**Market Price Data**

| Month   | NSE      |         | BSE      |         |
|---------|----------|---------|----------|---------|
|         | High (₹) | Low (₹) | High (₹) | Low (₹) |
| Apr '13 | 15.30    | 12.60   | 15.40    | 12.55   |
| May'13  | 15.45    | 13.25   | 14.92    | 13.30   |
| Jun'13  | 15.70    | 12.45   | 14.75    | 12.60   |
| Jul'13  | 14.20    | 13.10   | 14.95    | 10.50   |
| Aug'13  | 11.25    | 9.00    | 11.50    | 8.65    |
| Sep'13  | 11.00    | 9.15    | 11.50    | 9.20    |
| Oct'13  | 10.85    | 8.75    | 10.70    | 9.00    |
| Nov'13  | 10.15    | 9.00    | 10.39    | 9.10    |
| Dec'13  | 11.00    | 9.00    | 11.02    | 9.65    |
| Jan'14  | 15.00    | 12.50   | 14.84    | 10.50   |
| Feb'14  | 14.65    | 12.30   | 14.80    | 12.10   |
| Mar'14  | 15.45    | 12.80   | 14.50    | 12.50   |

**Registrars & Transfer Agents** : Share Transfers & Communication regarding Share Certificates, Dividends & Change of Address may be sent to

**M/s KARVY COMPUTERSHARE PRIVATE LIMITED,**  
17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081  
Phone # +91-40-44655000  
Fax # 91-40-23420814, Toll Free No.1800-3454-001  
Email ID : einward.ris@karvy.com  
Website : <http://www.karvy.com>

## 15. Share Transfer System:

Pursuant to the guidelines issued by the Securities and Exchange Board of India, vide circular number D&CC/FITTC/CIR-15/2002 dated 27.12.2002 regarding 'Appointment of Common Agency for Share Registry Work', the Board of Directors have appointed **M/s KARVY COMPUTER SHARE PRIVATE LIMITED**, as Share Transfer Agents.

The R & T Agent process the Physical Share Transfers and the Share Certificates are returned to the shareholder within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. All share transfers are approved by the Share Transfer Committee, which meets every fortnight.

**Pursuant to Securities and Exchange Board of India circular No. MRD/DoP/Cir-05/2009 dated 20.05.2009, it is mandatory to furnish copy of transferee PAN card to the Company/RTA for registration of physical share transfer requests. Therefore, investors are requested to send the PAN particulars of transferee along with the share transfer deeds for affecting the physical share transfer.**

As per the guidelines issued by SEBI, the R & T Agent is also offering transfer-cum-Demat facility, wherein after the share transfer is affected an option letter containing the details of the shares transferred is sent to the transferee. Any transferee who wishes to demat the shares may approach the Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the option letter, generate a Demat request and send the same to the R & T Agent. On receipt, the R & T Agent confirms the request.

Any transferee not intending to dematerialize his shares need not exercise the option and the R & T Agent shall dispatch the share certificate after 30 days from the date of the Option Letter.

All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 15 days of receipt.

## 16. Shareholding Pattern as on 31st March, 2014:

| Category                      | No. of Shares      | % Holding     |
|-------------------------------|--------------------|---------------|
| Promoters                     | 35,809,669         | 55.97         |
| Promoters Bodies Corporate    | 10,930,178         | 17.08         |
| Resident Individuals          | 11,712,068         | 18.30         |
| Bodies Corporates             | 12,14,059          | 1.90          |
| Indian Financial Institutions | 14,95,631          | 2.33          |
| Non Resident Indians          | 21,60,804          | 3.38          |
| Government                    | 1,76,700           | 0.28          |
| Trusts                        | 500                | 0.00          |
| Clearing Members              | 9,457              | 0.01          |
| Mutual Funds                  | 10,500             | 0.01          |
| Banks                         | 540                | 0.00          |
| HUF                           | 4,69,894           | 0.74          |
| <b>TOTAL</b>                  | <b>6,39,90,000</b> | <b>100.00</b> |

**17. Distribution of Share holding as on 31st March 2014:**

| Category (Amount) | No. of Cases | % of Cases  |
|-------------------|--------------|-------------|
| 1 - 5000          | 11834        | 94.74       |
| 5001 - 10000      | 362          | 2.90        |
| 10001 - 20000     | 146          | 1.17        |
| 20001 - 30000     | 48           | 0.39        |
| 30001 - 40000     | 20           | 0.16        |
| 40001 - 50000     | 11           | 0.08        |
| 50001 - 100000    | 25           | 0.20        |
| 100001 & Above    | 45           | 0.36        |
| <b>TOTAL</b>      | <b>12491</b> | <b>100%</b> |

**18. Dematerialisation of Shares & Liquidity:**

The trading in Company's shares is permitted only on dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip-less trading, the Company has enlisted its shares with NSDL and CDSL.

**19. Share Dematerialisation Records:**

63,90,000 shares representing 100% of the total equity capital were held in dematerialized form with the National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March, 2014.

**20. Reconciliation of share Capital Audit:**

As stipulated by the SEBI, a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted Capital with NSDL and CDSL and the total issued and listed capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report inter-alia confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialised shares and those in the physical mode.

**21. Plant Locations:**
**Copper Division**

- i) **Bhagyanagar India Limited**  
Plot No. P-9/13(1) & P-9/14,  
IDA, Nacharam,  
Hyderabad-500 076, India.
- ii) **Harinam Wires (Copper Unit)**  
Plot No. P 9/13 (A),(B),(C),  
Industrial Development Area,  
Nacharam, Hyderabad-500 076, India.

**Hardware Park**

Plot No. 22B, Raviryal Village,  
Maheshwaram Mandal, R.R. Dist.  
Hyderabad - 532 409

**Wind Power Division**

Kapatguda,  
Gadag District,  
Karnataka (9MW)

**Solar Power Division (5 MW)**

Sy. No. 468-470, 477 & 478  
Munipally (V & M), Medak District,  
Andhra Pradesh



## 22. Addresses for Correspondence:

| Sl. No. | Shareholders Correspondence for  | Address  |
|---------|--|--|
| 1.      | Transfer/Dematerialization/Consolidation /Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company | <b>Karvy Computershare Pvt. Ltd.</b><br>17-24, Vittal Rao Nagar, Madhapur,<br>Hyderabad - 500 081<br>Phone # +91-40-44655000<br>Fax # 91-40-23420814,<br>Toll Free No.1800-3451-001<br>Email ID : einward.ris@karvy.com<br>Website : www.karvy.com   |
| 2.      | Investor Correspondence/Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.  | <b>Biswa Ranjan Subudhi</b><br>Company Secretary<br><br><b>Bhagyanagar India Limited</b><br>5th Floor, Surya Towers, S.P.Road,<br>Secunderabad - 500 003.<br>Ph Nos. 040 - 27845119/44665750<br>E-mail : cs@surana.com<br>Investorservices_bil@surana.com<br><br><b>Website : www.surana.com</b><br>www.bhagyanagarindia.com |

## 23. Depository Services:

For guidance on Depository Services, Shareholders may write to the Company or to the respective Depositories:

### **National Securities Depository Ltd**

Trade World, 4th Floor,  
 Kamala Mills Compound,  
 Lower Parel,  
 Mumbai - 400 013  
 Tel : 091-022-24972964-70  
 Fax : 091-022-24972993/24976351  
 Email : info@nsdl.co.in.

### **Central Depository Services (India) Ltd**

Phiroze Jeejeebhoy Towers,  
 17th Floor, Dalal Street,  
 Mumbai - 400 023  
 Tel : 091-022-22723333/22723224  
 Fax : 091-022-22723199  
 Email : investors@cdslindia.com

## 24. Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

## 25. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

The Company Secretary is acting as Compliance Officer for the said purpose. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

**26. Particulars of Directors, who are retiring by rotation, seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement:**

| Name of Director                              | SHRI. G M SURANA  | SHRI. R. SURENDER REDDY  | SHRI. KAMLESH GANDHI  | SHRI. O. SWAMINATHA REDDY  | SHRI. D VENKATA SUBBIAH  | DR R.N. SREENATH  | SHRI. N KRUPAKAR REDDY   |
|---|---|--|---|--|--|---|--|
| <b>Expertise in specific functional areas</b> | Shri.G.M.Surana, graduate in Commerce and law from Osmania University, is the Chairman of the Surana Group of Industries. He had around 2 decades of rich experience in the Ferrous & Non- Ferrous metal industry in his capacity as promoter, Director, Partner of the various units belongs to the Surana Group. Shri G.M Surana was the former Chairman of the Federation of Andhra Pradesh Chamber of Commerce and Industry (FAPCCI), former Director of Indian Overseas Bank, former Director of Andhra Pradesh State Trading Corporation.(APSTC), besides being the Member of Govt. Advisory Board, Minimum Wages Board. He is actively involved in various philanthropic activities. | A Graduate, having almost three decades of experience in various fields of Industry. He was well known for his social and political activities in the State of A.P. He has been guiding the Company as an Independent Director since 1989. | He is the part of Capital and Financial Markets in India for the past 40 years and have been a member of the BSE for 14 years from 1981 to1995. He was a director on the Board of Association of Merchant Bankers of India (AMBI) for 4 years from inception of the Association. He is now on the board after being elected . As a merchant Banker Instrumental in raising funds for over 300 capital issues and involved in placement of equities of several companies with retail, high net worth and Institutional Investors ,both domestic and overseas . Have traveled extensively to West Asian Countries , UK, North America and the Far East Asian countries in connection with these activities. He has extensive contacts in the corporate and financial Circles. Have had frequent interactions with officials in the Ministry of Finance, Reserve Bank of India and Securities and Exchange Board of India. | Shri O Swaminatha Reddy a Commerce graduate and Fellow member of The Institute of Chartered Accountants of India New Delhi, being the former Chairman of Andhra Bank and also former Chairman and Managing Director of APSTC, he has a rich vast banking and industrial experience spanning over decades. He has been the Director of the Company since 1994, and guiding the Company in the areas of financial decision making and Management policies. | Graduate in Electronics and Communications, has held the post of Deputy Director General of Telecom Engg. Center, (TEC). He has wide experience in R&D work and engineering systems covering VHF, UHF and Microwave Bands. He was also awarded the North East Telecom Award (1990) and Satellite Project Circle Award(1991) for meritorious services and outstanding contribution to Telecommunications. He has provided more than a decade of untiring service to Telecom Industry and service providers for basic telephony along with value added services covering Cellular Mobile, Radio Paging and Public Mobile Radio Trunking. | Dr R.N.Sreenath, has over 43 years of experience out of which 26 years of experience in Semiconductor technology and balance 17 years in Solar Photovoltaic Technology Served on BEL, Bangalore for Over 33 years from 1966 to 1999. He has served on the following companies as Senior Vice President and head of solar factory: | He has got about 23 years of experience in running the industry. Presently incharge of operations of Jelly Filled Telephone Cables |

Particulars of Directors, who are retiring by rotation, seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement (Contd.)

| Name of Director  | SHRI. G M SURANA        | SHRI. R. SURENDER REDDY  | SHRI. KAMLESH GANDHI  | SHRI. O. SWAMINATHA REDDY   | SHRI. D VENKATA SUBBIAH  | DR R.N. SREENATH  | SHRI. N KRUPAKAR REDDY   |
|---|-------------------------|--|---|---|--|---|--|
| Date of Birth   | 08.11.1930              | 10.10.1931   | 16.06.1950  | 25.12.1930  | 01.07.1942   | 18.03.1941  | 01.07.1956   |
| Qualification   | B.Com, LL. B            | B.Com  | B.com   | B.Com (Hons),<br>FCA  | B.E  | M.Sc, Ph.D (I.I.Sc.)<br>Field of Specialization<br>Semiconductor &<br>Solar Photo voltaic<br>Technology   | B.Com  |
| List of other Companies in which Directorship is held as on 31st March, 2014. | 1. Surana Ventures Ltd. | 1. Suryavanshi Spinning Mills Ltd.,<br>2. Suryaamba Spinning Mills Ltd.<br>3. Surya Lakshmi Cotton Mills Ltd.<br>4. Lakshmi Finance & Industrial Corporation Ltd.,<br>5. Surya Kiran International Ltd.<br>6. Hyderabad Race Club<br>7. Suryalata Spinning Mills Ltd<br>8. Surana Ventures Ltd | 1. Bhoruka Power Corporation Ltd.,<br>2. NCL Industries Ltd.,<br>3. Kirloskar Electronic Company Ltd.<br>4. Sundaram-Clayton Ltd. | 1. Transport Corp of India Ltd.<br>2. Surana Ventures Ltd.<br>1. K.C.P. Limited<br>2. Sagar Cements Ltd.<br>3. T.C.I. Finance Ltd.<br>4. Sagar Power Ltd.<br>5. EPR Pharmaceuticals Pvt. Ltd<br>6. E.P.R. Gene Technologies Pvt. Ltd.<br>7. E.P.R. Center for Cancer Research & Biometrics Pvt. Ltd.<br>8. K.M. Power Pvt. Ltd<br>9. TCI Developers Ltd<br>12. Thembu Power Pvt Ltd | 1. Surana Telecom and Power Ltd<br>2. Aishwarya Technologies and Telecom Ltd | 1. Surana Ventures Ltd<br>2. Surana Telecom and Power Ltd<br>3. Udhaya Semiconductors Ltd<br>4. USL Photovoltaics Pvt Ltd<br>5. Maharishi Solar Technology Pvt Ltd<br>6. Ashraya Technologies Pvt Ltd | 1. Bhagyanagar Infrastructure Ltd<br>2. Site Tonic Websolutions Pvt. Ltd<br>3. Innova Infrastructure Pvt. Ltd<br>4. Innova Biotech India Pvt. Ltd<br>5. Royal Skycrappers India Pvt Ltd<br>6. Blossom Residency Pvt. Ltd<br>7. Bhagyanagar Capital Pvt Ltd<br>8. Metropolitan Ventures India Ltd |

**Particulars of Directors, who are retiring by rotation, seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement (Contd.)**

| Name of Director   | SHRI. G M SURANA   | SHRI. R. SURENDER REDDY   | SHRI. KAMLESH GANDHI  | SHRI. O. SWAMINATHA REDDY  | SHRI. D VENKATA SUBBIAH  | DR R.N. SREENATH   | SHRI. N KRUPAKAR REDDY |
|--|--|---|---|--|--|--|------------------------|
| <b>Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2014</b> | 1. Bhagyanagar India Ltd. (Chairman of Audit Committee)<br>1. Bhagyanagar India Ltd. (Chairman of Stakeholders Relationship Committee)<br>2. Surana Ventures Ltd. (Chairman of Audit Committee)<br>3. Surana Ventures Ltd. (Chairman of Stakeholders Relationship Committee) | 1. Suryavanshi Spinning Mills Ltd. (Chairman of Audit Committee)<br>2. Suryalata Spinning Mills Ltd. (Chairman of Audit Committee)<br>3. Suryalakshmi Cotton Mills Ltd. (Chairman of Audit Committee & Member of Remuneration Committee)<br>4. Laksmi Finance & Industries Corpn. Ltd. (Chairman of Audit Committee, Remuneration Committee & Member of Share transfer Committee)<br>5. Bhagyanagar India Ltd. (Member of Audit Committee & Chairman of Remuneration Committee)<br>6. Surana Ventures Ltd. (Chairman of Remuneration Committee & Member of Audit Committee) | 1. Bhagyanagar India Ltd. (Member of Audit Committee)<br>1. NCL Industries Ltd (Member of Audit and Remuneration Committee) | 1. Sagar Cements Ltd (Chairman of Audit Committee & Member of Remuneration Committee)<br>2. Transport Corp. of India Ltd. (Chairman of Audit Committee & Member of Remuneration Committee)<br>3. K.C.P. Ltd. (Chairman of Audit Committee, Remuneration Committee)<br>4. Bhagyanagar India Ltd. (Chairman of Audit Committee & Member of Remuneration Committee)<br>5. TCI Developers Ltd. (Member of Audit Committee)<br>6. Surana Ventures Ltd. (Chairman of Audit Committee & Member of Remuneration Committee) | 1. Bhagyanagar India Limited (Member of Remuneration Committee)<br>2. Aishwarya Technologies and Telecom Limited (Chairman of Audit Committee) (Member of Remuneration & Investors Grievance Committee)<br>3. Surana Telecom and Power Ltd. (Charman of Shareholders Grievance Committee & Member of Audit Committee & Remuneration Committee) | 1. Surana Ventures Ltd. (Member of Audit Committee)<br>2. Surana Telecom and Power Ltd. (Member of Audit Committee & Remuneration Committee) | NIL                    |

## DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

Pursuant to the Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th Oct' 2004, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year 2013-14.

Place : Secunderabad  
DATE : 08.08.2014

**NARENDER SURANA**  
**MANAGING DIRECTOR**

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## AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE

To  
The Members of  
**Bhagyanagar India Limited,**  
Secunderabad.

We have examined the compliance of conditions of Corporate Governance by **Bhagyanagar India Limited** for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement with BSE Limited and National Stock Exchange of India Limited.

The compliance of these conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations 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 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 and on behalf of**  
**M/s. Sekhar & Co**  
Chartered Accountants  
Firm Registration No : 003695-S

Place : Secunderabad  
Date : 08.08.2014

**G. Ganesh**  
(Partner)  
Membership No. 211704

## MANAGEMENT DISCUSSION & ANALYSIS

### COMPANIES OVERVIEW

Bhagyanagar India Ltd (BIL) was incorporated in the year 1985, a flagship Company of Surana Group. BIL is one of the oldest industrial houses in India which has diverse business streams such as manufacturing of various Copper products, Real Estate & Infrastructure, Non conventional energy (Wind and Solar). Empowered by a professional team of visionaries, with an experience of over four decades BIL has steadily grown over the years with a continued focus on customer satisfaction, evolving itself into country's one of the most promising mid cap Companies.

### PERFORMANCE OF KEY INDUSTRY SEGMENTS

#### 1. Copper products

##### *Introduction*

Metals are one of the core sectors of the economy, as it constitutes a key input to various manufacturing industries. It is an indispensable part of an economy and acts as a backbone of the industrial growth and development of an economy. The performance of this sector thus reflects the overall performance of the economy. It is a highly fragmented industry with large number of players in both organized and unorganized sector and can be broadly classified under two main segments namely ferrous metals and non-ferrous metals. Ferrous metals primarily consist of different varieties of iron and steel. Whereas, the term non-ferrous is used to indicate metals other than iron and alloys that do not contain an appreciable amount of iron such as aluminum, zinc, copper and lead. They are not magnetic and are usually more resistant to corrosion than ferrous metals. Ferrous metal find their key applications in the sectors such as automobile and construction. Similarly, the demand for non-ferrous metals is largely driven by sectors like telecommunication, chemicals plants, agriculture, railways, infrastructure and

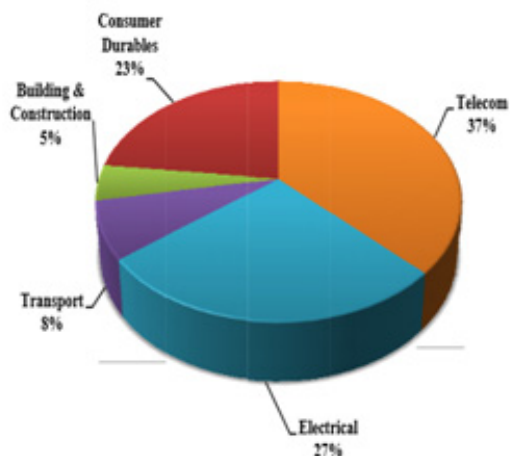
automobile sector. Copper's key applications are found in wires, cables and copper tubes for consumer durable goods. Telecom, power, engineering, automobiles, consumer durables, railways, and defense are the major copper end-user industries.

##### *Industry Analysis*

The future of India's metals sector is bright. It is an attractive sector for investment and offers enormous growth potential in both domestic as well as exports markets. Factors such as, huge availability of resources offers the right stimulus for India's metals sector to grow and become globally competitive. Further, the Government of India thrust on power and infrastructure development, favorable regulations and new policy initiatives such as facilitation of FDI, along with overall economic growth, will offer an additional boost for the Indian metal industry. India has become a net exporter of copper after being a net importer during the last decade, even as the country is not a major producer of copper ore, but produces the refined forms of copper. About a decade ago, the Indian copper industry consisted of a single state-owned company and now the copper industry in India takes up about 3% of the global market for copper. The most favorable contributing factors for the growth of the Indian copper industry include changes in global usage, industrial development in India, domestic increases in the construction, power, telecommunications and automobile sectors. The global demand for copper continues to grow: world refined usage has more than tripled in the last 50 years thanks to expanding sectors such as electrical and electronic products, building construction, industrial machinery and equipment, transportation equipment, and consumer and general products. Copper is used broadly in the manufacture of electrical machinery,



building, cabling for power and telecommunications, and automobiles. This metal is also used for making brass and other similar alloys. However, it is the electrical industry that consumes an appreciable bulk of the total amount of copper produced in the world. The following data categorizes end use of consumption of copper by the industries:



Notwithstanding the current volatility in prices, we have a long-term bullish stance on copper, supported by its widespread use, limited supplies from existing mines and the absence of significant new development projects. Prices will be influenced by demand from China and emerging markets, economic activity in the U.S. and other industrialized countries. India is among top 20 major producers copper globally. But falling prices of copper in international markets would also benefit India, as it is one of the world's biggest importers of the metal, alongside China, Japan, South Korea and Germany. As a consequence, volatility in prices of the metal on the LME has a significant bearing on Indian copper trading. Typically, over 30 per cent of India's copper demand comes from the telecom sector and 26 per cent from the electrical sector in India. In addition, the building and construction, engineering, transport and consumer durables sectors are major consumers of copper in India.

These sectors stand to benefit the most from lower prices of copper. The most favorable contributing factors for the growth of the Indian copper industry include changes in global usage, industrial development in India, domestic increases in the construction, power, telecommunications and automobile sectors. Copper is used broadly in the manufacture of electrical machinery, building, cabling for power and telecommunications, and automobiles. This metal is also used for making brass and other similar alloys. However, it is the electrical industry that consumes an appreciable bulk of the total amount of copper produced in the world.

### ***Business Outlook:***

With the prospect of economy moving forward and the possibility of exchange rate remaining stable the performance of the division looks better during the current Financial Year.

## **2. Real Estate/Infrastructure Business**

India's focus on infrastructure since the turn of the millennium has helped make it the second fastest growing economy in the world. The FDI inflows in construction (infrastructure) activities during the period April 2000 - March 2014 stood at US\$ 2,575.79 million, as per the data released by Department of Industrial Policy and Promotion (DIPP). The second largest employment generation sector after agriculture, real estate contributes about 6.3 per cent to India's gross domestic product (GDP). The real estate sector, with its growing investment opportunities, is expected to post annual revenues of US\$ 180 billion by 2020. The real estate sector in India is witnessing rapid growth in the residential, commercial and industrial segments. Real estate development, once restricted to bigger cities, have shown marked progress in smaller cities and towns owing to availability of banks loans, higher earnings and improved standard of living. The real estate sector of India is projected to post annual revenues of US\$ 180 billion by 2020 against

US\$ 66.8 billion in 2010-11, a compound annual growth rate (CAGR) of 11.6 per cent. The demand is expected to grow at a CAGR of 19 per cent in the period 2010-2014, with Tier I metropolitan cities expected to account for about 40 per cent of this growth. About 53 per cent of demand for total mall space is projected to come from the country's top seven cities, namely Delhi-NCR, Bengaluru, Mumbai, Kolkata, Pune, Hyderabad, and Chennai in the period 2010-2014. As corporates look to expand businesses, India is expected to witness major demand for office space in 2014. Office space absorption across the country's seven major cities Delhi NCR, Mumbai, Bengaluru, Chennai, Pune, Hyderabad and Kolkata is likely to increase seven per cent this year to 29 million square feet (sq ft), according to global real estate consultant DTZ.

The Indian Government has undertaken numerous efforts in order to ease the access to funding for the infrastructure and construction sector in India. FDI up to 100% is permitted through automatic route in many sectors which means that prior approval of government or reserve bank is not required for accessing foreign funds for construction activities. The central government has introduced India Infrastructure Finance Company Ltd. (IIFCL), an institution set up specifically for lending to infrastructure sector & refinancing. Further, various Infrastructure entities & financial institutions allowed to issue infrastructure bonds for long term. The construction development sector, including townships, housing, built-up infrastructure and construction-development projects garnered total foreign direct investment (FDI) worth US\$ 23,131.64 million in the period April 2000-February 2014. Construction (infrastructure) activities during the period received FDI worth US\$ 2,462.60 million, according to the Department of Industrial Policy and Promotion (DIPP). A committee on Streamlining Approval Procedure for Real Estate Projects (SAPREP)

was constituted by the Ministry of Housing & Urban Poverty Alleviation (MHUPA) to streamline the process of seeking clearances for real estate projects. The Real Estate (Regulation and Development) Bill, 2013, as approved by the Union Cabinet is a pioneering initiative aimed at delivering a uniform regulatory environment to protect the consumer, help in quick verdicts of disputes and ensure systematic growth of the sector.

#### ***Business Outlook:***

With political uncertainty about division of the state coming to an end with formation of new state Telangana, the prospect for the sector expect to improve. However major developments will be taken only after getting clarity on certain legal and administrative issues.

### **3. Non-Conventional Energy Division**

#### **a) *Wind Power***

Wind energy program was commenced in India by the end of the 6th five yearly plan during 1983-84 and in the last few years it has increased considerably. Indian policy support for wind energy has led India and it ranked fifth with largest installed wind power capacity. The total installed power capacity was 19,565 MW on June 30, 2013 and now India is just behind USA, China, Spain and Germany. Global installed wind power capacity shows India's better performance in wind energy sector. The five main wind power countries are China, USA, Germany, Spain and India and they together represent a share of 73 percent of the global wind capacity. As per MNRE, wind power accounts for the largest share of renewable power installed capacity i.e. 70 percent (2012), as compared to the other renewable sources. The total installed wind power capacity in India had reached 17.9 GW in August 2012. The total

capacity added during financial year 2012-2013 was around 1,700 MW. More than 95 percent of total nation's wind energy generates from just five states located in southern and western India i.e. Gujarat, Maharashtra, Karnataka, Tamil Nadu and Andhra Pradesh. These five states are also accounted for approximately 85 percent of total installed capacity before the end of 11th five yearly plan. It clearly indicates that these five states have been leaders in wind energy generation while other states like Madhya Pradesh, Rajasthan and Kerala are also quickly increasing their capacity. State wise installed wind power capacity and growth rate of wind energy in India (Up to June 20th 2013) as well as semi annual growth rate. The highest wind energy installed state Tamil Nadu, which has total installed capacity of 7,196 MW till June 2013, had added 8 percent wind capacity between years 2011 to 20129. State wise comparison of Wind Power Development (2012) among eight most promising states. The Indian Renewable Energy Development Agency (IREDA) under MNRE provides various incentives for the wind energy generation in India such as loans to wind project developers with a benefit of ten years tax exemption on income accumulated through wind energy power projects<sup>10</sup>. Indian companies engaged in manufacturing of wind turbine equipments are also exempted from excise duty liabilities. An import duty concession on the import of electric generators has also been implemented. Accelerated Depreciation (AD) has been the major motivating factor for wind market in past, which allowed a depreciation of 80 percent of the installation cost in the first year and therefore reduces the taxable income of plant owner by an amount equivalent to 80 percent of the

plant's cost. The Generation Based Incentive (GBI) scheme was also discontinued from March 2012, but it has reintroduced from August 2013. The scheme has been designed in such a manner to continue to fulfill 15,000 MW target during the 2012 to 2017period. 100 percent Foreign Direct Investment (FDI) is allowed in wind sector, which has increased due to GBI scheme.

### ***Business Outlook:***

The company has now installed capacity of 9MW comprising of 7 wind turbines in state of Karnataka. Its Concentration will be mainly on Tamilnadu through subsidiary with cautious approach considering wind velocity and regulatory frame work. The Outlook for the sector is stable.

### **b) *Solar Power***

Solar energy is an inexhaustible resource. The sun produces vast amounts of renewable solar energy that can be collected and converted into electricity. Those who believe the potential of the solar industry has dimmed may be surprised. Companies that take the right steps now can position themselves for a bright future in the coming years. In the last 20 years, solar energy has made further inroads and now is used extensively in off-grid and remote power applications such as data monitoring and communications, well pumping and rural power supply, and in small-scale applications such as calculators and wristwatches. But solar energy has not yet achieved its potential to become a major contributor to world electrical grids.

As the country emerges as a global economic powerhouse, with a growing population expected to reach 1.47 billion by 2030, its energy consumption will

increase substantially. Unfortunately, current energy supply cannot keep up with growing demand. Rolling power cuts from energy deficits already reach 9 percent in the electricity sector. This current lack of capacity excludes the 400 million Indians who have no access to modern electricity at all. With rapidly urbanizing cities demanding more power, renewable energy including solar is critical to provide electricity while reducing dependence on imported fuels and combating climate change

In less than a decade, the solar-photovoltaic (PV) sector has transformed from a cottage industry to a \$100 billion business with global reach. According to the Government of India's policy for the solar sector - Jawaharlal Nehru National Solar Mission (JNNSM) - a target of 20 GW of solar installations by 2022 has been set. Under the plan, the use of solar-powered equipment and applications would be made compulsory in all government buildings, as well as hospitals and hotels. On 18 November 2009, it was reported that India was ready to launch its National Solar Mission under the National Action Plan on Climate Change, with plans to generate 1,000 MW of power by 2013. Solar Energy Power Plants using Photovoltaic Technology is gathering momentum in India due to deeper penetration in understanding of the Technology and support of the Government policies. The Jawaharlal Nehru National Solar Mission (also known as the National Solar Mission) is a major initiative of the Government of India and State Governments to promote ecologically sustainable growth while addressing India's energy security challenges. The Mission is one of the several initiatives that are part of National Action Plan on Climate Change. The

program was officially inaugurated by Prime Minister of India. Ministry of New and Renewable Energy (MNRE) has formulated a scheme on financing of Photovoltaic and Thermal applications as part of the Jawaharlal Nehru National Solar Mission (JNNSM). Under the scheme, banks may extend subsidised loans to entrepreneurs at interest rates not exceeding five per cent where refinance of two per cent from Government of India is available. The total solar power installed capacity in India stands at 1.686 GW as of 31st March 2013 out of a total of 28 GW of renewable power installed capacity (Source MNRE). For the growth of the Solar industry the National Solar Mission (NSM) has laid out an ambitious goal to make India the global leader in solar energy, and plans to develop capacity of 20 GW by 2020. As per the Railway Budget for 2014-15, the government has planned utilization of solar energy by utilizing roof top spaces of stations, railway buildings and land including through PPP mode.

#### ***Business Outlook:***

The Company having implanted 5MW Solar Power project at Municipally, Medak District and is quite optimistic about this sector which will give steady cash flow and may look for few more such ventures in future.

#### **RISKS AND CONCERNS**

Inadequate risk management is a primary cause of concern indicated by most organizations in India. To be in a position to have fully identified all risks associated with a project and have a response plan for each; that is clearly a benchmark most organizations acknowledge, nevertheless, do little about it. Risk Management by its very nature is flawed because it only identifies the things project managers know; it fails to appreciate the "unknown", "unknowns", the "un-controllable". That said, the

more risks identified and planned for, the better position the project team is in to deliver a successful project. Risk Management has been identified as a best practice by most respondents. Moreover, there is a growing concern among Organizations about inaccurate risk identification. The project will yield continuous flow of revenue for the Company.

### **INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

The Company has adequate Internal Control Systems and Procedures with regard to purchase of Stores, Raw Materials including Components, Plant and Machinery, equipment, sale of goods and other assets. The company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled. The Company designs and maintains accounting and internal control systems to provide reasonable assurance at reasonable cost that assets are safeguarded against loss from unauthorized use or disposition, and that the financial records are reliable for preparing financial statements and maintaining accountability for assets. These systems are augmented by written policies, an organizational structure providing division of responsibilities, careful selection and training of qualified personnel, and a program of internal audits. The company has an Internal Audit System commensurate with its size and nature of business. M/s Luharuka & Associates, a firm of Chartered Accountants, are acting as Internal Auditors of the Company. Periodic reports of Internal Auditors are reviewed in the meeting of the Audit Committee of the Board. Compliance with laws and regulations is also ensured and confirmed by the Internal Auditors of the Company. Standard operating procedures and guidelines are issued from time to time to support best practices for internal control.

### **FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:**

#### **A. FINANCIAL CONDITION:**

##### ***Capital Structure:***

The Equity Share Capital of the Company is

Rs.127,980,000/- comprising of 63,990,000 Equity Shares of Rs.2/- each fully paid.

##### ***Reserves and Surplus:***

The Reserves and Surplus of the Company as on 31st March, 2014 stand at Rs. 1,954,199,798/- as compared to Rs.1,988,799,062/- in the previous year.

##### ***Fixed Assets:***

During the year, the Company's Net Fixed Assets stood at Rs. 830,297,732/- after disposing off fixed assets of WDV Rs. 66,659,176/-.

##### ***Inventories:***

Inventories, as on 31st March, 2014, reduced to Rs. 114,842,472/- as against Rs. 280,232,119/- in the previous year.

##### ***Sundry Debtors:***

Sundry debtors increased to Rs. 321,399,026/- as on 31st March, 2014 as against Rs. 264,367,575/- in the previous year. These debtors are considered good and realizable.

##### ***Cash and Bank Balances:***

'Cash and Bank balances' with Scheduled Banks stood to Rs. 263,940,775/- as against Rs. 96,504,137/- in the previous year which include amounts deposited with banks as Security.

##### ***Loans and Advances:***

'Long Term Loans and Advances' increased to Rs. 1,249,939,473/- as against Rs. 1,051,602,614/- in the previous year.

'Short Long Term Loans and Advances' reduced to Rs. 53,553,693/- as against Rs. 93,211,758/- in the previous year.

##### ***Current Liabilities:***

Current liabilities for the F.Y. 2013-14 is Rs. 347,998,555 /- as against Rs. 224,036,382 /- in the previous Year.

**B. OPERATIONAL RESULTS :*****Turnover:***

During the year 2013-2014, the turnover of the Company was Rs. 2,362,204,664 /- as compared to Rs. 2,067,607,964 /- in the previous year.

The Income from other sources as on 31st March, 2014 was Rs. 81,007,751 /- as compared to Rs. 81,346,764 /- in the previous year.

***Expenditure:***

During the year, the Company incurred expenses amounting to Rs. 2,391,358,526 /- as compared to Rs. 2,092,354,216 /- in the previous year.

***Depreciation:***

The Company has provided a sum of Rs. 68,027,104 /- towards depreciation for the year as against Rs. 64,833,404 /- in the previous year.

***Provision for Tax:***

The Company has provided a current tax of Rs. 4,165,188 /- as against Rs. 27,000,000 /- in the previous year.

***Net Profit:***

The Net Profit of the Company after tax is Rs. 26,346,400 /- as against Rs. 41,261,763 /- in the previous year.

***Earnings Per Share:***

The Earnings Per Share of the Company as on 31st March, 2014 is Rs. 0.41 ps per share for Face Value of Rs.2/- as against Rs. 0.64 ps per share for Face Value of Rs.2/- in the previous year

**HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:**

The Company believes that the Company's growth and future success depend largely on the skills of

the Company's workforce, including executives and officers, as well as the designers and engineers and the attraction of critical skills. The loss of the services of one or more of these employees could impair the Company's ability to continue to implement its business strategy. The Company's success also depends, on its continued ability to attract and retain experienced and qualified employees. The Company is committed to building the competencies of its employees and improving their performance through training and development. The Company focus is on identifying gaps in its employees' competencies and preparing employees for changes in competitive environments, as well as to meet organizational challenges.

Some of the focus areas in training in the last year centered on leadership, innovation management and internationalization besides other training programmes to drive a change in the Company's employees' outlook as it continue to develop as a global competitor.

As on 31st March, 2014, the Company has a total strength of 105 employees.

**CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objective, 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, among others, 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.



## INDEPENDENT AUDITORS' REPORT

To The Members of  
Bhagyanagar India Limited

### Report on the Financial Statements

We have audited the accompanying Financial Statements of **Bhagyanagar India Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures

in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014
- b) in the case of Statement of Profit and Loss, the PROFIT of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section

(4A) of section 227 of Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 purposes of the audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c. the Balance sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-

section(3C) of section 211 of the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Company Affairs in respect of Section 133 of the Companies Act 2013; and

- e. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **Sekhar & Co.**  
Chartered Accountants  
Firm Registration No : 003695-S

**G. Ganesh**  
(Partner)  
Place: Secunderabad  
Date : 12th May, 2014      Membership No : 211704

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 of our report of even date

**Re: Bhagyanagar India Limited**

- i. a) The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets on the basis of available information.
- b) As Explained to us, a substantial portion of the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. According to information and explanations given to us, no material discrepancies have been found on such verification.
- c) In our opinion, the company has not disposed of a substantial part of its fixed assets during the year and the going concern status of the company is not effected.
- ii. a) The inventories have been physically verified during the year by the management. In our opinion the frequency of such verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. a) The Company has during the year granted loans to Six Companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year is ₹ 123,94,81,400 and year end outstanding is ₹ 121,41,13,110.
- b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loans are not *prima facie* prejudicial to the interest of the company.
- c) The principal and interest wherever due have been paid and there are no outstanding amounts at the end of the year.
- d) There are no overdue amounts in excess of ₹ 1 Lakh in respect of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.
- e) The Company has not taken any loans during the year from companies, firms or other parties covered under the register maintained under section 301 of the Act. Consequently the requirement of sub clauses 3(f) and (g) of paragraph 4 of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regards to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of audit.
- v. a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- b) In respect of transactions made in pursuance of such contracts or arrangements exceeding the value of ₹ Five Lakhs entered into during the financial year, because of the unique and

- specialized nature of the items involved and absence of any comparable transactions, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- vi. According to the information and explanations given to us the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the order are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature its of business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Act and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to

determine whether they are accurate or complete.

- ix. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues in paragraph (a) above were in arrears as at 31st March 2014 for a period more than six months from the date they became payable.

- b) Details of dues of Central Excise Duty, Custom Duty and Income Tax which have not been deposited as on 31st March 2014 on account of disputes are given below.

| Sl. No.   | Name of Statute            | Nature of dues | Amount not paid/<br>(Amount involved<br>in dispute) | Period which it<br>relates | Forum where<br>dispute is<br>pending        |
|---|----------------------------|----------------|---|----------------------------|---|
| 1   | Central Excise<br>Act 1944 | Excise Duty    | 25,69,007<br>(25,69,007)                            | 2008-09                    | Appellate<br>Additional<br>Commissioner-Hyd |
|   |                            | Excise Duty    | NIL<br>(20,00,000)                                  | Various years              |   |
| 2   | Customs Act 1964           | Custom Duty    | 1,00,00,000<br>(2,40,07,856)                        | 2008-09                    | Supreme Court<br>of India                   |
| 3   | Income Tax Act 1961        | Income Tax     | 1,12,88,044<br>(1,12,88,044)                        | 2007-08                    | CIT Appeals                                 |
|   |                            |                | 6,01,446<br>(58,30,735)                             | 2008-09                    | ITAT-Hyd                                    |
|   |                            |                | 18,44,276<br>(49,44,276)                            | 2009-10                    | ITAT-Hyd                                    |
| <p>Figures in brackets are the amounts involved in dispute. The taxes paid against the above disputes at ₹ 2,43,37,345 are shown under heads Taxes Paid under protest in Long Term Advances and Income Tax Receivable under other current assets.</p> |                            |                |   |                            |   |

- x. The Company has no accumulated losses at the end of the financial year and it has not incurred cash loss during the year covered by audit and in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the Balance sheet date.
- xii. Based on our examination of documents and records, we are of the opinion that the company has maintained adequate records, where the Company has granted loans and advances on the basis of security by way of pledge of shares and other securities.
- xiii. The company is not a Chit Fund or a Nidhi Mutual benefit Fund/Society. Therefore the provisions of 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us the Company is not dealing in or trading in securities.
- The Company has invested surplus funds in mutual funds. According to the information and explanations given to us, proper records have been made of the transactions and contracts and timely entries have been made therein. The investment in Mutual Funds have been held by the Company in its own name.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us the term loans have been applied for the purposes or which they are obtained.
- xvii. In our opinion and according to the information and explanations given to us, and on overall examination of the Balance Sheet and the Cash Flow of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- xviii. The Company has not made preferential allotment of shares to companies / firms parties covered in the register maintained under Section 301 of the Act.
- xix. The Company has not issued any debentures or securities on which charge is to be created during the year.
- xx. The Company has not raised any money by through public issue during the year.
- xxi. We have not come across any instance of fraud on or by the company during the year during the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Accounting Practice in India and according to the information and explanations given to us.

For **Sekhar & Co.**  
Chartered Accountants  
Firm Registration No : 003695-S

**G. Ganesh**  
(Partner)

Place: Secunderabad  
Date : 12th May, 2014      Membership No : 211704

## Balance Sheet as at 31st March, 2014

(Amount in ₹)

| Particulars   | Note No. | As at 31.03.2014 |                      | As at 31.03.2013 |                      |
|---|----------|------------------|----------------------|------------------|----------------------|
| <b>I EQUITY AND LIABILITIES</b>                       |          |                  |                      |                  |                      |
| <b>(1) Shareholders' funds</b>                        |          |                  |                      |                  |                      |
| (a) Share Capital                                     | 2.1      | 127,980,000      |                      | 127,980,000      |                      |
| (b) Reserves and Surplus                              | 2.2      | 1,954,199,798    | 2,082,179,798        | 1,988,799,062    | 2,116,779,062        |
| <b>(2) NON-CURRENT LIABILITIES</b>                    |          |                  |                      |                  |                      |
| (a) Long-Term Borrowings                              | 2.3      |                  | 789,688,253          |                  | 687,498,841          |
| <b>(3) CURRENT LIABILITIES</b>                        |          |                  |                      |                  |                      |
| (a) Short-Term Borrowings                             | 2.4      | 158,622,972      |                      | 46,827,522       |                      |
| (b) Trade Payables                                    | 2.5      | 22,805,626       |                      | 40,663,745       |                      |
| (c) Other Current Liabilities                         | 2.6      | 143,510,457      |                      | 106,099,115      |                      |
| (d) Short-Term Provisions                             | 2.7      | 23,059,500       |                      | 30,446,000       | 224,036,382          |
| <b>TOTAL</b>  |          |                  | <b>3,219,866,596</b> |                  | <b>3,028,314,285</b> |
| <b>II ASSETS</b>                                      |          |                  |                      |                  |                      |
| <b>(1) NON-CURRENT ASSETS</b>                         |          |                  |                      |                  |                      |
| <b>(a) Fixed Assets</b>                               |          |                  |                      |                  |                      |
| (1) Tangible Assets                                   | 2.8      | 830,297,732      |                      | 675,886,394      |                      |
| (2) Capital Work-in-Progress                          |          | 7,144,772        |                      | 171,891,262      |                      |
| (b) Non-Current Investments                           | 2.9      | 270,371,463      |                      | 253,225,517      |                      |
| (c) Deferred Tax Assets (Net)                         | 2.10     | 5,410,372        |                      | 3,756,059        |                      |
| (d) Long-Term Loans and Advances                      | 2.11     | 1,249,939,473    | 2,363,163,812        | 1,051,602,614    | 2,156,361,846        |
| <b>(2) CURRENT ASSETS</b>                             |          |                  |                      |                  |                      |
| (a) Current Investments                               | 2.12     | 3,500,000        |                      | 15,000,000       |                      |
| (b) Inventories                                       | 2.13     | 114,842,472      |                      | 280,232,119      |                      |
| (c) Trade Receivables                                 | 2.14     | 321,399,026      |                      | 264,367,575      |                      |
| (d) Cash and Cash Equivalents                         | 2.15     | 263,940,775      |                      | 96,504,137       |                      |
| (e) Short-Term Loans and Advances                     | 2.16     | 53,553,693       |                      | 93,211,758       |                      |
| (f) Other Current Assets                              | 2.17     | 99,466,818       | 856,702,784          | 122,636,850      | 871,952,439          |
| <b>TOTAL</b>  |          |                  | <b>3,219,866,596</b> |                  | <b>3,028,314,286</b> |
| Significant Accounting Policies and Notes to Accounts | 1 & 2    |                  |                      |                  |                      |

As per our report of even date attached

For **Bhagyanagar India Limited**

**For Sekhar & Co**  
Chartered Accountants  
Firm Regn No. 003695-S

**G. Ganesh**  
Partner  
Membership No : 211704

**G.M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Managing Director

Place : Secunderabad  
Date : May 12, 2014

**Suresh Bhatnagar**  
Chief Financial Officer

**Biswa Ranjan Subudhi**  
Company Secretary



## Profit & Loss account for the year ended 31st March, 2014

(Amount in ₹)

| Particulars   | Note No. | For the year ended 31.03.2014 | For the year ended 31.03.2013 |
|---|----------|-------------------------------|-------------------------------|
| <b>I REVENUE FROM OPERATIONS</b>  |          |                               |                               |
| Sale of Products  |          | 2,622,677,359                 | 2,299,731,834                 |
| Infrastructure Leasing and Sales  |          | 5,442,885                     | 7,308,580                     |
|   |          | <u>2,628,120,244</u>          | <u>2,307,040,414</u>          |
| Less: Excise Duty   |          | 265,915,580                   | 239,432,450                   |
| NET REVENUE FROM OPERATIONS   | 2.18     | 2,362,204,664                 | 2,067,607,964                 |
| <b>II OTHER INCOME</b>  | 2.19     | 81,007,751                    | 81,346,764                    |
| <b>TOTAL REVENUE</b>  |          | <u>2,443,212,415</u>          | <u>2,148,954,728</u>          |
| <b>III EXPENSES</b>   |          |                               |                               |
| Cost of Materials Consumed  | 2.20     | 1,883,660,048                 | 1,602,653,664                 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade | 2.21     | 13,680,900                    | 7,436,789                     |
| Employee Benefit Expenses   | 2.22     | 48,465,303                    | 46,261,386                    |
| Finance Costs   | 2.23     | 77,562,598                    | 70,429,615                    |
| Depreciation and Amortisation Expenses  | 2.24     | 68,027,104                    | 64,833,404                    |
| Other Expenses  | 2.25     | 299,962,574                   | 300,739,358                   |
| <b>TOTAL EXPENSES</b>   |          | <u>2,391,358,526</u>          | <u>2,092,354,216</u>          |
| <b>IV PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>           |          | 51,853,888                    | 56,600,512                    |
| <b>V AMORTISATION OF INTANGIBLE ASSETS</b>                                    |          | (21,846,561)                  | (10,876,975)                  |
| <b>VI PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>                           |          | 30,007,327                    | 45,723,537                    |
| <b>VII PROFIT BEFORE TAX</b>  |          | <u>30,007,327</u>             | <u>45,723,537</u>             |
| <b>VIII TAX EXPENSE</b>   |          |                               |                               |
| 1. Current Tax  |          | 4,165,188                     | 27,000,000                    |
| 2. Deferred Tax   |          | (1,654,313)                   | (2,866,000)                   |
| 3. MAT Entitlement Credit   |          | 1,150,052                     | -                             |
| 4. Prior Period Taxes   |          | -                             | (19,672,226)                  |
| <b>IX PROFIT AFTER TAX</b>  |          | 26,346,400                    | 41,261,763                    |
| <b>X EARNINGS PER EQUITY SHARE</b>  |          |                               |                               |
| 1. Basic  |          | 0.41                          | 0.64                          |
| 2. Diluted  |          | 0.41                          | 0.64                          |
| Significant Accounting Policies and Notes to Accounts                         | 1 & 2    |                               |                               |

As per our report of even date attached

For **Bhagyanagar India Limited**

**For Sekhar & Co**

Chartered Accountants  
Firm Regn No. 003695-S

**G. Ganesh**  
Partner  
Membership No : 211704

**G.M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Managing Director

Place : Secunderabad  
Date : May 12, 2014

**Surendra Bhutoria**  
Chief Financial Officer

**Biswa Ranjan Subudhi**  
Company Secretary

## Cash Flow Statement for the year ended March 31, 2014

(Amount in ₹)

|   | 2013-14              | 2012-13             |
|---|----------------------|---------------------|
| <b>A. Cash Flow From Operating Activities</b>                       |                      |                     |
| <b>Net Profit before tax as per annexed profit and loss account</b> | <b>30,007,327</b>    | <b>45,723,537</b>   |
| Adjustments for :   |                      |                     |
| Depreciation  | 67,514,474           | 64,320,774          |
| Foreign Exchange Reserve Amortised                                  | 21,846,561           | 10,876,975          |
| Lease Rents Amortised   | 512,630              | 512,630             |
| Bad Debts Written Off & Provision for Bad Debts                     | 2,883,955            | 7,796,068           |
| Balances/Provisions no longer required written back                 | (278,382)            | (631,105)           |
| Deferred Revenue Expenditure  | 5,520,653            | 5,520,653           |
| (Profit)/Loss on Sale of Investments                                | (22,568)             | 68,502              |
| Profit & Loss on Sale of Assets                                     | (1,445,436)          | 17,565,169          |
| Interest Paid   | 72,041,945           | 64,908,962          |
| Interest Received   | (55,274,525)         | (67,963,697)        |
| Dividends Received  | (9,189,454)          | (5,074,428)         |
| Operating Profit before working Capital Changes                     | <b>134,117,180</b>   | <b>143,624,040</b>  |
| <b>(Less)/Add Adjustments for Working Capital Changes</b>           |                      |                     |
| Inventories   | 165,389,647          | (80,101,644)        |
| Loans and Advances  | 45,132,030           | 33,815,302          |
| Other Current Assets  | 31,815,528           | 39,473,504          |
| Sundry Debtors  | (59,915,406)         | (10,005,827)        |
| Trade Payables and Other Liabilities                                | (11,768,537)         | 10,493,079          |
| Advance from Customers  | 5,264,431            | (774,231)           |
| Cash Generated from Operations                                      | <b>310,034,873</b>   | <b>136,524,223</b>  |
| Direct Taxes Paid for Current Year (Net)                            | (18,331,345)         | (11,823,824)        |
| Taxes of Earlier Years  | -                    | (800,000)           |
|   | <b>(18,331,345)</b>  | <b>(12,623,824)</b> |
| <b>Net Cash (used in)/from operating Activities (A)</b>             | <b>291,703,528</b>   | <b>123,900,399</b>  |
| <b>B. Cash Flow From Investing Activities</b>                       |                      |                     |
| Purchase of Fixed Assets & Changes in CWIP                          | (123,838,499)        | (199,195,108)       |
| Sale of Fixed Assets  | 67,591,983           | 119,684,057         |
| Investment in of Shares & Other Investments (Net)                   | (90,897,379)         | (12,726,094)        |
| Dividend Received   | 9,189,454            | 5,074,428           |
| Interest Received   | 58,930,403           | 37,804,730          |
| Loans to Joint Ventures and Subsidiaries                            | (123,342,754)        | 137,393,582         |
| <b>Net Cash (used in)/from Investing Activities (B)</b>             | <b>(202,366,792)</b> | <b>88,035,595</b>   |

## Cash Flow Statement (Contd.)

(Amount in ₹)

|   | 2013-14            | 2012-13              |
|---|--------------------|----------------------|
| <b>C. Cash Flow From Financing Activities</b>                       |                    |                      |
| Proceeds from borrowings (net of re-payments)                       | 179,051,469        | (115,816,958)        |
| Interest Paid   | (71,155,068)       | (64,904,721)         |
| Dividend Paid   | (29,796,498)       | (29,505,101)         |
| <b>Net Cash (used in)/from Financing Activities (C)</b>             | <b>78,099,902</b>  | <b>(210,226,780)</b> |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>167,436,638</b> | <b>1,709,214</b>     |
| Reconciliation-See Note 2 below                                     |                    |                      |
| Cash and Cash Equivalents Opening Balance                           | 96,504,137         | 94,794,923           |
| Cash and Cash Equivalents Closing Balance                           | 263,940,775        | 96,504,137           |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>         | <b>167,436,638</b> | <b>1,709,214</b>     |

### Notes:

- Components of Cash and Cash Equivalents**

|   | 2013-2014          | 2012-2013         | Change Over previous Year |
|---|--------------------|-------------------|---------------------------|
| Cash in Hand                                  | 972,900            | 481,482           | 491,418                   |
| Balances with Bank                            | 261,951,281        | 90,723,948        | 171,227,333               |
| Accrued Interest on Fixed Deposits with Banks | 1,016,594          | 5,298,707         | (4,282,113)               |
| <b>TOTAL</b>                                  | <b>263,940,775</b> | <b>96,504,137</b> | <b>167,436,638</b>        |
- The following items of Cash and Cash Equivalents are not available for free use by the company.

|  | 2013-2014   | 2012-2013  |
|--|-------------|------------|
| <b>Balances with Bank</b>                      |             |            |
| -In Dividend account                           | 1,948,144   | 1,798,641  |
| -Deposit held to the extent of margin money    | 2,635,204   | 5,827,251  |
| -Maturity of deposits less than 12 months      | 182,004,877 | 32,770,465 |
| -Accrued interest on Fixed Deposits with Banks | 1,016,594   | 5,298,707  |
- Previous Year Figures are regrouped wherever required.
- Notes to Accounts form an integral part of Cash Flow Statement

As per our report of even date attached For **Bhagyanagar India Limited**

### For Sekhar & Co

Chartered Accountants  
Firm Regn No. 003695-S

**G. Ganesh**  
Partner  
Membership No : 211704

**G.M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Managing Director

Place : Secunderabad  
Date : May 12, 2014

**Surendra Bhutoria**  
Chief Financial Officer

**Biswa Ranjan Subudhi**  
Company secretary

## **1. Significant Accounting Policies**

### **i. Basis of Preparation of Financial Statements**

The financial statements of Bhagyanagar India Limited ('the company') have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis.

The Company has prepared these financial statements as per the format prescribed by Revised Schedule VI to the Companies Act, 1956 issued by Ministry of Corporate Affairs. Previous period's figures have been recast/restated to conform to the classification required by the Revised Schedule VI.

### **ii. Use of Estimates**

The Preparation of Financial Statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

### **iii. Own Fixed Assets**

Fixed Assets are stated at cost net of modvat/cenvat/value added tax, less accumulated depreciation and impairment loss, if any. Any costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations to the fixed assets are capitalized.

### **iv. Leased Assets**

Premium Paid on Leased Assets is amortized over the lease period and the annual lease rentals are charged to Profit and Loss Account in the year it accrues.

### **v. Deferred Revenue Expenditure**

Expenses which in the opinion of the management will give a benefit beyond three years is Deferred Revenue Expenditure and amortised over 3 years. Amount paid towards processing of Long Term Loan is amortised over 3 years.

### **vi. Depreciation**

Depreciation is provided on written down value method, except for Wind Power Plant for which Straight Line Method is followed, at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

### **vii. Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **viii. Investments**

Current investments are carried at the lower of cost and quoted / fair value, computed category wise.

Long Term Investments are stated at cost less any permanent diminution in value, determined separately for each individual investment. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.

### **ix. Inventories**

Items of Inventories are measured at lower of cost or net realizable value, after providing for obsolescence, if any. Cost of inventories comprises of all cost of purchase including duties and taxes other than credits under CENVAT and is arrived on First in First out basis. Semi Finished goods are valued at cost or net realizable value whichever is lower. Finished goods are valued at cost including excise duty payable or net releasable value whichever is lower. Cost includes Direct Material, Labour cost and appropriate overheads.

### **x. Foreign Currency Transactions**

- Gains and Losses on account of exchange differences existing out of reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset can be added or deducted from the cost of asset and shall be depreciated over the balance life of asset and in other cases, it can be accumulated in a "foreign currency monetary item transaction .Difference Account" in the enterprises financial statements and amortized over the balance period of such long asset/liability.
- In respect of Purchases/Sales in normal course of business, the Gain/Loss is charged to Profit and Loss Account.

### **xi. Employee Retirement/Terminal Benefits**

The employees of the company are covered under Group Gratuity Scheme of Life Insurance Corporation of India. The premium paid thereon is charged to Profit and Loss Account. Leave Encashment liability is provided on the basis of actuarial valuation on actual entitlement of eligible employees at the end of the year.

### **xii. Provision, Contingent Liabilities and Contingent Assets :**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognized are disclosed in notes. Contingent Assets are neither recognized nor disclosed in Statements.

### **xiii. Turnover**

Turnover includes sale of goods, services, sales tax, service tax and adjusted for discounts (net), excise duty. Inter-Unit sales are excluded in the Main Profit and Loss account.

### **xiv. Revenue Recognition**

Revenue in case of real estate transactions is made on the basis of concluded on contracts for sales and purchases.

Dividend income is recognized when the unconditional right to receive the income is established.

Income from sale of VER is accounted as and when sold to customers.

### **xv. Government Grants**

Grants received against capital items carrying cost of asset is adjusted against the cost of the asset on actual receipt of the money from the government.

Assets received as grant free of cost are recorded at nominal value of `1 transfer of possession.

Compensation/Reimbursement of specific revenue items are adjusted in the year of receipt against the respective revenue items on receipt basis.

**xvi. Segment Reporting**

Company's operating Businesses, organized & Managed unit wise, according to the nature of the products and services provided, are recognized in segments representing one or more strategic business units that offer products or services of different nature and to different Markets.

Inter-Segment transfers are done at cost.

Company's Operations could not be analyzed under geographical segments in considering the guiding factors as per Accounting Standard-17 (AS-17) issued by the Institute of Chartered Accountants of India.

**xvii. Provision for Taxation**

Provision is made for Income Tax, estimated to arise on the results for the year, at the current rate of tax, in accordance with the Income Tax Act, 1961. Taxation deferred as a result of timing difference, between the accounting & taxable profits, is accounted for on the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax asset is recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets are reviewed, as at each Balance Sheet date to re-assess realization.

**xviii. Excise and Customs Duty**

Excise and Customs Duty are accounted on accrual basis. CENVAT credit is accounted by crediting the amount to cost of purchases on receipt of goods and is utilized on dispatch of material by debiting excise duty account.

**xix. Prior Period Expenses/Income :**

Prior period items, if material are separately disclosed in Profit & Loss Account together with the nature and amount. Extraordinary items & changes in Accounting Policies having material impact on the financial affairs of the company are disclosed.

**xx. Sundry Debtors, Loans and Advances**

Doubtful Debts/Advances are written off in the year in which those are considered to be irrecoverable.

**xxi. Borrowing Costs**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit & Loss Account.

**xxii. Earnings per Share**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard-20 (AS-20) issued by the Institute of Chartered Accountants of India. Basic earnings per share are computed by dividing the net Profit or Loss for the year by the Weighted Average number of equity share outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

## 2. Notes to Accounts

### A. Notes to Balance Sheet

| Note : 2.1<br>Share Capital | Sub<br>Note | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|-----------------------------|-------------|--------------------------|--------------------------|
|-----------------------------|-------------|--------------------------|--------------------------|

|     |  |                    |             |
|-----|--|--------------------|-------------|
| (a) | <b>Authorized Capital :</b><br>12,50,00,000 equity<br>shares of ₹ 2/- each | <b>250,000,000</b> | 250,000,000 |
|-----|--|--------------------|-------------|

|     |  |                    |             |
|-----|--|--------------------|-------------|
| (b) | <b>Issued, Subscribed and<br/>Paid Up 6,39,90,000<br/>equity shares (Previous year<br/>6,39,90,000 shares) of ₹ 2<br/>each at par fully paid carrying<br/>equal rights and obligations</b> | <b>127,980,000</b> | 127,980,000 |
|-----|--|--------------------|-------------|

(Options, contracts and commitments  
outstanding-Nil)

|                                       |             | No.of shares     | No.of shares |
|---------------------------------------|-------------|------------------|--------------|
| Buy Back of shares in Past five years | : 2009-2010 | <b>5,573,386</b> | 5,573,386    |
|                                       | 2010-2011   | <b>526,614</b>   | 526,614      |
|                                       | 2011-2012   | <b>4,410,000</b> | 4,410,000    |

|     |   |
|-----|---|
| (c) | <b>Particulars of Shareholders holding<br/>more than 5% of issued sharecapital<br/>[5% of 6,39,90,000 (PY 6,39,90,000)]<br/>= 31,99,500(PY 31,99,500)</b> |
|-----|---|

| Name of Shareholder            | %     | (PY%)   | No.of shares     | No.of shares |
|--------------------------------|-------|---------|------------------|--------------|
| Surana Infocom Private Limited | 13.43 | (13.43) | <b>8,639,847</b> | 8,593,037    |
| Narender Surana                | 7.81  | (7.78)  | <b>4,993,040</b> | 4,974,709    |
| Manish Surana                  | 7.64  | (7.62)  | <b>4,891,701</b> | 4,875,626    |
| Devendra Surana                | 6.56  | (6.56)  | <b>4,195,083</b> | 4,195,083    |
| Namrata Surana                 | 5.82  | (5.71)  | <b>3,723,766</b> | 3,656,597    |
| G.M.Surana                     | 5.35  | (5.35)  | <b>3,421,980</b> | 3,421,980    |
| Chand Kanwar Surana            | 5.26  | (5.26)  | <b>3,366,010</b> | 3,366,010    |
| Sunita Surana                  | 5.09  | (5.07)  | <b>3,254,671</b> | 3,247,062    |

#### Reconciliation of shares outstanding at the beginning & at the end of the Reporting Period

|                                    | No.                | As at<br>31.03.2014 | No.        | As at<br>31.03.2013 |
|------------------------------------|--------------------|---------------------|------------|---------------------|
| At the beginning of the year       | <b>63,990,000</b>  | <b>127,980,000</b>  | 63,990,000 | 127,980,000         |
| Outstanding at the end of the year | <b>663,990,000</b> | <b>127,980,000</b>  | 63,990,000 | 127,980,000         |



## A. Notes to Balance Sheet

| Note : 2.2<br>Reserves and Surplus  | Sub<br>Note   | As at<br>31.03.2013<br>₹ | As at<br>31.03.2012<br>₹ |
|---|---------------|--------------------------|--------------------------|
| <b>General Reserves</b>   |               |                          |                          |
| Balance as per Last Account   |               | 1,240,815,951            | 1,190,815,951            |
| Add: Transferred from Profit & Loss Account                                       |               | 20,000,000               | 50,000,000               |
| Less: Utilised for creation of Redemption Reserve<br>for buyback of Equity Shares |               | -                        | -                        |
| Less: Premium Paid on Buy Back of Equity Shares                                   |               | -                        | -                        |
|   |               | <u>1,260,815,951</u>     | <u>1,240,815,951</u>     |
| <b>Foreign Currency Monetary Item Translation</b>                                 |               |                          |                          |
| <b>Difference Account</b>   | <b>2.2(a)</b> |                          |                          |
| Balance as per Last Account   |               | 59,823,359               | 27,929,599               |
| Add: Foreign Currency Monetary Item Translation                                   |               |                          |                          |
| Difference During the Year  |               | 75,009,011               | 42,770,735               |
| Less: Amortisation during the year  |               | (21,846,561)             | (10,876,975)             |
| Less: Loss on repayments during the year during the year                          |               | (14,676,286)             | -                        |
| <b>Balance at the year end</b>  |               | <u>98,309,523</u>        | <u>59,823,359</u>        |
| <b>Balance at the year end</b>  |               | <u>1,162,506,428</u>     | <u>1,180,992,592</u>     |
| <b>Capital Reserves</b>   |               |                          |                          |
| Balance as per Last Account   |               | 16,676,523               | 16,676,523               |
| <b>Balance at the year end</b>  |               | <u>16,676,523</u>        | <u>16,676,523</u>        |
| <b>Capital Redemption Reserve</b>   |               |                          |                          |
| Balance as per Last Account   |               | 21,020,000               | 21,020,000               |
| Add: Created for Buyback of Equity Shares during the year                         |               | -                        | -                        |
| <b>Balance at the year end</b>  |               | <u>21,020,000</u>        | <u>21,020,000</u>        |
| <b>Surplus</b>  |               |                          |                          |
| <b>Balance of Profit &amp; Loss account available for appropriation</b>           |               | 770,109,947              | 808,794,185              |
| Add: Profit during the year/period  |               | 26,346,400               | 41,261,763               |
| Amount available for Appropriation  |               | 796,456,347              | 850,055,948              |
| Proposed Dividend   |               | 19,197,000               | 25,596,000               |
| Tax on dividend   |               | 3,262,500                | 4,350,000                |
| Transfer to General Reserve   |               | 20,000,000               | 50,000,000               |
| <b>Balance at the year end</b>  |               | <u>753,996,847</u>       | <u>770,109,947</u>       |
| TOTAL   |               | <u>1,954,199,798</u>     | <u>1,988,799,062</u>     |

### Notes:

#### 2.2(a) Foreign Currency Monetary Item Translation Difference Account

Increase in liability of ECB from ICICI Bank due to Foreign Exchange Fluctuation, being a loss on transaction ( i.e. USD 60.10 per Re. as on 31st March, 2014 from USD 54.39 per Re. as on 31st March, 2013) is debited to Foreign Currency Monetary Item Translation Difference Account as per the notification no.GSR.225(E) dated 31st March, 2009 further amended by Notification no.GSR.913(E)/914(E) dated 31st December, 2011 issued by the Ministry of Corporate Affairs.

## A. Notes to Balance Sheet

| Note : 2.3<br>Long-Term Borrowings | Sub<br>Note | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|------------------------------------|-------------|--------------------------|--------------------------|
| (a) Term loan<br>from ICICI Bank   | 2.3(a)      | <b>628,440,927</b>       | 647,954,946              |
| from SBI                           |             | <b>144,440,995</b>       | 10,000,000               |
| (b) Car loan<br>from Axis Bank     | 2.3(b)      | <b>215,263</b>           | 2,798,419                |
| (c) Deferred Sales Tax             | 2.3(c)      | <b>16,591,067</b>        | 26,745,476               |
| <b>TOTAL</b>                       |             | <b>789,688,252</b>       | 687,498,841              |

### 2.3 (a) Term Loan From ICICI Bank: Long Term Foreign Currency Monetary Item

- 1 ICICI Bank provided ECB amounting to USD 1,35,60,000 carrying a fixed interest rate of 6.96%. ECB is secured by first charge on certain fixed assets of the company and personal guarantee of Managing Directors. Long Term ECB liability as at 31.03.2014 amounting to USD 1,04,47,980 is valued at USD 60.10 per Re. as on 31st March,2014 against USD 54.39 per Re. as on 31st March,2013.
- 2 The principal is repayable in 28 quarterly instalments. The company has repaid 5 quarterly instalments, 4 instalments being repaid during the current Financial Year amounting to Rs. 7,82,18,608. Total amount repayable towards principal during the financial year 2014-2015 is USD 14,64,480 (Rs.8,80,15,248 on conversion @ Rs..60.10 per USD as on 31st March,2014) and the same has been classified under Other Current Liabilities.

### 2.3 (b) Car Loan from Bank

Car loan from Axis Bank Ltd is secured against hypothecation of Car. The loan was taken during the Financial Year 2012-13 and is repayable in monthly installment of Rs. 2,15,263/- each. Accordingly due with in a year is Rs 25,83,156/- which is clasified under Other Current Liabilities.

### 2.3 (c) Deferred Sales Tax

- 1 Deferred Sales Tax Loan is interest free , repayment of which started from Financial Year 2013-14. An amount of Rs.10,82,565/- is repaid during the current Financial Year. Accordingly due with in a Year is Rs. 1,01,54,409/- which is classified under Other Current Liabilities.

| Note : 2.4<br>Short-Term Borrowings | Sub<br>Note | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|-------------------------------------|-------------|--------------------------|--------------------------|
| Buyers Credit from Bank             | 2.4(a)      | <b>158,622,972</b>       | 46,827,522               |
| <b>TOTAL</b>                        |             | <b>158,622,972</b>       | 46,827,522               |

- 2.4 (a) Buyers Credit is secured by hypothecation of stocks, Debtors and first charge on pari-passu basis on specific fixed assets of the company respectively and personal guarantee of the Managing Directors.

| Note : 2.5<br>Trade Payables | Sub<br>Note | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|------------------------------|-------------|--------------------------|--------------------------|
| Sundry Creditors-Others      | 2.5(a)      | <b>22,805,626</b>        | 40,663,745               |
| <b>TOTAL</b>                 |             | <b>22,805,626</b>        | 40,663,745               |

## A. Notes to Balance Sheet

(Amount in ₹)

| 2.5 (a) Due to Related Parties<br>Name of the Company | Balance as<br>on 31.03.2014 | Balance as<br>on 31.03.2013 |
|---|-----------------------------|-----------------------------|
| Surana Ventures Limited                               | -                           | 29,768,219                  |
|   | -                           | 29,768,219                  |

2.5 (b) Letters seeking confirmation of year-end balances are sent to the concerned parties. The Balances are subject to confirmation and reconciliation. Further, as per the information about the industrial status of the Creditor there are no dues to any micro and small enterprises under the micro small and medium enterprises development act 2006

| Note : 2.6<br>Current Liabilities                      | Sub<br>Note | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|--|-------------|--------------------------|--------------------------|
| (a) Current Maturities on Long Term Debt               |             |                          |                          |
| (i) Term loan - ICICI Bank                             | 2.6(a)      | 88,015,248               | 71,687,760               |
| (ii) Car loan - Axis Bank                              |             | 2,583,156                | 2,583,156                |
| (iii) Deferred Sales Tax                               | 2.6(b)      | 10,154,409               | 1,082,565                |
| (b) Provision for Interest on Term Loan                | 2.6(c)      | 10,381,000               | 10,434,000               |
| (c) Provision for Interest on Buyers Credit from Banks |             | 1,422,836                | 482,959                  |
| (d) Unclaimed Dividends                                |             | 1,948,143                | 1,798,641                |
| (e) Lease Deposits                                     |             | 3,126,000                | 3,126,000                |
| (f) Other Liabilities                                  |             | 14,812,003               | 9,100,803                |
| (g) Advance from Customers                             |             | 11,067,662               | 5,803,231                |
| <b>TOTAL</b>   |             | <b>143,510,457</b>       | <b>106,099,115</b>       |

### Notes:

#### Current maturities on long term debt

2.6 (a) The principal amount of ECB from ICICI Bank repayable during the Financial Year 2014-2015 is grouped under the head Current Liabilities (Also See Note.2.3(a))

2.6 (b) The amount of Deferred Sales Tax repayable during the Financial Year 2014-2015 is grouped under the head Current Liabilities (Also See Note.2.3 (c))

#### Provision for Interest on Term Loan

2.6 (c) Provision for interest on ECB from ICICI Bank has been made till 31.03.2014. Payment of interest is due on 15th April, 2014

| Note : 2.7<br>Short-Term Provisions       | Sub<br>Note | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|---|-------------|--------------------------|--------------------------|
| (a) Provision for Employee Benefits-Bonus |             | 600,000                  | 500,000                  |
| (b) Proposed Dividend                     | 2.7(a)      | 19,197,000               | 25,596,000               |
| (c) Tax on Dividend                       |             | 3,262,500                | 4,350,000                |
| <b>TOTAL</b>                              |             | <b>23,059,500</b>        | <b>30,446,000</b>        |

2.7 (a) The Board of Directors have recommended a dividend of Rs. 0.30 per share for the year ended 31st March, 2014 (Previous Year Rs.0.40 per share).

**A. Notes to Balance Sheet**

**ASSETS**

**NOTE : 2.8 TANGIBLE ASSETS**

| Particulars               | (Amount in ₹) |               |                   |                      |                   |                  |                         |                  |             |                      |           |         |               |
|---------------------------|---------------|---------------|-------------------|----------------------|-------------------|------------------|-------------------------|------------------|-------------|----------------------|-----------|---------|---------------|
|                           | Freehold Land | Leaseold Land | Factory Buildings | Commercial Buildings | Plant & Machinery | Wind Power Plant | Electrical Installation | Office Equipment | Vehicles    | Furniture & Fixtures | Computer  | Library | Grand Total   |
| <b>A. Gross Block</b>     |               |               |                   |                      |                   |                  |                         |                  |             |                      |           |         |               |
| At 1st April, 2012        | 193,033,579   | 11,585,094    | 30,358,434        | 28,259,135           | 250,106,423       | 664,318,374      | 31,519,078              | 13,217,262       | 30,839,269  | 15,899,723           | 6,603,882 | 2,010   | 1,275,742,263 |
| Additions                 | 7,887,018     | -             | -                 | -                    | 11,004,510        | -                | -                       | 987,723          | 9,378,449   | 6,120                | 56,500    | -       | 29,320,320    |
| Disposals                 | (41,601,885)  | (512,630)     | -                 | -                    | (1,477,484)       | (109,623,465)    | -                       | -                | (2,515,156) | -                    | -         | -       | (155,730,620) |
| At 31st March, 2013       | 159,318,712   | 11,072,464    | 30,358,434        | 28,259,135           | 259,633,449       | 554,694,909      | 31,519,078              | 14,204,985       | 37,702,562  | 15,905,843           | 6,660,382 | 2,010   | 1,149,331,963 |
| Additions                 | 921,538       | -             | 308,694           | -                    | 283,358,878       | -                | 313,631                 | 1,011,404        | 2,571,544   | -                    | 99,300    | -       | 288,584,989   |
| Disposals                 | (1,900,000)   | (512,630)     | -                 | -                    | (41,710,186)      | (83,255,769)     | -                       | -                | (4,336,038) | -                    | -         | -       | (131,714,623) |
| At 31st March, 2014       | 158,340,250   | 10,559,834    | 30,667,128        | 28,259,135           | 501,282,141       | 471,439,140      | 31,832,709              | 15,216,389       | 35,938,068  | 15,905,843           | 6,759,682 | 2,010   | 1,306,202,329 |
| <b>B. Depreciation</b>    |               |               |                   |                      |                   |                  |                         |                  |             |                      |           |         |               |
| At 1st April, 2012        | -             | -             | 3,248,056         | 21,428,353           | 176,613,725       | 157,223,276      | 22,402,327              | 8,639,023        | 22,277,909  | 9,160,635            | 6,098,244 | 2,010   | 427,093,558   |
| Charge for the Year       | -             | -             | 1,355,519         | 683,078              | 21,289,864        | 32,181,951       | 2,525,398               | 727,857          | 4,120,067   | 1,220,606            | 216,435   | -       | 64,320,774    |
| Disposals                 | -             | -             | -                 | -                    | (641,717)         | (14,835,028)     | -                       | -                | (2,492,018) | -                    | -         | -       | (17,968,764)  |
| At 31st March, 2013       | -             | -             | 4,603,575         | 22,111,432           | 197,261,872       | 174,570,198      | 24,927,725              | 9,366,880        | 23,905,957  | 10,381,242           | 6,314,678 | 2,010   | 473,445,569   |
| Charge for the Year       | -             | -             | 1,291,718         | 614,770              | 28,859,223        | 29,047,020       | 1,869,941               | 758,399          | 3,916,561   | 999,953              | 156,890   | -       | 67,514,474    |
| Disposals                 | -             | -             | -                 | -                    | (41,293,950)      | (20,243,584)     | -                       | -                | (3,517,913) | -                    | -         | -       | (65,055,447)  |
| At 31st March, 2014       | -             | -             | 5,895,293         | 22,726,202           | 184,827,144       | 183,373,634      | 26,797,667              | 10,125,279       | 24,304,605  | 11,381,194           | 6,471,568 | 2,010   | 475,904,596   |
| <b>C. Net Block (A-B)</b> |               |               |                   |                      |                   |                  |                         |                  |             |                      |           |         |               |
| At 31st March, 2013       | 159,318,712   | 11,072,464    | 25,754,859        | 6,147,703            | 62,371,577        | 380,124,711      | 6,591,353               | 4,838,105        | 13,796,605  | 5,524,601            | 345,704   | -       | 675,886,394   |
| At 31st March, 2014       | 158,340,250   | 10,559,834    | 24,771,835        | 5,532,933            | 316,454,996       | 288,065,506      | 5,035,042               | 5,091,110        | 11,633,463  | 4,524,649            | 288,114   | -       | 830,297,732   |

## A. Notes to Balance Sheet

| Note : 2.9<br>Non-current Investments  | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|--|--------------------------|--------------------------|
| <b>A) UNQUOTED SECURITIES</b>  |                          |                          |
| <b>1) In Equity Instruments</b>  |                          |                          |
| <b>a) In companies under the same Management</b>   |                          |                          |
| Bhagyanagar Infrastructure Limited<br>27,50,000 Equity share of Rs 10 each fully<br>paid up - (P Y 27,50,000)                    | <b>18,330,000</b>        | 18,330,000               |
| Surana Infocom Private Limited<br>1,25,000 Equity share of Rs 10 each fully paid up ( PY NIL)                                    | <b>100,500,000</b>       | 100,500,000              |
| <b>SUB - TOTAL</b>   | <b>118,830,000</b>       | 118,830,000              |
| <b>b) In Subsidiary Companies</b>  |                          |                          |
| Bhagyanagar Properties Pvt. Limited<br>40,00,000 Equity shares of Rs 10each fully<br>paid up (P Y 40,00,000)                     | <b>40,000,000</b>        | 40,000,000               |
| Bhagyanagar Metals Limited<br>50,000 Equity shares of Rs 10each fully paid up (P Y 50,000)                                       | <b>500,000</b>           | 500,000                  |
| Scientia Infocom India Pvt. Limited<br>30,04,000 Equity shares of Rs 10each fully<br>paid up (P Y 30,04,000)                     | <b>30,400,000</b>        | 30,400,000               |
| Metropolitan Ventures India Limited 2.9(a)<br>5,00,000 Equity shares of Rs 10each fully<br>paid up (P Y 3,70,000)                | <b>5,649,910</b>         | 3,700,000                |
| Solar Dynamics Private Limited 2.9(b)<br>14,80,000 Equity shares of Rs 10 each fully paid up (P Y nil)                           | <b>14,800,000</b>        | 74,000                   |
| <b>SUB - TOTAL</b>   | <b>91,349,910</b>        | 74,674,000               |
| <b>c) In Associate Companies</b>   |                          |                          |
| Bhagyanagar Entertainment and Infra<br>Development Co. Pvt. Ltd.<br>23,500 Equity share of Rs 10 each fully paid up (P Y 23,500) | <b>235,000</b>           | 235,000                  |
| Globecom Infraventures India Pvt Ltd<br>NIL Equity share of Rs 10 each fully paid up (P Y 12500)                                 | <b>50,000</b>            | 50,000                   |
| GMS Realtors Pvt. Limited<br>5000 Equity share of Rs 10 each fully paid up (PY 5000)   | <b>50,000</b>            | 50,000                   |
| <b>SUB - TOTAL</b>   | <b>335,000</b>           | 335,000                  |
| <b>d) In other Companies</b>   |                          |                          |
| Mana Effluent Treatment Plant<br>200 Equity share of Rs 1000 each fully paid up  | <b>200,000</b>           | -                        |
| <b>SUB - TOTAL</b>   | <b>200,000</b>           | -                        |

## A. Notes to Balance Sheet

|  | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|--|--------------------------|--------------------------|
| <b>B) QUOTED SECURITIES</b>  |                          |                          |
| 1) <b>In Equity Instruments</b>  |                          |                          |
| a) <b>In companies under the same management</b>   |                          |                          |
| Surana Telecom and Power Limited<br>18,71,462 Equity share of Rs 5 each fully<br>paid up (P Y 18,56,462) | 15,037,235               | 14,767,198               |
| Surana Ventures Limited<br>57,87,946 Equity share of Rs 10 each fully<br>paid up (P Y 57,87,946)         | 44,100,000               | 44,100,000               |
| <b>SUB - TOTAL</b>   | <b>59,137,235</b>        | <b>58,867,198</b>        |
| b) <b>In other Companies</b>   |                          |                          |
| Indosolar Limited<br>5000 Equity share of Rs 10 each fully paid up (P Y 5000)                            | 106,258                  | 106,258                  |
| Megasoft Limited<br>1500 Equity share of Rs 10 each fully paid up (P Y 1500)                             | 71,385                   | 71,385                   |
| Sree Sakthi Paper Mills Limited<br>1000 Equity share of Rs 10 each fully paid up (PY 1000)               | 30,000                   | 30,000                   |
| Shree Vasavi Industries Ltd<br>14000 Equity share of Rs 10 each fully paid up (P Y 14000)                | 45,175                   | 45,175                   |
| Sampre Nutrition Ltd<br>26650 Equity share of Rs 10 each fully paid up (P Y 26650)                       | 266,500                  | 266,500                  |
| <b>SUB - TOTAL</b>   | <b>519,318</b>           | <b>519,318</b>           |
| <b>Aggregate Market value of quoted investments Rs 12,76,04,715</b>                                      |                          |                          |
| <b>GRAND TOTAL</b>   | <b>270,371,463</b>       | <b>253,225,516</b>       |

### Notes:

- 2.9 (a) During the year, the company acquired 1,30,000 shares at the rate of Rs.15 each in Metropolitan Ventures India Limited making it a wholly owned subsidiary of the company.
- 2.9 (b) During the year, the company acquired 14,72,600 shares at the rate of Rs.10 each in Solar Dynamics Private Limited by way of conversion of loan into equity.

|   | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|---|--------------------------|--------------------------|
| <b>Note : 2.10</b>  |                          |                          |
| <b>Deferred Tax Assets (Net)</b>  |                          |                          |
| Deferred Tax Asset at the beginning of the year                             | 3,756,059                | 890,059                  |
| Less: Deferred Tax (Liability) for the year-on account of timing difference | 1,654,313                | 2,866,000                |
| <b>TOTAL</b>  | <b>5,410,372</b>         | <b>3,756,059</b>         |

## A. Notes to Balance Sheet

| <b>Note : 2.11</b>   | <b>Sub</b>  | <b>As at</b>         | <b>As at</b>         |
|--|-------------|----------------------|----------------------|
| <b>Long-Term Loans and Advances</b>                          | <b>Note</b> | <b>31.03.2014</b>    | <b>31.03.2013</b>    |
|  |             | ₹                    | ₹                    |
| (a) Statutory Advances                                       |             |                      |                      |
| (i) Taxes Paid Under Protest                                 |             | <b>16,353,076</b>    | 23,153,076           |
| (b) Security Deposits  |             |                      |                      |
| (i) Deposits   |             | <b>11,723,652</b>    | 10,451,526           |
| (c) Loans and Advances to Related Parties                    |             |                      |                      |
| (i) Loans to Associate & Others                              | 2.11(a)     | <b>96,126,444</b>    | 3,371,054            |
| (ii) Advances to Subsidiary Co's                             | 2.11(b)     | <b>1,117,986,666</b> | 1,005,727,271        |
| (d) Others   |             |                      |                      |
| (i) MAT Credit Entitlement                                   |             | <b>7,749,635</b>     | 8,899,687            |
| <b>TOTAL</b>   |             | <b>1,249,939,473</b> | 1,051,602,614        |
| <b>2.11 (a) Loans to Associate &amp; others: It includes</b> |             | <b>Balance as on</b> | <b>Balance as on</b> |
| <b>Name of the Company</b>                                   |             | <b>31.03.2014</b>    | <b>31.03.2013</b>    |
| Bhagyanagar Infrastructure Limited                           |             | -                    | 3,371,054            |
| Surana Ventures Limited                                      |             | <b>96,126,444</b>    | -                    |
| <b>TOTAL</b>   |             | <b>96,126,444</b>    | 3,371,054            |
| <b>2.11 (b) Advances to Subsidiary Co.s: It includes</b>     |             | <b>Balance as on</b> | <b>Balance as on</b> |
| <b>Name of the Company</b>                                   |             | <b>31.03.2014</b>    | <b>31.03.2013</b>    |
| Scientia Infocom India Pvt. Ltd                              |             | <b>235,834,332</b>   | 214,893,739          |
| Bhagyanagar Properties Pvt. Ltd (Wholly Owned)               |             | <b>563,924,048</b>   | 585,414,048          |
| Metropolitan Ventures India Pvt. Ltd (Wholly Owned)          |             | <b>65,339,773</b>    | 64,423,109           |
| Bhagyanagar Metals Ltd (Wholly Owned)                        |             | <b>5,700,000</b>     | 5,700,000            |
| Solar Dynamics Pvt.Limited                                   |             | <b>247,188,513</b>   | 135,296,375          |
| <b>TOTAL</b>   |             | <b>1,117,986,666</b> | 1,005,727,271        |
| <b>Note : 2.12</b>   |             | <b>As at</b>         | <b>As at</b>         |
| <b>Current Investments</b>                                   |             | <b>31.03.2014</b>    | <b>31.03.2013</b>    |
|  |             | ₹                    | ₹                    |
| (a) <b>Investment in Mutual Funds</b>                        |             |                      |                      |
| Reliance Money Manager fund-institutional Plan               |             | -                    | 5,500,000            |
| UTI Floating Rate Plan                                       |             | <b>3,500,000</b>     | 9,500,000            |
| <b>TOTAL</b>   |             | <b>3,500,000</b>     | 15,000,000           |



## A. Notes to Balance Sheet

| <b>Note : 2.13</b> | <b>As at</b>      | <b>As at</b>      |
|--------------------|-------------------|-------------------|
| <b>Inventories</b> | <b>31.03.2014</b> | <b>31.03.2013</b> |
|                    | ₹                 | ₹                 |

(At cost or net realisable value whichever is lower)  
As taken, valued and certified by the management

|                                 |                    |             |
|---------------------------------|--------------------|-------------|
| Raw Materials                   | <b>106,501,344</b> | 274,416,529 |
| Finished Goods                  | <b>1,345,256</b>   | 1,729,652   |
| Material - In - Transit         | -                  | 4,085,938   |
| Closing Stock - Stores & Spares | <b>3,857,218</b>   | -           |
| Closing Stock - Traded Goods    | <b>3,138,654</b>   | -           |
| <b>TOTAL</b>                    | <b>114,842,472</b> | 280,232,119 |

| <b>Note : 2.14</b>       | <b>As at</b>      | <b>As at</b>      |
|--------------------------|-------------------|-------------------|
| <b>Trade Receivables</b> | <b>31.03.2014</b> | <b>31.03.2013</b> |
|                          | ₹                 | ₹                 |

|  |                    |             |
|--|--------------------|-------------|
| (a) Aggregate amount of Trade Receivables outstanding for a period less than six months      |                    |             |
| Unsecured, considered good   | <b>319,249,811</b> | 247,457,311 |
| (b) Aggregate amount of Trade Receivables outstanding for a period exceeding than six months |                    |             |
| Unsecured, considered good   | <b>2,149,215</b>   | 16,910,264  |
| <b>TOTAL</b>   | <b>321,399,026</b> | 264,367,575 |

**Notes:** In case of Trade Receivables Letters of Confirmation of year end balances are sent. Hence, the balances as on the date of Balance Sheet are subject to Confirmation and Reconciliation.

| <b>Note : 2.15</b>               | <b>As at</b>      | <b>As at</b>      |
|----------------------------------|-------------------|-------------------|
| <b>Cash and Cash Equivalents</b> | <b>31.03.2014</b> | <b>31.03.2013</b> |
|                                  | ₹                 | ₹                 |

|   |                    |            |
|---|--------------------|------------|
| (a) Balance With Banks                            |                    |            |
| In Current Account                                | <b>75,363,056</b>  | 50,327,591 |
| In Dividend Account                               | <b>1,948,144</b>   | 1,798,641  |
| Deposit Held To The Extent Of Margin Money        | <b>2,635,204</b>   | 5,827,251  |
| Maturity Of Deposits Less Than 12 Months          | <b>182,004,877</b> | 32,770,465 |
| (b) Cash On Hand                                  | <b>972,900</b>     | 481,482    |
| (c) Accrued Interest On Fixed Deposits With Banks | <b>1,016,594</b>   | 5,298,707  |
| <b>TOTAL</b>                                      | <b>263,940,775</b> | 96,504,137 |

## A. Notes to Balance Sheet

| <b>Note : 2.16</b>  | <b>Sub</b>  | <b>As at</b>      | <b>As at</b>      |
|---|-------------|-------------------|-------------------|
| <b>Short-Term Loans and Advances</b>                            | <b>Note</b> | <b>31.03.2014</b> | <b>31.03.2013</b> |
|   |             | ₹                 | ₹                 |
| (i) Loans And Advances To Related Parties - Associates & Others | 2.16(a)     | -                 | 53,909            |
| (ii) Sundry Advances - Infrastructure                           |             | -                 | 21,000,000        |
| (iii) Advances To Suppliers                                     |             | <b>39,508,698</b> | 60,429,844        |
| (iv) Sundry Advances  |             | <b>14,044,995</b> | 11,728,005        |
| <b>TOTAL</b>  |             | <b>53,553,693</b> | 93,211,758        |

### 2.16 (a) Loans to Associate & others: It includes

| <b>Name of the Company</b>  | <b>Balance as on</b> | <b>Balance as on</b> |
|---|----------------------|----------------------|
|   | <b>31.03.2014</b>    | <b>31.03.2013</b>    |
|   | ₹                    | ₹                    |
| Bhagyanagar Entertainment & Infra Development Company Pvt Limited | -                    | 53,909               |
|   | -                    | 53,909               |

| <b>Note : 2.17</b>  | <b>Sub</b>  | <b>As at</b>      | <b>As at</b>      |
|---|-------------|-------------------|-------------------|
| <b>Other Current Assets</b>                                     | <b>Note</b> | <b>31.03.2014</b> | <b>31.03.2013</b> |
|   |             | ₹                 | ₹                 |
| (i) Loans Against pledge of Securities Secured, considered good |             | <b>63,159,700</b> | 65,346,226        |
| (ii) Balances with Statutory Authorities                        |             | <b>15,303,836</b> | 44,932,838        |
| (iii) Income tax Receivable(TDS and Advance Tax)                | 2.17(a)     | <b>21,003,282</b> | 6,837,133         |
| (iv) Deferred Revenue Expenditure                               | 2.17(b)     | -                 | 5,520,653         |
| <b>TOTAL</b>  |             | <b>99,466,818</b> | 122,636,850       |

### Notes:

#### 2.17 (a) Income tax Receivable(TDS and Advance Tax)

During the current Financial Year, the company won appeals relating to Assessment Year 2008-2009 and 2009-2010 pending before ITAT. Consequently, tax amount of Rs.68,00,000 which was paid under protest pending appeal, is transferred to Income Tax Receivable Account.

#### 2.17 (b) Deferred Revenue Expenditure

Represents Processing fees paid to ICICI Bank for availing ECB which is amortised over a period of 3 years starting from Financial Year 2011-2012. Current Financial Year being the last year of Amortisation, balance expenditure amounting to Rs. 55,20,653 has been charged off to Profit & Loss Account during the current Financial Year. [Refer Note No.2.23(a)]

## B. Notes to Profit & Loss Account

| <b>Note: 2.18</b>                    |  | <b>For the year</b>  | <b>For the year</b>  |
|--------------------------------------|--|----------------------|----------------------|
| <b>Revenue From Operations</b>       |  | <b>31.03.2014</b>    | <b>131.03.2013</b>   |
|                                      |  | ₹                    | ₹                    |
| <b>(a) Sale of Products</b>          |  |                      |                      |
| Copper Products                      |  | 2,531,713,456        | 2,204,764,684        |
| Sale of Wind Power                   |  | 70,239,872           | 96,939,347           |
| Sale of Solar Power                  |  | 6,069,714            |                      |
| Sale of Traded Goods                 |  | 14,330,184           | -                    |
| Scrap & Misc Sales                   |  | 606,775              | 29,811               |
| <b>SUB - TOTAL</b>                   |  | <b>2,622,960,001</b> | <b>2,301,733,842</b> |
| Less: Inter-Unit Sales               |  | 282,642              | 2,002,008            |
| <b>GROSS SALES</b>                   |  | <b>2,622,677,359</b> | <b>2,299,731,834</b> |
| Less: Excise duty                    |  | 265,915,580          | 239,432,450          |
| <b>NET SALES</b>                     |  | <b>2,356,761,779</b> | <b>2,060,299,384</b> |
| (b) Infrastructure Leasing and Sales |  | 5,442,885            | 7,308,580            |
| <b>TOTAL</b>                         |  | <b>2,362,204,664</b> | <b>2,067,607,964</b> |

| <b>Note: 2.19</b>                         | <b>Sub</b>  | <b>For the year</b> | <b>For the year</b> |
|---|-------------|---------------------|---------------------|
| <b>Other Income</b>                       | <b>Note</b> | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|   |             | ₹                   | ₹                   |
| <b>(a) Interest Income</b>                |             |                     |                     |
| Interest on Loans, Deposits and Others    | 2.19(a)     | 55,274,525          | 67,963,697          |
| Interest from Trade Debtors and Creditors |             | 1,450,856           | 5,773,319           |
| (b) Dividend Income                       |             | 9,189,454           | 5,074,428           |
| (c) Profit on Sale of Sundry Assets       |             | 1,445,436           | 1,456,465           |
| (d) Profit on sale of Investments         |             | 22,568              | -                   |
| (e) Other Non-Operating Income            |             |                     |                     |
| Miscellaneous Income                      |             | 250,000             | 357,750             |
| Rental Income                             |             | 106,000             | 90,000              |
| Balances no Longer Payable Written Back   |             | 278,382             | 631,105             |
| Balances Written Off now recovered        |             | 12,990,530          | -                   |
| <b>TOTAL</b>                              |             | <b>81,007,751</b>   | <b>81,346,764</b>   |

### 2.19 (a) Interest on Loans, Deposits and Others

Interest amounting to Rs.2,12,32,366/- has been Debited to Subsidiary Companies and is reflected in Advances to Subsidiary Companies

## B. Notes to Profit & Loss Account

| <b>Note: 2.20</b>                     | <b>For the year</b>  | <b>For the year</b>  |
|---------------------------------------|----------------------|----------------------|
| <b>Cost of Raw Material Consumed</b>  | <b>31.03.2014</b>    | <b>31.03.2013</b>    |
|                                       | ₹                    | ₹                    |
| Opening Stock Raw Materials           | 274,416,529          | 180,768,600          |
| Opening Stock Material - In - Transit | 4,085,938            | 10,195,433           |
| Add:Purchases net of Modvat           | 1,711,941,567        | 1,692,194,106        |
| Less:Closing Stock Raw Materials      | 106,501,344          | 274,416,529          |
| Less:Material - In - Transit          | -                    | 4,085,938            |
| Less:Inter-Unit Purchases             | 282,642              | 2,002,008            |
| <b>Raw Material Consumed</b>          | <b>1,883,660,048</b> | <b>1,602,653,664</b> |

| <b>Note: 2.21</b>                   | <b>For the year</b> | <b>For the year</b> |
|-------------------------------------|---------------------|---------------------|
| <b>Changes in Inventories</b>       | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|                                     | ₹                   | ₹                   |
| Opening Stock WIP                   | -                   | -                   |
| Opening Stock Finished Goods        | 1,729,652           | 9,166,441           |
| Add:Purchases of Traded Goods       | 16,435,158          | -                   |
| Less: Closing Stock WIP             | -                   | -                   |
| Less: Closing Stock Finished Goods  | 1,345,256           | 1,729,652           |
| Less: Closing Stock Traded Goods    | 3,138,654           | -                   |
| <b>(Increase)/Decrease in Stock</b> | <b>13,680,900</b>   | <b>7,436,789</b>    |

| <b>Note: 2.22</b>                           | <b>For the year</b> | <b>For the year</b> |
|---|---------------------|---------------------|
| <b>Employee Benefits Expense</b>            | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|   | ₹                   | ₹                   |
| Salaries, Wages and Other Employee Benefits | 46,255,537          | 42,359,093          |
| Contribution To Provident And Other Funds   | 2,209,766           | 3,902,293           |
| <b>TOTAL</b>                                | <b>48,465,303</b>   | <b>46,261,386</b>   |

| <b>Note: 2.23</b>     | <b>Sub</b>  | <b>For the year</b> | <b>For the year</b> |
|-----------------------|-------------|---------------------|---------------------|
| <b>Finance Costs</b>  | <b>Note</b> | <b>31.03.2013</b>   | <b>31.03.2012</b>   |
|                       |             | ₹                   | ₹                   |
| Interest Expense      |             |                     |                     |
| Cash Credit & Others  |             | 5,130,222           | 6,401,419           |
| Other Borrowing Costs |             |                     |                     |
| Medium Term Loan      |             | -                   | 2,012,281           |
| Long Term Loan        |             | 58,802,106          | 51,337,177          |
| Financial Charges     | 2.23(a)     | 13,630,270          | 10,678,738          |
| <b>TOTAL</b>          |             | <b>77,562,598</b>   | <b>70,429,615</b>   |

### 2.23 (a) Financial Charges

Financial Charges includes Rs.55,20,653 towards amortisation of Deferred Revenue Expenditure.

## B. Notes to Profit & Loss Account

| <b>Note: 2.24</b>                             | <b>Sub</b>  | <b>For the year</b> | <b>For the year</b> |
|---|-------------|---------------------|---------------------|
| <b>Depreciation and Amortisation Expenses</b> | <b>Note</b> | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|   |             | ₹                   | ₹                   |
| Depreciation                                  |             | 67,514,474          | 64,320,774          |
| Amortisation Expenses - Lease Rent            |             | 512,630             | 512,630             |
| <b>TOTAL</b>                                  |             | <b>68,027,104</b>   | <b>64,833,404</b>   |
| <b>Note: 2.25</b>                             | <b>Sub</b>  | <b>For the year</b> | <b>For the year</b> |
| <b>Other Expenses</b>                         | <b>Note</b> | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|   |             | ₹                   | ₹                   |
| Consumption Of Stores And Spare Parts         |             | 7,468,796           | 9,203,532           |
| Power And Fuel                                |             | 70,353,306          | 72,033,127          |
| Rent  |             | 2,881,920           | 2,846,456           |
| Repairs                                       |             | -                   | -                   |
| Buildings                                     |             | 2,145,579           | 947,340             |
| Machinery                                     |             | 28,326,331          | 31,417,420          |
| Others  |             | 3,394,347           | 2,956,134           |
| Insurance                                     |             | 1,714,569           | 1,668,046           |
| Rates And Taxes                               |             | 2,592,145           | 2,031,179           |
| Packing And Forwarding                        |             | 17,073,383          | 11,471,782          |
| Remuneration To Directors                     |             | 12,540,000          | 11,556,000          |
| Loss on                                       |             |                     |                     |
| Sale Of Fixed Asset                           |             | -                   | 19,021,634          |
| Sale Of Investment                            |             | -                   | 68,502              |
| Foreign Exchange Fluctuation                  |             | 15,194,582          | 7,823,165           |
| Payment Fraud                                 |             | -                   | 2,261,464           |
| Taxes Paid                                    |             |                     |                     |
| Service Tax                                   |             | 549,422             | 518,006             |
| Sales Tax                                     |             | 104,568,192         | 94,756,309          |
| Entry Tax                                     |             | -                   | -                   |
| Other Miscellaneous Expenses                  |             | 30,355,103          | 29,286,904          |
| Sitting Fees To Directors                     |             | 364,899             | 432,358             |
| Payments To The Auditor                       |             |                     |                     |
| for Statutory Audit                           |             | 260,000             | 260,000             |
| for Tax Audit                                 |             | 70,000              | 70,000              |
| for Taxation/Other Matters                    |             | 70,000              | 70,000              |
| for Reimbursement Of Expenses                 |             | 40,000              | 40,000              |
| <b>TOTAL</b>                                  |             | <b>299,962,574</b>  | <b>300,739,358</b>  |

(All amounts in Rupees, except share data and unless otherwise stated)

| <b>Note: 2.26</b>   | <b>As at</b>        | <b>As at</b>        |
|---|---------------------|---------------------|
| <b>Commitments and Contingent Liabilities</b>   | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|   | <b>₹</b>            | <b>₹</b>            |
| (i) Counter Guarantees given to the Banks against Guarantee issued by them                              | <b>33,600,000</b>   | 28,650,000          |
| (ii) Letters of Credit opened by Banks  | <b>44,884,679</b>   | -                   |
| (iii) Customs Duty/Excise Duty matters under Dispute (Net of Taxes Paid under Protest)                  | <b>12,523,787</b>   | 12,569,007          |
| (iv) Demand raised by Income-Tax Authorities contested by the Company (Net of Taxes Paid under Protest) | 13,733,766          | 13,733,766          |
| <b>Note: 2.27</b>   | <b>For the year</b> | <b>For the year</b> |
| <b>Earnings Per Share (EPS)</b>   | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|   | <b>₹</b>            | <b>₹</b>            |
| <b>Earnings</b>   |                     |                     |
| Net profit after tax for the period   | <b>26,346,400</b>   | 41,261,763          |
| <b>Shares</b>   |                     |                     |
| Number of shares at the beginning of the year   | <b>63,990,000</b>   | 63,990,000          |
| Less: Shares bought back during the year.   | -                   | -                   |
| Number of shares at the end of the year.  | <b>63,990,000</b>   | 63,990,000          |
| Weighted average no. of Equity shares - <b>Basic</b>  | <b>63,990,000</b>   | 63,990,000          |
| Add: Undiluted effect of potential equity shares on conversion of FCCB                                  | -                   | -                   |
| Weighted average no. of Equity shares - <b>Diluted</b>  | <b>63,990,000</b>   | 63,990,000          |
| Nominal Value of each equity share (Rs.)  | <b>2</b>            | 2                   |
| Earnings Per Share (EPS) - <b>Basic</b> (Rs.)   | <b>0.41</b>         | 0.64                |
| Earnings Per Share (EPS) - <b>Diluted</b> (Rs.)   | <b>0.41</b>         | 0.64                |

**Note: 2.28**

**Related Party Disclosures**

**A. Relationship**

| Entities in which directors are interested                                       | Subsidiary companies             | Associates                      | Key Management Personnel | Relatives of Key management personnel |
|--|----------------------------------|---------------------------------|--------------------------|---------------------------------------|
| Surana Telecom and Power Limited   | Metropolitan Ventures India Ltd. | B E I D C P L                   | G M Surana               | Namrata Surana                        |
| Innova Technologies Pvt. Limited   | Bhagyanagar Properties Pvt Ltd   | Globecom Infra ventures Pvt Ltd | Narender Surana          | Nivriti Surana                        |
| Value Infrastructure & Properties Pvt Ltd  | Scientia Infocom India Pvt. Ltd  |                                 | Devendra Surana          |                                       |
| Bhagyanagar Energy & Telecom Pvt Ltd   | Bhagyanagar Metals Ltd           |                                 | Narender Munoth          |                                       |
| Bhagyanagar Infrastructure Ltd   | Solar Dynamics Private Limited   |                                 |                          |                                       |
| Bhagyanagar Entertainment Limited  |                                  |                                 |                          |                                       |
| Every Time Foods Industries Private Limited                                      |                                  |                                 |                          |                                       |
| Surana Infocom Private. Limited  |                                  |                                 |                          |                                       |
| Surana Solar Systems Private Limited   |                                  |                                 |                          |                                       |
| Celestial Solar Solutions Private Limited  |                                  |                                 |                          |                                       |
| Andhra Electro Galvanising Works   |                                  |                                 |                          |                                       |
| Tranquil Avenues India Private Limited   |                                  |                                 |                          |                                       |
| Royal Skyscrapers India Private Limited  |                                  |                                 |                          |                                       |
| Innova Infrastructure Private Limited  |                                  |                                 |                          |                                       |
| Majestic Logistics Private Limited   |                                  |                                 |                          |                                       |
| Innova Biotech India Private Limited   |                                  |                                 |                          |                                       |
| Epicentre entertainment Private. Limited   |                                  |                                 |                          |                                       |
| Bhagyanagar Ventures Private Limited   |                                  |                                 |                          |                                       |
| Surana Ventures Limited  |                                  |                                 |                          |                                       |
| Bhagyanagar Green Energy Limited (Formerly Known as Bhagyanagar Telecom Limited) |                                  |                                 |                          |                                       |



(Amount in ₹)

**B. Summary of significant Related Party Transactions**

| Nature of Transaction                  | Entities in which directors are interested |                   | Subsidiary companies |                    | Associates    |               | Key Management Personnel |               | Relatives of key management Personnel |               |
|--|--|-------------------|----------------------|--------------------|---------------|---------------|--------------------------|---------------|---------------------------------------|---------------|
|  | 2013-2014                                  | 2012-2013         | 2013-2014            | 2012-2013          | 2013-2014     | 2012-2013     | 2013-2014                | 2012-2013     | 2013-2014                             | 2012-2013     |
| <b>Sale of Goods</b>                   |  |                   |                      |                    |               |               |                          |               |                                       |               |
| Surana Telecom & Power Limited         | 19,016,410                                 | NIL               | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| Surana Ventures Limited                | 14,330,184                                 | NIL               | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| Surana Ventures Limited                | 4,686,226                                  | NIL               | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| <b>Sale of Wind Mill Unit</b>          |  |                   |                      |                    |               |               |                          |               |                                       |               |
| Solar Dynamics Private Limited         | 67,896,987                                 | 93,550,000        | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| <b>Purchase of Goods</b>               |  |                   |                      |                    |               |               |                          |               |                                       |               |
| Surana Ventures Limited                | -  | 164,444,549       | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| Surana Ventures Limited                | -  | 164,444,549       | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| <b>Interest Received</b>               |  |                   |                      |                    |               |               |                          |               |                                       |               |
| Surana Telecom & Power Limited         | <b>2,666,486</b>                           | <b>13,177,004</b> | <b>35,767,883</b>    | <b>30,085,597</b>  | <b>73,370</b> | <b>73,370</b> | <b>73,370</b>            | <b>73,370</b> | <b>73,370</b>                         | <b>73,370</b> |
| Surana Telecom & Power Limited         | NIL  | 873,495           | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| Surana Ventures Limited                | 2,586,080                                  | 3,343,143         | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| Bhagyanagar Infrastructure Limited     | 80,406                                     | 8,960,366         | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| Scientia Infocom India Private Limited | -  | -                 | 20,465,679           | 18,678,656         | -             | -             | -                        | -             | -                                     | -             |
| Metropolitan Ventures India Limited    | -  | -                 | 766,687              | 5,599,080          | -             | -             | -                        | -             | -                                     | -             |
| Solar Dynamics Private Limited         | -  | -                 | 14,535,517           | 5,807,861          | -             | -             | -                        | -             | -                                     | -             |
| Advantage Real Estate India Pvt Ltd    | -  | -                 | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| <b>Advances Given</b>                  |  |                   |                      |                    |               |               |                          |               |                                       |               |
| Surana Telecom & Power Limited         | <b>132,977,872</b>                         | <b>95,626,092</b> | <b>172,629,789</b>   | <b>171,968,939</b> | <b>73,370</b> | <b>73,370</b> | <b>73,370</b>            | <b>73,370</b> | <b>73,370</b>                         | <b>73,370</b> |
| Surana Telecom & Power Limited         | -  | 18,175,593        | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| Surana Ventures Limited                | 132,919,739                                | 52,800,000        | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| Bhagyanagar Infrastructure Limited     | 58,133                                     | 24,650,499        | -                    | -                  | -             | -             | -                        | -             | -                                     | -             |
| Scientia Infocom India Private Limited | -  | -                 | 2,521,481            | 1,465,517          | -             | -             | -                        | -             | -                                     | -             |
| Metropolitan Ventures India Limited    | -  | -                 | 226,646              | 446,251            | -             | -             | -                        | -             | -                                     | -             |
| Bhagyanagar Metals Limited             | -  | -                 | -                    | 5,700,000          | -             | -             | -                        | -             | -                                     | -             |
| Solar Dynamics Private Limited         | -  | -                 | 169,881,662          | 164,357,171        | -             | -             | -                        | -             | -                                     | -             |

(Amount in ₹)

| Nature of Transaction                 | Entities in which directors are interested |                    | Subsidiary companies |                   | Associates |           | Key Management Personnel |                   | Relatives of key management Personnel |                  |
|---------------------------------------|--|--------------------|----------------------|-------------------|------------|-----------|--------------------------|-------------------|---------------------------------------|------------------|
|                                       | 2013-2014                                  | 2012-2013          | 2013-2014            | 2012-2013         | 2013-2014  | 2012-2013 | 2013-2014                | 2012-2013         | 2013-2014                             | 2012-2013        |
| <b>Advances Received Back</b>         | <b>41,798,517</b>                          | <b>471,113,179</b> | <b>70,544,268</b>    | <b>34,287,871</b> | -          | -         | -                        | -                 | -                                     | -                |
| Surana Telecom & Power Limited        | -  | 96,087,179         | -                    | -                 | -          | -         | -                        | -                 | -                                     | -                |
| Surana Ventures Limited               | 38,296,965                                 | 202,800,000        | -                    | -                 | -          | -         | -                        | -                 | -                                     | -                |
| Bhayanagar Infrastructure Limited     | 3,501,552                                  | 172,226,000        | -                    | -                 | -          | -         | -                        | -                 | -                                     | -                |
| Solar Dynamics Private Limited        | -  | -                  | 70,544,268           | 34,287,871        | -          | -         | -                        | -                 | -                                     | -                |
| <b>Remuneration</b>                   | -  | -                  | -                    | -                 | -          | -         | <b>12,918,000</b>        | <b>11,556,000</b> | <b>1,080,000</b>                      | <b>1,080,000</b> |
| Narender Surana                       | -  | -                  | -                    | -                 | -          | -         | 4,800,000                | 4,800,000         | -                                     | -                |
| Devendra Surana                       | -  | -                  | -                    | -                 | -          | -         | 4,800,000                | 4,800,000         | -                                     | -                |
| Narender Munoth                       | -  | -                  | -                    | -                 | -          | -         | 2,940,000                | 1,620,000         | -                                     | -                |
| N.K.Reddy                             | -  | -                  | -                    | -                 | -          | -         | 378,000                  | 336,000           | -                                     | -                |
| Namrata Surana                        | -  | -                  | -                    | -                 | -          | -         | -                        | -                 | 600,000                               | 600,000          |
| Nivriti Surana                        | -  | -                  | -                    | -                 | -          | -         | -                        | -                 | 480,000                               | 480,000          |
| <b>Share Application Money Repaid</b> | -  | 1,700,000          | -                    | -                 | -          | -         | -                        | -                 | -                                     | -                |
| Stealth Energy Private Limited        | -  | 1,700,000          | -                    | -                 | -          | -         | -                        | -                 | -                                     | -                |
| <b>Rent Paid</b>                      | <b>821,520</b>                             | <b>821,520</b>     | -                    | -                 | -          | -         | <b>240,000</b>           | <b>240,000</b>    | -                                     | -                |
| Bhayanagar Ventures Limited           | 821,520                                    | 821,520            | -                    | -                 | -          | -         | 240,000                  | 240,000           | -                                     | -                |
| Devendra Surana                       | -  | -                  | -                    | -                 | -          | -         | -                        | -                 | -                                     | -                |

1. Figures in Bold represents the total figures in each case.

**Note: 2.29**

**Particulars of Loans and Advances in the nature of loans as required by Clause 32 of the listing Agreement.**

(Amount in ₹)

| Name of the Company  | Balance as at      |             | Maximum Outstanding during |             |
|--|--------------------|-------------|----------------------------|-------------|
|  | 31.03.2014         | 31.03.2013  | 31.03.2014                 | 31.03.2013  |
| <b>A. Subsidiaries</b>   |                    |             |                            |             |
| Bhagyanagar Properties Private Limited   | <b>563,924,048</b> | 585,414,048 | <b>585,414,048</b>         | 588,398,277 |
| Scientia Infocom India Private Limited   | <b>235,834,332</b> | 214,893,739 | <b>235,834,332</b>         | 214,893,739 |
| Metropolitan Ventures India Limited  | <b>65,339,773</b>  | 64,423,109  | <b>65,339,773</b>          | 64,423,109  |
| Bhagyanagar Metals Limited   | <b>5,700,000</b>   | 5,700,000   | <b>5,700,000</b>           | 5,700,000   |
| Solar Dynamics Private Limited   | <b>247,188,513</b> | 135,296,375 | <b>247,188,513</b>         | 160,296,444 |
| <b>B. Associates</b>   |                    |             |                            |             |
| Bhagyanagar Entertainment & Infra Development Co. Pvt.Ltd.   | -                  | 53,909      | <b>53,909</b>              | 53,909      |
| Globecom Infra-Ventures Pvt.Ltd.   | -                  | -           | -                          | -           |
| GMS Realtors Pvt. Ltd.   | -                  | -           | -                          | -           |
| Bhagyanagar Infrastructure Limited   | -                  | 3,371,054   | <b>3,492,908</b>           | 3,371,054   |
| <b>C. Advances in the nature of Loans where there is no repayment schedule</b>                       |                    |             |                            |             |
| Bhagyanagar Properties Private Limited   | <b>563,924,048</b> | 585,414,048 | <b>585,414,048</b>         | 588,398,277 |
| Scientia Infocom India Private Limited   | <b>235,834,332</b> | 214,893,739 | <b>235,834,332</b>         | 214,893,739 |
| Metropolitan Ventures India Limited  | <b>65,339,773</b>  | 64,423,109  | <b>65,339,773</b>          | 64,423,109  |
| Bhagyanagar Metals Limited   | <b>5,700,000</b>   | 5,700,000   | <b>5,700,000</b>           | 5,700,000   |
| Solar Dynamics Private Limited   | <b>247,188,513</b> | 135,296,375 | <b>247,188,513</b>         | 160,296,444 |
| <b>D. Advances in the nature of Loans where interest is below section 372A of Companies Act,1956</b> | <b>NIL</b>         | <b>NIL</b>  | <b>NIL</b>                 | <b>NIL</b>  |
| <b>E. Advances in the nature of Loans to Firms/Companies in which directors are interested</b>       | <b>NIL</b>         | <b>NIL</b>  | <b>NIL</b>                 | <b>NIL</b>  |

**Note : 2.30**
**Retirement and other Employee Benefits**

1. The Company's employee benefits primarily cover provident fund, gratuity and leave encashment.
2. Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the Profit & Loss Account in the year in which they accrue.
3. Gratuity liability is a defined benefit obligation and is based on the actuarial valuation done by the Life Insurance Corporation. The gratuity liability and the net periodic gratuity cost is actually determined after considering discount rates, expected long-term return on plan assets and increase in compensation level. All actuarial gain/Losses are immediately charged to the Profit & Loss Account and are not deferred.

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4. The company has an overfunded position for its gratuity plans and accordingly, no provision has been made as at 31.03.2014

The following Table sets out the status of the gratuity plan as required under AS-15.

**A. Expenses recognised in the Profit & Loss Account** (Amount in ₹)

| Particulars                             | Gratuity |           |
|---|----------|-----------|
|   | 2013-14  | 2012-13   |
| Current service cost                    | 548,871  | 420,876   |
| Interest Cost                           | 480,492  | 382,722   |
| Expected Return on Planned Assets       | 623,403  | (525,321) |
| Net actuarial loss/(gain) on obligation | 474,016  | 1,599,809 |

**B. Change in Defined Benefit obligation during the year ended 31st March, 2014**

| Particulars                                | Gratuity  |             |
|--|-----------|-------------|
|  | 2013-14   | 2012-13     |
| <b>Opening Present value of obligation</b> | 6,006,151 | 4,784,022   |
| Interest Cost                              | 480,492   | 382,722     |
| Current service cost                       | 548,871   | 420,876     |
| Benefits Paid                              | 225,251   | (1,181,278) |
| Expected liability at the year end         | 474,016   | 1,599,809   |
| <b>Closing Present value of obligation</b> | 7,284,279 | 6,006,151   |

**C. Change in Fair Value of Plan Assets during the year ended 31st March, 2014**

| Particulars                              | Gratuity  |             |
|--|-----------|-------------|
|  | 2013-14   | 2012-13     |
| <b>Opening Fair value of Plan Assets</b> | 7,080,343 | 5,985,459   |
| Expected Return on Planned assets        | 623,403   | 525,321     |
| Contribution made during the year        | 984,810   | 1,750,841   |
| Benefits Paid                            | 225,251   | (1,181,278) |
| Actuarial gain on planned Assets         | -         | -           |
| <b>Closing Fair value of Plan Assets</b> | 8,463,305 | 7,080,343   |

**D. Actuarial assumption**

| Particulars        | Gratuity |         |
|--------------------|----------|---------|
|                    | 2013-14  | 2012-13 |
| Discount rate used | 8%       | 8%      |
| Salary escalation  | 6%       | 4%      |

**Note: 2.31 Unhedged Foreign Currency Exposure**

The Company has the following un-hedged exposure in foreign currency at the year end:

| Particulars      | 2013-2014         |                    | 2012-2013  |             |
|------------------|-------------------|--------------------|------------|-------------|
|                  | USD               | ₹                  | USD        | ₹           |
| Sundry Creditors | 2,639,317         | 158,622,972        | 860,958    | 46,827,523  |
| Secured Loans    | 11,912,460        | 715,938,846        | 13,230,492 | 719,642,706 |
| <b>TOTAL</b>     | <b>14,551,777</b> | <b>874,561,818</b> | 14,091,450 | 766,470,229 |

**Note: 2.32**

Additional Information Pursuant to the provisions of Paragraph 3, 4C and 4D of the Part II of Schedule VI of the Companies Act,1956.

**A. RAW MATERIALS CONSUMED:**

| Particulars                | Unit | Quantity     |         | Amount in ₹          |               |
|----------------------------|------|--------------|---------|----------------------|---------------|
|                            |      | 2013-14      | 2012-13 | 2013-14              | 2012-13       |
| Copper                     | MTs  | 2,961        | 2,687   | 1,355,460,048        | 1,214,728,772 |
| Scrap                      | MTs  | 1,222        | 871     | 470,996,200          | 335,615,000   |
| Others                     |      | -            | -       | 57,203,800           | 52,309,892    |
| Inter Unit Transfers       |      |              |         |                      |               |
| (a) Copper Rod/Wires       | MTs  | -            | -       | -                    | -             |
| (b) Others                 |      |              |         | 282,642              | 2,002,008     |
| <b>SUB - TOTAL</b>         |      | <b>4,183</b> | 3,559   | <b>1,883,942,690</b> | 1,604,655,672 |
| Less: Inter Unit Purchases |      |              | -       | 282,642              | 2,002,008     |
| <b>TOTAL</b>               |      | <b>4,183</b> | 3,559   | <b>1,883,660,048</b> | 1,602,653,664 |

**B. VALUE OF RAW MATERIALS, STORES & SPARE PARTS CONSUMED:**

| Particulars   | 2013-2014            |                | 2012-2013     |                |
|---|----------------------|----------------|---------------|----------------|
|   | Amount in ₹          | Percentage (%) | Amount in ₹   | Percentage (%) |
| Raw Materials & Components                              |                      |                |               |                |
| (a) Imported  | 318,180,155          | 17             | 152,652,000   | 10             |
| (b) Indigenous  | 1,565,762,535        | 83             | 1,452,003,672 | 90             |
| <b>TOTAL</b>  | <b>1,883,942,690</b> | <b>100</b>     | 1,604,655,672 | 100            |
| Stores & Spare Parts<br>(including Consumed for Repair) |                      |                |               |                |
| (a) Imported  | 3,321,402            | 24             | 7,341,226     | 46             |
| (b) Indigenous  | 10,630,353           | 76             | 8,717,167     | 54             |
| <b>TOTAL</b>  | <b>13,951,755</b>    | <b>100</b>     | 16,058,393    | 100            |

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### C. TRANSACTIONS IN FOREIGN EXCHANGE:

| Particulars  | 2013-2014<br>(Amount in ₹) | 2012-2013<br>(Amount in ₹) |
|--|----------------------------|----------------------------|
| Imports (on CIF Basis)                             |                            |                            |
| (a) Raw Materials/Traded Goods                     | <b>318,180,155</b>         | 163,386,054                |
| (b) Stores & Spares                                | <b>7,178,620</b>           | 3,035,390                  |
| (c) Capital Goods                                  | -                          | 4,305,836                  |
| Expenditure in Foreign Currency (Travelling)       | <b>1,118,284</b>           | 483,679                    |
| Expenditure in Foreign Currency (Interest on ECB)  | <b>42,885,887</b>          | 40,903,177                 |
| Expenditure in Foreign Currency (Repayment of ECB) | <b>78,218,608</b>          | 18,014,202                 |

As per our report of even date attached

For **Bhagyanagar India Limited**

**For Sekhar & Co**

Chartered Accountants

Firm Regn No. 003695-S

**G. Ganesh**

Partner

Membership No : 211704

**G.M. Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Managing Director

Place : Secunderabad

Date : May 12, 2014

**Surendra Bhutoria**

Chief Financial Officer

**Biswa Ranjan Subudhi**

Company Secretary

## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of  
**Bhagyanagar India Limited**

### **Report on Consolidated Financial Statements.**

We have audited the accompanying consolidated financial statements of Bhagyanagar India Limited (the company), its subsidiaries and Jointly controlled entities (collectively called as the Group), which comprise of the consolidated Balance Sheet as at March 31, 2014, the consolidated statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements.**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 date 13th September 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures

in the consolidated financial statements. The procedures selected depend on auditor's judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b. in the case of Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- c. in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Sekhar & Co**  
Chartered Accountants  
Firm Registration No: 003695-S

Secunderabad  
12th May 2014

**G. GANESH**  
PARTNER  
M.NO.211704



## Consolidated Balance Sheet as at 31st March, 2014

(Amount in ₹)

| Particulars   | Note No. | As at 31.03.2014 |                      | As at 31.03.2013 |                      |
|---|----------|------------------|----------------------|------------------|----------------------|
| <b>I. EQUITY AND LIABILITIES</b>                            |          |                  |                      |                  |                      |
| <b>(1) Shareholders' funds</b>                              |          |                  |                      |                  |                      |
| (a) Share Capital   | 2.1      | 127,980,000      |                      | 127,980,000      |                      |
| (b) Reserves and Surplus                                    | 2.2      | 1,951,673,582    | 2,079,653,582        | 1,981,527,527    | 2,109,507,527        |
| <b>(2) MINORITY INTEREST</b>                                |          |                  |                      |                  |                      |
|   | 2.3      |                  | 13,366,067           |                  | 9,489,265            |
| <b>(3) NON-CURRENT LIABILITIES</b>                          |          |                  |                      |                  |                      |
| (a) Long-Term Borrowings                                    | 2.4      |                  | 838,454,376          |                  | 736,264,965          |
| <b>(4) CURRENT LIABILITIES</b>                              |          |                  |                      |                  |                      |
| (a) Short-Term Borrowings                                   | 2.5      | 158,622,972      |                      | 46,827,523       |                      |
| (b) Trade Payables  | 2.6      | 22,805,626       |                      | 40,663,745       |                      |
| (c) Other Current Liabilities                               | 2.7      | 145,092,423      |                      | 107,086,553      |                      |
| (d) Short-Term Provisions                                   | 2.8      | 23,059,500       | 349,580,521          | 30,446,000       | 225,023,821          |
| <b>TOTAL</b>  |          |                  | <b>3,281,054,547</b> |                  | <b>3,080,285,578</b> |
| <b>II. ASSETS</b>   |          |                  |                      |                  |                      |
| <b>(1) NON-CURRENT ASSETS</b>                               |          |                  |                      |                  |                      |
| <b>(a) Fixed Assets</b>                                     |          |                  |                      |                  |                      |
| (1) Tangible Assets   | 2.9      | 2,055,858,477    |                      | 1,757,941,020    |                      |
| (2) Capital Work-in-Progress                                |          | 7,144,772        |                      | 171,891,262      |                      |
| (b) Non-Current Investments                                 | 2.10     | 178,711,439      |                      | 178,244,208      |                      |
| (c) Deferred Tax Assets (Net)                               | 2.11     | 8,385,460        |                      | 3,756,059        |                      |
| (d) Long-Term Loans and Advances                            | 2.12     | 131,952,807      | 2,382,052,955        | 45,875,343       | 2,157,707,892        |
| <b>(2) CURRENT ASSETS</b>                                   |          |                  |                      |                  |                      |
| (a) Current Investments                                     | 2.13     | 3,500,000        |                      | 15,000,000       |                      |
| (b) Inventories   | 2.14     | 114,842,472      |                      | 282,106,890      |                      |
| (c) Trade Receivables                                       | 2.15     | 339,615,525      |                      | 282,760,078      |                      |
| (d) Cash and Cash Equivalents                               | 2.16     | 265,938,084      |                      | 96,854,761       |                      |
| (e) Short-Term Loans and Advances                           | 2.17     | 75,638,693       |                      | 123,211,758      |                      |
| (f) Other Current Assets                                    | 2.18     | 99,466,818       | 899,001,592          | 122,644,199      | 922,577,686          |
| <b>TOTAL</b>  |          |                  | <b>3,281,054,547</b> |                  | <b>3,080,285,578</b> |
| Significant Accounting Policies and Notes to Accounts 1 & 2 |          |                  |                      |                  |                      |

As per our report of even date attached

For **Bhagyanagar India Limited**

**For Sekhar & Co**

Chartered Accountants

Firm Regn No. 003695-S

**G. Ganesh**

Partner

Membership No : 211704

**G.M. Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Managing Director

Place : Secunderabad

Date : May 12, 2014

**Surendra Bhutoria**

Chief Financial Officer

**Biswa Ranjan Subudhi**

Company Secretary

## Statement of Consolidated Profit and Loss for the year ended 31st March, 2014

(Amount in ₹)

| Particulars  | Note No. | For the year ended<br>31.03.2014 | For the year ended<br>31.03.2013 |
|--|----------|----------------------------------|----------------------------------|
| <b>I. REVENUE FROM OPERATIONS</b>  |          |                                  |                                  |
| Sale of Products   |          | 2,708,002,711                    | 2,299,731,834                    |
| Infrastructure Leasing and Sales   |          | 5,442,885                        | 7,308,580                        |
|  |          | <u>2,713,445,596</u>             | <u>2,307,040,414</u>             |
| Less: Excise Duty  |          | 265,915,580                      | 239,432,450                      |
| NET REVENUE FROM OPERATIONS  | 2.19     | 2,447,530,016                    | 2,067,607,964                    |
| <b>II. OTHER INCOME</b>  | 2.20     | 66,885,714                       | 75,538,903                       |
| <b>TOTAL REVENUE</b>   |          | <u>2,514,415,730</u>             | <u>2,143,146,867</u>             |
| <b>III. EXPENSES</b>   |          |                                  |                                  |
| Cost of Materials Consumed   | 2.21     | 1,883,660,048                    | 1,602,653,664                    |
| Changes in Inventories of Finished Goods,<br>Work-in-Progress and Stock in Trade | 2.22     | 70,146,723                       | 5,562,018                        |
| Employee Benefit Expenses  | 2.23     | 48,465,303                       | 46,261,386                       |
| Finance Costs  | 2.24     | 77,766,134                       | 70,434,092                       |
| Depreciation and Amortisation Expenses   | 2.25     | 74,753,622                       | 67,536,409                       |
| Other Expenses   | 2.26     | 305,344,535                      | 302,166,884                      |
| <b>TOTAL EXPENSES</b>  |          | <u>2,460,136,365</u>             | <u>2,094,614,453</u>             |
| <b>IV. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY<br/>ITEMS AND TAX</b>         |          | 54,279,365                       | 48,532,414                       |
| <b>V. AMORTISATION OF INTANGIBLE ASSETS</b>                                      |          | (21,846,561)                     | (10,876,975)                     |
| <b>VI. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>                             |          | 32,433,085                       | 37,655,439                       |
| <b>VII. PROFIT BEFORE TAX</b>  |          | <u>32,433,085</u>                | <u>37,655,439</u>                |
| <b>VIII. TAX EXPENSES</b>  |          |                                  |                                  |
| 1. Current Tax   |          | 4,165,188                        | 27,000,000                       |
| 2. Deferred Tax  |          | (4,629,401)                      | 2,866,000                        |
| 3. MAT Entitlement Credit  |          | 1,150,052                        | -                                |
| 4. Prior Period Taxes  |          | -                                | (19,672,226)                     |
| <b>IX. PROFIT AFTER TAX</b>  |          | 31,747,246                       | 33,193,665                       |
| <b>X. EARNINGS PER EQUITY SHARE</b>  |          |                                  |                                  |
| 1. Basic   |          | 0.50                             | 0.52                             |
| 2. Diluted   |          | 0.50                             | 0.52                             |
| Significant Accounting Policies<br>and Notes to Accounts                         | 1 & 2    |                                  |                                  |

As per our report of even date attached

For **Bhagyanagar India Limited**

**For Sekhar & Co**

Chartered Accountants  
Firm Regn No. 003695-S

**G. Ganesh**  
Partner  
Membership No : 211704

**G.M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Managing Director

Place : Secunderabad  
Date : May 12, 2014

**Surendra Bhutoria**  
Chief Financial Officer

**Biswa Ranjan Subudhi**  
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2014

(Amount in ₹)

|   | 2013-14              | 2012-13            |
|---|----------------------|--------------------|
| <b>A. Cash Flow From Operating Activities</b>                       |                      |                    |
| <b>Net Profit before tax as per annexed profit and loss account</b> | <b>32,433,085</b>    | <b>37,655,439</b>  |
| Adjustments for:  |                      |                    |
| Depreciation  | 74,240,992           | 67,023,779         |
| Preliminary Expenses Written Off                                    | 7,349                | 40,960             |
| Foreign Exchange Reserve Amortised                                  | 21,846,561           | 10,876,975         |
| Lease rents Amortised   | 512,630              | 512,630            |
| Bad Debts Written Off & Provision for Bad Debts                     | 2,884,727            | 7,796,068          |
| Balances/Provisions no longer required written back                 | (278,382)            | (631,105)          |
| Deferred Revenue Expenditure  | 5,520,653            | 5,520,653          |
| (Profit)/Loss on Sale of Investments(Net)                           | (22,568)             | 68,502             |
| Profit & Loss on Sale of Assets                                     | (1,445,436)          | 17,565,169         |
| Interest Paid   | 72,245,481           | 64,913,439         |
| Interest Received   | (40,739,007)         | (62,155,836)       |
| Dividends Received  | (9,601,845)          | (5,074,428)        |
| Operating Profit before working Capital Changes                     | <b>157,604,240</b>   | <b>144,112,245</b> |
| <b>(Less)/Add Adjustments for Working Capital Changes</b>           |                      |                    |
| Inventories   | 167,264,418          | (81,976,415)       |
| Loans and Advances  | 53,047,030           | 36,815,302         |
| Other Current Assets  | 31,815,528           | 39,473,504         |
| Sundry Debtors  | (59,740,174)         | (28,398,330)       |
| Trade Payables and other Liabilities                                | (11,174,009)         | 11,392,884         |
| Advance from Customers  | 5,264,431            | (774,231)          |
| <b>Cash Generated from Operations</b>                               | <b>344,081,465</b>   | <b>120,644,959</b> |
| Income Tax & Fringe Benefit Tax Paid                                | (18,331,337)         | (11,823,825)       |
| Taxes of earlier years  | -                    | (800,000)          |
| Prior Period Adjustments  | (18,331,337)         | (12,623,825)       |
| <b>Net Cash (used in)/from operating Activities (A)</b>             | <b>325,750,128</b>   | <b>108,021,134</b> |
| <b>B. Cash Flow From Investing Activities</b>                       |                      |                    |
| Purchase of Fixed Assets & Changes in CWIP                          | (189,385,764)        | (239,560,192)      |
| Sale of Fixed Assets  | 4,138,976            | 43,917,253         |
| Investment in of Shares & Other Investments (Net)                   | 9,102,613            | (12,652,094)       |
| Net cash on acquisition of New Subsidiary                           | -                    | 13,410             |
| Dividend Received   | 9,601,845            | 5,074,428          |
| Interest Received   | 19,506,641           | 37,804,730         |
| Loans to Joint Ventures and Subsidiaries                            | (92,701,481)         | 269,135,304        |
| <b>Net Cash (used in)/from Investing Activities (B)</b>             | <b>(239,737,170)</b> | <b>103,732,839</b> |

## Consolidated Cash Flow Statement (Contd.)

(Amount in ₹)

|   | 2013-14            | 2012-13              |
|---|--------------------|----------------------|
| <b>C. Cash Flow From Financing Activities</b>                       |                    |                      |
| Proceeds from Issue of Shares to minority                           | 5,174,000          | -                    |
| Proceeds from borrowings (net of re-payments)                       | 179,051,467        | (115,816,957)        |
| Interest Paid   | (71,358,604)       | (64,909,198)         |
| Dividend Paid   | (29,796,498)       | (29,505,101)         |
| <b>Net Cash (used in)/from Financing Activities (C)</b>             | <b>83,070,365</b>  | <b>(210,231,256)</b> |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>169,083,323</b> | <b>1,522,717</b>     |
| <b>Reconciliation- See Note 2 below</b>                             |                    |                      |
| Cash and Cash Equivalents Opening Balance                           | 96,854,761         | 95,332,044           |
| Cash and Cash Equivalents Closing Balance                           | 265,938,084        | 96,854,761           |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>         | <b>169,083,323</b> | <b>1,522,717</b>     |

**Notes:**

| 1. Components of Cash and Cash Equivalents    | 2013-2014          | 2012-2013         | Change Over previous Year |
|---|--------------------|-------------------|---------------------------|
| Cash in Hand                                  | 1,100,342          | 675,003           | 425,339                   |
| Balances with Bank                            | 263,821,148        | 90,881,051        | 172,940,097               |
| Accrued Interest on Fixed Deposits with Banks | 1,016,594          | 5,298,707         | (4,282,113)               |
| <b>TOTAL</b>                                  | <b>265,938,084</b> | <b>96,854,761</b> | <b>169,083,323</b>        |

2. The following items of Cash and Cash Equivalents are not available for free use by the company.

|  | 2013-2014   | 2012-2013  |
|--|-------------|------------|
| <b>Balances with Bank</b>                      |             |            |
| Balances with Bank                             |             |            |
| -In Dividend account                           | 1,948,144   | 1,798,641  |
| -Deposit held to the extent of margin money    | 2,635,204   | 5,827,251  |
| -Maturity of deposits less than 12 months      | 182,004,877 | 32,770,465 |
| -Accrued interest on Fixed Deposits with Banks | 1,016,594   | 5,298,707  |

3. Previous Year Figures are regrouped wherever required.

4. Notes to Accounts form an integral part of Cash Flow Statement.

As per our report of even date attached

For **Bhagyanagar India Limited**

**For Sekhar & Co**

Chartered Accountants  
Firm Regn No. 003695-S

**G. Ganesh**  
Partner  
Membership No : 211704

**G.M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Managing Director

Place : Secunderabad  
Date : May 12, 2014

**Surendra Bhutoria**  
Chief Financial Officer

**Biswa Ranjan Subudhi**  
Company secretary

## 1. Significant Accounting Policies

- i. The Financial Statements of the Company and its Subsidiary companies are combined on line by line basis by adding together the book value of like items of Assets, Liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21-" consolidated Financial Statements" issued by ICAI.
- ii. In case of consolidation of Associate Company's Accounts, the Financial Statements are combined on equity basis by adjusting post acquisition changes in the investor's share of net assets of the investee after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-23-"Accounting for Investments in Associates in consolidated Financial Statements" issued by ICAI.
- iii. The consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.
- iv. Investments other than in subsidiary and associates has been accounted as per AS-13 "Accounting for Investments"
- v. Other significant Accounting Policies:  
These are set out under significant accounting policies as given in the stand-alone financial statements of Bhagyanagar India Limited.

## 2. Notes to Consolidated Accounts

### A. Notes to Consolidated Balance Sheet

| Note : 2.1<br>Share Capital  | Sub<br>Note | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|--|-------------|--------------------------|--------------------------|
| (a) Authorized Capital :<br>12,50,00,000 Equity<br>Shares of Rs.2 each   |             | <u>250,000,000</u>       | <u>250,000,000</u>       |
| (b) Issued, Subscribed and<br>Paid Up 63,990,000<br>Equity Shares (Previous year<br>63,990,000 shares) of Rs.2 each<br>at par fully paid carrying equal<br>rights and obligations<br>(Options, Contracts and Commitments<br>outstanding - Nil) |             | <u>127,980,000</u>       | <u>127,980,000</u>       |
|  |             | <b>No.of shares</b>      | <b>No.of shares</b>      |
| Buy Back of shares in past five years: 2009-2010   |             | <b>5,573,386</b>         | 5,573,386                |
| 2010-2011  |             | <b>526,614</b>           | 526,614                  |
| 2011-2012  |             | <b>4,410,000</b>         | 4,410,000                |
| (c) Particulars of Shareholders holding<br>more than 5% of Issued<br>Share Capital [5% of 63,990,000<br>(PY 63,990,000)] = 3,199,500 (PY 3,199,000)  |             |                          |                          |

| Name of Shareholder            | %     | (PY%)   | No.of shares     | No.of shares |
|--------------------------------|-------|---------|------------------|--------------|
| Surana Infocom Private Limited | 13.43 | (13.43) | <b>8,639,847</b> | 8,593,037    |
| Narender Surana                | 7.81  | (7.78)  | <b>4,993,040</b> | 4,974,709    |
| Manish Surana                  | 7.64  | (7.62)  | <b>4,891,701</b> | 4,875,626    |
| Devendra Surana                | 6.56  | (6.56)  | <b>4,195,083</b> | 4,195,083    |
| Namrata Surana                 | 5.82  | (5.71)  | <b>3,723,766</b> | 3,656,597    |
| G.M.Surana                     | 5.35  | (5.35)  | <b>3,421,980</b> | 3,421,980    |
| Chand Kanwar Surana            | 5.26  | (5.26)  | <b>3,366,010</b> | 3,366,010    |
| Sunita Surana                  | 5.09  | (5.07)  | <b>3,254,671</b> | 3,247,062    |

#### Reconciliation of shares outstanding at the beginning & at the end of the Reporting Period

|                                    | No.                | As at<br>31.03.2014 | No.        | As at<br>31.03.2013 |
|------------------------------------|--------------------|---------------------|------------|---------------------|
| At the beginning of the year       | <b>63,990,000</b>  | <b>127,980,000</b>  | 63,990,000 | 127,980,000         |
| Outstanding at the end of the year | <b>663,990,000</b> | <b>127,980,000</b>  | 63,990,000 | 127,980,000         |

## A. Notes to Consolidated Balance Sheet

| Note : 2.2<br>Reserves and Surplus  | Sub<br>Note | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|---|-------------|--------------------------|--------------------------|
| <b>General Reserves</b>   |             |                          |                          |
| Balance as per Last Account   |             | 1,240,815,951            | 1,190,815,951            |
| Add: Transferred from Profit & Loss Account                                       |             | 20,000,000               | 50,000,000               |
| Less: Utilised for creation of Redemption Reserve<br>for buyback of Equity Shares |             | -                        | -                        |
| Less: Premium Paid on Buy Back of Equity Shares                                   |             | -                        | -                        |
|   |             | <u>1,260,815,951</u>     | <u>1,240,815,951</u>     |
| <b>Foreign Currency Monetary Item Translation</b>                                 |             |                          |                          |
| <b>Difference Account</b>   | 2.2(a)      |                          |                          |
| Balance as per Last Account   |             | 59,823,359               | 27,929,599               |
| Add: Foreign Currency Monetary Item Translation<br>Difference During the Year     |             | 75,009,011               | 42,770,735               |
| Less: Amortisation during the year  |             | (21,846,561)             | (10,876,975)             |
| Less: Loss on repayments during the year during the year                          |             | (14,676,286)             | -                        |
| <b>Balance at the year end</b>  |             | <u>98,309,523</u>        | <u>59,823,359</u>        |
| <b>Balance at the year end</b>  |             | <u>1,162,506,428</u>     | <u>1,180,992,592</u>     |
| <b>Capital Reserves</b>   |             |                          |                          |
| Balance as per Last Account   |             | 16,676,523               | 16,676,523               |
| <b>Balance at the year end</b>  |             | <u>16,676,523</u>        | <u>16,676,523</u>        |
| <b>Capital Redumption Reserve</b>   |             |                          |                          |
| Balance as per Last Account   |             | 21,020,000               | 21,020,000               |
| Add: Created for Buyback of Equity Shares during the year                         |             | -                        | -                        |
| <b>Balance at the year end</b>  |             | <u>21,020,000</u>        | <u>21,020,000</u>        |
| <b>Surplus</b>  |             |                          |                          |
| <b>Balance of Profit &amp; Loss account available for appropriation</b>           |             | 762,838,412              | 808,150,709              |
| Add: Profit during the year/period  |             | 31,747,246               | 33,193,665               |
| Add: Loss on acquisition of Subsidiary  |             | -                        | (8,024)                  |
| Less: Minority Interest (Current year's profit/(loss))                            |             | (652,721)                | 1,962,999                |
| Less: Change in Interests of Associate Companies                                  |             | (2,806)                  | (514,937)                |
| Amount available for Appropriation  |             | 793,930,131              | 842,784,412              |
| Proposed Dividend   |             | 19,197,000               | 25,596,000               |
| Tax on dividend   |             | 3,262,500                | 4,350,000                |
| Transfer to General Reserve   |             | 20,000,000               | 50,000,000               |
| <b>Balance at the year end</b>  |             | <u>751,470,631</u>       | <u>762,838,412</u>       |
| <b>TOTAL</b>  |             | <u>1,951,673,582</u>     | <u>1,981,527,527</u>     |

## A. Notes to Balance Sheet

### 2.2(a) Foreign Currency Monetary Item Translation Difference Account

Increase in liability of ECB from ICICI Bank due to Foreign Exchange Fluctuation, being a loss on transaction ( i.e. USD 60.10 per Re. as on 31st March,2014 from USD 54.39 per Re. as on 31st March,2013) is debited to Foreign Currency Monetary Item Translation Difference Account as per the notification no.GSR.225(E) dated 31st March,2009 further amended by Notification no.GSR.913(E)/914(E) dated 31st December,2011 issued by the Ministry of Corporate Affairs.

| <b>Note : 2.3</b>                                       | <b>Sub</b>  | <b>As at</b>       | <b>As at</b>      |
|---|-------------|--------------------|-------------------|
| <b>Minority Interest</b>                                | <b>Note</b> | <b>31.03.2014</b>  | <b>31.03.2013</b> |
|   |             | ₹                  | ₹                 |
| Opening Balance as at 01.04.2013                        | 2.3(a)      | <b>9,489,265</b>   | 11,426,264        |
| Add: Increase in Minority Interest of Subsidiary (SDPL) |             | <b>5,174,000</b>   | 26,000            |
| Less: Minority Interest acquired in a subsidiary (MVL)  |             | <b>(1,949,918)</b> | -                 |
| Current year's Profit & Loss Account                    |             | <b>652,721</b>     | (1,962,999)       |
| <b>TOTAL</b>  |             | <b>13,366,067</b>  | <b>9,489,265</b>  |

| <b>Note : 2.3(a)</b>                               | <b>As at</b>       | <b>As at</b>      |
|--|--------------------|-------------------|
| <b>Minority Interest</b>                           | <b>31.03.2014</b>  | <b>31.03.2013</b> |
|  | ₹                  | ₹                 |
| Minority Interest                                  |                    |                   |
| In Share Capital                                   | <b>14,800,000</b>  | 10,926,000        |
| In Current Year's Profit (Loss)                    | <b>652,721</b>     | (1,962,999)       |
| In Earlier Year's Profit (Loss)                    | <b>(1,436,743)</b> | 526,264           |
| Loss on minority Interest acquired from subsidiary | <b>(649,911)</b>   | -                 |
| Balance as at close of the year                    | <b>13,366,067</b>  | <b>9,489,265</b>  |

| <b>Note : 2.4</b>                    | <b>Sub</b>  | <b>As at</b>       | <b>As at</b>       |
|--------------------------------------|-------------|--------------------|--------------------|
| <b>Long-Term Borrowings</b>          | <b>Note</b> | <b>31.03.2014</b>  | <b>31.03.2013</b>  |
|                                      |             | ₹                  | ₹                  |
| (a) Term loans                       |             |                    |                    |
| from ICICI Bank                      | 2.4(a)      | <b>628,440,927</b> | 647,954,946        |
| from SBI                             |             | <b>144,440,995</b> | 10,000,000         |
| (b) Car loan                         |             |                    |                    |
| from Axis Bank                       | 2.4(b)      | <b>215,263</b>     | 2,798,419          |
| (c) Deferred Sales Tax               | 2.4(c)      | <b>16,591,067</b>  | 26,745,476         |
| (d) Loan from minority stake holders |             | <b>48,766,124</b>  | 48,766,124         |
| <b>TOTAL</b>                         |             | <b>838,454,376</b> | <b>736,264,965</b> |



## A. Notes to Consolidated Balance Sheet

### 2.4 (a) Term Loan From ICICI Bank: Long Term Foreign Currency Monetary Item

1. ICICI Bank provided ECB amounting to USD 13,560,000 carrying a fixed interest rate of 6.96%. ECB is secured by first charge on certain fixed assets of the company and personal guarantee of Managing Directors. Long Term ECB liability as at 31.03.2014 amounting to USD 10,447,980 is valued at USD 60.10 per Re. as on 31st March,2014 against USD 54.39 per Re. as on 31st March,2013.
2. The principal is repayable in 28 quarterly instalments. The company has repaid 5 quarterly instalments, 4 instalments being repaid during the current Financial Year amounting to Rs. 78,218,608. Total amount repayable towards principal during the financial year 2014-2015 is USD 1,464,480 (Rs.88,015,248 on conversion @ Rs..60.10 per USD as on 31st March,2014) and the same has been classified under Other Current Liabilities.

### 2.4 (b) Car Loan from Bank

Car loan from Axis Bank Ltd is secured against hypothecation of Car. The loan was taken during the Financial Year 2012-13 and is repayable in monthly installment of Rs. 215,263/- each. Accordingly due with in a year is Rs 2,583,156/- which is classified under Other Current Liabilities.

### 2.4 (c) Deferred Sales Tax

1. Deferred Sales Tax Loan is interest free , repayment of which started from Financial Year 2013-14 . An amount of Rs.1,082,565/- is repaid during the current Financial Year. Accordingly due with in a Year is Rs. 10,154,409/- which is classified under Other Current Liabilities.

| Note : 2.5              | Sub    | As at              | As at             |
|-------------------------|--------|--------------------|-------------------|
| Short-Term Borrowings   | Note   | 31.03.2014         | 31.03.2013        |
|                         |        | ₹                  | ₹                 |
| Buyers Credit from Bank | 2.5(a) | <u>158,622,972</u> | <u>46,827,523</u> |
| <b>TOTAL</b>            |        | <u>158,622,972</u> | <u>46,827,523</u> |

- 2.5 (a) Buyers Credit is secured by hypothecation of stocks, Debtors and first charge on pari-passu basis on specific fixed assets of the company respectively and personal guarantee of the Managing Directors.

| Note : 2.6              | Sub    | As at             | As at             |
|-------------------------|--------|-------------------|-------------------|
| Trade Payables          | Note   | 31.03.2014        | 31.03.2013        |
|                         |        | ₹                 | ₹                 |
| Sundry Creditors-Others | 2.6(a) | <u>22,805,626</u> | <u>40,663,745</u> |
| <b>TOTAL</b>            |        | <u>22,805,626</u> | <u>40,663,745</u> |

### 2.6 (a)

| Due to Related Parties  | Balance as    | Balance as        |
|-------------------------|---------------|-------------------|
| Name of the Company     | on 31.03.2014 | on 31.03.2013     |
| Surana Ventures Limited | -             | <u>29,768,219</u> |
| <b>TOTAL</b>            | -             | <u>29,768,219</u> |

## A. Notes to Consolidated Balance Sheet

| <b>Note : 2.7</b>                                      | <b>Sub</b>  | <b>As at</b>       | <b>As at</b>      |
|--|-------------|--------------------|-------------------|
| <b>Other Current Liabilities</b>                       | <b>Note</b> | <b>31.03.2014</b>  | <b>31.03.2013</b> |
|  |             | <b>₹</b>           | <b>₹</b>          |
| (a) Current Maturities on Long Term Debt               |             |                    |                   |
| (ii) Term loan - ICICI Bank                            | 2.7(a)      | <b>88,015,248</b>  | 71,687,760        |
| (iii) Car loan - Axis Bank                             |             | <b>2,583,156</b>   | 2,583,156         |
| (iv) Deferred Sales Tax                                | 2.7(b)      | <b>10,154,409</b>  | 1,082,565         |
| (b) Provision for Interest on Term Loan                | 2.7(c)      | <b>10,381,000</b>  | 10,434,000        |
| (c) Provision for Interest on Buyers Credit from Banks |             | <b>1,422,836</b>   | 482,959           |
| (d) Unclaimed Dividends                                |             | <b>1,948,143</b>   | 1,798,641         |
| (e) Lease Deposits                                     |             | <b>3,126,000</b>   | 3,126,000         |
| (f) Other Liabilities                                  |             | <b>16,393,969</b>  | 10,088,241        |
| (g) Advance from Customers                             |             | <b>11,067,662</b>  | 5,803,231         |
| TOTAL  |             | <b>145,092,423</b> | 107,086,553       |

### Notes:

#### Current Maturities on Long Term Debt

- 2.7 (a) The principal amount of ECB from ICICI Bank repayable during the Financial Year 2014-2015 is grouped under the head Current Liabilities (Also See Note.2.3(a))
- 2.7 (b) The amount of Deferred Sales Tax repayable during the Financial Year 2014-2015 is grouped under the head Current Liabilities (Also See Note.2.3 (c))

#### Provision for Interest on Term Loan

- 2.7 (c) Provision for interest on ECB from ICICI Bank has been made till 31.03.2014. Payment of interest is due on 15th April, 2014

| <b>Note : 2.8</b>                         | <b>Sub</b>  | <b>As at</b>      | <b>As at</b>      |
|---|-------------|-------------------|-------------------|
| <b>Short-Term Provisions</b>              | <b>Note</b> | <b>31.03.2014</b> | <b>31.03.2013</b> |
|   |             | <b>₹</b>          | <b>₹</b>          |
| (a) Provision for Employee Benefits-Bonus |             | <b>600,000</b>    | 500,000           |
| (b) Proposed Dividend                     | 2.8 (a)     | <b>19,197,000</b> | 25,596,000        |
| (c) Tax on Dividend                       |             | <b>3,262,500</b>  | 4,350,000         |
| TOTAL                                     |             | <b>23,059,500</b> | 30,446,000        |

- 2.8 (a) The Board of Directors have recommended a dividend of ₹ 0.30 per share for the year ended 31st March, 2014 (Previous Year ₹ 0.40 per share).

## A. Notes to Balance Sheet

### ASSETS NOTE : 2.9 TANGIBLE ASSETS

| Particulars               | Freehold Land        | Leaseold Land     | Factory Buildings | Commercial Buildings | Plant & Machinery  | Wind Power Plant   | Electrical Installation | Office Equipment  | Vehicles          | Furniture & Fixtures | Computer         | Library      | Grand Total          |
|---------------------------|----------------------|-------------------|-------------------|----------------------|--------------------|--------------------|-------------------------|-------------------|-------------------|----------------------|------------------|--------------|----------------------|
| <b>A. Gross Block</b>     |                      |                   |                   |                      |                    |                    |                         |                   |                   |                      |                  |              |                      |
| At 1st April,             | 1,136,463,966        | 11,585,094        | 30,358,434        | 28,259,135           | 250,106,423        | 664,319,374        | 31,519,078              | 13,217,262        | 30,839,269        | 15,899,723           | 6,603,882        | 2,010        | 2,219,172,650        |
| Additions                 | 39,859,079           | -                 | 243,350           | 200,000              | 11,004,510         | 108,911,832        | -                       | 987,723           | 9,378,449         | 6,120                | 56,500           | -            | 170,647,563          |
| Disposals                 | (41,601,885)         | (512,630)         | -                 | -                    | (1,477,484)        | (109,623,465)      | -                       | -                 | (2,515,156)       | -                    | -                | -            | (155,730,620)        |
| At 31st March,            | 1,134,721,160        | 11,072,464        | 30,601,784        | 28,459,135           | 259,633,449        | 663,606,741        | 31,519,078              | 14,204,985        | 37,702,562        | 15,905,843           | 6,660,382        | 2,010        | 2,234,089,593        |
| 2013                      |                      |                   |                   |                      |                    |                    |                         |                   |                   |                      |                  |              |                      |
| Additions                 | 25,534,669           | -                 | 308,694           | 500,000              | 283,358,878        | 125,119,507        | 313,631                 | 1,011,404         | 2,571,544         | -                    | 99,300           | -            | 438,817,627          |
| Disposals                 | (1,900,000)          | (512,630)         | -                 | -                    | (41,710,186)       | (83,255,769)       | -                       | -                 | (4,336,038)       | -                    | -                | -            | (131,714,623)        |
| <b>At 31st March,</b>     | <b>1,158,355,829</b> | <b>10,559,834</b> | <b>30,910,478</b> | <b>28,959,135</b>    | <b>501,282,141</b> | <b>705,470,479</b> | <b>31,832,709</b>       | <b>15,216,389</b> | <b>35,938,068</b> | <b>15,905,843</b>    | <b>6,759,682</b> | <b>2,010</b> | <b>2,541,192,597</b> |
| <b>B. Depreciation</b>    |                      |                   |                   |                      |                    |                    |                         |                   |                   |                      |                  |              |                      |
| At 1st April,             | -                    | -                 | 3,848,056         | 20,828,353           | 176,613,725        | 157,223,276        | 22,402,327              | 8,639,023         | 22,277,909        | 9,160,635            | 6,098,244        | 2,010        | 427,093,558          |
| Charge for the Year       | -                    | -                 | 1,355,519         | 683,078              | 21,289,864         | 34,884,956         | 2,525,398               | 727,857           | 4,120,067         | 1,220,606            | 216,435          | -            | 67,023,779           |
| Disposals                 | -                    | -                 | -                 | -                    | (641,717)          | (14,835,028)       | -                       | -                 | (2,492,018)       | -                    | -                | -            | (17,968,764)         |
| At 31st March,            | -                    | -                 | 5,203,575         | 21,511,432           | 197,261,872        | 177,273,203        | 24,927,725              | 9,366,880         | 23,905,957        | 10,381,242           | 6,314,678        | 2,010        | 476,148,574          |
| 2013                      |                      |                   |                   |                      |                    |                    |                         |                   |                   |                      |                  |              |                      |
| Charge for the Year       | -                    | -                 | 1,316,053         | 642,168              | 28,859,223         | 35,721,805         | 1,869,941               | 758,399           | 3,916,561         | 999,953              | 156,890          | -            | 74,240,992           |
| Disposals                 | -                    | -                 | -                 | -                    | (41,293,950)       | (20,243,584)       | -                       | -                 | (3,517,913)       | -                    | -                | -            | (65,055,447)         |
| <b>At 31st March,</b>     | <b>-</b>             | <b>-</b>          | <b>6,519,628</b>  | <b>22,153,599</b>    | <b>184,827,144</b> | <b>192,751,425</b> | <b>26,797,667</b>       | <b>10,125,279</b> | <b>24,304,605</b> | <b>11,381,194</b>    | <b>6,471,568</b> | <b>2,010</b> | <b>485,334,119</b>   |
| <b>2014</b>               |                      |                   |                   |                      |                    |                    |                         |                   |                   |                      |                  |              |                      |
| <b>C. Net Block (A-B)</b> |                      |                   |                   |                      |                    |                    |                         |                   |                   |                      |                  |              |                      |
| At 31st March,            | 1,134,721,160        | 11,072,464        | 25,398,209        | 6,947,703            | 62,371,577         | 486,333,538        | 6,591,353               | 4,838,105         | 13,796,605        | 5,524,601            | 345,704          | -            | 1,757,941,019        |
| 2013                      |                      |                   |                   |                      |                    |                    |                         |                   |                   |                      |                  |              |                      |
| At 31st March,            | 1,158,355,829        | 10,559,834        | 24,390,850        | 6,805,536            | 316,454,996        | 512,719,054        | 5,035,042               | 5,091,110         | 11,633,463        | 4,524,649            | 288,114          | -            | 2,055,858,477        |
| 2014                      |                      |                   |                   |                      |                    |                    |                         |                   |                   |                      |                  |              |                      |

(Amount in ₹)

## A. Notes to Consolidated Balance Sheet

| Note : 2.10  | As at              | As at              |
|--|--------------------|--------------------|
| Non-current Investments  | 31.03.2014         | 31.03.2013         |
|  | ₹                  | ₹                  |
| <b>A) Unquoted securities</b>  |                    |                    |
| 1) In Equity Instruments   |                    |                    |
| a) In companies under the same management                              |                    |                    |
| Bhagyanagar Infrastructure Limited                                     | 18,330,000         | 18,330,000         |
| 27,50,000 Equity share of Rs 10 each<br>fully paid up -(P Y 27,50,000) |                    |                    |
| Surana Infocom Private Limited   | 100,500,000        | 100,500,000        |
| 1,25,000 Equity share of Rs 10 each fully paid up (PY NIL)             |                    |                    |
| <b>Sub-Total</b>   | <b>118,830,000</b> | <b>118,830,000</b> |
| b) In Associate Companies  |                    |                    |
| GMS Realtors Private Limited   | 24,886             | 27,692             |
| 5000 Equity share of Rs 10 each fully paid up (P Y 5000)               |                    |                    |
| <b>SUB-TOTAL</b>   | <b>24,886</b>      | <b>27,692</b>      |
| d) In other Companies  |                    |                    |
| Mana Effluent Treatment Plant  | 200,000            | -                  |
| 200 Equity share of Rs 1000 each fully paid up                         |                    |                    |
| <b>SUB - TOTAL</b>   | <b>200,000</b>     | <b>-</b>           |
| <b>B) Quoted securities</b>  |                    |                    |
| 1) In Equity Instruments   |                    |                    |
| a) In companies under the same management                              |                    |                    |
| Surana Telecom and Power Limited                                       | 15,037,235         | 14,767,198         |
| 18,71,462 Equity share of Rs 5 each<br>fully paid up (P Y 18,56,462)   |                    |                    |
| Surana Ventures Limited  | 44,100,000         | 44,100,000         |
| 57,87,946 Equity share of Rs 10 each<br>fully paid up (P Y 57,87,946)  |                    |                    |
| <b>SUB - TOTAL</b>   | <b>59,137,235</b>  | <b>58,867,198</b>  |

## A. Notes to Consolidated Balance Sheet

|   | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|---|--------------------------|--------------------------|
| <b>b) In other Companies</b>  |                          |                          |
| Indosolar Limited   | 106,258                  | 106,258                  |
| 5000 Equity share of Rs 10 each fully paid up (P Y 5000)            |                          |                          |
| Megasoft Limited  | 71,385                   | 71,385                   |
| 1500 Equity share of Rs 10 each fully paid up (P Y 1500)            |                          |                          |
| Sree Sakthi Paper Mills Limited                                     | 30,000                   | 30,000                   |
| 1000 Equity share of Rs 10 each fully paid up (P Y 1000)            |                          |                          |
| Shree Vasavi Industries Ltd   | 45,175                   | 45,175                   |
| 14000 Equity share of Rs 10 each fully paid up (P Y 14000)          |                          |                          |
| Sampre Nutrition Ltd  | 266,500                  | 266,500                  |
| 26650 Equity share of Rs 10 each fully paid up (P Y 26650)          |                          |                          |
|   | <u>519,318</u>           | <u>519,318</u>           |
| <b>Aggregate Market value of quoted investments Rs 12,76,04,715</b> |                          |                          |
| <b>GRAND TOTAL</b>  | <u>178,711,439</u>       | <u>178,244,208</u>       |

| <b>Note : 2.11</b>   | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|--|--------------------------|--------------------------|
| <b>Deferred Tax Assets (Net)</b>   |                          |                          |
| Deferred Tax Asset at the beginning of the year                            | 3,756,059                | 890,059                  |
| Less:Deferred Tax (Liability) for the year-on account of timing difference | 4,629,401                | 2,866,000                |
| <b>TOTAL</b>   | <u>8,385,460</u>         | <u>3,756,059</u>         |

| <b>Note : 2.12</b>                        | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|---|--------------------------|--------------------------|
| <b>Long-Term Loans and Advances</b>       |                          |                          |
| (a) Statutory Advances                    |                          |                          |
| (i) Taxes Paid Under Protest              | 16,353,076               | 23,153,076               |
| (b) Security Deposits                     |                          |                          |
| (i) Deposits                              | 11,723,652               | 10,451,526               |
| (c) Loans and Advances to Related Parties |                          |                          |
| (i) Loans to Associate & Others 2.12 (a)  | 96,126,444               | 3,371,054                |
| (d) Others                                |                          |                          |
| (i) MAT Credit Entitlement                | 7,749,635                | 8,899,687                |
| <b>TOTAL</b>                              | <u>131,952,807</u>       | <u>45,875,343</u>        |

## A. Notes to Consolidated Balance Sheet

### 2.12 (a) LOANS TO ASSOCIATE & OTHERS: It includes

| Name of the Company                | Balance as on<br>31.03.2014<br>(₹) | Balance as on<br>31.03.2013<br>(₹) |
|------------------------------------|------------------------------------|------------------------------------|
| Bhagyanagar Infrastructure Limited | -                                  | 3,371,054                          |
| Surana Ventures Limited            | 96,126,444                         | -                                  |
| <b>TOTAL</b>                       | <b>96,126,444</b>                  | <b>3,371,054</b>                   |

| <b>Note : 2.13</b>                             | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|--|--------------------------|--------------------------|
| <b>Current Investments</b>                     |                          |                          |
| (a) Investment in Mutual Funds                 |                          |                          |
| Reliance Money Manager fund-institutional Plan | -                        | 5,500,000                |
| UTI Floating Rate Plan                         | 3,500,000                | 9,500,000                |
| <b>TOTAL</b>                                   | <b>3,500,000</b>         | <b>15,000,000</b>        |

| <b>Note : 2.14</b>  | As at<br>31.03.2014<br>₹ | As at<br>31.03.2013<br>₹ |
|---|--------------------------|--------------------------|
| <b>Inventories (At cost or market value whichever is lower)</b> |                          |                          |
| <b>(At cost or net realisable value whichever is lower)</b>     |                          |                          |
| <b>As taken, valued and certified by the management</b>         |                          |                          |
| Raw Materials   | 106,501,344              | 274,416,529              |
| Finished Goods  | 1,345,256                | 3,604,423                |
| Material - In - Transit   | -                        | 4,085,938                |
| Closing Stock - Stores & Spares                                 | 3,857,218                | -                        |
| Closing Stock - Traded Goods                                    | 3,138,654                | -                        |
| <b>TOTAL</b>  | <b>114,842,472</b>       | <b>282,106,890</b>       |

| <b>Note : 2.15</b>   | As at<br>31.03.2013<br>₹ | As at<br>31.03.2012<br>₹ |
|--|--------------------------|--------------------------|
| <b>Trade receivables (Unsecured, considered good)</b>  |                          |                          |
| (a) Aggregate amount of Trade Receivables outstanding for a period less than six months      | 337,466,310              | 265,849,814              |
| (b) Aggregate amount of Trade Receivables outstanding for a period exceeding than six months | 2,149,215                | 16,910,264               |
| <b>TOTAL</b>   | <b>339,615,525</b>       | <b>282,760,078</b>       |

## A. Notes to Consolidated Balance Sheet

| <b>Note : 2.16</b>                                |  | As at              | As at             |
|---|--|--------------------|-------------------|
| <b>Cash and Cash Equivalents</b>                  |  | <b>31.03.2014</b>  | 31.03.2013        |
|   |  | ₹                  | ₹                 |
| (a) Balance with banks                            |  |                    |                   |
| In current account                                |  | 77,232,923         | 50,484,694        |
| In Dividend account                               |  | 1,948,144          | 1,798,641         |
| Deposit held to the extent of margin money        |  | 2,635,204          | 5,827,251         |
| Maturity of deposits less than 12 months          |  | 182,004,877        | 32,770,465        |
| (b) Cash on hand                                  |  | 1,100,342          | 675,003           |
| (c) Accrued interest on Fixed Deposits with Banks |  | 1,016,594          | 5,298,707         |
| <b>TOTAL</b>                                      |  | <b>265,938,084</b> | <b>96,854,761</b> |

| <b>Note : 2.17</b>  | <b>Sub Note</b> | As at                | As at                |
|---|-----------------|----------------------|----------------------|
| <b>Short-Term Loans and Advances</b>                            |                 | <b>31.03.2014</b>    | 31.03.2013           |
|   |                 | ₹                    | ₹                    |
| (a) Loans and advances to related parties - Associates & Others | 2.17 (a)        | -                    | 53,909               |
| (b) Sundry Advances - Infrastructure                            |                 | -                    | 21,000,000           |
| (c) Advances to suppliers                                       |                 | 53,093,698           | 60,429,844           |
| (d) Sundry Advances   |                 | 22,544,995           | 41,728,005           |
| <b>TOTAL</b>  |                 | <b>75,638,693</b>    | <b>123,211,758</b>   |
|   |                 | <b>Balance as on</b> | <b>Balance as on</b> |
|   |                 | <b>31.03.2014</b>    | <b>31.03.2013</b>    |
|   |                 | ₹                    | ₹                    |

### 2.17 (a) LOANS TO ASSOCIATE & OTHERS: It includes

|   |   |        |
|---|---|--------|
| Bhagyanagar Entertainment & Infra Development Company Pvt Limited | - | 53,909 |
|   | - | 53,909 |

| <b>Note : 2.18</b>                                     | <b>Sub Note</b> | As at             | As at              |
|--|-----------------|-------------------|--------------------|
| <b>Other Current Assets</b>                            |                 | <b>31.03.2014</b> | 31.03.2013         |
|  |                 | ₹                 | ₹                  |
| (a) Loans Against pledge of Securities                 |                 |                   |                    |
| Secured, considered good                               |                 | 63,159,700        | 65,346,226         |
| (b) Balances with statutory Authorities                |                 | 15,303,836        | 44,932,838         |
| (c) Income tax receivable(TDS)                         | 2.18 (a)        | 21,003,282        | 6,837,133          |
| (d) Deferred Revenue Expenditure                       | 2.18 (b)        | -                 | 5,520,653          |
| (e) Preliminary Expenses to the extent not written off |                 |                   |                    |
| Balance as per last account                            |                 | 7,349             | 48,309             |
| Less:Written off during the year                       |                 | 7,349             | 40,960             |
| Balance as at the close of the year                    |                 | -                 | 7,349              |
| <b>TOTAL</b>   |                 | <b>99,466,818</b> | <b>122,644,199</b> |

## A. Notes to Consolidated Balance Sheet

### 2.18 (a) Income tax Receivable (TDS and Advance Tax)

During the current Financial Year, the company won appeals relating to Assessment Year 2008-2009 and 2009-2010 pending before ITAT. Consequently, tax amount of Rs.6,800,000 which was paid under protest pending appeal, is transferred to Income Tax Receivable Account.

### 2.18 (b) Deferred Revenue Expenditure

Represents Processing fees paid to ICICI Bank for availing ECB which is amortised over a period of 3 years starting from Financial Year 2011-2012. Current Financial Year being the last year of Amortisation, balance expenditure amounting to Rs. 5,520,653 has been charged off to Profit & Loss Account during the current Financial Year. [Refer Note No.2.24(a)]

## B. Notes to Consolidated Profit & Loss Account

| <b>Note: 2.19</b>                    | <b>For the year</b>  | <b>For the year</b>  |
|--------------------------------------|----------------------|----------------------|
| <b>Revenue From Operations</b>       | <b>31.03.2014</b>    | <b>31.03.2013</b>    |
|                                      | ₹                    | ₹                    |
| (a) Sale of Products                 |                      |                      |
| Copper Products                      | 2,531,713,456        | 2,204,764,684        |
| Sale of Wind Power                   | 99,235,173           | 96,939,347           |
| Sale of Solar Power                  | 6,069,714            | -                    |
| Sale of Traded Goods                 | 70,660,235           | -                    |
| Scrap & Misc Sales                   | 606,775              | 29,811               |
| <b>SUB - TOTAL</b>                   | <b>2,708,285,353</b> | <b>2,301,733,842</b> |
| Less: Inter-Unit Sales               | 282,642              | 2,002,008            |
| <b>GROSS SALES</b>                   | <b>2,708,002,711</b> | <b>2,299,731,834</b> |
| Less: Excise duty                    | 265,915,580          | 239,432,450          |
| <b>NET SALES</b>                     | <b>2,442,087,131</b> | <b>2,060,299,384</b> |
| (b) Sale of services                 | -                    | -                    |
| (b) Infrastructure Leasing and Sales | 5,442,885            | 7,308,580            |
| <b>TOTAL</b>                         | <b>2,447,530,016</b> | <b>2,067,607,964</b> |

| <b>Note : 2.20</b>                        | <b>Sub</b>  | <b>As at</b>      | <b>As at</b>      |
|---|-------------|-------------------|-------------------|
| <b>Other Income</b>                       | <b>Note</b> | <b>31.03.2014</b> | <b>31.03.2013</b> |
|   |             | ₹                 | ₹                 |
| (a) Interest Income                       |             |                   |                   |
| Interest on Loans, Deposits and Others    | 2.20 (a)    | 40,739,007        | 62,155,836        |
| Interest from Trade Debtors and Creditors |             | 1,450,856         | 5,773,319         |
| (b) Dividend Income                       |             | 9,601,845         | 5,074,428         |
| (c) Profit on Sale of Sundry Assets       |             | 1,445,436         | 1,456,465         |
| (d) Profit on sale of Investments         |             | 22,568            | -                 |
| (e) Other Non-Operating Income            |             |                   |                   |
| Miscellaneous Income                      |             | 251,090           | 357,750           |
| Rental Income                             |             | 106,000           | 90,000            |
| Balances no Longer Payable Written Back   |             | 278,382           | 631,105           |
| Balances Written Off now recovered        |             | 12,990,530        | -                 |
| <b>TOTAL</b>                              |             | <b>66,885,714</b> | <b>75,538,903</b> |



## B. Notes to Consolidated Profit & Loss Account

### Interest on Loans, Deposits and Others

2.20 (a) Interest amounting to Rs.21,232,366/- has been Debited to Subsidiary Companies and is reflected in Advances to Subsidiary Companies

| <b>Note: 2.21</b>                     | <b>For the year</b>  | <b>For the year</b>  |
|---------------------------------------|----------------------|----------------------|
| <b>Cost of Raw Material Consumed</b>  | <b>31.03.2014</b>    | <b>31.03.2013</b>    |
|                                       | ₹                    | ₹                    |
| Opening Stock Raw Materials           | 274,416,529          | 180,768,600          |
| Opening Stock Material - In - Transit | 4,085,938            | 10,195,433           |
| Purchases net of Modvat               | 1,711,941,567        | 1,692,194,106        |
| Closing Stock Raw Materials           | 106,501,344          | 274,416,529          |
| Material - In - Transit               | -                    | 4,085,938            |
| Less: Inter-Unit Purchases            | 282,642              | 2,002,008            |
| <b>Raw Material Consumed</b>          | <b>1,883,660,048</b> | <b>1,602,653,664</b> |

| <b>Note: 2.22</b>                   | <b>For the year</b> | <b>For the year</b> |
|-------------------------------------|---------------------|---------------------|
| <b>Changes in Inventories</b>       | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|                                     | ₹                   | ₹                   |
| Opening Stock WIP                   | -                   | -                   |
| Opening Stock Finished Goods        | 3,604,423           | 9,166,441           |
| Add: Purchases of Traded Goods      | 71,026,210          | -                   |
| Less: Closing Stock WIP             | -                   | -                   |
| Less: Closing Stock Finished Goods  | 1,345,256           | 3,604,423           |
| Less: Closing Stock Traded Goods    | 3,138,654           | -                   |
| <b>Increase/(Decrease) in Stock</b> | <b>70,146,723</b>   | <b>5,562,018</b>    |

| <b>Note: 2.23</b>                           | <b>For the year</b> | <b>For the year</b> |
|---|---------------------|---------------------|
| <b>Employee Benefits Expense</b>            | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|   | ₹                   | ₹                   |
| Salaries, Wages and Other Employee Benefits | 46,255,537          | 42,359,093          |
| Contribution To Provident And Other Funds   | 2,209,766           | 3,902,293           |
| <b>TOTAL</b>                                | <b>48,465,303</b>   | <b>46,261,386</b>   |

| <b>Note: 2.24</b>     | <b>Sub Note</b> | <b>For the year</b> | <b>For the year</b> |
|-----------------------|-----------------|---------------------|---------------------|
| <b>Finance Costs</b>  |                 | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|                       |                 | ₹                   | ₹                   |
| Interest Expense      |                 |                     |                     |
| Cash Credit & Others  |                 | 5,130,222           | 6,401,419           |
| Other Borrowing Costs |                 |                     |                     |
| Medium Term Loan      |                 | -                   | 2,012,281           |
| Long Term Loan        |                 | 58,802,106          | 51,340,476          |
| Financial Charges     | 2.24(a)         | 13,833,806          | 10,679,916          |
| <b>TOTAL</b>          |                 | <b>77,766,134</b>   | <b>70,434,092</b>   |

## B. Notes to Consolidated Profit & Loss Account

### 2.24 (a) Financial Charges

Financial Charges includes Rs.5,520,653 towards amortisation of Deferred Revenue Expenditure.(Refer Note No.2.18(a))

| <b>Note: 2.25</b>                             | <b>Sub</b>  | <b>For the year</b> | <b>For the year</b> |
|---|-------------|---------------------|---------------------|
| <b>Depreciation and Amortisation Expenses</b> | <b>Note</b> | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|   |             | ₹                   | ₹                   |
| Depreciation                                  |             | 74,240,992          | 67,023,779          |
| Amortisation Expenses - Lease Rent            |             | 512,630             | 512,630             |
| <b>TOTAL</b>                                  |             | <b>74,753,622</b>   | <b>67,536,409</b>   |

| <b>Note: 2.26</b>                     | <b>Sub</b>  | <b>For the year</b> | <b>For the year</b> |
|---------------------------------------|-------------|---------------------|---------------------|
| <b>Other Expenses</b>                 | <b>Note</b> | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|                                       |             | ₹                   | ₹                   |
| Consumption of Stores and Spare Parts |             | 7,468,796           | 9,203,532           |
| Power and Fuel                        |             | 70,353,306          | 72,033,127          |
| Rent                                  |             | 2,881,920           | 2,846,456           |
| Repairs                               |             |                     |                     |
| Buildings                             |             | 2,145,579           | 947,340             |
| Machinery                             |             | 31,708,503          | 32,105,522          |
| Others                                |             | 3,394,347           | 2,956,134           |
| Insurance                             |             | 1,900,286           | 1,731,268           |
| Rates And Taxes                       |             | 3,209,084           | 2,044,553           |
| Packing And Forwarding                |             | 17,073,383          | 11,471,782          |
| Remuneration To Directors             |             | 12,540,000          | 11,556,000          |
| Loss on                               |             |                     |                     |
| Sale of Investments                   |             | -                   | 68,502              |
| Sale of Fixed Asset                   |             | -                   | 19,021,634          |
| Foreign Exchange Fluctuation          |             | 15,194,582          | 7,823,165           |
| Payment Fraud                         |             | -                   | 2,261,464           |
| Taxes paid                            |             |                     |                     |
| Service Tax                           |             | 549,422             | 518,006             |
| Sales Tax                             |             | 104,568,192         | 94,756,309          |
| Other Miscellaneous Expenses          |             | 31,509,540          | 29,930,066          |
| Sitting Fees to Directors             |             | 364,899             | 432,358             |
| Payments to the Auditor               |             |                     |                     |
| for Statutory Audit                   |             | 302,696             | 279,666             |
| for Tax Audit                         |             | 70,000              | 70,000              |
| for Taxation/Other Matters            |             | 70,000              | 70,000              |
| for Reimbursement of Expenses         |             | 40,000              | 40,000              |
| <b>TOTAL</b>                          |             | <b>305,344,535</b>  | <b>302,166,884</b>  |

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(All amounts in Rupees, except share data and unless otherwise stated)

### Note : 2.27

#### Subsidiaries Considered for Consolidation

(Amount in ₹)

| Name of the company                    | Paid up Capital | Extent of Holding as at 31st March, 2014 (%) | Equity Investment | Loans & Advances | Maximum Outstanding during the year |
|--|-----------------|--|-------------------|------------------|-------------------------------------|
| Bhagyanagar Properties Private Limited | 40,000,000      | 100  | 40,000,000        | 563,924,048      | 585,414,048                         |
| Scientia Infocom India Private Limited | 40,000,000      | 76   | 30,400,000        | 235,834,332      | 235,834,332                         |
| Metropolitan Ventures India Limited    | 5,000,000       | 100  | 5,000,000         | 65,339,773       | 65,339,773                          |
| Bhagyanagar Metals Limited             | 500,000         | 100  | 500,000           | 5,700,000        | 5,700,000                           |
| Solar Dynamics Private Limited         | 20,000,000      | 74   | 14,800,000        | 247,188,513      | 247,188,513                         |

**2.27 (a)** The Subsidiary Companies are engaged in infrastructure business. They are in the advanced stages of getting requisite approvals from the Government. The project/utility of the land still being viable, the accounts are prepared on going concern basis.

**2.27 (b)** During the year, the company acquired 130,000 shares at the rate of Rs.15 each in Metropolitan Ventures India Limited making it a wholly owned subsidiary of the company.

**2.27 (c)** During the year, the company acquired 1,472,600 shares at the rate of Rs.10 each in Solar Dynamics Private Limited by way of conversion of loan into equity.

### Note: 2.28

#### Associates Companies

(Amount in ₹)

| Name of the company  | Paid up Capital | Extent of Holding as at 31st March, 2014 (%) | Equity Investment | Loans & Advances | Maximum Outstanding during the year |
|--|-----------------|--|-------------------|------------------|-------------------------------------|
| Bhagyanagar Entertainment & Infra Development Co. Pvt.Ltd. | 500,000         | 47   | 235,000           | -                | 53,909                              |
| Globecom Infra-Ventures Pvt.Ltd.                           | 100,000         | 50   | 50,000            | -                | -                                   |
| GMS Realtors Pvt. Ltd.                                     | 100,000         | 50   | 50,000            | -                | -                                   |

## B. Notes to Consolidated Profit & Loss Account

| <b>Note: 2.29</b>   | <b>As at</b>      | <b>As at</b>      |
|---|-------------------|-------------------|
| <b>Commitments and Contingent Liabilities</b>   | <b>31.03.2014</b> | <b>31.03.2013</b> |
|   | ₹                 | ₹                 |
| (i) Counter Guarantees given to the Banks against Guarantee issued by them                              | <b>33,600,000</b> | <b>28,650,000</b> |
| (ii) Letters of Credit opened by Banks  | <b>44,884,679</b> | -                 |
| (iii) Customs Duty/Excise Duty matters under Dispute (Net of Taxes Paid under Protest)                  | <b>12,523,787</b> | <b>12,569,007</b> |
| (iv) Demand raised by Income-Tax Authorities contested by the Company (Net of Taxes Paid under Protest) | <b>13,733,766</b> | <b>13,733,766</b> |

| <b>Note: 2.30</b>   | <b>As at</b>      | <b>As at</b>      |
|---|-------------------|-------------------|
| <b>Earnings Per Share (EPS)</b>   | <b>31.03.2014</b> | <b>31.03.2013</b> |
|   | ₹                 | ₹                 |
| <b>Earnings</b>   |                   |                   |
| Net profit after tax for the period                                     | <b>31,747,246</b> | 33,193,665        |
| <b>Shares</b>   |                   |                   |
| Number of shares at the beginning of the year                           | <b>63,990,000</b> | 63,990,000        |
| Less: Shares bought back during the year.                               | -                 | -                 |
| Number of shares at the end of the year.                                | <b>63,990,000</b> | 63,990,000        |
| Weighted average no. of Equity shares - <b>Basic</b>                    | <b>63,990,000</b> | 63,990,000        |
| Add: Undiluted effect of potential equity shares on conversion of FCCB. | -                 | -                 |
| Weighted average no. of Equity shares - <b>Diluted</b>                  | <b>63,990,000</b> | 63,990,000        |
| Nominal Value of each equity share (Rs.)                                | <b>2</b>          | 2                 |
| Earnings Per Share (EPS) - <b>Basic</b> (Rs.)                           | <b>0.50</b>       | 0.52              |
| Earnings Per Share (EPS) - <b>Diluted</b> (Rs.)                         | <b>0.50</b>       | 0.52              |

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### Note : 2.31

#### Related Party Disclosures

##### A. Relationship

| Entities in which directors are interested                                       | Associates                      | Key Management Personnel | Relatives of Key management personnel |
|--|---------------------------------|--------------------------|---------------------------------------|
| Surana Telecom and Power Limited   | B E I D C P L                   | G M Surana               | Namrata Surana                        |
| Innova Technologies Pvt. Limited   | Globecom Infra ventures Pvt Ltd | Narender Surana          | Nivriti Surana                        |
| Value Infrastructure & Properties Pvt Ltd  |                                 | Devendra Surana          |                                       |
| Bhagyanagar Energy & Telecom Pvt Ltd   |                                 | Narender Munoth          |                                       |
| Bhagyanagar Infrastructure Ltd   |                                 |                          |                                       |
| Bhagyanagar Entertainment Limited  |                                 |                          |                                       |
| Every Time Foods Industries Private Limited                                      |                                 |                          |                                       |
| Surana Infocom Private Limited   |                                 |                          |                                       |
| Surana Solar Systems Private Limited   |                                 |                          |                                       |
| Celestial Solar Solutions Private Limited  |                                 |                          |                                       |
| Andhra Electro Galvanising Works   |                                 |                          |                                       |
| Tranquil Avenues India Private Limited   |                                 |                          |                                       |
| Royal Skyscrapers India Private Limited  |                                 |                          |                                       |
| Innova Infrastructure Private Limited  |                                 |                          |                                       |
| Majestic Logistics Private Limited   |                                 |                          |                                       |
| Innova Biotech India Private Limited   |                                 |                          |                                       |
| Epicentre entertainment Private Limited  |                                 |                          |                                       |
| Bhagyanagar Ventures Private Limited   |                                 |                          |                                       |
| Surana Ventures Limited  |                                 |                          |                                       |
| Bhagyanagar Green Energy Limited (Formerly Known as Bhagyanagar Telecom Limited) |                                 |                          |                                       |

(Amount in ₹)

**B. Summary of significant Related Party Transactions**

| Nature of Transaction                  | Entities in which directors are interested |                   | Associates |               | Key Management |           | Relatives of key Personnel management Personnel |           |
|--|--|-------------------|------------|---------------|----------------|-----------|---|-----------|
|  | 2013-2014                                  | 2012-2013         | 2013-2014  | 2012-2013     | 2013-2014      | 2012-2013 | 2013-2014                                       | 2012-2013 |
| <b>Sale of Goods</b>                   |  |                   |            |               |                |           |   |           |
| Surana Telecom & Power Limited         | 19,016,410                                 | NIL               | -          | -             | -              | -         | -   | -         |
| Surana Ventures Limited                | 14,330,184                                 | NIL               | -          | -             | -              | -         | -   | -         |
| Surana Ventures Limited                | 4,686,226                                  | NIL               | -          | -             | -              | -         | -   | -         |
| <b>Sale of Wind Mill Unit</b>          |  |                   |            |               |                |           |   |           |
| Solar Dynamics Private Limited         | 67,896,987                                 | 93,550,000        | -          | -             | -              | -         | -   | -         |
| <b>Purchase of Goods</b>               |  |                   |            |               |                |           |   |           |
| Surana Ventures Limited                | -  | 164,444,549       | -          | -             | -              | -         | -   | -         |
| Surana Ventures Limited                | -  | 164,444,549       | -          | -             | -              | -         | -   | -         |
| <b>Interest Received</b>               |  |                   |            |               |                |           |   |           |
| Surana Telecom & Power Limited         | <b>2,666,486</b>                           | <b>13,177,004</b> | -          | <b>73,370</b> | -              | -         | -   | -         |
| Surana Ventures Limited                | NIL  | 873,495           | -          | -             | -              | -         | -   | -         |
| Bhagyanagar Infrastructure Limited     | 2,586,080                                  | 3,343,143         | -          | -             | -              | -         | -   | -         |
| Scientia Infocom India Private Limited | 80,406                                     | 8,960,366         | -          | -             | -              | -         | -   | -         |
| Metropolitan Ventures India Limited    | -  | -                 | -          | -             | -              | -         | -   | -         |
| Solar Dynamics Private Limited         | -  | -                 | -          | -             | -              | -         | -   | -         |
| Advantage Real Estate India Pvt Ltd    | -  | -                 | -          | 73,370        | -              | -         | -   | -         |
| <b>Advances Given</b>                  |  |                   |            |               |                |           |   |           |
| Surana Telecom & Power Limited         | <b>132,977,872</b>                         | <b>95,626,092</b> | -          | -             | -              | -         | -   | -         |
| Surana Ventures Limited                | -  | 18,175,593        | -          | -             | -              | -         | -   | -         |
| Bhagyanagar Infrastructure Limited     | 132,919,739                                | 52,800,000        | -          | -             | -              | -         | -   | -         |
| Scientia Infocom India Private Limited | 58,133                                     | 24,650,499        | -          | -             | -              | -         | -   | -         |
| Metropolitan Ventures India Limited    | -  | -                 | -          | -             | -              | -         | -   | -         |
| Bhagyanagar Metals Limited             | -  | -                 | -          | -             | -              | -         | -   | -         |
| Solar Dynamics Private Limited         | -  | -                 | -          | -             | -              | -         | -   | -         |

| Nature of Transaction                                 | Entities in which directors are interested |                    | Associates |           | Key Management    |                   | Relatives of key Personnel management Personnel |                  |
|---|--|--------------------|------------|-----------|-------------------|-------------------|---|------------------|
|   | 2013-2014                                  | 2012-2013          | 2013-2014  | 2012-2013 | 2013-2014         | 2012-2013         | 2013-2014                                       | 2012-2013        |
|   | (Amount in ₹)                              |                    |            |           |                   |                   |   |                  |
| <b>Advances Received Back</b>                         | <b>41,798,517</b>                          | <b>471,113,179</b> | -          | -         | -                 | -                 | -   | -                |
| Surana Telecom & Power Limited                        | -  | 96,087,179         | -          | -         | -                 | -                 | -   | -                |
| Surana Ventures Limited Bhagyanagar                   | 38,296,965                                 | 202,800,000        | -          | -         | -                 | -                 | -   | -                |
| Infrastructure Limited Solar Dynamics Private Limited | 3,501,552                                  | 172,226,000        | -          | -         | -                 | -                 | -   | -                |
| <b>Remuneration</b>                                   | -  | -                  | -          | -         | -                 | -                 | -   | -                |
| Narender Surana                                       | -  | -                  | -          | -         | <b>12,918,000</b> | <b>11,556,000</b> | <b>1,080,000</b>                                | <b>1,080,000</b> |
| Devendra Surana                                       | -  | -                  | -          | -         | 4,800,000         | 4,800,000         | -   | -                |
| Narender Murnoth                                      | -  | -                  | -          | -         | 4,800,000         | 4,800,000         | -   | -                |
| N.K.Reddy   | -  | -                  | -          | -         | 2,940,000         | 1,620,000         | -   | -                |
| Namrata Surana  | -  | -                  | -          | -         | 378,000           | 336,000           | -   | -                |
| Nivrithi Surana                                       | -  | -                  | -          | -         | -                 | -                 | 600,000   | 600,000          |
|   | -  | -                  | -          | -         | -                 | -                 | 480,000   | 480,000          |
| <b>Share Application Money Repaid</b>                 | -  | -                  | -          | -         | -                 | -                 | -   | -                |
| Stealth Energy Private Limited                        | -  | 1,700,000          | -          | -         | -                 | -                 | -   | -                |
| <b>Rent Paid</b>                                      | <b>821,520</b>                             | <b>821,520</b>     | -          | -         | <b>240,000</b>    | <b>240,000</b>    | -   | -                |
| Bhagyanagar Ventures Limited                          | 821,520                                    | 821,520            | -          | -         | 240,000           | 240,000           | -   | -                |
| Devendra Surana                                       | -  | -                  | -          | -         | -                 | -                 | -   | -                |

1. Figures in Bold represents the total figures in each case.

**Note : 2.32**
**Retirement and other Employee Benefits**

- The Company's employee benefits primarily cover provident fund, gratuity and leave encashment.
- Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the Profit & Loss Account in the year in which they accrue.
- Gratuity liability is a defined benefit obligation and is based on the actuarial valuation done by the Life Insurance Corporation. The gratuity liability and the net periodic gratuity cost is actually determined after considering discount rates, expected long-term return on plan assets and increase in compensation level. All actuarial gain/Losses are immediately charged to the Profit & Loss Account and are not deferred.
- The company has an overfunded position for its gratuity plans and accordingly, no provision has been made as at 31.03.2014

The following Table sets out the status of the gratuity plan as required under AS-15.

**A. Expenses recognised in the Profit & Loss Account**

(Amount in ₹)

| Particulars                             | Gratuity |           |
|---|----------|-----------|
|   | 2013-14  | 2012-13   |
| Current service cost                    | 548,871  | 420,876   |
| Interest Cost                           | 480,492  | 382,722   |
| Expected Return on Planned Assets       | 623,403  | (525,321) |
| Net actuarial loss/(gain) on obligation | 474,016  | 1,599,809 |

**B. Change in Defined Benefit obligation during the year ended 31st March, 2014**

| Particulars                                | Gratuity         |             |
|--|------------------|-------------|
|  | 2013-14          | 2012-13     |
| <b>Opening Present value of obligation</b> | <b>6,006,151</b> | 4,784,022   |
| Interest Cost                              | 480,492          | 382,722     |
| Current service cost                       | 548,871          | 420,876     |
| Benefits Paid                              | 225,251          | (1,181,278) |
| Expected liability at the year end         | 474,016          | 1,599,809   |
| <b>Closing Present value of obligation</b> | <b>7,284,279</b> | 6,006,151   |

**C. Change in Fair Value of Plan Assets during the year ended 31st March, 2014**

| Particulars                              | Gratuity         |             |
|--|------------------|-------------|
|  | 2013-14          | 2012-13     |
| <b>Opening Fair value of Plan Assets</b> | <b>7,080,343</b> | 5,985,459   |
| Expected Return on Planned assets        | 623,403          | 525,321     |
| Contribution made during the year        | 984,810          | 1,750,841   |
| Benefits Paid                            | 225,251          | (1,181,278) |
| Actuarial gain on planned Assets         | -                | -           |
| <b>Closing Fair value of Plan Assets</b> | <b>8,463,305</b> | 7,080,343   |



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### D. Actuarial assumption

| Particulars        | Gratuity |         |
|--------------------|----------|---------|
|                    | 2013-14  | 2012-13 |
| Discount rate used | 8%       | 8%      |
| Salary escalation  | 4%       | 4%      |

### Note: 2.33 Unhedged Foreign Currency Exposure

The Company has the following un-hedged exposure in foreign currency at the year end:

| Particulars      | 2013-2014         |                    | 2012-2013         |                    |
|------------------|-------------------|--------------------|-------------------|--------------------|
|                  | USD               | ₹                  | USD               | ₹                  |
| Sundry Creditors | 2,639,317         | 158,622,972        | 860,958           | 46,827,523         |
| Secured Loans    | 11,912,460        | 715,938,846        | 13,230,492        | 719,642,706        |
| <b>TOTAL</b>     | <b>14,551,777</b> | <b>874,561,818</b> | <b>14,091,450</b> | <b>766,470,229</b> |

### Note: 2.34

Additional Information Pursuant to the provisions of Paragraph 3, 4C and 4D of the Part II of Schedule VI of the Companies Act,1956.

### A. RAW MATERIALS CONSUMED:

| Particulars                | Unit | Quantity     |              | Amount in ₹          |                      |
|----------------------------|------|--------------|--------------|----------------------|----------------------|
|                            |      | 2013-14      | 2012-13      | 2013-14              | 2012-13              |
| Copper                     | MTs  | 2,961        | 2,687        | 1,355,460,048        | 1,214,728,772        |
| Scrap                      | MTs  | 1,222        | 871          | 470,996,200          | 335,615,000          |
| Others                     |      | -            | -            | 57,203,800           | 52,309,892           |
| Inter Unit Transfers       |      |              |              |                      |                      |
| (a) Copper Rod/Wires       | MTs  | -            | -            | -                    | -                    |
| (b) Others                 |      |              |              | 282,642              | 2,002,008            |
| <b>SUB - TOTAL</b>         |      | <b>4,183</b> | <b>3,559</b> | <b>1,883,942,690</b> | <b>1,604,655,672</b> |
| Less: Inter Unit Purchases |      |              | -            | 282,642              | 2,002,008            |
| <b>TOTAL</b>               |      | <b>4,183</b> | <b>3,559</b> | <b>1,883,660,048</b> | <b>1,602,653,664</b> |

**B. VALUE OF RAW MATERIALS, STORES & SPARE PARTS CONSUMED:**

| Particulars   | 2013-2014            |                | 2012-2013     |                |
|---|----------------------|----------------|---------------|----------------|
|   | Amount in ₹          | Percentage (%) | Amount in ₹   | Percentage (%) |
| Raw Materials & Components                              |                      |                |               |                |
| (a) Imported  | <b>318,180,155</b>   | <b>17</b>      | 152,652,000   | 10             |
| (b) Indigenous  | <b>1,565,762,535</b> | <b>83</b>      | 1,452,003,672 | 90             |
| <b>TOTAL</b>  | <b>1,883,942,690</b> | <b>100</b>     | 1,604,655,672 | 100            |
| Stores & Spare Parts<br>(including Consumed for Repair) |                      |                |               |                |
| (a) Imported  | <b>3,321,402</b>     | <b>24</b>      | 7,341,226     | 46             |
| (b) Indigenous  | <b>10,630,353</b>    | <b>76</b>      | 8,717,167     | 54             |
| <b>TOTAL</b>  | <b>13,951,755</b>    | <b>100</b>     | 16,058,393    | 100            |

**C. TRANSACTIONS IN FOREIGN EXCHANGE:**

| Particulars  | 2013-2014<br>(Amount in ₹) | 2012-2013<br>(Amount in ₹) |
|--|----------------------------|----------------------------|
| Imports (on CIF Basis)                             |                            |                            |
| (a) Raw Materials/Traded Goods                     | <b>318,180,155</b>         | 163,386,054                |
| (b) Stores & Spares                                | <b>7,178,620</b>           | 3,035,390                  |
| (c) Capital Goods                                  | -                          | 4,305,836                  |
| Expenditure in Foreign Currency (Travelling)       | <b>1,118,284</b>           | 483,679                    |
| Expenditure in Foreign Currency (Interest on ECB)  | <b>42,885,887</b>          | 40,903,177                 |
| Expenditure in Foreign Currency (Repayment of ECB) | <b>78,218,608</b>          | 18,014,202                 |

**Note: 2.35 Segment information**  
**Information about business segments**

(Value in Rs.)

| Sl. No. | Particulars                         | Copper Products      |                      | Renewable Energy   |                  | Infra Structure  |                  | Others            |                | Total                |                      |
|---------|-------------------------------------|----------------------|----------------------|--------------------|------------------|------------------|------------------|-------------------|----------------|----------------------|----------------------|
|         |                                     | 31.03.2014           | 31.03.2013           | 31.03.2014         | 31.03.2013       | 31.03.2014       | 31.03.2013       | 31.03.2014        | 31.03.2013     | 31.03.2014           | 31.03.2013           |
| 1.      | <b>REVENUE</b>                      |                      |                      |                    |                  |                  |                  |                   |                |                      |                      |
|         | External Sales (Net of Excise duty) | 2,266,122,009        | 1,963,360,037        | 105,304,887        | 7,308,580        | 7,308,580        | 7,308,580        | 70,660,235        | -              | 2,447,530,016        | 2,067,607,964        |
|         | Other Operating income              | 15,102,417           | 7,352,258            | 671,958            | 300,000          | 300,000          | 300,000          | 543,868           | 357,798        | 16,318,243           | 8,010,056            |
|         | <b>Total Revenue</b>                | <b>2,281,224,426</b> | <b>1,970,712,295</b> | <b>105,976,845</b> | <b>7,608,580</b> | <b>7,608,580</b> | <b>7,608,580</b> | <b>71,204,103</b> | <b>357,798</b> | <b>2,463,848,259</b> | <b>2,075,618,020</b> |
| 2.      | <b>RESULTS</b>                      |                      |                      |                    |                  |                  |                  |                   |                |                      |                      |
|         | Segment results                     | 120,133,971          | 77,853,732           | 40,124,729         | (686,068)        | (686,068)        | (686,068)        | 586,000           | (1,311,694)    | 164,716,013          | 105,066,974          |
|         | Unallocable income/Expenses         |                      |                      |                    |                  |                  |                  |                   |                | (54,517,075)         | 8,830,810            |
|         | Operating Profit                    |                      |                      |                    |                  |                  |                  |                   |                | 110,198,938          | 113,897,784          |
|         | Interest Expenses                   |                      |                      |                    |                  |                  |                  |                   |                | 77,765,853           | 76,242,345           |
|         | Profit from Ordinary Activities     |                      |                      |                    |                  |                  |                  |                   |                | 32,433,085           | 37,655,439           |
|         | <b>Net Profit</b>                   |                      |                      |                    |                  |                  |                  |                   |                | <b>32,433,085</b>    | <b>37,655,439</b>    |
| 3.      | <b>Other Information</b>            |                      |                      |                    |                  |                  |                  |                   |                |                      |                      |
|         | Segment Assets                      | 736,207,399          | 707,394,038          | 1,099,015,212      | 2,208,712,300    | 2,208,712,300    | 2,208,712,300    | 25,412,654        | 25,282,371     | 3,984,773,064        | 3,650,608,046        |
|         | Unallocable Assets                  |                      |                      |                    |                  |                  |                  |                   |                | 473,926,031          | 489,778,427          |
|         | <b>Total Assets</b>                 |                      |                      |                    |                  |                  |                  |                   |                | <b>4,458,699,095</b> | <b>4,140,386,472</b> |
|         | Segment Liabilities                 | 203,444,606          | 69,432,900           | 250,327,037        | 865,352,010      | 865,352,010      | 865,352,010      | 96,000            | 96,000         | 1,368,256,699        | 1,070,543,467        |
|         | Unallocable Liabilities             |                      |                      |                    |                  |                  |                  |                   |                | 136,933,792          | 154,347,344          |
|         | <b>Total Liabilities</b>            |                      |                      |                    |                  |                  |                  |                   |                | <b>1,505,190,491</b> | <b>1,224,890,812</b> |
|         | Capital Expenditure                 | 7,036,660            | 11,904,889           | 404,030,723        | 781,460          | 781,460          | 781,460          | -                 | -              | 412,098,728          | 19,791,907           |
|         | Unallocable Capital Expenditure     |                      |                      |                    |                  |                  |                  |                   |                | 5,486,533            | 9,528,413            |
|         | <b>Total Capital Expenditure</b>    |                      |                      |                    |                  |                  |                  |                   |                | <b>417,585,261</b>   | <b>29,320,320</b>    |
|         | Depreciation                        | 20,324,925           | 24,304,629           | 46,443,140         | 1,672,226        | 1,672,226        | 1,672,226        | 588,589           | 473,745        | 68,934,687           | 61,335,555           |
|         | Unallocable Depreciation            |                      |                      |                    |                  |                  |                  |                   |                | 5,306,306            | 5,688,225            |
|         | <b>Total Depreciation</b>           |                      |                      |                    |                  |                  |                  |                   |                | <b>74,240,992</b>    | <b>67,023,779</b>    |

As per our report of even date attached

**For Sekhar & Co**  
Chartered Accountants  
Firm Regn No. 003695-S

**G. Ganesh**  
Partner  
Membership No : 211704  
Place : Secunderabad  
Date : 06.05.2013

For **Bhayanagar India Limited**

**G.M. Surana**  
Chairman  
**Narender Surana**  
Managing Director  
**Devendra Surana**  
Managing Director  
**Biswa Ranjan Subudhi**  
Company Secretary

**Surendra Bhutoria**  
Chief Financial Officer

**Statement Pursuant to Section 212 of Companies Act, 1956 Relating to Subsidiary Companies**

| Sl. No | Name of subsidiary Company   | Bhagyanagar Metals Limited         | Bhagyanagar Properties Private Limited | Scientia Infocom India Private Limited | Metropolitan Ventures India Limited  | Solar Dynamics Private Limited        |
|--------|--|------------------------------------|--|--|--------------------------------------|---------------------------------------|
| 1.     | Financial Year ending of the Subsidiary  | 31.03.2014                         | 31.03.2014                             | 31.03.2014                             | 31.03.2014                           | 31.03.2014                            |
| 2.     | Shares of the subsidiary held by Holding Company on the above date   |                                    |  |  |                                      |                                       |
|        | a. Number and Face Value.  | 49,940 Equity Share of ₹ 10/- each | 39,99,940 Equity Share of ₹ 10/- each  | 30,39,960 Equity Share of ₹ 10/- each  | 4,99,994 Equity Share of ₹ 10/- each | 14,80,000 Equity Share of ₹ 10/- each |
|        | b. Extent of Holding   | 99.88%                             | 99.99%                                 | 75.99%                                 | 99.99%                               | 74%                                   |
| 3.     | Profit/Losses of the Subsidiary Company for its financial year so far as it concerns the members of the Holding Company which have not been dealt within the accounts of Holding Company |                                    |  |  |                                      |                                       |
|        | a. For the financial year or the years of the subsidiary aforesaid   | (13,029)                           | (35,548)                               | (36,075)                               | (8,064)                              | 5,493,563                             |
|        | b. For the previous financial years of the subsidiary since it became the Holding Company's Subsidiary   | (63,916)                           | (2,397,262)                            | (908,024)                              | (2,427,827)                          | (7,459,587)                           |
| 4.     | Net aggregate amount of the Profits/Losses of the subsidiary so far as the profits are dealt in the accounts of Holding Company.   |                                    |  |  |                                      |                                       |
|        | a. For the financial year or the years of the subsidiary aforesaid   | Nil                                | Nil                                    | Nil                                    | Nil                                  | Nil                                   |
|        | b. For the previous financial years of the subsidiary since it became the Holding Company's Subsidiary   | Nil                                | Nil                                    | Nil                                    | Nil                                  | Nil                                   |

**Brief Financial particulars of Subsidiary as per MCA General Circular No 2/2011 dt. 8th February, 2011**

(₹ in Lakhs)

| Name of the company              | Capital | Reserves | Total Assets | Total Liabilities | Investment | Turnover | Profit Before Tax | Provision for Taxation | Profit after Taxation | Proposed Dividend |
|----------------------------------|---------|----------|--------------|-------------------|------------|----------|-------------------|------------------------|-----------------------|-------------------|
| Bhagyanagar Properties Pvt. Ltd. | 400     | (24.32)  | 6014.97      | 6014.97           | -          | -        | (0.35)            | -                      | (0.35)                | -                 |
| Bhagyanagar Metals Ltd.          | 5       | (0.77)   | 61.27        | 61.27             | -          | -        | (0.13)            | -                      | (0.13)                | -                 |
| Scientia Infocom India Pvt. Ltd. | 400     | (9.44)   | 3241.74      | 3241.74           | -          | -        | (0.36)            | -                      | (0.36)                | -                 |
| Metropolitan Ventures India Ltd. | 50      | 24.19    | 727.64       | 727.64            | -          | -        | (0.08)            | -                      | (0.08)                | -                 |
| Solar Dynamics Pvt. Ltd          | 300     | (19.66)  | 2662.72      | 2662.72           | -          | -        | 25.18             | -                      | 54.93                 | -                 |

# ELECTRONIC CLEARING SERVICES (CREDIT CLEARING) MANDATE FORM FOR PAYMENT OF DIVIDEND

To,  
KARVY COMPUTERSHARE PVT. LTD.  
Unit : Bhagyanagar India Limited.  
Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081  
Phone: 040-44655000, Fax: 040-23420814

Shareholder's authorisation to receive dividends through Electronic Credit Clearing Mechanism.

|  |  |
|--|--|
| Registered Folio No. :   | ECS Ref. No. :<br>(for Office use only)  |
| Name of the first/sole shareholder   |  |
| Bank Name  |  |
| Branch Address &<br>Telephone No. of Branch  |  |
| Bank Account Number<br>(As appearing on the Cheque Books)  |  |
| 9 digit code number of the Bank and Branch<br>appearing on the MICR cheque issued by the Bank.<br>(Please attach a blank cancelled cheque, or a<br>photocopy of a cheque issued to you by your Bank,<br>for verification of the above particulars) |  |
| Account Type<br>(Please tick the option)   | <input type="checkbox"/> Savings<br><input type="checkbox"/> Current<br><input type="checkbox"/> Cash Credit |
| Bank Account Ledger Folio No. (If any)   |  |
| Effective date of this mandate   |  |

I, hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s. Bhagyanagar India Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place : .....

Date : .....

Signature of First Holder

**Note:**

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
2. In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to NSDL / CDSL as the case may be, through their respective Depository Participants. Shareholders are also requested to note that changes, if any, intimated by the Demat Account holders directly to the Company will not be considered.



## Green Initiative in Corporate Governance: Go Paper Less

The Ministry of Corporate Affairs has come up with a Green Initiative of permitting the service of documents including Annual Reports to the Shareholders through e-mail or other permissible electronic modes instead of physical mode vide its Circular No. 17/2011 dated 21 April 2011. This is certainly a welcome move for the society at large as this will reduce paper consumption to a great extent and allow all stakeholders to contribute towards a Greener Environment. To support this green initiative, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members e-mail registration form and register the same with Karvy Computershare Private Limited.

### Members e-mail Registration Form

Name: ..... e-mail: .....

Address: .....

.....

.....

DP ID : ..... Client ID: .....

Folio No: .....

(in case of physical holding)

No. of equity shares held: .....



Signature

**Members are requested to send this e-mail registration form to the Company's Registrar and Transfer Agents i.e., Karvy Computershare Private Limited at the below mentioned address.**

**M/s Karvy Computershare Private Limited**

Unit : Bhagyanagar India Limited.

17-24, Vittal Rao Nagar,

Madhapur, Hyderabad-500 081

# Bhagyanagar India Limited

## ATTENDANCE SLIP

Regd. Office: 5TH Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003.  
(CIN: L27201TG1991PLC012449) Ph: 040-44665700, Fax : 040-27818868, E-mail: cs@surana.com and  
invetsorservices\_bil@surana.com ; URL: www.bhagyanagarindia.com

### 29TH ANNUAL REPORT 2013-14

|              |
|--------------|
| DP. ID* :    |
| Client ID* : |

|                 |
|-----------------|
| Reg. Folio No : |
| No. of Shares : |

Name and address of the Shareholder: .....

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at the 29th Annual General Meeting of the Company, at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016 at 12.00 Noon on Monday, the 22nd September, 2014.

\_\_\_\_\_  
\*\* Member's/Proxy's name in Block Letters

\_\_\_\_\_  
\*\*Member's/Proxy's Signature

#### Note:

1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.
  2. NO GIFTS WILL BE GIVEN.
- \* Applicable for Investors holding shares in electronic form.  
\*\* Strike out whichever is not applicable.

# Bhagyanagar India Limited

## PROXY FORM

Regd. Office: 5TH Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003.  
(CIN: L27201TG1991PLC012449) Ph: 040-44665700, Fax : 040-27818868, E-mail: cs@surana.com and  
invetsorservices\_bil@surana.com ; URL: www.bhagyanagarindia.com

### FORM NO: MGT-11

(Pursuant to Section 105(6) of Companies Act,2013, and Rule 19(3) of the Companies(Management and Administration) Rules,2014)

|                           |   |           |
|---------------------------|---|-----------|
| Name of the Company       | Bhagyanagar India Limited (CIN: L27201TG1991PLC012449)              |           |
| Registered Office         | 5TH Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003. |           |
| Name of the Member(s)     |   |           |
| Registered Address        |   |           |
| Folio No./DP ID-Client ID |   | E-mail ID |

I/We, being the member(s) holding \_\_\_\_\_ equity shares of the above named Company, hereby appoint.

1. Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E.mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_  
or failing him/her
2. Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E.mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_  
or failing him/her
3. Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E.mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

As my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on the Monday, 22nd day of September, 2014, 12.00 Noon at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016 and adjournment there.



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## Bhagyanagar India Limited

Regd. Office: 5TH Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003.  
(CIN: L27201TG1991PLC012449) Ph: 040-44665700, Fax : 040-27818868, E-mail: cs@surana.com and  
invetsorservices\_bil@surana.com ; URL: www.bhagyanagarindia.com

### 29TH ANNUAL REPORT 2013-14

#### BALLOT FORM

Sr.No :

Name And Registered Address :

Of The Sole/First Named Shareholder

Name(S) Of The Joint Holder(S), If Any :

Registered Folio No./ DP & Client ID No. :

No. of Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the notice dated 8th August, 2014, convening the 29th Annual General Meeting of the Company to be held on 22nd September, 2014, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below:

| Item No. | Description  | Type of Resolution  | No. of Shares | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|----------|--|---------------------|---------------|-------------------------------------|--|
| 1.       | Adoption of Financial Statements (Standalone & Consolidated) of the Company for the year ended 31st March, 2014 including Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss, Reports of the Board of Directors and Auditors thereon. | Ordinary Resolution |               |                                     |  |
| 2.       | Approval of dividend for the financial year ended 31st March, 2014.  | Ordinary Resolution |               |                                     |  |
| 3.       | Appointment of Director in place of Shri. G M Surana, (DIN: 00078987) who retires by rotation and, being eligible, offers himself for re-appointment.  | Ordinary Resolution |               |                                     |  |
| 4.       | Appointment of M/s Sekhar & Co (Firm Registration No. 003695S) as Statutory Auditors of the Company and to fix their remuneration.   | Ordinary Resolution |               |                                     |  |
| 5.       | Appointment of Shri Kamlesh Gandhi (DIN: 00004969) as Non Executive Independent Director.  | Ordinary Resolution |               |                                     |  |
| 6.       | Appointment of Shri O. Swaminatha Reddy (DIN: 00006391) as Non Executive Independent Director.   | Ordinary Resolution |               |                                     |  |
| 7.       | Appointment of Shri D. Venkatasubbiah (DIN: 00006618) as Non Executive Independent Director.   | Ordinary Resolution |               |                                     |  |
| 8.       | Re-Appointment of Shri R. Surender Reddy (DIN: 00083972) as Non Executive Independent Director.  | Ordinary Resolution |               |                                     |  |
| 9.       | Re-Appointment of DR. R. N. Sreenath (DIN: 00124157) as Non Executive Independent Director.  | Ordinary Resolution |               |                                     |  |
| 10.      | To Approve the Remuneration to be paid to Shri. Narender Surana, Managing Director of the Company.   | Special Resolution  |               |                                     |  |

(Contd.)

| Item No. | Description  | Type of Resolution  | No. of Shares | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|----------|--|---------------------|---------------|-------------------------------------|--|
| 11       | To Approve the Remuneration to be paid to Shri. Devendra Surana, Managing Director of the Company. | Special Resolution  |               |                                     |  |
| 12       | Re-Appointment of Shri N. Krupakar Reddy (DIN: 00006580) as Whole Time Director of the Company.    | Special Resolution  |               |                                     |  |
| 13       | To Increase Borrowing Power of The Company.  | Special Resolution  |               |                                     |  |
| 14       | To Sell, Lease Or Otherwise Disposal Of The Whole, Or Substantially The Whole, Of The Undertaking  | Special Resolution  |               |                                     |  |
| 15       | Raise Funds Through Issue of Convertible Securities / GDR's / ADR's / FCCB's / ECB's Etc           | Special Resolution  |               |                                     |  |
| 16       | To Approve the Remuneration to be paid to M/s BVR & Associates, Cost Auditors of the Company       | Ordinary Resolution |               |                                     |  |

Place :

Date :

Signature of the Shareholder

**NOTE:** Kindly read the instructions printed overleaf before filing the form. Valid Ballot Forms received by the scrutinizer by 6:00 pm. on 18th September, 2014 shall only be considered.

**INSTRUCTIONS:**

- Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to Shri. GSNL Gupta, Practicing Company Secretary. The Scrutinizer, C/o Karvy Computershare Pvt. Ltd., Unit: Bhagyanagar India Limited, Plot No.17-24, Vittal Rao Nagar, Near Image Hospital, Madhapur, Hyderabad-500081 or to the email Id: cs@surana.com so as to reach by 6:00 pm on 18th September, 2014. Ballot Form received thereafter will strictly be treated as if not received.
- The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
- Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
- In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
- The right of voting by Ballot Form shall not be exercised by a proxy.
- To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent (i.e. M/s Karvy Computershare Pvt. Ltd.) of the Company. Members are requested to keep the same updated.
- There will be only one Ballot Form for every Folio/DP ID/CLIENT ID irrespective of the number of joint members.
- In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
- Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc/ a certified copy of the relevant authorization/Board Resolution to vote should accompany the Ballot Form.
- Instructions for e-voting procedure are available in the Notice of 29th Annual General Meeting and are also placed on the website of the Company, [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com) and <https://evoting.karvy.com>

# INVESTOR INFORMATION

## DIVIDEND

The Dividend at 15 % ( Rs.0.30/- per share) will be paid to the shareholders whose names appear on the Register of Members as on 22.09.2014 and to those shareholders whose names appear as Beneficial owners as on 22.09.2014 as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in Electronic Form.

## PAYMENT OF DIVIDEND

Dividend, in case of shareholders availing the ECS Facility, will be credited directly into their Bank Accounts. Dividend warrants, in the case of shareholders not availing the ECS Facility, will be sent directly to their registered address and will be valid for a period of 3 months from the date of the warrant. After expiry of the said 3 months, the warrants shall be sent to the Registered Office of the Company for revalidation.

## SHARE REGISTRY

The Registry of Physical Share Certificates is done by our Registrars and Transfer Agents, M/s KARVY COMPUTERSHARE PRIVATE LIMITED, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500-081. The shareholders can send the shares for Transfer/ Transmission/ Split/Consolidation and Issue of Duplicate Share Certificates, Request for Change of Address to the above address. Intimation regarding change of address, in the case of holder of shares in physical form, may be sent to M/s KARVY COMPUTERSHARE PRIVATE LIMITED, at the above mentioned address and in the case of holders of shares in Electronic Form, to their Depository participants.

## LISTING

The Company's shares are listed at BSE Limited and National Stock Exchange of India Limited.

## DEMATERIALISATION OF SHARES

The shares of the Company are under compulsory dematerialised trading since 8<sup>th</sup> May, 2000. The Company has entered into a tripartite agreement with the National Securities Depository Limited, Central Depository Services (India) Limited and the Company's Depository Registrars, M/s KARVY COMPUTERSHARE PRIVATE LIMITED, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, for induction of the Company's shares in to the depository system. The ISIN number allocated to the Company's securities is INE458B01028. Those shareholders, who have not dematerialised their shares, may send their shares / Option letters the Company, through their Depository Participants with whom they hold an account, for getting the shares dematerialised.

## QUALITY OBJECTIVE

*An effective and clearly understood quality system by employees.*

*Teamwork to build-up quality consciousness amongst all our employees.*

*Continuous improvement in every activity for achieving excellence.*

*Timely corrective action to prevent anticipated factors affecting quality & productivity.*



If undelivered please return to:  
**Secretarial Department**

## **BHAGYANAGAR INDIA LIMITED**

Registered Office :

Surya Towers, 5th Floor,  
Sardar Patel Road, Secunderabad - 500 003, India

Tel. : +91-040-27845119, 44665700, 27841198

Fax : +91-040-27818868

CIN: L27201TG1991PLC012449

E-mail : [surana@surana.com](mailto:surana@surana.com)

Investor Complaints: [cs@surana.com](mailto:cs@surana.com), [investorservices\\_bil@surana.com](mailto:investorservices_bil@surana.com)

Website : [www.surana.com](http://www.surana.com), [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com)