

# **30th Annual Report**

**HARIGANGA MACHINERIES  
AND  
ENGINEERING SERVICES LTD**

**FINANCIAL YEAR  
2009-10**

**HARIGANGA MACHINERIES AND ENGINEERING SERVICES LTD****30th Annual Report 2009-10**

Directors : Shri Radheshyam Agrawal - Non Executive Director  
Shri Harish Agrawal - Executive Director  
Shri Krishan Kumar Agrawal - Independent Director

Auditors : M/s. P N Bahri & Co.  
Chartered Accountant

Registered Office : Old Motor Stand, Itwari, Nagpur - 440 008.

Registrar and Share  
Transfer Agent : IN HOUSE

<b>Contents</b>	<b>Page</b>
1 Notice of the Annual General Meeting	01
2 Director's Report	03
3 Compliance Certificate	07
3 Auditors Report	11
4 Balance Sheet	15
5 Statement of Profit and Loss Account	16
6 Accompanying notes to the financial statements	17
7 Balance Sheet Abstract and Company's General Business Profile	22
8 Cash Flow Statement	23
9 Attendance Slip	24
10 Proxy Form	24

## **NOTICE**

NOTICE is hereby given that the 30th Annual General Meeting of the members of **HARIGANGA MACHINERIES AND ENGINEERING SERVICES LTD** will be held on Thursday, 30th September, 2010, at 10.00 A.M. at Registered Office of the Company situated at Old Motor Stand, Itwari, Nagpur-440008 to transact the following business:

### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2010 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2010 and Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Harish Agrawal who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- 3) To re-appoint M/s P N Bahri & Co., Chartered Accountants, as the Statutory Auditor for the Financial Year 2010-11 and to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to decide their remuneration.

Date: 07th September, 2010

Place: Nagpur

By Order of the Board  
For **Hariganga Machineries And Engineering Services Ltd**

Sd/-  
**Harish Agrawal**  
Chairman

### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from, Monday, 27th September, 2010 to Thursday, 30th September, 2010 (both days inclusive) for the purpose of Annual General Meeting for the financial year ended 31st March, 2010.
3. Members who wish to attend the meeting are requested to bring duly filled attendance sheet and their copy of the Annual Report at the Meeting.
4. In case of physical shares, the instrument of Share Transfer complete in all respect should be sent so as to reach to the Registered Office of the Company prior to closure of the Register of Members as stated above.
5. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

6. Members are requested to kindly notify changes including email address, if any, in their address to the Company's Registered Office address, situated at Old Motor Stand, Itwari, Nagpur-440008.
7. Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidate their holdings in one folio.

By Order of the Board  
For **Hariganga Machineries And Engineering Services Ltd**

Date: 07th September, 2010  
Place: Nagpur

Sd/-  
**Harish Agrawal**  
Chairman

## DIRECTORS REPORT

Dear Shareholders,

The Directors have pleasure in presenting their 30th Annual Report on the business and operations together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

### 1. FINANCIAL RESULTS:

The Financial results are briefly indicated below:

*(Amt. in Lacs)*

Financial Results	Financial Year 2009-10	Financial Year 2008-09
Total Income	0.00	0.07
Total Expenditure	(0.11)	0.33
Profit/Loss before Taxation	(0.11)	(0.26)
Profit/Loss brought forward	(18.39)	(19.14)
Balance carried to Balance Sheet	(18.69)	(18.39)

### 2. REVIEW OF OPERATION:

Your Director aspects to achieve better performance in the future taking maximum efforts to control the costs and optimize the results in the coming years.

### 3. DIVIDEND:

Your Director regrets their inability to recommend Dividend in view of inadequacy of Profits and carry forward losses, in year under review.

### 4. DEPOSITS:

The Company has not accepted any deposits from the public.

### 5. PARTICULARS OF EMPLOYEES:

Disclosure required under Section 217(2A) of the Companies Act, 1956 read with the Companies Particulars of Employees Rules as amended up to date is not applicable since your Company has no such employees.

### 6. DIRECTORS:

Mr. Harish Agrawal retire by rotation being eligible offers themselves for re-appointment at the ensuing Annual General meeting.

The Company has received requisite notices in writing from members proposing Shri Harish Agrawal for appointment of Director.

### 7. SUBSIDIARIES:

Since the Company has no subsidiaries, provision of Section 212 of the Companies Act, 1956 is not applicable.

**8. DIRECTOR'S RESPONSIBILITY STATEMENT:**

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

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2010 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) that the Directors has 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 of the Company for the year review.
- c) that the Directors had 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, and,
- d) The Directors had prepared the accounts for the financial year ended 31st March, 2010 on a going concern basis.

**9. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

Since the Company is not manufacturing activity as like a unit provision of Section 217(1)(e) of the Company Act, 1956, read with the Company (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo is not applicable.

**10. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

There were no foreign exchange inflows (earnings) or outgo during the year. There are no direct exports.

**11. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION:**

No Specific Research & Development activities are being carried on by the Company. However the Company has quality control Department to check/improve the Quality of the products traded.

**12. COMPLIANCE CERTIFICATE:**

The Company has obtained compliance certificate pursuant to provisions of Section 383A of the Companies Act, 1956 from and is annexed hereto and forming part of the report.

**13. STOCK EXCHANGES:**

The Company's shares are listed on the following Stock Exchanges:  
The Calcutta Stock Exchange Limited

The Trading in the shares of the Company are presently suspended from the Stock Exchange. However the Board of Directors are making efforts for revocation of suspension of trading in equity shares of the Company.

**14. CORPORATE GOVERNANCE:**

Since the Company's Paid up Capital or Net worth is within the limited prescribed for Clause 49, it is not applicable to the Company.

**15. WHISTLE BLOWER POLICY AND VIGIL MECHANISM:**

Your Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes the ethical behavior in all its business activities. The Company has adopted the Whistle blower Policy and Vigil Mechanism in view to provide a mechanism for the directors and employees of the Company to approach Audit Committee of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct.

**16. ACKNOWLEDGEMENTS:**

Your Directors wish to express their sincere appreciation to all the Employees for their contribution and thanks to our valued clients, Bankers and shareholders for their continued support.

By Order of the Board  
For **Hariganga Machineries And Engineering Services Ltd**

Date: 07th September, 2010  
Place: Nagpur

Sd/-  
**Harish Agrawal**  
Chairman

**ANNEXURE 'A' TO DIRECTORS' REPORT****RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.****A. Research & Development****1. Future plan of action**

The Company is taking necessary steps for the revival of operations.

**B. Technology absorption:****1. Efforts in brief made towards technology absorption, adoption and innovation.**

No new technology was introduced during the Year ended 2009-10.

**2. Benefits derived as a result of the above efforts.**  
None.**3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):****C. Foreign Exchange Earnings and Outgo**

Nil

**i. Earning- FOB value of Exports**  
Nil**ii. Outgo- GIF Value of Imports**  
Nil

By Order of the Board  
For **Hariganga Machineries And Engineering Services Ltd**

Date: 07th September, 2010  
Place: Nagpur

Sd/-  
Harish Agrawal  
Chairman



## COMPLIANCE CERTIFICATE

CIN: L45208MH1980PLC022506

Auth. Cap. Rs.1,25,00,000/-

Paid up Cap: Rs. 50,00,000/-

To,  
The Members  
**Hariganga Machineries And Engineering Services Ltd.**  
Nagpur- 440008.

We have examined the registers, records, books and papers of **Hariganga Machineries And Engineering Services Ltd.** having its Registered Office situated at Old Motor Stand, Itwari, Nagpur - 440008 (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company, for the financial year ended on **31st March, 2010** (Financial Year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Acts and rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time limit prescribed under the Act and rules made there under except as qualified in Annexure B.
3. The Company, being a Public Limited Company, comments under Section 3(1)(iii) of the Companies Act, 1956, applicable to private company are not required.
4. The Board of Directors duly met **5 (five)** times respectively on **11/05/2009, 31/07/2009, 05/09/2009, 05/11/2009** and **01/02/2010** in respect of these meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members during the financial year under review however the notice of book closure is not published in the news paper as required under section 154 of the Act.
6. The Annual General Meeting for the Financial Year ended **31st March, 2009** was held on **30th September, 2009** giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary meeting(s) were held during the financial year.
8. As per the information available and documents provided by the Company, it has not given loans to persons referred to in the Section 295 of the Act.
9. The company has not entered into any contract under the provisions of section 297 of the Act are applicable.
10. The company has complied with the necessary provisions and procedures wherever necessary in respect of transaction for which entries are required to be made in the register maintained under section 301 of the Act.

11. As there were no instances falling under the preview of Section 314 of the Act, the Company has not obtained any approvals from its Directors, members or the Central Government as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year under review.
13. The Company has:
  - (i) delivered all certificate on lodgment of transfer of shares after complying with procedures of the act.
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year under review.
  - (iii) not posted warrants to any member of the company as no dividend was declared during the financial year under review.
  - (iv) the company is not required to transfer amounts in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as the company do not have any of the amount lying in any of the above referred five accounts.
  - (v) generally complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of Directors, Resignation of Directors and Directors to fill casual vacancy have been duly made during the financial year.
15. The company has not appointed any managerial persons during the period under review pursuant to section 269 read with Schedule XIII under the Act.
16. The company has not appointed any sole-selling agents during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, the Registrar of Companies or such other authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms and companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares during the financial year under review.
20. The company has not bought back any shares during the financial year ending **31st March, 2010**.
21. The Company has no preference share capital or debentures and as such there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend / rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any fresh deposits from the public including any unsecured loans falling within preview of sections 58A of the Act during the financial year under review.

24. The Company has not made any fresh borrowing during the financial years within the provisions of section 293(1)(d) of the Act.
25. The company has not made any fresh loans to or investments in other bodies corporate.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the financial year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year under scrutiny.
30. The company has not altered its articles of association during the financial year under review.
31. There was no prosecutions initiated against or show cause notices received by the company during the financial year under review for offences under the Act.
32. The company has not received any amount as security from its employees during the financial year under certification.
33. The company has not deducted any contribution towards Provident Fund during the financial year under review.

**DEEPAK RANE**  
PRACTICING COMPANY SECRETARY  
SD/-  
PROPRIETOR  
CP. NO. 8717

Place: Mumbai  
Date: 07/09/2010

**Annexure A**

Registers maintained by the Company:

- (i) Register of Members u/s 150 of the Act.
- (ii) Register and Returns u/s 163 of the Act.
- (iii) Books of Accounts and other Records u/s 209 of the Act.
- (iv) Register of Directors u/s 303 of the Act.
- (v) Register of Directors' Shareholding u/s 307 of the Act.
- (vi) Register of Contracts u/s 301.
- (vii) Register of Charges.

**Annexure B**

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March 2010.

-----NIL-----

**DEEPAK RANE**  
PRACTISING COMPANY SECRETARY

Place: Mumbai  
Date: 07/09/2010

SD/-  
PROPRIETOR  
CP. NO. 8717

## AUDITOR'S REPORT

To,  
The Members of  
**Hariganga Machineries and Engineering Services Ltd.,**  
Nagpur

We have audited the attached Balance Sheet of M/s Hariganga Machineries and Engineering Services Limited, Nagpur, as at 31st March, 2010 and also the Profit & Loss of the Company for the year ended on that date, annexed thereto. This financial statement is the responsibility of the management. Our responsibility is to express an opinion on this financial statement based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statement. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believed that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclosed in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
3. Further to our comments in the annexure referred to in paragraph 1 above:-
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
  - c) The Balance Sheet and Profit and Loss Account and dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion and explanations given to us, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub section (3C) of Section 211 of Companies Act, 1956,
  - e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2010 from being appointed as a directors in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and according to the explanations given to us, the said accounts together with notes to accounts schedule – "F" the said accounts give the information required by the Companies Act, 1956, in the manner so required and subject to the following:-

- i) Regarding non confirmation of balances and non provision of doubtful recovery (Refer note No. 4 and 5 in Schedule – “F”).
- ii) Regarding non provision of interest on Application Money towards 10% Redeemable Cumulative Preference Shares (Refer Note No.8 in Schedule “F”) give a true and fair view:
  - a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2010.
  - b) In the case of the Profit & Loss Account, of the Loss of company for the year ended on that date.

For **P.N.BAHRI & CO.**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 001091C

Date: 07/09/2010  
Place: Nagpur

SD/-  
**(K. S. BAHRI)**  
PARTNER  
Membership No. 042492

**ANNEXURE TO THE AUDITORS' REPORT**

As required by Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and explanations given to us and on the basis of such checks, as we considered appropriate, we have to state that ;

1. a) The records maintained by the company showing particulars and quantitative details and situation of fixed assets is incomplete and as such not be verified.
- b) We have been informed that the fixed assets of the Company have been physically verified by the management, during the year and no serious discrepancies between the book records and physical inventory have been noticed.
- c) Substantial part of fixed assets have been disposed off. However, in the opinion of the management the disposal shall not affect the Company as a going concern.
2. a) The Stock of finished goods, stores, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stores followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company has maintained records of inventories. According to the records produced to us, the discrepancies noticed on physical verification of the stocks as compared to book records were not material and have been properly dealt with in the book of accounts.
3. a) The company has granted any loans, secured or unsecured, to the companies firms or parties covered in the register maintained under section 301 of the Act. Hence, the question of interest rate, terms and condition and repayments does not arise.
- b) The company has not taken loans, secured or unsecured, to companies firms or others parties covered in the register maintained under section 301 of the Act. Hence, the question of interest rate, terms and conditions and repayments does not arise.
4. In our opinion and according to the information and explanation given to us, internal control system for the purchase of inventory and fixed assets and for the sale of goods and services are commensurate with the size of the company and nature of its business. There does not appear to be a continuing failure to correct major weakness in internal control system.
5. a) According to the information and explanations given to us, the particulars of contracts and arrangements referred to in section 301 of the Act have been so entered in the register required to be maintained under that section; and
- b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts and arrangements aggregating during the year to Rs. 5,00,000 or more in respects of each party, have been made prices which are, reasonable having regards to the prevailing market prices at the relevant time.
6. The company has not accepted any deposit from the public during the years.
7. The company does not have any formal internal audit system. Having regard to the existing internal control procedures, its scope and coverage is sufficient and commensurate with size and nature of its business.

8. As per the information given to us, maintenance of cost records under section 209(I) (d) of the Companies act, 1956 for any of the products of the Company has not been prescribed by the Central Government for this Company.
9. a) On the basis of records produced before us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees State Insurances, Income Tax, Sales Tax, Wealth Tax, Services Tax, Customs Duty, Excise Duty, Cess and any other statutory dues, where applicable, with the appropriate authorities. According to the information and explanation given to us and the books and records examined dues on the last day of the financial year for a period exceeding six months from the date they became payable.  
  
b) We are informed that no dues of Income Tax/ Sales Tax/ Wealth Tax/ services Tax/ Customs duty/ Excise duty/ Cess are in disputes.
10. The accumulated losses of the Company at the end of the financial year are not more than fifty percent of its net worth. The company has incurred cash losses in the current and immediately preceding financial year
11. As per the information and explanation given to us, during the year the Company has not defaulted in any repayment of its dues to financial institutions and banks.
12. As per the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
13. In our opinion, the provisions of any statute applicable to chit fund, nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debenture or other investments and as such, the requirement of para 4(xiv) are not applicable to the company.
15. As per the information and explanation given to us, the company has not given any guarantee for the loans taken by others from Banks or financial institutions.
16. The Company has not taken any term loan and as such the application thereof is not required.
17. As per the information and explanations given to us and on the basis of our overall examination of the Balance Sheet, we report that the funds raised on short term basis have been used for long term investments. The company has not raised long term funds during the years and hence the use of such funds for short term investments does not arise.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained U/s 301 of the Companies Act, 1956 during the year.
19. The Company has not issued debentures during the financial year.
20. The Company has not raised any monies by public issue.
21. On the basis of our examination and according to the information and explanation given to us, no fraud, on or by the Company, has been noticed or reported during the course of our audit.

For P.N.BAHRI & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 001091C

Date: 07/09/2010  
Place: Nagpur

SD/-  
(K. S. BAHRI)  
PARTNER  
Membership No. 042492



**BALANCE SHEET AS ON 31ST MARCH, 2010**

<b>PARTICULARS</b>	<b>Sch.No.</b>	<b>As at 31st March, 2010</b>	<b>As at 31st March, 2009</b>
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	A	5,312,500.00	5,312,500.00
<b>LOAN FUNDS</b>			
Unsecured Loans		43,075.00	43,075.00
		<b><u>5,355,575.00</u></b>	<b><u>5,355,575.00</u></b>
<b>APPLICATION OF FUNDS:</b>			
Fixed Assets			
Current Assets, loans & Advances	B	8,209,541.72	8,244,760.00
Less: Current Liabilities & Provisions	C	5,036,276.25	5,060,606.00
<b>NET CURRENT ASSETS</b>		<b><u>3,173,265.47</u></b>	<b><u>3,184,153.00</u></b>
DEFERRED TAX ASSETS		313,417.46	331,931.00
PROFIT & LOSS ACCOUNT		1,868,892.07	1,834,491.00
<b>Total</b>		<b><u>5,355,575.00</u></b>	<b><u>5,355,575.00</u></b>
Notes to Accounts	F		

As per the report of even date

For **P.N. BAHARI & CO.**  
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors  
**HARIGANGA MACHINERIES AND ENGINEERING SERVICES LTD**

SD/-  
PARTNER  
MEM NO. 042492

Sd/-  
Radheshyam Agrawal  
DIRECTOR

Sd/-  
Krishan Agrawal  
DIRECTOR

Date: 07/09/2010  
Place: Nagpur

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2010**

<b>PARTICULARS</b>	<b>Schedule</b>	<b>For the year ended 31.03.2010</b>	<b>For the year ended 31.03.2009</b>
<b>INCOME</b>			
Sale and other Income		—	7,139.00
Increase/ Decrease in Stock	D	—	—
<b>Total Income</b>		<b>—</b>	<b>7,139.00</b>
<b>EXPENDITURE</b>			
Material & Stores Consumptions		—	—
Admin & Other Expenses	E	10,788.00	33,313.00
Bank Charges		100.00	100.00
<b>Total Expenditure</b>		<b>10,888.00</b>	<b>33,413.00</b>
<b>Profit/ Loss before tax</b>		<b>(10,888.00)</b>	<b>(26,274.00)</b>
Add/(Less): Income Tax for earlier Year		—	—
Add/ (Less):Deferred Tax		(18,513.43)	99,938.00
<b>Profit/ Loss After Tax</b>		<b>(29,401.43)</b>	<b>73,664.00</b>
Balance Brought forward from previous year		(1,839,490.64)	(1,913,154.00)
<b>Carried Forward to Balance sheet</b>		<b>(1,868,892.07)</b>	<b>(1,839,490.00)</b>

NOTES TO ACCOUNTS F

As per the report of even date  
For **P.N. BAHARI & CO.**  
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors  
**HARIGANGA MACHINERIES AND ENGINEERING SERVICES LTD**

SD/-  
PARTNER  
MEM NO. 042492

Sd/-  
Radheshyam Agrawal  
DIRECTOR

Sd/-  
Krishan Agrawal  
DIRECTOR

Date: 07/09/2010  
Place: Nagpur

## SCHEDULES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2010

## A. SHARE CAPITAL

Particulars	As on 31st March 2010	As on 31st March 2009
<i>Authorised Share Capital:</i>		
11,00,000 Equity Shares of Rs. 10/- each	11,000,000.00	1,500,000.00
15,000 10% Redeemable Cumulative Preference Shares of Rs. 100/- each.	11,000,000.00	1,500,000.00
<b>Total</b>	<b>12,500,000.00</b>	<b>12,500,000.00</b>
<i>Issued, Subscribed, and Paid up Share Capital:</i>		
5,00,000 Equity Shares of Rs. 10/- each fully paid up in cash.	5,000,000.00	4,500.00
Less: Call in arrears	450,000.00	4,500.00
<b>Total</b>	<b>4,995,500.00</b>	<b>4,995,500.00</b>
<b>CAPITAL SUSPENSE ACCOUNT:</b>		
Share application money towards 10% Redeemable Cumulative Preference Shares	317,000.00	317,000.00
<b>Total</b>	<b>5,312,500.00</b>	<b>5,312,500.00</b>

## B. CURRENT ASSETS, LOANS &amp; ADVANCES

Particulars	As on 31st March 2010	As on 31st March 2009
<b>INVENTORIES</b>	0.00	0.00
<b>SUNDRY DEBTORS</b>		
(Unsecured, considered good)		
Outstanding for more than SIX months		
- Celestial Steel Structural (P) Ltd	10,806.00	10,806.00
- Hariganga Alloys and Steel	5,32,418.00	5,32,418.00
- Others	—	—
<b>Total</b>	<b>543,224.00</b>	<b>543,224.00</b>
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	253,280.24	288,280.00
With Scheduled Banks	38,737.48	38,955.00
<b>Total</b>	<b>292,017.72</b>	<b>327,236.00</b>
<b>LOANS &amp; ADVANCES:</b>		
(unsecured but considered good)		
Deposit	—	—
Advances to others	1,024,300.00	1,024,300.00
Advance For Shares	6,350,000.00	6,350,000.00
<b>Total</b>	<b>7,374,300.00</b>	<b>7,374,300.00</b>
<b>Total</b>	<b>8,209,541.72</b>	<b>8,244,760.00</b>

**C. CURRENT LIABILITIES AND PROVISIONS**

Particulars	As on 31st March 2010	As on 31st March 2009
Sundry Creditors for Expenses & Supplies	4,888,258.75	4,912,589.00
Other	148,017.50	148,018.00
<b>Total</b>	<b>5,036,276.25</b>	<b>5,060,606.00</b>

**D. SALES & OTHER INCOME**

Particulars	As on 31st March 2010	As on 31st March 2009
Trading Sales	—	—
Other Accounts written off	—	7,139.00
<b>Total</b>	<b>—</b>	<b>7,139.00</b>

**E. ADMINISTRATIVE & OTHERS EXPENSES**

Particulars	As on 31st March 2010	As on 31st March 2009
Legal & Professional expenses	—	15,000.00
Law & legal expenses	2,222.00	7,247.00
Rent	—	—
Profession Tax	2,500.00	5,000.00
Fees & Subscription	—	—
Auditor's Remuneration	6,066.00	6,066.00
Accounts written off	—	—
<b>Total</b>	<b>10,788.00</b>	<b>33,313.00</b>

**NOTES TO ACCOUNT- SCHEDULE "F"****1. ACCOUNTING POLICIES:**

- a) Company follows accrual system of accounting except for claims/refund/set off/Section which are accounted for in cash basis.

- b) Inventory Valuation

Materials (Trading)	:	At cost
Work-in-progress	:	At cost
Finished Goods (Rejected)	:	At cost of material
Stores	:	At cost

- c) No depreciation is charged on assets. Earlier depreciation was charged on straight line method at rates previously charged by the Company, which are different from the rates as in Schedule XIV to the Companies Act, 1956.

**d) ACCOUNTING FOR TAXES ON INCOME:**

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred Tax assets are recognized, subject to consideration of prudence, on timing differences being differences between taxable income and accounting income, that originate in one period one are capable of reversal in one or more subsequent periods.

Deferred Tax assets are recognized only if there is virtual certainty that taxable income will be available against which such deferred tax assets will be realized, such assets are reviewed as at each Balance Sheet date to reassess reliability thereof.

**2. Contingent Liabilities:**

Particulars	As on 31.03.2010	As on 31.03.2009
Contingent Liabilities not provided	NIL	NIL

**3. Claims against the Company**

Particulars	As on 31.03.2010	As on 31.03.2009
Claims against the Co. not acknowledged as debts and not provided for (Commitment charges)	NIL	NIL
Estimated amount of contracts remaining to be executed on capital account (Net of Advance)	NIL	NIL

4. In absence of confirmations from various parties where balances are long overdue, same are considered as appearing in the books of account. The same, in the opinion of the management, are fully recoverable/ payable. No provision is made for doubtful balances if any.
5. Balances of associated parties have remained unconfirmed and balance of The South Indian Bank Ltd. have remained unconfirmed. In the opinion of the Board, however, Current Assets, Loans, Advances and bank balances are approximately of the value stated, if realized in the ordinary course of business despite being more than a year old and provisions of all known liabilities are adequate.

**6. Payment to Auditors:**

Particulars	For FY 2009-10	For FY 2008-09
a. As Audit Fees	5,500.00	5,500.00
b. Service Tax	566.00	566.00
<b>TOTAL</b>	<b>6,066.00</b>	<b>6,066.00</b>

**7. Deferred Taxes:**

The major components of deferred tax liabilities & deferred tax assets are set out below:

Particulars	For FY 2009-10	For FY 2008-09
Deferred Tax Liability:		
- Tax on difference between accounting & Tax Depreciation	NIL	NIL
Deferred Tax Assets:		
- Tax on Unabsorbed Depreciation & Carried Forward Losses	313,417.00	331,931.00
<b>Net Deferred Tax Assets</b>	<b>313,417.00</b>	<b>331,931.00</b>

8. Application money received towards 10% Redeemable Cumulative Preference Shares is pending allotment. No provision is made for the interest as the management is of the opinion that no such liability will arise.
9. During the year as in the previous year, the Company had no employees of the category specified under Section 217 (2A) of the Companies Act, 1956.
10. Earnings and expenditures in Foreign Currency: NIL (PY: NIL)
11. In absence of any activity no information is necessary pursuant to provision of para 4C and 4D of Part II of Schedule VI of the Companies Act, 1956
12. In the absence of any manufacturing activity, there is no opening or closing stocks of goods produced, nor there are any sales if goods produced or consumption of raw material.

The quantitative details of goods traded is as under:

Particular	2009-10		2008-09	
	Quantity	Amount (In Rs.)	Quantity	Amount (In Rs.)
Opening Stock	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL
Purchases	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL
Sales		NIL		NIL
	NIL	NIL	NIL	NIL
Closing Stock	NIL	NIL	NIL	NIL

13. Advances includes Rs. 63,50,000/- (PY: Rs. 63,50,000/-) given as an advance for purchase of shares of companies.

14. Related Parties Disclosure:

Name of the related parties with whom transactions were carried out during the year and description of relationship:

Key Managerial Personnel and their relatives:

Radheshyam Agrawal  
Harish Gangaram Agrawal  
Kishan Agrawal

Enterprises under significant influence of Key Managerial Personnel:

Prabhu Steel Industries Ltd.  
Celestial Steel Structures (P) Ltd.  
Shree Gopal Finance (P) Ltd.

The following transactions were carried out with related parties in the ordinary course of business:

Particulars	Key Management Personnel and their relatives	Enterprises under significant influence of Management	Total
Purchase & services	NIL	NIL	NIL
Loans/Advances	NIL	NIL	NIL
Payable outstanding	NIL	4,802,834.00	4,802,834.00
Advances given	NIL	NIL	NIL
Receivable outstanding	NIL	10,806.00	10,806.00

15. Under the head "Current Liability & Provision" no separate enclosure is made for outstanding amount(s) due to Small Industrial Undertaking(s) (SSI) as the status of the Creditors did not ascertained accordingly. Name(s) of SSI to whom a Company could owe a sum exceeding Rs. 1 Lac outstanding for more than thirty days is not disclosed.

16. As in the earlier year no amount was paid to the directors as sitting fees and incidentals for attending the Board Meeting, since the same is waived by the Board of Directors.

17. Previous years' figures have been regrouped/ rearranged wherever necessary.

As per the report of even date  
For P.N. BAHARI & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors  
Hariganga Machineries And Engineering Services Ltd

SD/-  
PARTNER  
MEM NO. 042492

Sd/-  
Radheshyam Agrawal  
DIRECTOR

Sd/-  
Krishan Agrawal  
DIRECTOR

Date: 07/09/2010  
Place: Nagpur

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I Registration Details**

Registration No.	:	22506/80
State Code	:	-11
Balance Sheet Date	:	31-03-2010

**II Capital Raised during the year**

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

**III Position of Mobilisation and Development of Funds**

(Amt. in thousands)

Total Liabilities	:	5,356
Total Assets	:	5,356

**Sources of Funds**

Paid Up Capital	:	5,313
Reserves & Surplus	:	NIL
Secured Loans	:	NIL
Unsecured Loans	:	43

**Application of Funds**

Net Fixed asset	:	NIL
Investment	:	NIL
Net Current assets	:	3,173

Miscellaneous Expenditure	:	NIL
Accumulated Losses	:	1,869
Deferred Tax Assets	:	313

**IV Performance of Company**

Turnover (Gross Income)	:	NIL	Profit/(Loss) After Tax	:	(1,839)
Total Expenditure	:	11	Earning Per Share	:	NIL
Profit/(Loss) Before Tax	:	(11)	Dividend Rate%	:	NIL

Generic Names of Three Principal Products/Services of the Company  
(as per monetary terms)

Item Code No.(ISI Code)	Item Code	Product Description
IS		Angle Beam
IS		Channel

For **P. N. BAHRI & CO.**  
CHARTERED ACCOUNTANTS  
Firm Registration No:001091C

Sd/-  
(K. S. BAHRI)  
CHARTERED ACCOUNTANT  
PARTNER  
Membership No: 042492

Place : Nagpur  
Date: 07.09.2010



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

Particulars	AS AT 31.03.2010 (Rupees)	AS AT 31/03/2009 (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before tax and Extra Ordinary items	(10,888.00)	(26,274.00)
<i>Adjustment for:</i>		
Depreciation	—	—
Misc. Bal Written off	—	—
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(10,888.00)</b>	<b>(26,274.00)</b>
<i>Adjustment for:</i>		
Trade and other receivables	—	—
Trade Payables	(24,330.25)	(190,322.25)
Other payables	—	(5,000.50)
Other receivables/Current Assets/Deferred Tax Assets	—	—
Cash Generated from operations	<b>(24,330.25)</b>	<b>(195,322.75)</b>
Direct taxes paid	—	—
Extra-ordinary items	—	—
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (I)</b>	<b>(35,218.25)</b>	<b>(221,596.75)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	—	—
Sale of Fixed Assets	—	—
New Investments	—	—
Sale of Investments	—	—
Interest Received	—	—
Dividend Received	—	—
<b>NET CASH USED IN INVESTING ACTIVITIES (II)</b>	<b>—</b>	<b>—</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan Received	—	185,000.00
Proceeds from issue of share capital	—	—
Proceeds from Long term borrowings	—	—
Repayment of Financial Liability/Lease	—	—
Dividend Paid	—	185,000.00
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>—</b>	<b>—</b>
<b>NET INCREASE/(DECREASE) IN CASH OR CASH (I+II+III)</b>	<b>(35,218.25)</b>	<b>(36,596.75)</b>
<b>EQUIVALENTS</b>		
<b>Add:- CASH &amp; CASH EQUIVALENTS AS AT BEGINNING</b>	<b>327,236.00</b>	<b>363,833.00</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END</b>	<b>292,017.75</b>	<b>327,236.00</b>

For and on behalf of the Board of Directors  
HARIGANGA MACHINERIES AND ENGINEERING SERVICES LTD

Date: 07/09/2010  
Place: Nagpur

Sd/-  
Radheshyam Agrawal  
Director

Sd/-  
Krishan Agrawal  
Director

**HARIGANGA MACHINERIES AND ENGINEERING SERVICES LTD**

Old Motor Stand, Itwari, Nagpur - 440 008

**ATTENDANCE SLIP**

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the **30th Annual General Meeting** of the Company at the Regd. Office of the company at Old Motor Stand, Itwari, Nagpur- 440008 on Thursday the **30th September, 2010 at 10.00 a.m.**

\_\_\_\_\_  
Name of the Shareholder\_\_\_\_\_  
Signature

Folio No. \_\_\_\_\_

\_\_\_\_\_  
(Full name of Proxy)

Note: No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

----- TEAR HERE -----

**HARIGANGA MACHINERIES AND ENGINEERING SERVICES LTD**

Old Motor Stand, Itwari, Nagpur-440008

**PROXY FORM**

DP ID &amp; Client ID No. \_\_\_\_\_

Folio No \_\_\_\_\_

No. of Shares \_\_\_\_\_

I/We ..... of .....  
..... in the district of .....  
..... being a member/members of the above named Company hereby  
appoint ..... of ..... in  
the district of ..... or failing him  
..... of ..... In the district of .....  
..... as my / our proxy to vote for me/us on my our  
behalf at the 30th Annual General Meeting of the Company at the Regd. Office of the company at Old  
Motor Stand, Itwari, Nagpur- 440008 on Thursday the 30th September, 2010 at 10.00 a.m. and at any  
adjournment thereof.

Signed this ..... day of ..... 2010.

Reg. Folio No. ....

No. of Shares .....

REVENUE  
STAMP

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

Book Post

*If Undelivered Please Return to :*

**HARIGANGA MACHINERIES AND ENGINEERING SERVICES LTD**  
Old Motor Stand, Itwari, Nagpur-440008