



BHAGYANAGAR INDIA LIMITED



27th Annual Report 2011-12



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.,

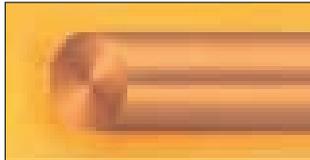
Paper Insulated Copper Conductors (Strip & Wire)



Power & Distribution Transformers

Continuous Copper Rod

Sizes:8mm to 40 mm

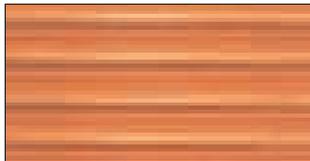


Applications

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 Manufacturing

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

CHIEF FINANCIAL OFFICER

Surendra Bhutoria

COMPANY SECRETARY

Sridevi Madati

BANKERS

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

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.

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

REGISTERED OFFICE:

Bhagyanagar India Limited
5th Floor, Surya Towers, S.P. Road,
Secunderabad, India-500 003
Tel: +91 40 27845119, 44665700
Fax : +91 40 27818868
E-mail: surana@surana.com
Investor Complaints: cs@surana.com,
investorservices_bil@surana.com
Web Site: www.bhagyanagarindia.com
www.surana.com

STATUTORY COMMITTEES

AUDIT COMMITTEE

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

SHAREHOLDERS' GRIEVANCE COMMITTEE

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

REMUNERATION COMMITTEE

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

WORKS

Copper Division (Auto Electric, Solar Components)

i. Bhagyanagar India Limited

Plot No. P-9/13(1) & P-9/14,
IDA Nacharam,
Hyderabad - 500 076, India.

ii. Harinam Wires

Plot No. P 9/13 (A),(B),(C)
Industrial Development Area,
Nacharam, Hyderabad - 500 076, India.

iii. Hardware Park

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

Non-Conventional Energy

- Kapatgudda, Gadag District,
Karnataka, India
- Kasthuriengapuram Village,
Radhapuram Taluk, Tirunelveli District
Tamilnadu
- Thekkampatti Village, Andipatti Taluk,
Theni District, Tamilnadu.

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Financial Highlights - 10 Years' Record

₹ in lakhs

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Turnover	19,796	18,603	17,453	18,963	19,995	23,843	17,233	13,882	9,650	4,832
Total Income	21,410	19,235	18,461	20,149	22,073	24,833	18,264	14,963	10,119	5,319
Profit Before tax	107	1,360	1,459	1,523	4,258	8,041	3,145	2,958	1,028	229
Profit After tax	55.25	1,019	1,335	1,104	3,741	7,017	2,596	2,696	943	222
Equity dividend %	20%	20%	20%	20%	30%	30%	30%	25%	12%	10%
Equity Share Capital	1,279	1,368	1,379	1,490	1,490	1,490	740	630	630	630
Reserve & Surplus	20,373	21,703	21,127	20,614	20,380	17,161	11,448	7,734	5,217	4,361
Net Worth	21,652	23,071	22,506	22,104	21,870	18,651	12,188	8,364	5,848	4,991
Gross Fixed Assets	12,754	12,633	12,554	12,683	12,176	12,798	7,098	7,066	7,594	6,494
Net Fixed Assets	8,486	8,623	8,970	7,433	7,341	8,252	2,602	2,579	3,005	2,188
Total Assets	31,403	30,907	29,499	31,894	34,981	29,006	13,005	9,812	9,634	6,421
Contribution to National Exchequer	2,557.14	2,884	2,426	3,498	3,998	4,791	4,008	2,392	1,375	857

Key Indicators

	2011-12	2010-11	2009-10	2008-09	2007-2008	2006-2007	2005-06	2004-05	2003-04	2002-03
Earning per share- Basic	0.08	1.49	1.82	1.48	5.02	9.42	7.02	8.56	2.99	0.70
Book Value Per Share	33.83	33.73	32.64	29.67	29.36	25.03	32.94	26.55	18.57	15.84
Debt Equity Ratio	0.32:1	0.05:1	0.11:1	0.06:1	0.26:1	0.20:1	0.07:1	0.17:1	0.65:1	0.29:1

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

NOTICE OF 27th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th Annual General Meeting of the members of **BHAGYANAGAR INDIA LIMITED**, will be held on 29th day of September 2012 at 10.30 A.M. at Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad-500 003, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended 31st March, 2012, along with the Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2012.
3. To appoint a Director in place of Shri Kamlesh Gandhi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri D. Venkata Subbiah who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri R. N. Sreenath who retires by rotation and being eligible offers himself for re-appointment.
6. 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 M/s. Sekhar & Co., Chartered Accountants, (Registration No. 003695S), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

7. RE-APPOINTMENT OF SHRI NARENDER SURANA AS MANAGING DIRECTOR

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 198, 269, 309,314 and Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof for the time being in force), the re-appointment of Shri Narender Surana as Managing Director of the Company for a period of 3 years w.e.f 18.01.2012 to 17.01.2015, be and is hereby recommended to the Board of Directors.

RESOLVED FURTHER THAT Shri Narender Surana be entitled to remuneration package as below

1. SALARY:

₹ 4,00,000/- per month

2. PERQUISITES:

In addition to salary as above, Shri Narender Surana shall be entitled to perquisites as under:

Category 'A'

i) Medical Reimbursement:

Expenses actually incurred for Shri Narender Surana and his family shall be reimbursed subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

ii) Leave Travel concession:

For Shri Narender Surana and his family once in a year incurred in accordance with any rule specified by the Company.

iii) Club Fees:

Fees of clubs subject to a maximum of two clubs provided no life membership or admission fee shall be paid.

iv) Personal Accident Insurance:

Premium not to exceed ₹ 1,000/- per annum.

Explanation: For the purpose of Category 'A', family means the spouse, dependent children and dependent parents of the Managing Director.

Overall Limit: The monetary value of perquisites listed in Category 'A' at 2(i), (ii), (iii) and (iv) above shall not exceed an amount equal to the annual salary.

Category 'B'

i) Provident and Superannuation Fund:

Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act. This will not be included in the computation of the ceiling on perquisites.

ii) Gratuity:

Gratuity payable shall not exceed one half month's salary for each completed year of service.

Category 'C'

i) Provision of Car and Telephone:

Shri Narender Surana shall be entitled to a motor car for use on Company's business and telephone at residence. However, use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to Shri Narender Surana.

3. COMMISSION:

In addition to salary and perquisites as above, Shri Narender Surana shall be entitled to commission at the rate of 3% of the net profits of the Company computed in the manner laid down under Section 309(5) of the Companies Act, 1956, subject to the overall ceiling laid down in Section 198 and Section 309 of the Companies Act, 1956.

4. MINIMUM SALARY:

Where in any financial year, during the currency of tenure of Shri Narender Surana, the Company has no profits or its profits are inadequate, the Company shall pay to Shri Narender Surana remuneration by way of salary and perquisites not exceeding the limits

specified herein under Part -II Section II of Schedule -XIII of the Companies Act, 1956 including any statutory modifications thereof for the time being in force.

5. OTHER BENEFITS:

i) Shri Narender Surana shall be entitled to reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's Business.

ii) He will not be eligible for any sitting Fees for attending the Company's Board/Committee Meetings.

8. RE-APPOINTMENT OF SHRI DEVENDRA SURANA AS MANAGING DIRECTOR

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

"RESOLVED THAT subject to the consent of the Members of the Company at the General Meeting and pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956, Shri Devendra Surana, be re-appointed as Managing Director of the Company for a period of 3 years w.e.f. 18.01.2012 to 17.01.2015, on a salary and perquisites as detailed below:

1. SALARY:

₹ 4,00,000/- per month

2. PERQUISITES:

In addition to salary as above, Shri Devendra Surana shall be entitled to perquisites as under:

Category 'A'

i) Medical Reimbursement:

Expenses actually incurred for Shri Devendra Surana and his family shall be reimbursed subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

ii) Leave Travel concession:

For Shri Devendra Surana and his family once in a year incurred in accordance with any rule specified by the Company.

iii) Club Fees:

Fees of clubs subject to a maximum of two clubs, provided no life membership or admission fee shall be paid.

iv) Personal Accident Insurance:

Premium not to exceed ₹ 1,000/- per annum.

Explanation: For the purpose of Category 'A', family means the spouse, dependent children and dependent parents of the Managing Director.

Overall Limit: The monetary value of perquisites listed in Category 'A' at 2(i), (ii), (iii) and (iv) above shall not exceed an amount equal to the annual salary.

Category 'B'

i) Provident and Superannuation Fund:

Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act. This will not be included in the computation of the ceiling on perquisites.

ii) Gratuity:

Gratuity payable shall not exceed one half month's salary for each completed year of service.

Category 'C'

i) Provision of Car and Telephone:

Shri Devendra Surana shall be entitled to a motor car for use on Company's business and telephone at residence. However, use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to Shri Devendra Surana.

3. COMMISSION:

In addition to salary and perquisites as above, Shri Devendra Surana shall be entitled to commission at the rate of 3% of the net profits of the Company computed in the manner laid down under Section 309(5) of the Companies Act, 1956, subject to the overall ceiling laid down in Section 198 and Section 309 of the Companies Act, 1956.

4. MINIMUM SALARY:

Where in any financial year, during the currency of tenure of Shri Devendra Surana, the Company has no profits or its profits are inadequate, the Company shall pay to Shri Devendra Surana remuneration by way of salary and perquisites not exceeding the limits specified herein under Part -II Section II of Schedule -XIII of the Companies Act, 1956 including any statutory modifications thereof for the time being in force.

5. OTHER BENEFITS:

i) Shri Devendra Surana shall be entitled to reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's Business.

ii) He will not be eligible for any sitting Fees for attending the Company's Board/Committee Meetings.

9. INCREASE IN THE LIMITS OF THE BOARD FOR CREATION OF CHARGE/MORTGAGE ON THE ASSETS OF THE COMPANY U/S. 293(1)(a):

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 293(1)(a) and other applicable provisions of the Companies Act, 1956, consent of the company be and is hereby accorded to the Board of Directors of the company

(hereinafter called "the Board" and which term shall be deemed to include any committee, which the Board may have constituted or hereinafter for mortgaging and/or charging on such terms and conditions and at such time or times, and in such form and manner, as it may think fit, the whole or substantially the whole of the company's any one or more or all the undertakings, including the present and/or future properties and undertakings of the Company as the case may be in favor of the lenders for the loans up to an aggregate value not exceeding ₹ 400.00 crores to secure the loans raised/to be raised by the Company upon the terms and conditions as may be decided by the Board of Directors/Committee of the Company from Banks/Financial and/or other institutions, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other monies including any increase as a result of devaluation/revaluation of the aforesaid Financial Assistance under the respective documents entered into/to be entered into by the Company in respect of the said Loans.

RESOLVED FURTHER THAT the securities to be created by the company as aforesaid may be created either subject to the charges already created or subservient to other existing charges or rank as second charge or rank pari-passu with the mortgages and/or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board of

Directors of the Company as may be agreed to between the concerned parties and the institutions."

10. INCREASE IN BORROWING POWERS OF THE BOARD U/s. 293(1)(d):

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

"RESOLVED THAT pursuant to section 293(1)(d) and other applicable provisions, if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" and which term shall be deemed to include any committee, which the Board may have constituted or hereinafter 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, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided however, the total amount so borrowed shall not exceed ₹ 400.00 crores.

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

Place : Secunderabad
Date : 28.07.2012

SRIDEVI MADATI
COMPANY SECRETARY

Annual Report 2011 - 2012

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2012 to 29.09.2012 (both days inclusive).
3. Dividend on shares @ 20 % as recommended by the Board of Directors, if declared by the Company at the meeting, will be paid subject to the provisions of Section 205A of the Companies Act, 1956, to those shareholders whose names appear on the Register of Members of the Company as on 26.09.2012 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.
4. 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.
5. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, Dividends for the financial year ended 31st March, 2006 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
2005-06	07.08.2006	06.09.2013
2006-07	27.09.2007	26.10.2014
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
6. The Members, who have not encashed the Dividend Warrant(s) so far for the financial year ended 31st March, 2006 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.
6. The Company's Equity shares are listed at Bombay Stock Exchange 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.

7. 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.
8. Members holding shares in physical form, may write to the Company's share transfer agents for any change in their address and bank mandates, members having shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their correct addresses.
9. **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.**
10. **Shareholders are requested to furnish their e-mail ids to enable the Company 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 made available to the Company shall be the registered email ID unless communication is received to the contrary.**
11. **Shareholders requiring a printed copy of the Annual Report should forward their request to the Company.**
12. 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.
13. 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.
14. 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.
15. The relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Businesses set out above is annexed herewith.

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

Place : Secunderabad
Date : 28.07.2012

SRIDEVI MADATI
COMPANY SECRETARY

EXPLANATORY STATEMENT

(U/s. 173 (2) of the Companies Act, 1956)

ITEM NO. 7:

Shri Narender Surana was re-appointed as Managing Director by the Board of Directors at their meeting held on 28.01.2012 for a period of 3 years ending 17.01.2015, as per Sections 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956

As per the provisions of Schedule XIII of the Companies Act, 1956 approval by a resolution of the Shareholders in the General Meeting is required for re-appointment of the Managing Director. The remuneration committee at their meeting held on 28.01.2012 has approved the remuneration payable to Shri Narender Surana.

Your Directors recommend the resolution for your approval.

None of the Directors except Shri G.Mangilal Surana, Shri Narender Surana and Shri Devendra Surana are concerned or interested in the said resolution except as members.

The explanatory statement together accompanying notice may be regarded as an abstract of the terms of re-appointment and remuneration of Shri Narender Surana and Memorandum of Interest of directors under Section 302 of the Companies Act, 1956

ITEM NO. 8:

Shri Devendra Surana was re-appointed as Managing Director by the Board of Directors at their meeting held on 28.01.2012 for a period of 3 years ending 17.01.2015, as per Sections 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956

As per the provisions of Schedule XIII of the Companies Act, 1956 approval by a resolution of the Shareholders in the General Meeting is required for re-appointment of the Managing Director. The remuneration committee at their

meeting held on 28.01.2012 has approved the remuneration payable to Shri Devendra Surana.

Your Directors recommend the resolution for your approval.

None of the Directors except Shri G.Mangilal Surana, Shri Narender Surana and Shri Devendra Surana are concerned or interested in the said resolution except as members.

The explanatory statement together accompanying notice may be regarded as an abstract of the terms of re-appointment and remuneration of Shri Devendra Surana and Memorandum of Interest of directors under Section 302 of the Companies Act, 1956

ITEM NO. 9:

As per the provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Public Company cannot Sell, Lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking with out the consent of the shareholders in the General Meeting.

Your Company is engaged in the dynamic business environment and the business outlook of these sectors is encouraging and requires huge investments. Therefore the Company may have to substantially raise the monies in the form of Loans from Financial Banks and Institutions. The said borrowings may be required to be secured by way of mortgage/charge/hypothecation over all or any part of the movable and / or immovable properties of the Company. As per the provisions of Section 293(1)(a) of the Companies Act, 1956, the mortgage/Charge/Hypothecation by the Company on its Assets as aforesaid in favour of the Banks and Financial Institutions may be regarded as disposal of the whole or

substantially the whole of the Company's properties/undertaking which requires the approval of members of the Company. The Resolution is of an enabling nature.

Your Directors recommend the resolution for your approval.

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

ITEM NO. 10:

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Public Company cannot borrow money (a part from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is reserves not set apart for any specific purpose) without the consent of the shareholders in the General Meeting. The Company at its EGM held on 16.06.2006 obtained the members consent for borrowings up to a limit not exceeding twice the networth of the Company. The Bankers advised the Company to have an approval for a specific amount for borrowings instead of stating 'twice the networth' of the Company.

Therefore, it is proposed to fix the borrowing limits of the Board of Directors under section 293(1)(d) of the Companies Act, 1956, not exceeding ₹ 400.00 crores, keeping in view the current reserves which is ₹ 203.00 crores. The Resolution is of an enabling nature.

The Resolution set out at item No.10 of the notice is put forth for consideration of the members as a Special resolution pursuant to section 293(1)(d) of the Companies Act, 1956, authorizing the Board of Directors to borrow upto a sum of ₹ 400.00 Crores. Your Directors recommend the above Resolution for your approval.

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

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

Place : Secunderabad
Date : 28.07.2012

SRIDEVI MADATI
COMPANY SECRETARY

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DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the **27th Annual Report** of your Company together with the Audited Balance Sheet as at 31st March 2012 and Profit and Loss A/c for the year ended 31st March, 2012.

FINANCIAL RESULTS:

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

Particulars	Consolidated Results		Standalone Results	
	2012	2011	2012	2011
Sales and other Income	21,410.38	19,234.68	21,410.38	19,234.67
Profit before Depreciation and Interest	3770.7	2,124.64	3779.00	2,127.38
DEDUCT :				
Depreciation	602.27	578.21	602.27	578.21
Interest	3069.7	200.17	3069.7	200.17
Profit for the year	98.70	1,356.96	107.01	1,354.12
Prior period Adjustments	-	5.58	-	5.58
Profit before Taxation	98.70	1,356.96	107.01	1,359.70
Provision for Taxation : Current Tax	1.41	265.00	1.41	265.00
Deferred Tax	51.75	75.72	51.75	75.71
Income Tax in respect of earlier years	0.00	0.00	(1.40)	0.00
Profit after Tax	46.93	1,016.24	55.24	1,018.99
Less: Minority Interest	(1.47)	(0.16)	-	-
Less: Change in Reserves on divestment in subsidiary / Associate	(0.03)	(50.60)		- -
Less: Share in net assets of associate cos.		-	-	-
Surplus brought forward from previous year	8,830.6	8,582.67	8,830.17	8,630.23
Balance available for appropriation	8,878.99	9,649.67	8,885.42	9,649.22
APPROPRIATION:				
Dividend	255.96	273.60	255.96	273.60
Tax on Dividend	41.52	45.44	41.52	45.44
Transfer to General Reserves	500.00	500.00	500.00	500.00
Balance c/f to Balance Sheet	8,081.50	8,830.63	8,087.94	8,830.18
TOTAL	8,878.98	9,649.67	8,885.42	9,649.22

OPERATIONS:

In the year 2011-12, the Company focused on its core business Copper, its allied products and Wind Power Generation. The turnover in both the segments grew by 2.71% and 1.15% respectively compared to previous year.

The income from operations is ₹ 19799.28 lakhs as against ₹ 18602.70 lakhs for the corresponding

previous year. The profit before tax stood at ₹ 98.70 lakhs as against ₹ 1,356.96 lakhs for the previous year. The profit after tax stood at ₹ 46.93 lakhs as against ₹ 1016.24 lakhs for the corresponding period. The Basic Earnings Per Share for the year-ended 31.03.2012 is ₹ 0.08 as against ₹ 1.49 for the corresponding previous year ended 31.03.2011.

The net profit was down from ₹ 1016.24 lakhs to ₹ 46.93 lakhs, mainly on account of YTM on FCCB including for earlier years due to which the interest expenditure increased to ₹ 3069 lakhs from ₹ 200 lakhs in the previous year.

SUBSIDIARIES

Your Company has invested to the extent of 74% in the equity shares of M/s. Solar Dynamics Private Limited on 4th June, 2012 and by virtue of the same it has become the subsidiary of your Company. Currently your Company has the following subsidiaries:

- M/s Bhagyanagar Metals Limited
- M/s Bhagyanagar Properties Private Limited
- M/s Scientia Infocom India Private Limited
- M/s Metropolitan Ventures India Limited
- M/s. Solar Dynamics Private Limited

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 30.04.2012 approved the Audited Consolidated Financial Statements for the financial year 2011-12 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 2011-12. 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 @ 20% amounting to ₹ 255.96 lakhs for the year ended 31st March 2012. This will entail an outflow of ₹ 297.48 lakhs (inclusive of tax thereon).

RESERVES:

During the year the Company has transferred an amount of ₹ 500 lakhs 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 2012.

FUTURE PROJECT INITIATIVES:

Copper: The strategy for financial year 2012-13 will be to have continued focus on copper business with addition of new products. Your Company plans to achieve a growth of 5% in this segment with emphasis on value added products. The following new products are proposed to be added in this segment

- **Copper Foils for Cable Wrap:** The product is under development for commercial production, we expect a turnover of ₹ 20 Crores from this product.
- **Solar Water Collectors:** The Company proposes to commence the commercial production of Solar Water Collectors in the Current Financial year.

Real Estate & Infra: As stated in the previous Financial Year, the Company proposes to exit from real estate wherever possible. In respect of Land situated at Gachibowli which is held through

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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 12.15 MW comprising 9 wind turbines. During the current year, the Company gained Voluntary Emission Reductions (VER's) through Voluntary Carbon Standards that generated additional revenue by sale to appropriate buyers.

BUYBACK OF EQUITY SHARES:

The Company has bought back 44,10,000 equity shares of ₹ 2/- each and the total amount invested for the buyback was ₹ 8,20,53,688/- (incl brokerage and taxes) resulting in an average price of ₹ 17.95/- per share. The Company closed the buyback offer on 9th March, 2012 and extinguished all the shares that were bought back.

REDEMPTION OF FCCB's:

During the year 2011-12, the outstanding nominal value of US \$ 10.0 million of FCCBs were paid in full at a redemption value of USD 14,825,500 including YTM of 8% on the principle amount on its maturity date i.e. October 17, 2011 as per the terms and conditions of the offering circular dated October 10th 2006. In view of the above payment, the entire liability on account of FCCB's is discharged.

Due to the above redemption, the Company incurred an outflow of ₹ 75,41,04,217/- (Rupees Seventy Five Crores Forty One lakhs four thousand two hundred and seventeen) and debited ₹ 26,32,04,217/- (Rupees twenty six crores thirty two lakhs four thousand two hundred and seventeen only) to P&L account towards interest and withholding tax.

CREDIT RATING:

CRISIL has upgraded the outlook on the long-term banking facilities of Bhagyanagar India Ltd (BIL) to 'Stable' from 'Negative', while reaffirming the rating at 'CRISIL BBB+'; the rating on the short-term

facilities have been reaffirmed at 'CRISIL A2'. The up gradation in outlook follows the repayment of the foreign currency convertible bonds (FCCBs) of USD 14.82 million by BIL in a timely manner; the company has funded the same through external commercial borrowings (ECB) of USD 13.42 million from ICICI Bank Ltd, and the rest through internal accruals. The following is the rating history of the Company:

Date	Long-Term	Fixed Deposit	Short-Term watch/ Outlook	Rating
21.10.2011	CRISIL BBB+	-	CRISIL A2	Stable
01.06.2011	BBB+	-	P2	Negative
31.08.2009	A+	-	P1*	Stable

DIRECTORS:

In order to comply with Section 256 of the Companies Act 1956 and Articles of Association of the Company Shri Kamlesh Gandhi, Shri D. Venkata Subbiah, Dr. R.N. Sreenath, Directors of the Company will retire by rotation at the ensuing Annual General meeting and being eligible, offers themselves for re-appointment.

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

AUDITORS:

M/s. Sekhar & Company, 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 & Company 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 limits specified in Sub-section (1B) of Section 224 of the Companies Act, 1956.

ISO 9001-2000 CERTIFICATION:

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

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, 2012, 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 2012 on a 'going concern' basis.

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.

CONSERVATION OF ENERGY, FOREIGN EXCHANGE ETC:

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 ₹ 60,00,000 per annum or ₹ 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 : 28.07.2012.

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.

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 : NA

2. TECHNOLOGY ABSORPTION

: Efforts made in Technology Absorption as per Form B

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 : ₹ 10485.04 Lakhs
- Earned : ₹ 60.32 LAKHS

For and on behalf of the Board of Directors

Place : Secunderabad
Date : 28.07.2012

G. MANGILAL SURANA
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

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, actually it 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, 2012 consists of:

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

b) Attendance Record for 2011-12:

Sl. No	Name of Director	Category	Meetings attended	Attendance at last AGM on 21.09.2011	Remarks
1	G Mangilal Surana	Non-executive	5	Present	-
2	O Swaminatha Reddy	Independent, Non-executive	5	Present	-
3	R Surender Reddy	Independent, Non-executive	5	Present	-
4	Kamlesh Gandhi	Independent, Non-executive	5	Present	-
5	Dr R.N.Sreenath	Independent, Non-executive	4	Present	-
6	D Venkatasubbiah	Independent, Non-executive	5	Present	-
7	Narender Surana	Executive	5	Present	-
8	Devendra Surana	Executive	5	Present	-
9	Narender Munoth	Executive	-	-	-
10	N Krupakar Reddy	Executive	3	-	-

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

Sl. No.	Name of the Director	Other Directorships	Committee Membership	Committee Chairmanship
1	G Mangilal Surana	11	1	1
2	O Swaminatha Reddy	12	1	4
3	R Surender Reddy	7	1	5
4	Kamlesh Gandhi	6	1	0
5	Dr. R N Sreenath	5	1	None
6	D Venkatasubbiah	2	1	None
7	Narender Surana	24	2	None
8	Devendra Surana	27	2	None
9	Narender Munoth	None	None	None
10	N Krupakar Reddy	8	None	None

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:

29.04.2011	05.08.2011	21.09.2011	12.11.2011	28.01. 2012
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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

Smt. Sridevi Madati, 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:

29-04-2011	05.08.2011	12.11.2011	28.01.2012
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Attendance Record - 2011-2012

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	4
4.	Shri Kamlesh Gandhi	4

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. 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 Venkatasubbiah	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/Wholtime Directors. The remuneration policy of the Company is directed towards motivating and retaining the senior officers of the Company by rewarding performance.

5. Remuneration of Directors:

The Company pays Sitting fees to all the Non-executive Directors at the rate of ₹ 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 2011-12 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	90,000
4.	Dr. R.N. Sreenath	40,000
5.	Shri Kamlesh Gandhi	90,000
6.	Shri D.Venkatasubbiah	40,000
	TOTAL	4,40,000

The remuneration paid to the Executive and Whole-time Directors during the year 2011-2012 are:

(in ₹)

Name of Director	Salary	H R A	Commission	Perks	Total
Narender Surana	48,00,000	nil	nil	nil	48,00,000
Devendra Surana	48,00,000	nil	nil	nil	48,00,000
Narender Munoth	10,80,000	5,40,000	nil	nil	16,20,000
N K Reddy	2,82,000	nil	nil	nil	2,82,000
TOTAL	1,09,62,000	5,40,000	nil	nil	1,15,02,000

6. Shareholders Grievance Committee:

The Shareholders Grievance Committee constituted by the Board of Directors comprises of Shri G M Surana (Chairman), Shri Narender Surana and Shri Devendra Surana. The Committee approves transfer of shares and redresses shareholders / investors grievances and complaints regarding non-receipt of Dividends, Annual Reports, etc.

The Board has designated Smt. Sridevi Madati, Company Secretary, as the Compliance Officer.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 24. There are no outstanding complaints as on 31st March 2012.

The Committee has received 1,875 shares for transfers out of which 900 Shares were approved and the balance 975 were rejected. The Committee received 600 shares for transmission and all of them were approved. The Committee also received 17,415 requests for conversion of physical shares into dematerialisation out of which 11,695 shares were approved and the balance 5,720 shares were rejected on account of mismatch of quantity. There were no transfers or transmissions or demat requests pending as on 31st March 2012.

7. General Body Meetings:

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

Year	Locations	Date	Time
26th AGM (2010-11)	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016	21st September, 2011	10.30 A.M.
25th AGM (2009-10)	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016	24th September, 2010	10.30 A.M.
24th AGM (2008-09)	Kamat Lingapur Hotel, 1-10-44/2 Chikoti Gardens, Begumpet, Hyderabad - 500 016	29th September, 2009	12.00 Noon

ii) Special Resolutions passed in last 3 Annual General Meetings

- In the AGM held on 29th September, 2009 the Company passed Special Resolution for appointment of Ms Nivriti Surana as GM(Finance) of the Company w.e.f 28.07.2009

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- In the AGM held on 24th September, 2010, the Company had passed no Special Resolution.
- In the AGM held on 21st September, 2011 the company 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

iii) Postal Ballot passed in last year i.e., 2011-12

During the year 2011-12 your Company had 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:-

The Company advanced a loan amount of ₹ 3.50 crores to borrower against security of equity shares held by them in a listed company. The equity shares pledged to our Company happened to be more than 5% of the total shares/voting rights requiring disclosure to Stock Exchanges under regulations 7(1), 7(1A), 7(2) of SAST Regulations and Regulation 13(1) of PIT Regulations. Hence, SEBI vide its letter dt 29.11.2010 disposed off the matter by levying a cost of ₹ 2.00 lakhs for such non-disclosure which was honoured by the Company.

c) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as on 31st March, 2012.

9. Means of Communication:

Half yearly results sent to each household of shareholders	No, as the results of the Company are published in the Newspapers having wide circulation
Quarterly results sent to each household of shareholders	No, as the results of the Company are published in the Newspapers having wide circulation
Newspapers in which published	"Business Standard" – English "Suryaa" - Telugu
Website where the results and other official news releases are displayed	http: www.surana.com http: www.bhagyanagarindia.com
The presentations made to institutional investors or to the analysts.	Nil

10. The Management Discussion and Analysis Report:

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

11. General Shareholders Information:

Annual General Meeting	: Date	: 29th September, 2012
	Time	: 10.30 A.M.
	Venue	: Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad - 500 003
Financial Calendar	: April 1st to March 31st	
Date of Book Closure	: 26.09.2012 to 29.09.2012	(both days inclusive)
Dividend Payment Date	: 06.10.2012	
Listing on Stock Exchanges	: 1. The Bombay Stock Exchange Ltd., Mumbai	
	2. National Stock Exchange of India Limited	
Stock Code	: 512296 on BSE	
	BHAGYNAGAR on NSE	
ISIN Number for NSDL & CDSL	: INE458B01028	

Market Price Data

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr '11	26.90	17.00	26.90	17.00
May'11	21.50	17.15	21.15	17.45
Jun'11	20.95	16.10	20.90	16.15
Jul'11	22.90	17.10	22.90	18.15
Aug'11	18.75	13.90	18.75	14.05
Sep'11	17.10	14.20	16.20	14.00
Oct'11	18.70	13.80	18.39	13.50
Nov'11	19.50	14.55	19.50	14.60
Dec'11	19.25	15.10	19.75	16.30
Jan'12	20.15	18.10	20.50	18.10
Feb'12	19.30	17.55	19.00	16.90
Mar'12	18.90	14.30	18.80	14.45

Registrars & Transfer Agents

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

M/s 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

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12. 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 effecting 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.

13. Shareholding Pattern as on 31st March, 2012:

Category	No. of Shares	% Holding
Promoters	3,42,69,072	53.55
Promoters Bodies Corporate	1,02,45,374	16.01
Resident Individuals	1,26,83,206	19.82
Bodies Corporates	22,92,856	3.58
Indian Financial Institutions	14,95,631	2.33
Non Resident Indians	22,02,886	3.44
Government	1,76,700	0.27
Trusts	500	0.00
Clearing Members	1,14,392	0.17
Mutual Funds	11,000	0.01
Banks	540	0.00
HUF	4,97,843	0.77
Total	6,39,90,000	100.00

14. Distribution of Share holding as on 31st March 2012:

Category (Amount)	No. of Cases	% of Cases
1 - 5000	13,335	94.78
5001 - 10000	406	2.88
10001 - 20000	167	1.18
20001 - 30000	52	0.36
30001 - 40000	21	0.14
40001 - 50000	15	0.10
50001 - 100000	25	0.17
100001 & Above	48	0.34
Total	14,069	100 %

15. 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.

16. Share Dematerialisation Records:

6,31,22,001 shares representing 98.64% 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, 2012.

17. a) Outstanding FCCB's convertible into Equity Shares:

During the year 2006-07, the Company issued and allotted 150 zero coupon unsecured Foreign Currency Convertible Bonds (FCCB) due 2011, of US\$100,000 each for an aggregate value of US\$ 15 million with a conversion price of ₹ 44/- which are listed on the Luxembourg Stock Exchange. During the year 2009-10, the Company bought back 50 FCCB's aggregating to US \$ 5.0 million (nominal value) at a discount. The outstanding FCCB's as on 31.03.2011 were 100 FCCB's of US \$ 1,00,000 each aggregating to US \$ 10.0 million (nominal value).

During the year 2011-12, the outstanding nominal value of US \$ 10.0 million of FCCB's were paid in full at a redemption value of USD 14,825,500 including YTM of 8% on the principle amount on its maturity date i.e. October 17, 2011 as per the terms and conditions of the offering circular dated October 10th 2006. In view of the above payment, the entire liability on account of FCCB's is discharged.

18. Reconciliation of share Capital Audit:

Practicing Company Secretary Shri Syed Meera Mohiddin, conducts the Secretarial Audit of the Company every quarter for a limited purpose of reconciliation of the total admitted capital with both the depositories (CDSL & NSDL) and the total issued and listed capital. The Quarterly Secretarial Audit Reports which were placed before the Board of Directors were also sent in time to both the Stock Exchanges where the Company's shares are Listed.

19. 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.

iii) Hardware Park:

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

Wind Power Division

- i) Kapatguda, Gadag District, Karnataka (9MW)
- ii) Tirunelveli District, Tamilnadu (1.5MW)
- iii) Theni District, Tamilnadu (1.65MW)

20. 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.	KARVY COMPUTERSHARE PVT. LTD. Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500 081. Tel No. +91-40-44655000 Fax No. # 91-40-23420814, Toll Free No.1800-3451-001 E-mail : einward.ris@karvy.com Web Site : www.karvy.com
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	SRIDEVI MADATI Company Secretary BHAGYANAGAR INDIA LIMITED 5th Floor, Surya Towers, S.P. Road, Secunderabad – 500 003. Ph. Nos. : 27845119/44665700 E-mail : cs@surana.com investorservices_bil@surana.com Web Site : www.surana.com, www.bhagyanagarindia.com

21. 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,
 Senapati Bapat Marg, 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,
 28th Floor,
 Dalal Street,
 Mumbai - 400 023
 Tel : 091-022-22723333/22723224
 Fax : 091-022-22723199
 Email : investors@cdslindia.com

22. 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.

23. 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.

Smt. Sridevi Madati, Company Secretary had been appointed as the Compliance Officer for this 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.



24. 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 NARENDER SURANA	SHRI DEVENDRA SURANA	SHRI KAMLESH GANDHI	SHRI.D. VENKATA SUBBAIAH	DR R.N. SREENATH
<p>Expertise in specific functional areas</p> <p>Shri Narender Surana hails from a business family and is a successful entrepreneur. He is the Managing Director of M/s Surana Ventures Limited manufacturers of Solar Photovoltaic products and also holds Directorship in various Companies of Surana Group. He has been the President of Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI) and Chairman of the Federation of Indian Chambers of Commerce and Industry (FICCI) - A P State Council. He also held the position of Chapter Chairman of Young President's Organization (Y.P.O), Hyderabad Chapter in the year 2009. He has over 2 decades of experience in Telecom and Solar Industry and has extensively travelled all over the world in promoting business activities and also attended various Trade Fairs and exhibitions.</p>	<p>Shri Devendra Surana is a Mechanical Engineer and holds a Post Graduate Diploma in Management From IIM, Bangalore. and chosen as the Best Brain of the batch. He has been in the field of Ferrous & Non-Ferrous & Telecom Industry for the last Fifteen Years. He was the Founder President of Young Entrepreneurs Organisation (Y.E.O) of Hyderabad Chapter and Member of Rotary Club of Moulali/ Rotary Club of Hyderabad Deccan. Currently he is serving as the president of Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI).</p>	<p>He is part of Capital and Financial Markets in India for the past 35 years and has been a member of the BSE for 14 years from 1981 to 1995.</p> <p>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.</p> <p>As a merchant Banker Instrumental in raising funds for over 250 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.</p>	<p>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 of Radio Relay 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.</p>	<p>Dr.R.N.Sreenath, has over 44 years of experience out of which 25 years of experience in Semiconductor technology and balance 19 years in Solar Photovoltaic Technology</p> <p>BEL, Bangalore for Over 33 years from 1966 to 1999.</p> <p>He has served on the following companies as Senior Vice President and head of solar factory:</p> <ol style="list-style-type: none"> 1. BEL, Bangalore : Over 33 years from 1966 to 1999. 2. Maharishi Solar Technology Pvt Ltd, New Delhi (factory in A.P); 9 years from 1999 to till date <p>He has expertise in the following areas</p> <ol style="list-style-type: none"> i) Capability to set up any discrete semiconductor project and successful production. ii) Capability to set up Solar Photovoltaic project and successful production. 	

Name of Director	NARENDER SURANA	DEVENDRA SURANA	SHRI KAMLESH GANDHI	SHRI.D. VENKATA SUBBAIAH	DR R.N. SREENATH
<p>Expertise in specific functional areas</p>			<p>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.</p> <p>He has participated in many seminars as speaker in India and Overseas on Investments matter in context with the Indian Capital Market.</p> <p>He is the Guest Speaker at training Institutes of Banks and Bankers Training College of RBI, on Merchant Banking Activities.</p> <p>He was a Non Executive Director of Several Companies Including Dr. Reddy's Group, Rasi Group and Kirloskar Group</p> <p>He is involved in advising several NRI investors including many high net worth NRIs.</p>		<p>iii) Capability for Commercial exploitation of any of the Semiconductor and Solar Photovoltaic projects & products.</p>



Name of Director	NARENDER SURANA	DEVENDRA SURANA	SHRI KAMLESH GANDHI	SHRI.D. VENKATA SUBBAIAH	DR R.N. SREENATH
Date of Birth	06.07.1960	08.02.1965	16.06.1950	01.07.1942	18.03.1941
Qualification	B.E (Chemical)	B.E (MECH) PDGM (IIM, Bangalore)	B.Com, LL.B	B.E.	M.Sc. Ph.D (I.I.SC.) Field of Specialization Semiconductor & Solar Photo voltaic Technology
List of other Companies in which Directorship is held as on 31st March, 2012.	<p>MANAGING DIRECTOR:</p> <ol style="list-style-type: none"> 1. Surana Ventures Limited 2. Bhagyanagar India Limited <p>DIRECTOR:</p> <ol style="list-style-type: none"> 1. B h a g y a n a g a r Entertainment Limited 2. Surana Infocom Private Limited 3. Everytime Foods Industries Pvt. Ltd. 4. Value Infrastructure & Properties Pvt. Ltd. 5. Innova Technologies Private Limited 6. Surana Techno Park Private Limited 7. Shahsons Private Limited 8. Scientia Infocom India Private Limited 9. Tranquil Avenues India Private Limited 	<p>MANAGING DIRECTOR:</p> <p>Bhagyanagar India Limited</p> <p>DIRECTOR:</p> <ol style="list-style-type: none"> 1. A.P. Golden Apparels Private Limited 2. Bhagyanagar Securities Pvt. Ltd., 3. B h a g y a n a g a r Entertainment Ltd., 4. B h a g y a n a g a r Entertainment and Infra Development Company Pvt Ltd 5. Bhagyanagar Capital Pvt ltd 6. Bhagyanagar Foods and Beverages Private Limited 7. Bhagyanagar Infrastructure Limited 8. B h a g y a n a g a r Properties Pvt Limited 9. Bhagyanagar Ventures Private Limited 	<p>DIRECTOR</p> <ol style="list-style-type: none"> 1. Labbawa Investment & Trading Company Pvt. Ltd. 2. OGENE Systems India (p) Ltd., 3. Bhoruka Power Corporation Ltd., 4. NCL Industries Ltd., 5. Kirloskar Electric Co. Ltd. 6. Net 4 India Ltd. 	<p>DIRECTOR</p> <ol style="list-style-type: none"> 1. Aishwarya Telecom Limited. 2. Surana Telecom & Power Limited 	<p>DIRECTOR</p> <ol style="list-style-type: none"> 1. Surana Ventures Limited 2. Surana Telecom and Power Limited 3. Udhaya Semi-conductors Limited 4. USL Photovoltaics Pvt Ltd 5. Maharishi Solar Technology Pvt Ltd

Name of Director	NARENDER SURANA	DEVENDRA SURANA	SHRI KAMLESH GANDHI	SHRI.D. VENKATA SUBBAIAH	DR R.N. SREENATH
<p>List of other Companies in which Directorship is held as on 31st March, 2012.</p>	<p>10. Royal Skyscrapers India Private Limited 11. Surana Biochemicals Private Limited 12. Bhayanagar Properties Private Limited 13. Bhayanagar Securities Private Limited 14. Bhayanagar Infrastructure Limited 15. Stealth Energy Pvt. Ltd. 16. Bhayanagar Entertainment & Infrastructure Development Company Private Limited 17. Green Energy Systems Pvt Ltd 18. AP Golden Apparel Private Limited 19. Saphigini Infrastructure & Developers Private Limited 20. Bhayanagar Metals Limited 21. Bhayanagar Energy and Telecom Pvt Ltd 22. Advantage Real Estate India Pvt Ltd 23. Bhayanagar Ventures Private Limited 24. Genten Infra Projects Pvt Ltd</p>	<p>10. Stealth Energy Pvt. Ltd., 11. Epicenter Entertainment Pvt Limited 12. Every Time Food & Industries Pvt. Ltd., 13. Globecom Infra-ventures Private Limited 14. Metropolitan Ventures India Limited 15. Majestic Logistics Private Limited 16. Surana Biochemicals Private Limited 17. Surana Technopark Private Limited 18. Surana Infocom Pvt Ltd 19. Green Energy Systems Pvt. Ltd 20. Surana Telecom and Power Limited. 21. Value Infrastructure and Properties Pvt. Ltd., 22. Shasons Pvt Ltd., 23. Scientia Infocom India Pvt Ltd., 24. Tranquil Avenues India Pvt. Ltd., 25. Bhayanagar Green Energy Ltd. 26. Surana Ventures Limited 27. Genten Infra-Projects</p>			



Name of Director	NARENDER SURANA	DEVENDRA SURANA	SHRI KAMLESH GANDHI	SHRI.D. VENKATA SUBBAIAH	DR R.N. SREENATH
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	Surana Telecom and Power Limited (Shareholders Greivence Committee Member) Surana Ventures Limited (Shareholders Greivence Committee Member)	Surana Telecom and Power Limited (Shareholders Greivence Committee Member) Surana Ventures Limited (Shareholders Greivence Committee Member)		Surana Telecom and Power Limited (Audit Committee Member)	Surana Telecom and Power Limited (Audit Committee Member)

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 2011-12.

Date : 28.07.2012
Place : Secunderabad

NARENDER SURANA
MANAGING DIRECTOR

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 31.03.2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of 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 Regd. No. 003695 - S

Date : 28.07.2012
Place : Secunderabad

G. Ganesh
Partner
Membership No. 211704

MANAGEMENT DISCUSSION & ANALYSIS

Bhagyanagar India Ltd (BIL) incorporated in the year 1985, is a Company under 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). 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.

1. COPPER PRODUCTS: Auto Components, Solar and Electrical Engineering

1.1 Introduction:

What started as manufacturer of pure copper commodity products a few years back has today morphed into a full fledged value added play in Auto Components, Solar and Electrical Engineering.

What started with manufacture of copper rods with capacity of 12000 MTs has today being converted into manufacture of Copper Rods, Foils, Pipes, Sheets, Strips and Insulated Conductors.

However, most importantly, we are now manufacturing of value added products such as Copper Field Coils (for Auto Electrical), Copper Fins (for Solar Water Heaters) and Busbars for Electrical Engineering with regular supplies to various OEMs such as Lucas TVS Limited, MICO, Commutator, Emvee Solar, Amar Raja Batteries, HBL Nife and many other leading OEMs.

1.2 Industry Analysis:

Copper is an important non-ferrous metal used in the industries such as Electrical, telecommunications, alloys, die-casting, wires & cables, industrial and engineering applications, building & construction, transport, coinage, ordnance, wrought copper, refrigeration & air conditioning Etc... The multifarious usage of this metal makes it an important factor in the development of industrial & technological sectors in India and across the world.

However according to preliminary ICSG (International Copper Study Group) data for 2012, world demand for refined copper is expected to exceed production of refined copper by about 240,000 metric tonnes (t), as supply will continue to lag behind the growth in demand. This would be the third consecutive year of production deficit. In 2013, however, increased output from new and existing mines could reverse the 3-year trend, and, based on initial projections, refined copper production could exceed demand by about 350,000 t.

After being hampered by operational constraints, lower head grades, adverse weather conditions and labor unrest in 2011, world copper mine production in 2012 (adjusted for unanticipated disruptions) is projected to increase by around 5.1% (810,000 t) to 16.9 million metric tonnes (Mt). Capacity utilization rates are expected to improve from 79% in 2011 to an average of 81% in 2012. Growth in mine output will mainly be from restoration of production at existing operations rather than from new projects. While some expansions and startups will occur in 2013 that will help boost mine production by 7.6% to 18.1 Mt, deferrals and delays in projects have postponed most of anticipated new supply to 2014 or later.

In 2012, world refined copper production is expected to remain constrained by a shortage of concentrates and is projected to increase by only about 2.5% to reach 20.15 Mt. In 2013, with improved concentrate availability, refined copper production is expected to grow by 6.9%, Electrowon copper production and secondary refined production are expected to grow by about 160,000 t and 190,000 t, respectively, in 2012, and by about 130,000 t and 180,000 t, respectively, in 2013.

According to the International Copper Association (ICA), India has estimated recoverable reserves of 537.9 million tons of copper, which constitute around 1

percent of global reserves. In 2011, India's copper demand grew by 7 percent - following a similar forecast in 2010 - fed by the power sector. According to India's 11th five year plan (2007-2012), the country's power generation sector is likely to make a huge investment with 150 power projects for the various stages of installation. The performance of the industry is forecast to accelerate, with an anticipated CAGR of 14.1% for the five-year period 2010-2015, which is expected to drive the industry to a value of \$510.7 million by the end of 2015.

Demand drivers for copper in India would be power, railways, telecommunication and exports. India's power capacity is targeted to double to 2 lakh mw by 2012. This, in conjunction with the programme of electrifying 80,000 Indian villages by 2012, would be the biggest demand avenue. In India, 57 per cent of the copper is used in wiring for power and telecom sectors. By 2020, copper capacity in India is projected to rise to 16-18 lakh tpa, going by the growth in domestic demand.

Due to Euro-zone crisis the current market growth of copper is remaining on a lower side. The production deficit for the last 3 consecutive financial years has led to negative outlook for the industry. But it is poised to be reversed for the financial year 2012-13 as the production is expected to pick-up pace and India is having a major role in reviving the future trends of the copper industry.

1.3 Business Outlook:

The company plans to achieve a growth of 5% in this segment with emphasis on value added products. The following new products in this segment are proposed to be added:-

Copper Foils for Cable Wrap: The product is under development for commercial production, the company expects a turnover of ₹ 20 Crores from this product.

Solar Water Collectors: The Company proposes to commence the commercial production of Solar Water Collectors in the Current Financial year.

2. REAL ESTATE/INFRASTRUCTURE BUSINESS:

2.1. Introduction:

In the year 2002 anticipating the boom in Real Estate & Infrastructure sector the company started to invest the surplus liquidity from its core business in acquiring real estate properties and infrastructure related project with a long-term view to become an infrastructure player.

2.2 Industry Analysis:

Real estate is one of the fastest growing sectors in India. Market analysis pegs returns from realty in India at an average of 14% annually with a tremendous upsurge in commercial real estate on account of the Indian BPO boom. Lease rentals have been picking up steadily and there is a gaping demand for quality infrastructure. A significant demand is also likely to be generated as the outsourcing boom moves into the manufacturing sector. Further, the housing sector has been growing at an average of 34% annually, while the hospitality industry witnessed a growth of 10-15% last year.

Real estate witnessed its peak during the first three quarters of 2008 with prices an all time high, largely led by investor driven market speculation. But during the last quarter of 2011 and also the early quarters of 2012 has affected India's economy, including the real estate market because of Global economic uncertainties. In the 3rd quarter of 2012, enquiries for quality retail space are likely to remain robust as major Indian retailers are seeking to implement their expansion plans in the prime cities as well as select Tier II and Tier III cities. FDI in multi brand real estate, when finally permitted, is expected to catalyze a lot of demand from international retailers. Overall macro-economic conditions will keep investor sentiments at cautious levels, both in terms of FDI and FII. FDI inflows, which are currently muted because of the slowdown in the country's GDP growth rate, will probably remain sluggish over

the short term. However, as the Indian economy continues to show its resilience in 2012, foreign investors will gain confidence and India will become attractive among competing investment destinations.

Meanwhile, residential developers will continue to tackle the current liquidity crunch due to high interest rates and slow sales. We will see a slowdown in construction activity for the time being. However, as demand improves, improving sales will benefit developers who will focus on execution of their on-going project portfolios

Andhra Pradesh particularly Hyderabad continues to underperform in terms of sales as there is no movement in Ressex (Real-Estate Sensitivity Index). The city is ranked second in India, among 15 considered, for declining real estate prices in the year 2011, with the Economic Survey 2011-12 report tabling a decline by 14% in residential property cost in the twin cities, while a separate survey by the National Housing Bank has put the reduction rate at 8% for the quarter Oct-Dec 2011, as compared to 2010. The political instability and lack of dynamic leadership has contributed for the prolong slump in this sector.

With the economy showing no signs of recovery, we cannot expect any change in the trend which remains negative. Until there is appreciable upswing in economy, the wrath of stakeholders undergoing test of times is unavoidable and ofcourse, a lot also hinges on the political situation.

2.3 Business Outlook:

Due to slowdown in the Sector for the reasons aforesaid, the Company has put on hold the execution of Real Estate projects and proposes to exit from the sector wherever possible.

Land at Gachibowli held by the subsidiary of the company: The applicability of G.O.111 on the land 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.

Uppal Project : The company is in talks with interested parties for development of the land or outright sale of the land.

3. NON CONVENTIONAL ENERGY DIVISION:

3.1 Introduction:

As a part of its Corporate Social Responsibility, and in view raising global concerns over Global warming, BIL in the year 2006, the Company has forayed into the non conventional energy sector through wind power projects with an initial installed capacity of 5 MW at Kapatgudda, Karnataka State. It was further expanded to 9.0 MW in 2007. BIL is committed to its social responsibility and endeavors to consistently expand its generation capacity. In 2009, the Company has added another 1.5MW Wind Turbine Generator in State of Tamilnadu, making the total installed capacity at 10.5MW/Annum.

In 2010, the Company has installed 1.65 MW Wind Turbine Generator in the state of Tamilnadu which was commissioned on 08.03.2010. This takes the overall installed capacity to 12.15 MW.

3.2 Industry Analysis:

Growth in the renewable energy industry is set to reach more than US \$250 billion by the year 2017 with the electric car, sustainable cities, non-U.S.-based energy firms, geothermal energy and the greening of the shipping industry helping to lead the way. It has been projected by the planning commission of India that renewable source of energy may account for 5 to 6 percent of India's energy mix by 2031-32 and has observed that the distributed nature of renewable can provide many socio-economic benefits for the country. The Ministry of New & Renewable Energy has proposed an outlay of ₹ 10.4 Million for the 11th Plan period from to 2007-2012 for development of New Bio and renewable energy in the country.

Out of the total contribution of renewable sources to the power generating capacity, wind alone accounts for a major chunk of 4434 MW. In fact over the past few years wind energy industry has developed fast, thanks to active participation of the private sector, a package incentives and promotional policies of the MNES and financing through Indian Renewable Energy Development Agency (IREDA). The capacity addition by wind farms has far exceeded the 10th Plan target. Fourth in the world after Germany, USA and Spain in wind power generation, India's potential for wind power has been assessed at 45000 MW assuming 3 per cent land availability. The potential for grid-interactive wind power would be around 15000 MW if sites having wind power density in excess of 300 Watt/sq. m at 50-metre hub-height are considered in keeping with international practice. Wind power turbines and components are manufactured indigenously by a dozen manufacturers and after meeting local needs are even exported. In areas dependent on diesel-based electricity wind-diesel hybrid projects are being taken up. Water pumping windmills are also being promoted.

With a concerted push and a 40-fold increase in the contribution to primary energy, renewable energy may account for only 5 to 6% of India's energy mix by 2031-32. This will be totally inadequate and should be substantially increased to at least 25% for achieving energy independence. With India facing an acute energy scarcity, which is hampering its industrial growth and economic progress, it is essential to tackle the energy crisis through judicious utilization of the abundant renewable energy resources, such as wind. Favorable government policies and incentives are the crucial key drivers in the Wind Sector.

3.3 Business Outlook:

The Company currently has an overall installed capacity of 12.15 MW comprising 9 wind turbines. During the current year, the Company gained Voluntary Emission Reductions (VER's) through Voluntary

Carbon Standards that generated additional revenue by sale to appropriate buyers.

4. RISKS AND CONCERNS

The Company's businesses and operations are subject to a variety of risks and uncertainties which are no different from any other company in general and our competitors in particular. Such risks are the result of both the business environment within which the Company operates and other factors over which there is little or no control. These risks can be categorised as operational, financial, environmental, health and safety, political, market-related and strategic risks. The Company has sufficient risk management policies in place that act as an effective tool in minimising the various risks that the businesses are exposed to during the course of their day-to-day operations as well as in their strategic actions.

5. 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 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.

6. FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:

A. Financial Condition :

Capital Structure :

The Equity Share Capital of the Company is ₹127,980,000/- comprising of 63,990,000 Equity Shares of ₹ 2/- each fully paid.

Reserves and Surplus:

The Reserves and Surplus of the Company as on 31.03.2012 stand at ₹ 20,373.07 lakhs as compared to ₹ 21,703.14 lakhs in the previous year.

Fixed Assets :

During the year, the Company reduced ₹ 136.46 lakhs in Fixed Assets.

Inventories :

Inventories, as on 31st March, 2012, amounted to ₹ 2001.30 lakhs as against ₹ 2,920.63 lakhs in the previous year.

Sundry Debtors :

Sundry debtors amounted to ₹ 2,621.58 lakhs as on 31st March, 2012 as against ₹ 2,487.40 lakhs in the previous year. These debtors are considered good and realizable.

Cash and Bank Balances :

'Cash and Bank balances' with Scheduled Banks amounting to ₹ 947.95 lakhs as against ₹ 350.77 lakhs in the previous year which include amounts deposited with banks as Security.

Loans and Advances :

'Loans and Advances' amount to ₹ 10898.60 Lakhs as against ₹ 9351.94 lakhs in the previous year. (Long term)

'Loans and Advances' amount to ₹ 2943.43 Lakhs as against ₹ 2725.53 lakhs in the previous year. (Short term)

Current Liabilities :

Current liabilities for the F.Y. 2011-12 is ₹ 2703.48 Lakhs as against ₹ 2728.65 Lakhs in the previous Year.

B. Operational Results :**Turnover :**

During the year 2011-2012, the turnover of the Company was ₹ 19,796.80 lakhs as compared to ₹ 18,602.70 lakhs in the previous year.

The Income from other sources as on 31st March, 2012 was ₹ 1613.34 lakhs as compared to ₹ 631.98 lakhs in the previous year.

Expenditure :

During the year, the Company incurred expenses amounting to ₹ 21303.12 lakhs

as compared to ₹ 17880.54 lakhs in the previous year.

Depreciation :

The Company has provided a sum of ₹ 602.27 lakhs towards depreciation for the year as against ₹ 573.09 lakhs in the previous year.

Provision for Tax:

The Company has provided a current tax of ₹ 1.14 lakhs and deferred tax liability of ₹ 51.76 lakhs for the year 2011-12.

Net Profit :

The Net Profit of the Company after tax is ₹ 55.25 lakhs as against ₹ 1,018.99 lakhs in the previous year.

Earnings Per Share :

The Earnings Per Share of the Company as on 31st March, 2012 is ₹ 0.08 ps for Face Value of ₹ 2/- as against ₹ 1.49 ps per share for Face Value of ₹ 2/- in the previous year

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide the necessary human resource development and training opportunities to equip them with skills, which would enable them to adapt to contemporary technological advancements.

Industrial relations during the year continues to be cordial and the Company is committed to maintain good industrial relations through negotiations, meetings etc.

As on 31st March, 2012, the Company has a total strength of 257 employees.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the company's objectives and 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 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 other incidental factors.

AUDITORS REPORT

To the Members of
Bhagyanagar India Limited

1. We have audited the attached **Balance Sheet of Bhagyanagar India Limited** as at March 31,2012, the Profit and Loss Account and the Cash flow statement for the year ended on that date and annexed thereto. These Financial Statements are the responsibility of the Management. Our Responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (hence forth referred to as the "Order" issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, (hence forth referred to as the "Act", we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above 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 our 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with Accounting Standards referred to in sub-section (3C) of Section 211 of the "Act".
 - e. on the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31,2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the "Act".
 - f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon 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.
 - i. in case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii. in case of Profit and Loss Account, the profit / loss for the year ended on that date; and
 - iii. in case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

G. Ganesh
Partner

Place : Secunderabad
Date : April 30, 2012

Mem. No : 211704

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in the auditors' report to the members of **Bhagyanagar India Limited Limited** ("the Company"), on the financial statements for the period ended 31st March 2012, we report that:

1) Fixed Assets

- a) The Company has maintained proper records showing full particulars, including quantitative details of fixed assets
- b) The Company has conducted physical verification of fixed assets during the year. In our opinion, this physical verification is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) During the period, the Company has discarded certain items of its fixed assets. In our opinion and according to the information and explanations given to us, the aforesaid disposal has not affected the going concern assumption.

2) Inventories

- a) The inventories have been physically verified by the company during the period. In our opinion the frequency of such verification is reasonable.
- b) The procedures for the physical verification of Inventories followed by the management are reasonable and adequate to the size of the Company and nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification between physical stocks and the book records are not material.

3) Loans to and from Parties (Companies, firms or such other parties) listed in the register maintained under section 301 of the Act, hence forth referred to as "parties", amounts in Lakhs of Rupees.

- a) The company has granted loans which are not secured to 9 parties comprising

of "4" subsidiaries, "3" Associate Companies "2" group companies, during. The Maximum amount involved and the year end outstanding are ₹ 121.64 Crores, which includes interest accrued of ₹ 7.95 Crores

- b) In our opinion, the rate of interest and other terms and conditions of such loan are not, *prima facie*, prejudicial to the interest of the Company.
- c) In Case of 2 subsidiaries and 1 associate the interest amounting to ₹ 7.95 Crores which has become due and is at the year end, this has been added to the principal. The loans are given without any specific term of repayment of principal. In respect of others interest has been received.
- d) The Loans are not due for repayment, having been given without any specific terms of repayment as stated above the question of overdue principal does not arise. In respect of 3 parties interest aggregating to ₹ 7.95 Crores was due and outstanding at year end has been added to the principal on accrual.
- e) In respect of Loans taken by the company from 2 parties the maximum amount involved and the year end outstanding are ₹ 5.92 Lacs and ₹ Nil respectively.
- f) In our opinion the terms of interest and other terms and conditions on which the loan has been taken from such parties are not *prima facie* prejudicial to the interest of the Company.
- g) The Loan being interest free the matter of payment of interest does not arise and the Loan has been repaid in full during the year.

- 4) **Internal Control** : In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and nature of its business with regard 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.

5) Arrangement &/ Transactions with parties covered under Section 301 of the Act.

a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.

b) In respect of transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at relevant time.

6) Deposits from Public : In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits covered under Section 58A and 58AA of the Act.

7) Internal Audit : In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

8) Cost Records : We have broadly reviewed the books of account maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1) (d) of the Act in respect of products sold by the Company and are of the opinion that *prima facie*, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the records.

9) Statutory Dues :

a) According to the information and explanations given to us and on the basis of the records of the Company, amounts deducted / accrued in the books of

account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise duty, Investor Education and Protection Fund, Service tax, Cess and material statutory dues have been deposited regularly but for some minor delays during the year by the company with the appropriate authorities.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, Investor Education and Protection Fund, Service Tax, Cess and other material statutory dues which were in arrears as at March 31, 2012 for a period more than six months from the date they became payable.

c) According to the information and explanations give to us, the dues set out in "Appendix - I" in respect of Income Tax, Sales Tax, Service Tax, Excise Duty and such other taxes as detailed have not been deposited with appropriate authorities on account of disputes. According to the information and explanations given to us there are no other amounts not deposited with appropriate authorities on account of dispute.

10) Accumulated Losses & Cash Loss : As on date of Balance Sheet there are no accumulated Losses and the company has not incurred any cash loss during the year or the immediately preceding financial year.

11) Dues to Banks and Financial Institutions : In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures at the end of the year.

12) Loans on Security of Shares, debentures and other Securities : The Company has maintained

adequate records for the loans granted loans and advances on the basis of security of shares and properties.

- 13) Nidhi chit fund Companies :** In our opinion and according to the information and explanations given to us the company is not a nidhi / mutual benefit fund / society.
- 14) Dealing in / Trading in Securities :** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- 15) Guarantees on behalf of others :** In our opinion, the terms and conditions on which the company has given guarantee for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- 16) Usage of Term Loans :** In our opinion the term loans raised during the year are applied for the purpose they are raise.
- 17) Usage of Short Term Funds :** According to the information and explanations given to us and on an overall examination of the balance

sheet of the Company, we report that funds raised on short term basis have not been used for long term investment.

- 18) Preferential allotments :** The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under Section 301 of the Act.
- 19) Debentures :** The Company did not have any outstanding debentures during the year.
- 20) Public Issue :** The Company has not raised any money by public issues during the year.
- 21) Fraud :** According to the information and explanations given to us, no material fraud on the Company has been noticed or reported during the course of the Audit.

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

Place: Secunderabad
Date : April 30, 2012

G. Ganesh
Partner
Mem. No: 211704

**APPENDIX-I as referred to in Para ix(c) of Auditors Report of
Bhagyanagar India Limited**

Name of the Statute	Nature of the dues	Amount in ₹	Period to which it relates	Forum where the dispute is pending
Income Tax Act 1956	Income Tax	49,44,276	2009-10	CIT Appeals HYD
Custom and Excise Duty	Excise Duty on valuation of CDMA Phones	2,00,00,000	2004-05	Supreme court of India
-do-	Duty of JFTC Cables	2,90,000	2006-07	CESTAT Mumbai
-do-	Valuation of Job Works	25,69,007	2007-08	Adl.Commr III Hyd

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

Place: Secunderabad
Date : April 30, 2012

G. Ganesh
Partner
Mem. No: 211704

Annual Report 2011 - 2012

Balance Sheet as at 31st March, 2012

(Amount in ₹)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	127,980,000	136,800,000
(b) Reserves and surplus	2.2	2,037,306,659	2,170,314,061
		<u>2,165,286,659</u>	<u>2,307,114,061</u>
(2) Non-current liabilities			
(a) Long-term borrowings	2.3	704,700,012	510,737,137
(3) Current liabilities			
(a) Short-term Borrowings	2.4	-	7,619,281
(b) Trade payables	2.5	154,484,622	96,112,357
(c) Other current liabilities	2.6	85,615,429	135,133,977
(d) Short-term provisions	2.7	30,248,500	33,999,463
TOTAL		<u>3,140,335,221</u>	<u>3,090,716,276</u>
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(1) Tangible assets	2.8	848,648,671	862,295,493
(2) Capital work-in-progress		2,016,474	18,667,103
(b) Non-current investments	2.9	155,567,924	155,692,924
(c) Deferred tax assets (net)	2.10	890,059	6,065,850
(d) Long-term loans and advances	2.11	1,089,860,937	935,194,387
(2) Current assets			
(a) Current Investments	2.12	-	92,400,000
(b) Inventories	2.13	200,130,475	292,062,971
(c) Trade receivables	2.14	262,157,816	248,739,810
(d) Cash and cash equivalents	2.15	94,794,921	35,077,084
(e) Short-term loans and advances	2.16	294,343,102	272,553,973
(f) Other current assets	2.17	191,924,842	171,966,681
TOTAL		<u>3,140,335,221</u>	<u>3,090,716,276</u>

Significant accounting policies and notes to accounts 1 & 2

As per our report of even date attached

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 : April 30, 2012

Surendra Bhutoria
Chief Financial Officer

Sridevi Madati
Company Secretary

Profit & Loss account for the year ended 31st March, 2012

(Amount in ₹)

Particulars	Note No.	For the year ended 31.03.2012	For the year ended 31.03.2011
I. REVENUE FROM OPERATIONS	2.18	1,979,680,280	1,860,270,086
II. OTHER INCOME	2.19	161,333,574	63,197,529
III. TOTAL REVENUE		2,141,013,854	1,923,467,615
IV. EXPENSES			
Cost of materials consumed	2.20	1,488,380,749	1,438,271,630
Changes in inventories of finished goods, work-in-progress and stock in trade	2.21	(7,502,289)	837,483
Employee benefit expenses	2.22	39,930,174	36,001,482
Finance costs	2.23	306,975,330	20,016,930
Depreciation and amortisation expenses	2.24	60,227,196	57,821,591
Other expenses	2.25	242,301,273	235,105,829
Total expenses		2,130,312,433	1,788,054,945
V. Profit before exceptional and extraordinary items and tax		10,701,421	135,412,670
VI. PRIOR PERIOD ADJUSTMENT		-	558,007
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		10,701,421	135,970,677
VIII. PROFIT BEFORE TAX		10,701,421	135,970,677
IX. TAX EXPENSE:			
1. Current tax		141,000	26,500,000
2. Deferred tax		5,175,788	7,571,751
3. MAT Entitlement Credit		(140,155)	
X. PROFIT AFTER TAX		5,524,788	101,898,926
XI. EARNINGS PER EQUITY SHARE			
1. Basic	2.27	0.08	1.49
2. Diluted		0.08	1.29

Significant accounting policies and notes to accounts

1 & 2

As per our report of even date attached

For Sekhar & Co

Chartered Accountants
Firm Regn No. 003695-S

For Bhagyanagar India Limited

G. Ganesh
Partner
Membership No : 211704

G.M. Surana
Chairman

Narender Surana
Managing Director

Devendra Surana
Managing Director

Place : Secunderabad
Date : April 30, 2012

Surendra Bhutoria
Chief Financial Officer

Sridevi Madati
Company Secretary

Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)

	2011-12	2010-11
A. Cash Flow From Operating Activities		
Net Profit before tax as per annexed profit and loss account	10,701,421	135,970,677
Adjustments for :		
Depreciation	59,714,567	57,308,961
Unrealised Forex Gains		(4,000,000)
Lease rents Amortised	512,630	512,630
Bad Debts Written Off & Provision for Bad Debts	1,662,924	2,224,477
Balances / Provisions no longer required written back	(8,522,678)	(1,790,890)
Deferred Revenue Expenditure	(11,041,306)	-
(Profit)/Loss on Sale of Investments	-	(11,408,645)
Profit & Loss on Sale of Assets	(45,409,230)	(1,290,310)
Interest Paid	306,975,330	20,016,930
Interest Received	(135,463,967)	(32,684,062)
Dividends Received	(10,001,190)	(3,207,565)
Operating Profit before working Capital Changes	169,128,501	161,652,203
(Less)/ Add Adjustments for Working Capital Changes		
Inventories	91,932,496	(191,661,576)
Loans and Advances	46,889,873	11,728,353
Other Current Assets	22,212,080	90,145,301
Sundry Debtors	(15,080,930)	(76,214,908)
Trade Payables and other Liabilities	68,487,367	36,173,646
Advance from Customers	(66,864,450)	57,637,097
Cash Generated from Operations	316,704,937	89,460,116
Income Tax & Fringe Benefit Tax Paid	(4,937,332)	(32,651,601)
Taxes of earlier years		-
Prior Period Adjustments	(4,937,332)	-
Net Cash (used in)/from operating Activities (A)	311,767,605	56,808,515
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets & Changes in CWIP	(52,322,037)	(28,163,016)
Sale of Fixed Assets	67,801,511	4,195,148
Investment in of Shares & Other Investments (Net)	92,400,000	24,179,029
Dividend Received	10,001,190	3,207,565
Interest Received	65,120,914	32,684,062
Refunds received from Capital Advances		-
Loans to Joint Ventures and Subsidiaries	(152,862,344)	104,800,986
Net Cash (used in)/from Investing Activities (B)	30,139,234	140,903,774

Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)

	2011-12	2010-11
C. Cash Flow From Financing Activities		
Buy-back of equity Share Capital	(82,053,689)	(13,517,027)
Buy-back of FCCB		-
Proceeds from borrowings (net of re-payments)	127,635,268	(128,407,402)
Interest Paid	(296,062,614)	(20,016,930)
Dividend Paid	(31,707,967)	(31,757,503)
Net Cash (used in)/from Financing Activities (C)	(282,189,002)	(193,698,862)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	59,717,837	4,013,427
Reconciliation- See Note 2 below		
Cash and Cash Equivalents Opening Balance	35,077,084	31,063,658
Cash and Cash Equivalents Closing Balance	94,794,921	35,077,085
Net Increase / (Decrease) in Cash and Cash Equivalents	59,717,837	4,013,427

Notes:

1. The above cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India and Ministry of Company Affairs.

The Cash and Cash equivalents as per the Balance Sheet	2011-2012	2010-2011	Change Over previous Year
Cash in Hand	960,718	841,858	118,860
Balances with Bank	90,562,313	32,373,921	58,188,392
Accrued Interest on Fixed Deposits with Banks	3,271,889	1,861,306	1,410,583
TOTAL	94,794,920	35,077,085	59,717,835

3. Previous Year Figures are regrouped wherever required.

4. The following items of Cash and Cash Equivalents are not available as free balances to the Company

	2011-2012	2010-2011
Balances with Bank		
In Escrow account	-	42,798
In Dividend account	1,555,243	1,152,655
Deposit held to the extent of margin money	13,224,871	9,241,110
Maturity of deposits less than 12 months	46,282,109	10,000,000
Accrued interest on Fixed Deposits with Banks	3,271,889	1,489,618

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

As per our report of even date attached

For Sekhar & Co

Chartered Accountants
Firm Regn No. 003695-S

For **Bhagyanagar India Limited**

G. Ganesh
Partner
Membership No : 211704

G.M. Surana
Chairman

Narender Surana
Managing Director

Devendra Surana
Managing Director

Place : Secunderabad
Date : April 30, 2012

Surendra Bhutoria
Chief Financial Officer

Sridevi Madati
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 or subsidies from the Government are recognised when there is reasonable assurance that;

- 1) The Company will comply with the condition attached to them, and,
- 2) The Grant or subsidy will be received.

When the Grant relates to revenue it is recognised and set off against the respective head of expenditure if any or recognised as income in the respective year in which conditions mentioned above are satisfied.

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. 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 Share Capital	Sub Note	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Authorized Capital : 12,50,00,000 equity shares of ₹ 2 each		<u>250,000,000</u>	<u>250,000,000</u>
(b) Issued, Subscribed and Paid Up 6,39,90,000 equity shares (Previous year 6,84,00,000 shares) of ₹ 2 each at par fully paid carrying equal rights and obligations (Options, contracts and commitments outstanding -Nil)	2.1(a)	<u>127,980,000</u>	<u>136,800,000</u>
		No.of shares	No.of shares
Bonus issues in Past five years: 2006-2007		37,000,000	37,000,000
Buy Back of shares in past five years: 2009-2010		5,573,386	5,573,386
2010-2011		526,614	526,614
2011-2012		4,410,000	-
(c) Particulars of Shareholders holding more than 5% of issued sharecapital (5% of 6,39,90,000 (PY 6,84,00,000)) = 31,99,500 (PY 34,20,000)			
Name of Shareholder	% (PY%)	No.of shares	No.of shares
Surana Infocom Pvt. Limited	12.45 (11.64)	7,964,543	7,964,543
Manish Suarana	7.52 (7.03)	4,809,881	4,809,881
Devendra Surana	6.51 (6.09)	4,168,828	4,168,828
Narender Surana	7.69 (7.20)	4,922,568	4,922,568
Namrata Surana	5.43 (5.08)	3,473,261	3,473,261
G.M.Surana	5.35 (-)	3,421,980	-
Chand Kanwar Surana	5.26 (-)	3,366,010	-

2.1 (a) The company has bought back 44,10,000 Equity shares of the face value of ₹ 2/- each for total consideration of ₹ 8,20,53,689 during the year In accordance with the Scheme of Buy-back of equity shares approved by the competent authorities, the company has closed the scheme on 09.03.2012 as it has fulfilled all the requirements. Equity share capital of the company after the buy-back stands at 6,39,90,000 shares of the face value of ₹ 2-each.

A. Notes to Balance Sheet

Note : 2.2 Reserves and Surplus	As at 31.03.2012 ₹	As at 31.03.2011 ₹
General Reserves		
Balance as per last account	1,222,869,640	1,186,386,667
Add: Transferred from Profit & Loss Account	50,000,000	50,000,000
Less: Utilised for creation of Redemption Reserve for buyback of equity shares	(8,820,000)	(1,053,228)
Less: Premium paid on buy back of equity shares	(73,233,689)	(12,463,799)
Add: Forfeiture of share warrants		
Balance at the year end	1,190,815,951	1,222,869,640
Capital Reserves		
Balance as per last account	16,676,523	16,676,523
Balance at the year end	16,676,523	16,676,523
Capital Redemption Reserve		
Balance as per last account	12,200,000	11,146,772
Add: Created for buyback of equity shares during the year	8,820,000	1,053,228
Balance at the year end	21,020,000	12,200,000
Foreign Exchange Reserve		
Balance as per last account	35,550,000	35,550,000
Less: Adjusted against loss on Foreign Exchange Fluctuation	35,550,000	-
Balance at the year end	-	35,550,000
Surplus		
Balance of Profit & Loss account available for appropriation	883,017,898	863,023,472
Add: Profit during the year/period	5,524,787	101,898,926
Amount available for appropriation	888,542,685	964,922,398
Proposed Dividend	25,596,000	27,360,000
Tax on dividend	4,152,500	4,544,500
Transfer to General Reserve	50,000,000	50,000,000
Balance at the year end	808,794,185	883,017,898
TOTAL	2,037,306,659	2,170,314,061

A. Notes to Balance Sheet

Note : 2.3 Long-Term Borrowings	Sub Note	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Bonds/debentures	2.3(a)		
Foreign Currency Convertible Bonds 100 bonds (Previous year 100 bonds) of the Face value of US\$ 100000 each valued at ₹ 44.65		-	446,500,000
(b) Term loan from Bank	2.3(b)	676,871,971	36,409,096
(c) Deferred Sales Tax	2.3(c)	27,828,041	27,828,041
TOTAL		704,700,012	510,737,137

2.3 (a) **FCCB:**

- On 14th October, 2011, the company redeemed the entire outstanding Foreign Currency Convertible Bonds amounting to ₹ 49,09,00,000 along with YTM and withholding tax of ₹ 23,68,83,795 and ₹ 2,63,20,422 respectively resulting in a total outflow of ₹ 75,41,04,217 (Refer note 2.23(b))
- The obligation of repayment was met partly by availing ECB from ICICI Bank to the extent of ₹ 66,57,96,000 (US\$ 1,35,60,000) and balance ₹ 8,55,00,000 have been paid through internal accrual of the company lying in mutual fund.

2.3 (b) **Term Loan From ICICI Bank: Long Term Foreign Currency Monetary Item**

- ICICI Bank provided ECB carrying a fixed interest rate of 6.96% to the extent of ₹ 66,57,96,000 (US\$ 1,35,60,000 @ ₹ 49.10 per US\$). ECB is secured by first charge on certain fixed assets of the company and personal guarantee of Managing Directors. ECB liability as at 31.03.2012 is increased due to Foreign Exchange Fluctuation (i.e. USD 51.16 per ₹ as on 31st March, 2012 against USD 49.10 per ₹, rate prevailing at the time of receipt of ECB) (Refer note.2.17(a))
- The principal is repayable in 28 quarterly instalments beginning from 14th January, 2013. Total amount repayable towards principal during the financial year 2012-2013 is US\$ 3,29,508 (₹ 1,68,57,629 on conversion @ ₹, 51.16 per US\$ as on 31st March, 2012)

2.3 (c) **Deferred Sales Tax**

- Deferred Sales Tax Loan is interest free and payable in 84 monthly installments, starting from Financial Year 2013-14 & ending in 2019-20.

Note : 2.4 Short-Term Borrowings	Sub Note	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Cash Credit	2.4(a)	-	7,619,281
Total		-	7,619,281

- 2.4 (a) Cash 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.

A. Notes to Balance Sheet

Note : 2.5	Sub	As at	As at
Trade Payables	Note	31.03.2012	31.03.2011
		₹	₹
Sundry Creditors-Others	2.5 (a)	154,484,622	96,112,357
TOTAL		154,484,622	96,112,357

2.5 (a) Sundry creditors include ₹ 12,47,59,330 secured by way of Letter of Credit/ Buyers credit. 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	Sub	As at	As at
Current Liabilities	Note	31.03.2012	31.03.2011
		₹	₹
(a) Current maturities on long term debt			
(i) Term loan - HDFC Bank	2.6 (a)	36,409,096	48,545,452
(ii) Term loan - ICICI Bank	2.6 (b)	16,857,629	-
(b) Provision for Interest on Term Loan	2.6 (c)	10,059,000	-
(c) Provision for Interest on Buyers Credit from banks		853,718	-
(d) Unclaimed dividends		1,555,242	1,358,709
(e) Lease Deposits		3,096,000	3,000,000
(f) Other Liabilities		10,207,282	8,787,904
(e) Advance from Customers		6,577,462	73,441,912
TOTAL		85, 615,429	135,133,977

Current maturities on long term debt

2.6 (a) Term Loan from HDFC Bank is secured by Corporate Guarantee given by one of its Associate Companies. The loan is repayable during the Financial Year 2012-2013.

2.6 (b) The principal amount of ECB from ICICI Bank repayable during the Financial Year 2012-2013 is grouped under the head Current Liabilities.

Provision for Interest on Term Loan

2.6 (c) Provision for interest on ECB from ICICI Bank has been made till 31.03.2012. Payment of interest is due on 16th April, 2012.

Note : 2.7	Sub	As at	As at
Short-Term Provisions	Note	31.03.2012	31.03.2011
		₹	₹
(a) Provision for employee benefits-Bonus		500,000	500,000
(b) Provision for Taxation		-	1,594,963
(c) Proposed Dividend	2.7 (a)	25,596,000	27,360,000
(d) Tax on Dividend		4,152,500	4,544,500
TOTAL		30,248,500	33,999,463

2.7 (a) The Board of Directors have recommended a dividend of ₹ 0.40 per share for the year ended 31st March, 2012 (Previous Year ₹ 0.40 per share).

A. Notes to Balance Sheet

ASSETS

NOTE : 2.8 TANGIBLE ASSETS

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block			
	Cost as on 01.04.2011	Additions During the Period	Deletion/ Adjustments	Cost as on 31.03.2012	Upto 01.04.2011	For the Year	Deletion/ Adjustments	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Free-Hold Land	198,308,066	13,347,829	18,622,316	193,033,579	-	-	-	-	193,033,579	198,308,066
Lease-Hold Land	12,097,724	-	512,630	11,585,094	-	-	-	-	11,585,094	12,097,724
Factory Buildings	57,692,569	-	-	57,692,569	21,823,905	2,206,254	-	24,030,159	33,662,410	35,868,664
Commercial Buildings	925,000	-	-	925,000	-	46,250	-	46,250	878,750	925,000
Plant & Machinery	236,705,074	46,255,137	32,853,787	250,106,424	190,288,739	16,469,984	29,544,976	177,213,747	72,892,677	46,416,346
Wind Power Plant	664,318,374	-	-	664,318,374	122,147,266	35,076,010	-	157,223,276	507,095,098	542,171,108
Elec.Installation	25,679,449	8,517,003	2,677,374	31,519,078	24,557,387	328,571	2,483,617	22,402,341	9,116,737	1,122,062
Office Equipment	12,437,481	779,781	-	13,217,262	7,933,054	705,969	-	8,639,023	4,578,239	4,504,426
Vehicles	32,707,812	-	1,868,543	30,839,269	20,817,569	3,061,486	1,601,146	22,277,908	8,561,361	11,890,243
Furniture & Fixtures	15,884,457	15,266	-	15,899,723	7,673,256	1,487,379	-	9,160,635	6,739,089	8,211,201
Computer	6,274,081	57,650	-	6,331,731	5,493,428	332,664	-	5,826,092	505,639	780,653
Library	2,010	-	-	2,010	2,010	-	-	2,010	-	-
Previous Year	1,263,032,097	68,972,666	56,534,650	1,275,470,113	400,736,610	59,714,567	33,629,739	426,821,441	848,648,672	862,295,493
	1,255,360,369	25,980,914	18,031,235	1,263,310,048	358,319,360	57,308,961	14,613,771	401,014,555	862,295,493	

1. Addition in land represents capitalisation of land development cost incurred in earlier years

2. The management has carried out a detailed internal review of the assets with respect value in use, recoverable amount and carrying cost in books and is of the firm opinion that there is no impairment in the value of assets of the company. Hence no provision as required under AS-27, Impairment of Asset is made.

A. Notes to Balance Sheet

Note : 2.9 Non-current Investments	As at 31.03.2012 ₹	As at 31.03.2011 ₹
A) Unquoted securities		
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 ₹ 10 each fully paid up (P Y 27,50,000)		
SUB-TOTAL	18,330,000	18,330,000
b) In Subsidiary Companies		
Bhagyanagar Properties Pvt. Limited	40,000,000	40,000,000
40,00,000 Equity shares of ₹ 10 each fully paid up (P Y 40,00,000)		
Bhagyanagar Metals Limited	500,000	500,000
50,000 Equity shares of ₹ 10 each fully paid up (P Y 50,000)		
Scientia Infocom India Pvt. Limited	30,400,000	30,400,000
30,40,000 Equity shares of ₹ 10 each fully paid up (P Y 30,40,000)		
Metropolitan Ventures India Limited	3,700,000	3,700,000
3,70,000 Equity shares of ₹ 10 each fully paid up (P Y 3,70,000)		
SUB-TOTAL	74,600,000	74,600,000
c) In Associate Companies		
Bhagyanagar Entertainment and Infra Development Co. Pvt. Ltd.	235,000	235,000
23,500 Equity share of ₹ 10 each fully paid up (PY 23,500)		
Globecom Infraventures India Pvt Ltd	50,000	50,000
5000 Equity share of ₹ 10 each fully paid up (PY 5000)		
Advantage Real Estate India Pvt Ltd	-	125,000
NIL Equity share of ₹ 10 each fully paid up (PY 12500)		
GMS Realtors Pvt. Limited	50,000	50,000
5000 Equity share of ₹ 10 each fully paid up (PY 5000)		
SUB-TOTAL	335,000	460,000
d) In other Companies		
Arihant Optics Limited	3,000,000	3,000,000
3,00,000 Equity share of ₹ 10 each fully paid up (PY 3,00,000)		
SUB-TOTAL	3,000,000	3,000,000

A. Notes to Balance Sheet

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
B) Quoted securities		
1) In Equity Instruments		
a) In companies under the same management		
Surana Telecom and Power Limited	14,409,739	14,409,739
18,37,262 Equity share of ₹ 5 each fully paid up (PY 18,37,262)		
Surana Ventures Limited	44,100,000	44,100,000
57,87,946 Equity share of ₹ 10 each fully paid up (PY 57,87,946)		
SUB-TOTAL	58,509,739	58,509,739
b) In other Companies		
Indosolar Limited	106,258	106,258
5000 Equity share of ₹ 10 each fully paid up (PY 5000)		
GHCL limited (Formerly Gujrat Heavy Chemicals Limited)	225,244	225,244
4490 Equity share of ₹ 10 each fully paid up (PY 4490)		
Megasoft Limited	71,385	71,385
1500 Equity share of ₹ 10 each fully paid up (PY 1500)		
Sree Sakthi Paper Mills Limited	30,000	30,000
1000 Equity share of ₹ 10 each fully paid up (PY 1000)		
Shree Vasavi Industries Ltd	45,175	45,175
14000 Equity share of ₹ 10 each fully paid up (PY 14000)		
Sampre Nutrition Ltd	266,500	266,500
26650 Equity share of ₹ 10 each fully paid up (PY 26650)		
Vaibhav Gems Limited	48,623	48,623
300 Equity share of ₹ 10 each fully paid up (PY 300)		
SUB-TOTAL	793,185	793,185
Aggregate Market value of quoted investments ₹ 13,95,18,198		
GRAND TOTAL	155,567,924	155,692,924

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Note : 2.10		
Deferred Tax Assets (Net)		
Deferred Tax Asset at the beginning of the year	6,065,847	20,736,883
Less:Deferred Tax (Liability) for the year-on account of timing difference.	(5,175,788)	(7,571,751)
Amount transferred to Loans and Advances.	-	(7,099,282)
Deferred Tax Asset at the end of the year	890,059	6,065,850
TOTAL	890,059	6,065,850

A. Notes to Balance Sheet

Note : 2.11	Sub	As at	As at
Long-Term Loans and Advances	Note	31.03.2012	31.03.2011
		₹	₹
(a) Security Deposits			
(i) Deposits		16,234,652	14,913,652
(b) Loans and advances to related parties			
(i) Loans to Associate & others	2.11(a)	222,560,266	140,776,608
(ii) Advances to Subsidiary cos	2.11(b)	843,826,582	772,404,845
(c) Others			
(i) MAT Credit Entitlement		7,239,437	7,099,282
TOTAL		1,089,860,937	935,194,387
2.11 (a) Loans to Associate & others: It includes		Balance as on	Balance as on
Name of the Company		31.03.2012	31.03.2011
Bhagyanagar Infrastructure Limited		141,986,189	140,800,168
Bhagyanagar Entertainment & Infra Development Company Pvt Limited		-	108,909
Advantage Real Estate India Pvt Ltd		-	67,530
Bhagyanagar Green Energy Ltd		-	(200,000)
Surana Telecom and Power Ltd		80,574,077	
2.11 (b) Advances to Subsidiary Co.s: It includes			
Name of the Company			
Scientia Infocom India Pvt. Ltd		196,617,431	141,941,976
Bhagyanagar Properties Pvt. Ltd (Wholly Owned)		588,271,465	587,870,533
Metropolitan Ventures India Pvt. Ltd	Refer Note 2.19(a)	58,937,686	42,984,780
Bhagyanagar Metals Ltd (Wholly Owned)		-	(392,444)
Note : 2.12		As at	As at
Current Investments		31.03.2012	31.03.2011
		₹	₹
(a) Investment in debentures or bonds			
Surana Ventures Limited		-	29,400,000
(12% non-convertible debentures of ₹ 10/- each - 29,40,000)			
SUB-TOTAL		-	29,400,000
(b) Investment in Mutual Funds			
JM Money Manager Fund Super Plan		-	23,000,000
Reliance Money Manager fund-institutional Plan		-	20,000,000
UTI Liquid Cash Plan-Institutional		-	20,000,000
SUB-TOTAL		-	63,000,000
GRAND TOTAL		-	92,400,000

A. Notes to Balance Sheet

Note : 2.13	As at	As at
Inventories	31.03.2012	31.03.2011
(At cost or net realisable value whichever is lower)	₹	₹
Raw materials	180,768,601	290,398,819
Finished Goods	9,166,441	1,664,152
Material - In - Transit	10,195,433	-
TOTAL	200,130,475	292,062,971

Note : 2.14	As at	As at
Trade Receivables	31.03.2012	31.03.2011
	₹	₹
(i) Aggregate amount of Trade Receivables outstanding for a period less than six months		
Unsecured, considered good	241,064,940	228,991,827
(ii) Aggregate amount of Trade Receivables outstanding for a period exceeding than six months		
Unsecured, considered good	21,092,876	19,747,983
TOTAL	262,157,816	248,739,810

In case of balances in Trade Receivables, letters seeking confirmation of year-end balances are sent to the concerned parties. The Balances are subject to confirmation and reconciliation.

Note : 2.15	As at	As at
Cash and Cash Equivalents	31.03.2012	31.03.2011
	₹	₹
(a) Balance with banks		
In current account	29,500,090	10,176,394
In Escrow account	-	42,798
In Dividend account	1,555,243	1,358,709
Deposit held to the extent of margin money	13,224,871	10,796,020
Maturity of deposits less than 12 months	46,282,109	10,000,000
(b) Cash on hand	960,718	841,857
(c) Accrued interest on Fixed Deposits with Banks	3,271,889	1,861,306
TOTAL	94,794,920	35,077,084

A. Notes to Balance Sheet

Note : 2.16	Sub	As at	As at
Short-Term Loans and Advances	Note	31.03.2012	31.03.2011
		₹	₹
(i) Loans and advances to related parties-Associates & Others	2.16(a)	150,000,001	80,000,000
(ii) Sundry Advances - Infrastructure		101,000,000	118,500,000
(iii) Taxes paid under protest		5,414,571	1,714,571
(iv) Advances to suppliers		21,438,390	49,418,829
(v) Sundry Advances		16,490,140	22,920,573
		294,343,102	272,553,973
		₹	₹
		Balance as on	Balance as on
		31.03.2012	31.03.2011

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

Name of the Company			
Surana Ventures Ltd		150,000,000	80,000,000

Note : 2.17	Sub	As at	As at
Other Current Assets	Note	31.03.2012	31.03.2011
		₹	₹
(i) Loans Against pledge of Securities Secured, considered good		106,854,394	122,905,515
(ii) Balances with statutory Authorities		42,898,174	49,061,166
(iii) Income tax receivable (TDS and Advance Tax)		3,201,369	-
(iv) Deferred Revenue Expenditure	2.17(a)	11,041,306	-
(v) Foreign Currency Monetary Item Translation Difference Account	2.17(b)	27,929,599	-
TOTAL		191,924,842	171,966,681

2.17 (a) Deferred Revenue Expenditure

Represents Processing fees paid to ICICI Bank for availing ECB which is amortised over a period of 3 years. one third of the expenditure amounting to ₹ 55,20,653 have been charged off to Profit & Loss Account during the current financial year. (Refer Note No.2.23(a))

2.17 (b) 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 51.16 per ₹ as on 31st March, 2012 from USD 49.10 per ₹ prevailing rate at the time of receipt of ECB) 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. Notes to Profit & Loss Account

Note: 2.18		For the year	For the year
Revenue From Operations		31.03.2012	31.03.2011
		₹	₹
(a) Sale of products			
Copper Products		2,017,669,181	1,963,580,713
Sale of Wind Power		85,337,791	86,326,178
Sale of Verified Emission Reduction		5,499,819	-
Scrap & Misc Sales		1,379,476	645,140
SUB-TOTAL		2,109,886,267	2,050,552,031
Less: Inter-Unit Sales		1,004,596	4,904,112
Gross Sales		2,108,881,671	2,045,647,919
Less: Excise duty		179,678,608	185,377,833
Net Sales		1,929,203,063	1,860,270,086
(b) Infrastructure Leasing and Sales		50,477,217	-
TOTAL		1,979,680,280	1,860,270,086
Note: 2.19			
Other Income	Sub Note	For the year	For the year
		31.03.2012	31.03.2011
		₹	₹
(a) Interest Income			
Interest on Loans, Deposits and Others	2.19(a)	135,463,967	32,684,062
Interest from Trade Debtors and creditors		4,014,155	1,419,477
(b) Dividend Income		10,001,190	3,207,565
(c) Profit on sale of Sundry Assets		2,834,346	2,012,028
(d) Profit on sale of Investments		-	11,408,645
(e) AMC charges on CDMA phones		-	300,000
(f) Other non-operating income		-	
Miscellaneous income		373,238	691,604
Rental income		124,000	4,200,000
Balances no longer payable written back		8,522,678	1,790,890
Gain on foreign exchange fluctuation		-	5,483,258
TOTAL		161,333,574	63,197,529

2.19 (a) Interest on Loans, Deposits and Others

Interest amounting to ₹ 7,03,43,053 has been Debited to Subsidiary Companies in accordance with section 372A of the Companies Act, 1956 and is reflected in Advances to Subsidiary cos.

B. Notes to Profit & Loss Account

Note: 2.20		For the year	For the year
Cost of Raw Material Consumed		31.03.2012	31.03.2011
		₹	₹
Opening Stock Raw Materials		290,398,819	97,899,760
Add: Purchases net of Modvat		1,389,950,559	1,635,674,801
Less: Closing Stock Raw Materials		180,768,600	290,398,819
Less: Material - In - Transit		10,195,433	-
Less: Inter-Unit Purchases		1,004,596	4,904,112
Raw Material Consumed		1,488,380,749	1,438,271,630
Note: 2.21		For the year	For the year
Changes in Inventories		31.03.2012	31.03.2011
		₹	₹
Opening Stock WIP		-	352,240
Opening Stock Finished Goods		1,664,152	2,149,395
Less: Closing Stock WIP		-	-
Less: Closing Stock Finished Goods		9,166,441	1,664,152
Increase/(Decrease) in Stock		(7,502,289)	837,483
Note: 2.22		For the year	For the year
Employee Benefits Expense		31.03.2012	31.03.2011
		₹	₹
Salaries and wages		34,391,291	31,489,193
Contribution to provident and other funds		3,816,666	3,104,720
Staff welfare expenses		1,722,217	1,407,569
TOTAL		39,930,174	36,001,482
Note: 2.23	Sub	For the year	For the year
Finance Costs	Note	31.03.2012	31.03.2011
		₹	₹
Interest Expense			
Cash Credit & others		2,387,769	2,248,857
Other borrowing costs			
Medium term loan		7,117,313	13,177,845
Long term loan		22,900,121	-
Financial Charges	2.23(a)	11,312,293	4,590,228
YTM on FCCB Bonds	2.23(b)	263,257,834	-
TOTAL		306,975,330	20,016,930

2.23(a) Financial Charges

Financial Charges includes ₹ 55,20,653 towards amortisation of Deferred Revenue Expenditure. (Refer Note No.2.17(a))

2.23 (b) Interest on FCCB Bonds

The Company had a commitment to the Foreign Currency Convertible Bond holders to pay Yield to Maturity at the rate of 8% compounded half year for the tenure of the bond i.e.5 years in case the option of conversion is not exercised by them,before the maturity of bond.As the interest has accrued on maturity of bond due to non-exercise of option of conversion interest amounting to ₹ 26,32,57,834 along with withholding tax is accounted in the Current Year.(Refer note no.2.3(a)).

B. Notes to Profit & Loss Account

Note: 2.24	For the year	For the year
Depreciation and Amortisation Expenses	31.03.2012	31.03.2011
	₹	₹
Depreciation	59,714,567	57,308,961
Amortisation expenses - Lease Rent	512,630	512,630
TOTAL	60,227,197	57,821,591
Note: 2.25	For the year	For the year
Other Expenses	31.03.2012	31.03.2011
	₹	₹
Consumption of stores and spare parts	12,766,787	14,052,857
Power and fuel	61,074,390	48,172,289
Rent	2,895,860	3,449,430
Repairs	-	-
Buildings	1,793,094	1,447,003
Machinery	21,207,295	11,402,966
Others	2,151,517	1,941,171
Insurance	1,488,280	1,083,351
Rates and taxes	1,857,179	1,292,057
Packing and Forwarding	11,847,134	13,640,589
Remuneration to Directors	11,532,000	11,504,000
Loss on	-	-
Sale of fixed asset	-	721,718
Foreign exchange fluctuation	15,896,886	-
Material in transit	-	21,422,200
Taxes paid	-	-
Service Tax	164,804	259,826
Sales Tax	71,717,804	71,701,486
Other Miscellaneous expenses	25,028,243	32,184,886
Sitting fees to Directors	440,000	430,000
Payments to the auditor:		
for Statutory audit	260,000	250,000
for tax audit	70,000	60,000
for taxation/other matters	70,000	60,000
for reimbursement of expenses	40,000	30,000
TOTAL OTHER EXPENSES	242,301,273	235,105,829

1 Sales tax paid is net of the sales tax incentive of ₹ 1,74,28,877 sanctioned by Commissionerate of Industries

B. Notes to Profit & Loss Account

Note: 2.26	As at	As at
Commitments and Contingent Liabilities	31.03.2012	31.03.2011
	₹	₹
(i) Counter Guarantees given to the banks against Guarantee issued by them	62,070,200	36,431,315
(ii) Letters of credit opened by Banks/Buyer's credit	7,185,846	32,602,902
(iii) YTM payable to the FCCB bond-holders	-	206,363,000
(iv) Customs duty/Excise duty matters under dispute	22,859,000	22,859,000
(v) Demand raised by income-tax authorities contested by the company	4,944,000	-
Note: 2.27	For the year	For the year
Earnings Per Share (EPS)	31.03.2012	31.03.2011
	₹	₹
Earnings		
Net profit after tax for the period	5,524,778	101,898,926
Shares		
Number of shares at the beginning of the year	68,400,000	68,926,614
Less: Shares bought back during the year.	4,410,000	526,614
Number of shares at the end of the year.	63,990,000	68,400,000
Weighted average no. of Equity shares - Basic	67,505,631	68,408,174
Add: Undiluted effect of potential equity shares on conversion of FCCB.	-	10,445,455
Weighted average no. of Equity shares - Diluted	67,505,631	78,853,629
Nominal Value of each equity share (₹)	2	2
Earnings Per Share (EPS) - Basic (₹)	0.08	1.49
Earnings Per Share (EPS) - Diluted (₹)	0.08	1.29

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	GMS Realtors Pvt Ltd	Devendra Surana	
Bhagyanagar Energy & Telecom Pvt Ltd	Bhagyanagar Metals Ltd		Narender Munoth	
Bhagyanagar Infrastructure Ltd				
Bhagyanagar Entertainment Ltd				
Every Time Foods Industries Pvt Ltd				
Surana Infocom Pvt. Ltd				
Andhra Electro Galvanising Works				
Tranquil Avenues India Pvt Ltd				
Royal Skyscrapers India Pvt Ltd				
Innova Infrastructure Pvt Ltd				
Majestic Logistics Pvt Ltd				
Innova Biotech India Pvt Ltd				
Epicentre entertainment Pvt. Ltd				
Bhagyanagar Ventures Pvt Ltd				
Surana Ventures Limited				
Bhagyanagar Green Energy Ltd (Formerly Known as Bhagyanagar Telecom Limited)				

(Value 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
Sale of Goods Surana Telecom & Power Limited	41,76,594 (1,36,86,675) 41,76,594 (1,36,86,675)				
Purchase of Goods Surana Telecom & Power Limited	20,84,670 (8,36,19,370) 20,84,670 (8,36,19,370)				
Job Work-Sales Surana Telecom & Power Limited	Nil (7,36,707) Nil (7,36,707)				
Job work-Purchase Surana Telecom & Power Limited	Nil (12,40,595) Nil (12,40,595)				
Interest received Surana Telecom & Power Limited	3,20,12,866 (1,83,84,162) 3,20,12,866 (1,83,84,162)	7,03,43,053 (Nil)	1,73,94,682 (8,17,920)		
Surana Telecom & Power Limited	32,06,497 (55,48,354)				
Surana Ventures Limited	1,96,24,085 (54,42,844)				
Bhayanagar Infrastructure Limited	91,82,284 (73,92,964)				
Scientia Infocom India Private Limited		5,43,75,532 (Nil)			
Metropolitan Ventures India Limited		1,59,67,521 (Nil)			
Advantage Real Estate India Pvt Ltd			1,73,94,682		
Savitrimata Realtors Private Limited					(817,920)
Advances Given Surana Telecom & Power Limited	44,04,52,539 (56,05,93,818) 44,04,52,539 (56,05,93,818)	46,31,386 (1,88,409)			
Surana Ventures Limited	19,61,27,764 (21,28,12,520)				
Bhayanagar Infrastructure Limited	20,69,31,037 (26,98,99,378)				
Bhayanagar Properties Private Limited	3,73,93,738 (7,78,81,920)	4,00,932 (1,73,409)			
Scientia Infocom India Private Limited		3,03,869 (Nil)			
Metropolitan Ventures India Limited		2,56,585 (15,000)			
Bhayanagar Metals Limited		36,70,000 (Nil)			



(Value in ₹)

B. Summary of significant Related Party Transactions (Contd.)

Nature of Transaction	Entities in which directors are interested	Subsidiary companies	Associates	Key Management Personnel	Relatives of key management Personnel
Advances received back	30,36,55,108	(Nil)	Nil (18,12,95,092)		
Surana Telecom & Power Limited	12,13,34,070				
Surana Ventures Limited	13,69,31,037				
Bhagyanagar Infrastructure Limited	4,53,90,001				
Advantage Real Estate India Pvt Ltd			Nil (4,49,50,000)		
Savitrimata Realtors Private Limited			Nil (13,63,45,092)		
Bhagyanagar Metals Limited		36,62,535			
Scientia Infocom India Private Limited		2,25,000			
Remuneration				1,15,32,000	10,35,000
Narender Surana				48,00,000	(48,00,000)
Devendra Surana				48,00,000	(48,00,000)
Narender Munoth				16,20,000	(16,20,000)
N.K.Reddy				3,12,000	(2,84,000)
Namrata Surana					5,55,000
Nivrithi Surana					4,80,000
Share Application Money Paid	Nil				(7,80,000)
Stealth Energy Private Limited	Nil				(3,00,000)

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Note: 2.29

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

(Value in ₹)

Name of the Company	Balance as at		Maximum Outstanding during	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
A. Subsidiaries				
Bhagyanagar Properties Private Limited	588,271,465	587,870,533	588,271,465	587,870,533
Scientia Infocom India Private Limited	196,617,431	141,941,976	196,617,431	141,941,976
Metropolitan Ventures India Limited	58,937,686	42,984,780	58,937,686	42,984,780
Bhagyanagar Metals Limited	-	-	-	-
B. Associates				
Bhagyanagar Entertainment & Infra Development Co. Pvt.Ltd.	-	108,909	-	108,909
Globecom Infra-Ventures Pvt.Ltd.	-	-	-	-
GMS Realtors Pvt. Ltd.	-	-	-	-
Bhagyanagar Infrastructure Limited	141,957,933	140,800,168	141,957,933	140,800,168
C. Advances in the nature of Loans where there is no repayment schedule				
Bhagyanagar Properties Private Limited	588,271,465	587,870,533	588,271,465	587,870,533
Scientia Infocom India Private Limited	196,617,431	141,941,976	196,617,431	141,941,976
Metropolitan Ventures India Limited	58,937,686	42,984,780	58,937,686	42,984,780
Bhagyanagar Metals Limited	-	-	-	-
D. Advances in the nature of Loans where interest is below section 372A of Companies Act,1956	NIL	NIL	NIL	NIL
E. Advances in the nature of Loans to Firms/Companies in which directors are interested	NIL	NIL	NIL	NIL

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.

- 4 The company has an overfunded position for its gratuity plans and accordingly, no provision has been made as at 31.03.2012

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

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

	Gratuity
Current service cost	365,807
Interest Cost	314,843
Expected Return on Planned Assets	537,268
Net actuarial loss / (gain) on obligation	906,011

B. Change in Defined Benefit obligation during the year ended 31st March,2012

	Gratuity
Opening Present value of obligation	3,935,534
Interest Cost	314,843
Current service cost	365,807
Benefits Paid	738,173
Expected liability at the year end	3,878,011
Closing Present value of obligation	4,784,022

C. Change in Fair Value of Plan Assets during the year ended 31st March,2012

	Gratuity
Opening Fair value of Plan Assets	6,186,364
Expected Return on Planned assets	537,268
Contribution made during the year	-
Benefits Paid	738,173
Actuarial gain on planned Assets	-
Closing Fair value of Plan Assets	5,985,459

D Actuarial assumption

	Gratuity
Discount rate used	8%
Salary escalation	4%

Note: 2.31 Unhedged Foreign Currency Exposure

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

Particulars	2011-2012		2010-2011	
	USD	₹	USD	₹
Sundry Creditors	2,438,777.82	124,759,330.00	1,482,530.80	66,195,000.00
Secured Loans	13,560,000.00	693,729,600.00	-	-
TOTAL	15,998,777.82	818,488,930.00	-	-

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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		(Value in ₹)	
		2011-12	2010-11	2011-12	2010-11
Copper	MTs	2,412.328	3,147.561	1,042,441,003	1,216,447,993
Scrap	MTs	1,071.941	540.591	394,006,457	164,782,004
Others	-	-	-	44,431,000	57,879,114
Inter Unit Transfers					
(a) Copper Rod / Wires	MTs	-	11.195	-	4,904,114
(b) Others				1,004,000	
SUB - TOTAL		3,484.269	3,699.347	1,481,882,460	1,444,013,225
Less:Inter Unit Purchases			11.195	1,004,000	4,904,112
TOTAL		3,484.269	3,688.152	1,480,878,460	1,439,109,113

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

Particulars	2011-2012		2010-2011	
	Value in ₹	Value Percentage	Value in ₹	Value Percentage
Raw Materials & Components				
(a) Imported	317,819,000	21.45	229,444,283	15.89
(b) Indigenous	1,164,063,460	78.55	1,214,568,942	84.11
TOTAL	1,481,882,460	100.00	1,444,013,225	100.00
Stores & Spare Parts (including consumed for repair)				
(a) Imported	5,032,000	39.41	6,795,415	50.70
(b) Indigenous	7,734,787	60.59	7,257,442	49.30
TOTAL	12,766,787	100.00	14,052,857	100.00

C TRANSACTIONS IN FOREIGN EXCHANGE:

Particulars	2011-2012 Value in ₹	2010-2011 Value in ₹
Imports (on CIF Basis)		
(a) Raw Materials/Traded Goods	293,769,000	235,079,115
(b) Stores & Spares	4,922,000	5,854,318
(c) Capital Goods	7,880,000	5,493,010
Expenditure in Foreign Currency (Travelling)	1,310,000	1,220,100
Expenditure in Foreign Currency (FCCB)	727,783,795	-
Expenditure in Foreign Currency (Interest on ECB)	12,841,121	-
Earnings in Foreign Currency (Export Sales)	6,032,000	-

Note : 2.33

In accordance with the Accounting Standard - 17 (AS-17) "SEGMENT REPORTING" issued by the Chartered Accountants of India, the Segment Report is given below: (Value in ₹)

Sl No	Particulars	Copper Products	Wind power	Infra Structure	Others	Total
1.	REVENUE					
	External Sales (Net of Excise duty)	1,837,340,501	90,837,610	50,477,217	1,024,952	1,979,680,280
	Other Operating income	12,611,377	-	-	3,030,111	15,641,488
	Total Revenue	1,849,951,878	90,837,610	50,477,217	4,055,063	1,995,321,768
2.	RESULTS					
	Segment results	138,202,026	43,583,270	49,096,605	1,659,858	232,541,759
	Unallocable income/Expenses					85,134,992
	Operating Profit					317,676,751
	Interest Expenses					306,975,330
	Income taxes					-
	Profit from Ordinary Activities					10,701,421
	Net Profit					10,701,421
3.	Other Information					
	Segment Assets	588,054,941	546,814,248	1,395,831,223	11,229,313	2,541,929,725
	Unallocable Assets					600,379,902
	Total Assets					3,142,309,627
	Segment Liabilities	159,181,550	53,589	-	101,122	159,336,261
	Unallocable Liabilities					104,434,828
	Total Liabilities					263,771,089
	Capital Expenditure	54,974,629	-	-	-	54,974,629
	Unallocable Capital Expenditure					650,208
	Total Capital Expenditure					55,624,837
	Depreciation	17,244,881	35,076,010	1,854,491	606,868	54,782,250
	Unallocable Depreciation					4,932,317
	Total Depreciation					59,714,567

As per our report of even date attached

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 : April 30, 2012

Surendra Bhutoria
Chief Financial Officer

Sridevi Madati
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

Auditors Report to the Board of Directors of Bhagyanagar India Limited

1. We have audited the attached Consolidated Balance Sheet of Bhagyanagar India Limited and its Subsidiaries (The Group) as at 31st March, 2012 and the related Profit and Loss Account and Consolidated Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. This Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted the audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard - 21 - Consolidated Financial Statements, Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27 - Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India.
4. Based on our audit, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 1. In the case of consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2012.
 2. In the case of consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 3. In the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Secunderabad
Date : April 30, 2012

G. Ganesh
Partner
Mem. No: 211704

Consolidated Balance Sheet as at 31st March, 2012

(Amount in ₹)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	127,980,000	136,800,000
(b) Reserves and surplus	2.2	2,036,663,183	2,170,358,323
(c) Minority Interest	2.3	11,426,264	11,573,980
TOTAL		2,176,069,447	2,318,732,303
(2) Non-current liabilities			
(a) Long-term borrowings	2.4	753,466,136	559,895,705
(3) Current liabilities			
(a) Short-term Borrowings	2.5	-	7,619,281
(b) Trade payables	2.6	154,484,622	96,112,357
(c) Other current liabilities	2.7	85,703,062	135,149,639
(d) Short-term provisions	2.8	30,248,500	33,999,463
TOTAL		3,199,971,766	3,151,508,748
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(1) Tangible assets	2.9	1,792,079,059	1,735,382,827
(2) Capital work-in-progress		2,860,724	19,096,353
(b) Non-current investments	2.10	81,175,552	81,303,853
(c) Deferred tax assets (net)	2.11	890,059	6,065,850
(d) Long-term loans and advances	2.12	246,034,355	163,181,986
(2) Current assets			
(a) Current Investments	2.13	-	92,400,000
(b) Inventories	2.14	200,130,475	292,062,971
(c) Trade receivables	2.15	262,157,816	249,121,060
(d) Cash and cash equivalents	2.16	95,332,039	35,290,011
(e) Short-term loans and advances	2.17	327,343,102	305,553,973
(f) Other current assets	2.18	191,968,585	172,049,864
TOTAL		3,199,971,766	3,151,508,748

Significant accounting policies and notes to accounts 1 & 2

As per our report of even date attached

For Sekhar & Co

 Chartered Accountants
 Firm Regn No. 003695-S

For Bhagyanagar India Limited
G. Ganesh
 Partner
 Membership No : 211704

G.M. Surana
 Chairman

Narender Surana
 Managing Director

Devendra Surana
 Managing Director

 Place : Secunderabad
 Date : April 30, 2012

Surendra Bhutoria
 Chief Financial Officer

Sridevi Madati
 Company Secretary

Statement of Consolidated Profit and Loss for the year ended 31st March,2012

(Amount in ₹)

Particulars	Note No.	For the year ended 31.03.2012	For the year ended 31.03.2011
I. REVENUE FROM OPERATIONS	2.19	1,979,680,280	1,860,270,086
II. OTHER INCOME	2.20	161,333,574	63,197,529
III. TOTAL REVENUE		2,141,013,854	1,923,467,615
IV. EXPENSES			
Cost of materials consumed	2.21	1,488,380,749	1,438,271,630
Changes in inventories of finished goods, work-in-progress and stock in trade	2.22	(7,502,289)	837,483
Employee benefit expenses	2.23	39,930,174	36,001,482
Finance costs	2.24	306,976,819	20,016,930
Depreciation and amortisation expenses	2.25	60,227,196	57,821,591
Other expenses	2.26	243,131,938	235,380,282
Total expenses		2,131,144,587	1,788,329,398
V. Profit before exceptional and extraordinary items and tax		9,869,267	135,138,217
VI. PRIOR PERIOD ADJUSTMENT		-	558,007
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		9,869,267	135,696,224
VIII. PROFIT BEFORE TAX		9,869,267	135,696,224
IX. TAX EXPENSE:			
1. Current tax		141,000	26,500,000
2. Deferred tax		5,175,788	7,571,751
3. MAT Entitlement Credit		(140,155)	-
X. PROFIT AFTER TAX		4,692,633	101,624,473
XI. EARNINGS PER EQUITY SHARE			
1. Basic	2.30	0.07	1.56
2. Diluted		0.07	1.35
Significant accounting policies and notes to accounts	1 & 2		

As per our report of even date attached

For Sekhar & Co

Chartered Accountants
Firm Regn No. 003695-S

For Bhagyanagar India Limited

G. Ganesh
Partner
Membership No : 211704

G.M. Surana
Chairman

Narender Surana
Managing Director

Devendra Surana
Managing Director

Place : Secunderabad
Date : April 30, 2012

Surendra Bhutoria
Chief Financial Officer

Sridevi Madati
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)

	2011-12	2010-11
A. Cash Flow From Operating Activities		
Net Profit before tax as per annexed profit and loss account	9,869,267	135,696,224
Adjustments for :		
Depreciation	59,714,567	57,308,961
Preliminary Expenses Written Off	39,440	48,473
Unrealised Forex Gains	-	(4,000,000)
Lease rents Amortised	512,630	512,630
Bad Debts Written Off & Provision for Bad Debts	2,044,174	2,224,477
Balances / Provisions no longer required written back	(8,522,678)	(1,790,890)
Deferred Revenue Expenditure	(11,041,306)	-
(Profit)/Loss on Sale of Investments(Net)	-	(11,408,645)
Profit & Loss on Sale of Assets	(45,409,230)	(1,290,310)
Interest Paid	306,976,819	20,016,930
Interest Received	(135,463,967)	(32,684,062)
Dividends Received	(10,001,190)	(3,207,565)
	158,849,259	25,729,999
Operating Profit before working Capital Changes	168,718,526	161,426,223
(Less)/ Add Adjustments for Working Capital Changes		
Inventories	91,932,496	(191,661,576)
Loans and Advances	47,282,317	11,728,353
Other Current Assets	22,212,080	90,145,301
Sundry Debtors	(15,080,930)	(76,214,908)
Trade Payables and other Liabilities	68,559,338	36,167,578
Advance from Customers	(66,864,450)	57,637,097
	148,040,851	(72,198,155)
Cash Generated from Operations	316,759,377	89,228,068
Income Tax & Fringe Benefit Tax Paid	(4,937,332)	(32,651,601)
Taxes of earlier years		-
Prior Period Adjustments	(4,937,332)	-
	(4,937,332)	(32,651,601)
Net Cash (used in)/from operating Activities (A)	311,822,045	56,576,467
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets & Changes in CWIP	(52,737,037)	(28,163,016)
Sale of Fixed Assets	67,801,511	4,195,148
Investment in of Shares & Other Investments (Net)	92,400,000	24,179,029
Dividend Received	10,001,190	3,207,565
Interest Received	65,120,914	32,684,062
Refunds received from Capital Advances		-
Loans to Joint Ventures and Subsidiaries	(151,783,660)	104,204,507
	(151,783,660)	104,204,507
Net Cash (used in)/from Investing Activities (B)	30,802,918	140,307,295

Consolidated Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)

	2011-12	2010-11
C. Cash Flow From Financing Activities		
Buy-back of equity Share Capital	(82,053,689)	(13,517,027)
Buy-back of FCCB		-
Proceeds from borrowings (net of re-payments)	127,242,824	(128,014,958)
Interest Paid	(296,064,103)	(20,016,930)
Dividend Paid	(31,707,967)	(31,757,503)
Net Cash (used in)/from Financing Activities (C)	(282,582,935)	(193,306,418)
Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)	60,042,028	3,577,345
Reconciliation- See Note 2 below		
Cash and Cash Equivalents Opening Balance	35,290,011	32,007,716
Less: Effect on Disinvestment of Subsidiary		
Reduction in OB due to sale of wholly owned Subsidiary	-	(295,048)
Cash and Cash Equivalents Closing Balance	95,332,039	35,290,013
Net Increase /(Decrease) in Cash and Cash Equivalents	60,042,028	3,577,345

Notes:

1. The above cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India and Ministry of Company Affairs.

The Cash and Cash equivalents as per the Balance Sheet	2011-2012	2010-2011	Change Over previous Year
Cash in Hand	1,019,655	872,618	147,037
Balances with Bank	91,040,495	32,556,089	58,484,406
Accrued Interest on Fixed Deposits with Banks	3,271,889	1,861,306	1,410,583
TOTAL	95,332,039	35,290,013	60,042,026

3. Previous Year Figures are regrouped wherever required.

4. The following items of Cash and Cash Equivalents are not available as free balances to the Company

	2011-2012	2010-2011
Balances with Bank		
In Escrow account	-	42,798
In Dividend account	1,555,243	1,152,655
Deposit held to the extent of margin money	13,224,871	9,241,110
Maturity of deposits less than 12 months	46,282,109	10,000,000
Accrued interest on Fixed Deposits with Banks	3,271,889	1,489,618

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

As per our report of even date attached

For Sekhar & Co

Chartered Accountants
Firm Regn No. 003695-S

For Bhagyanagar India Limited

G. Ganesh
Partner
Membership No : 211704

G.M. Surana
Chairman

Narender Surana
Managing Director

Devendra Surana
Managing Director

Place : Secunderabad
Date : April 30, 2012

Surendra Bhutoria
Chief Financial Officer

Sridevi Madati
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 Share Capital	Sub Note	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Authorized Capital : 12,50,00,000 equity shares of ₹ 2 each		<u>250,000,000</u>	<u>250,000,000</u>
(b) Issued, Subscribed and Paid Up 6,39,90,000 equity shares (Previous year 6,84,00,000 shares) of ₹ 2 each at par fully paid carrying equal rights and obligations (Options, contracts and commitments outstanding -Nil)	2.1(a)	<u>127,980,000</u>	<u>136,800,000</u>
Bonus issues in Past five years: 2006-2007		No.of shares 37,000,000	No.of shares 37,000,000
Buy Back of shares in past five years: 2009-2010		5,573,386	5,573,386
2010-2011		526,614	526,614
2011-2012		4,410,000	-
(c) Particulars of Shareholders holding more than 5% of issued sharecapital (5% of 6,39,90,000 (PY 6,84,00,000)) = 31,99,500 (PY 34,20,000)			
Name of Shareholder	% (PY%)	No.of shares	No.of shares
Surana Infocom Pvt. Limited	12.45 (11.64)	7,964,543	7,964,543
Manish Suarana	7.52 (7.03)	4,809,881	4,809,881
Devendra Surana	6.51 (6.09)	4,168,828	4,168,828
Narender Surana	7.69 (7.20)	4,922,568	4,922,568
Namrata Surana	5.43 (5.08)	3,473,261	3,473,261
G.M.Surana	5.35 (-)	3,421,980	-
Chand Kanwar Surana	5.26 (-)	3,366,010	-

2.1 (a) The company has bought back 44,10,000 Equity shares of the face value of ₹ 2/- each for total consideration of ₹ 8,20,53,689 during the year In accordance with the Scheme of Buy-back of equity shares approved by the competent authorities, the company has closed the scheme on 09.03.2012 as it has fulfilled all the requirements. Equity share capital of the company after the buy-back stands at 6,39,90,000 shares of the face value of ₹ 2-each.

A. Notes to Consolidated Balance Sheet

Note : 2.2	Sub	As at	As at
Reserves and Surplus	Note	31.03.2012	31.03.2011
		₹	₹
General Reserves			
Balance as per last account		1,222,869,640	1,186,386,667
Add: Transferred from Profit & Loss Account		50,000,000	50,000,000
Less: Utilised for creation of Redemption Reserve for buyback of equity shares		(8,820,000)	(1,053,228)
Less: Premium paid on buy back of equity shares		(73,233,689)	(12,463,799)
Balance at the year end		1,190,815,951	1,222,869,640
Capital Reserves			
Balance as per last account		16,676,523	16,676,523
Balance at the year end		16,676,523	16,676,523
Capital Redumption Reserve			
Balance as per last account		12,200,000	11,146,772
Add: Created for buyback of equity shares during the year		8,820,000	1,053,228
Balance at the year end		21,020,000	12,200,000
Foreign Exchange Reserve			
Balance as per last account		35,550,000	35,550,000
Less: Adjusted against loss on Foreign Exchange Fluctuation		35,550,000	-
		-	-
Balance at the year end		-	35,550,000
Surplus			
Balance of Profit & Loss account available for appropriation		883,062,160	858,266,693
Add: Profit during the year/period		4,692,633	101,624,473
Less: Minority Interest (Current year's profit/(loss))		147,716	15,651
Less: Change in interests of Associate Companies		(3,301)	5,059,843
Amount available for appropriation		887,899,209	964,966,660
Proposed Dividend		25,596,000	27,360,000
Tax on dividend		4,152,500	4,544,500
Transfer to General Reserve		50,000,000	50,000,000
Balance at the year end		808,150,709	883,062,160
TOTAL		2,036,663,183	2,170,358,323
Note : 2.3			
Minority Interest	Sub	As at	As at
	Note	31.03.2012	31.03.2011
		₹	₹
Opening Balance as at 01.04.2011		11,573,980	11,589,631
Current year's Profit & Loss Account	2.3(a)	(147,716)	(15,651)
TOTAL		11,426,264	11,573,980

A. Notes to Consolidated Balance Sheet

(Value in ₹)

Particulars	Scientia infocom India Pvt. Limited	Metropolitan Ventures India Limited	Total
2.3 (a)			
Extent of Holding (%)	76	74	
Minority Interest (%)	24	26	
Minority Interest :			
In Shareholders Funds:			
In Share Capital	9,600,000	1,300,000	10,900,000
In Current Year's Profit (Loss)	(36,978)	(110,738)	(147,716)
In Earlier Year's Profit (Loss)			673,980
Balance as at close of the year			11,426,264

Note : 2.4	Sub	As at	As at
Long-Term Borrowings	Note	31.03.2012	31.03.2011
		₹	₹
(a) Bonds/debentures	2.4(a)		
Foreign Currency Convertible Bonds		-	446,500,000
100 bonds (Previous year 100 bonds) of the			
Face value of US\$ 100000 each			
valued at ₹ 44.65			
(b) Term loans	2.4(b)		
from banks		676,871,971	36,409,096
(c) Deferred Sales Tax	2.4(c)	27,828,041	27,828,041
(d) Loan from minority stake holders		48,766,124	49,158,568
TOTAL		753,466,136	559,895,705

2.4 (a) FCCB:

- On 14th October, 2011, the company redeemed the entire outstanding Foreign Currency Convertible Bonds amounting to ₹ 49,09,00,000 along with YTM and withholding tax of ₹ 23,68,83,795 and ₹ 2,63,20,422 respectively resulting in a total outflow of ₹ 75,41,04,217 (Refer note 2.24(b)).
- The obligation of repayment was met partly by availing ECB from ICICI Bank to the extent of ₹ 66,57,96,000 (US\$ 1,35,60,000) and balance ₹ 8,55,00,000 have been paid through internal accrual of the company lying in mutual fund.

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

- ICICI Bank provided ECB carrying a fixed interest rate of 6.96% to the extent of ₹ 66,57,96,000 (US\$ 1,35,60,000 @ ₹ 49.10 per US\$). ECB is secured by first charge on certain fixed assets of the company and personal guarantee of Managing Directors. ECB liability as at 31.03.2012 is increased due to Foreign Exchange Fluctuation (i.e. USD 51.16 per ₹ as on 31st March, 2012 against USD 49.10 per ₹, rate prevailing at the time of receipt of ECB) (Refer note. 2.18(b)).
- The principal is repayable in 28 quarterly instalments beginning from 14th January, 2013. Total amount repayable towards principal during the financial year 2012-2013 is US\$ 3,29,508 (₹ 1,68,57,629 on conversion @ ₹, 51.16 per US\$ as on 31st March, 2012)

2.4 (c) Deferred Sales Tax

- Deferred Sales Tax Loan is interest free and payable in 84 monthly installments, starting from Financial Year 2013-14 & ending in 2019-20.

A. Notes to Consolidated Balance Sheet

Note : 2.5	Sub	As at	As at
Short-Term Borrowings	Note	31.03.2012	31.03.2011
		₹	₹
Cash Credit	2.5(a)	-	7,619,281
TOTAL		<u>-</u>	<u>7,619,281</u>

2.5 (a) Cash Credit and Medium term loans from Banks are 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	31.03.2012	31.03.2011
		₹	₹
Sundry Creditors-Others	2.6(a)	154,484,622	96,112,357
TOTAL		<u>154,484,622</u>	<u>96,112,357</u>

2.6 (a) Sundry creditors include ₹ 12,47,59,330 secured by way of Letter of Credit/ Buyers' credit. 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 : 2.7	Sub	As at	As at
Other Current Liabilities	Note	31.03.2012	31.03.2011
		₹	₹
(a) Current maturities on long term debt		-	-
(i) Term loan - HDFC Bank	2.7(a)	36,409,096	48,545,452
(ii) Term loan - ICICI Bank	2.7(b)	16,857,629	-
(b) Provision for Interest on Term Loan	2.7(c)	10,059,000	-
(c) Provision for Interest on Buyers Credit from banks		853,718	-
(d) Unclaimed dividends		1,555,242	1,358,709
(e) Lease Deposits		3,096,000	3,000,000
(f) Other Liabilities		10,294,915	8,803,566
(g) Advance from Customers		6,577,462	73,441,912
TOTAL		<u>85,703,062</u>	<u>135,149,639</u>

Current maturities on long term debt

2.7 (a) Term Loan from HDFC Bank is secured by Corporate Guarantee given by one of its Associate Companies. The loan is repayable during the Financial Year 2012-2013.

2.7 (b) The principal amount of ECB from ICICI Bank repayable during the Financial Year 2012-2013 is grouped under the head Current Liabilities.

Provision for Interest on Term Loan

2.7 (c) Provision for interest on ECB from ICICI Bank has been made till 31.03.2012. Payment of interest is due on 16th April, 2012.

A. Notes to Consolidated Balance Sheet

Note : 2.8	Sub	As at	As at
Short-Term Provisions	Note	31.03.2012	31.03.2011
		₹	₹
(a) Provision for employee benefits-Bonus		500,000	500,000
(b) Provision for Taxation		-	1,594,963
(c) Proposed Dividend	2.8(a)	25,596,000	27,360,000
(d) Tax on Dividend		4,152,500	4,544,500
TOTAL		30,248,500	33,999,463

2.8 (a) The Board of Directors have recommended a dividend of ₹ 0.40 per share for the year ended 31st March, 2012 (Previous Year ₹ 0.40 per share).

A. Notes to Consolidated Balance Sheet

ASSETS

Note : 2.9 Tangible Assets

Particulars	Gross Block			Depreciation			Net Block		
	Cost as on 01.04.2011	Additions During the Period	Deletion/ Adjustments 31.03.2012	Cost as on 31.03.2012	Upto 01.04.2011	For the Year	Deletion/ Adjustments 31.03.2012	As on 31.03.2012	As on 31.03.2011
Free-Hold Land	1,071,395,400	83,690,882	18,622,316	1,136,463,966	-	-	-	1,136,463,966	1,071,395,400
Lease-Hold Land	12,097,724	-	512,630	11,585,094	-	-	-	11,585,094	12,097,724
Factory Buildings	57,698,369	-	-	57,698,369	21,829,704	2,206,254	-	33,662,411	35,868,665
Commercial Buildings	925,000	-	-	925,000	-	46,250	-	878,750	925,000
Plant & Machinery	236,705,074	46,255,137	32,853,787	250,106,424	190,288,740	16,469,984	29,544,976	72,892,675	46,416,334
Wind Power Plant	664,318,374	-	-	664,318,374	122,147,266	35,076,010	-	507,095,098	542,171,108
Elec.Installation	25,679,449	8,517,003	2,677,374	31,519,078	24,557,387	328,571	2,483,617	9,116,737	1,122,062
Office Equipment	12,437,481	779,781	-	13,217,262	7,933,054	705,969	-	4,578,239	4,504,426
Vehicles	32,707,812	-	1,868,543	30,839,269	20,817,569	3,061,486	1,601,146	8,561,361	11,890,243
Furniture & Fixtures	15,884,457	15,266	-	15,899,723	7,673,256	1,487,379	-	6,739,089	8,211,201
Computer	6,546,232	57,650	-	6,603,882	5,765,579	332,664	-	505,639	780,653
Library	2,010	-	-	2,010	2,010	-	-	-	-
Previous Year	2,136,397,382	139,315,719	56,534,650	2,219,178,451	401,014,561	59,714,567	33,629,739	1,792,079,059	1,735,382,816
	2,128,447,712	25,980,914	18,031,235	2,136,397,382	358,319,358	57,308,961	14,613,767	1,735,382,827	

1. Addition in land includes capitalisation of land development cost amounting to ₹ 1,33,47,829 incurred in earlier years
2. Addition in land includes capitalisation of interest provided for on interest to holding company amounting to ₹ 7,03,43,053 in compliance with section 372A of the Companies Act, 1956
3. The management has carried out a detailed internal review of the assets with respect value in use, recoverable amount and carrying cost in books and is of the firm opinion that there is no impairment in the value of assets of the company. Hence no provision as required under AS-27, Impairment of Asset is made.

A. Notes to Consolidated Balance Sheet

Note : 2.10 Non-current Investments	As at 31.03.2012 ₹	As at 31.03.2011 ₹
A) Unquoted securities		
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 ₹ 10 each fully paid up - (PY 27,50,000)		
SUB-TOTAL	18,330,000	18,330,000
b) In Associate Companies		
Bhagyangar Entertainment and Infra Development Co. Pvt. Ltd.	511,705	513,773
23,500 Equity share of ₹ 10 each fully paid up (PY 23,500)		
Globecom Infracventures India Pvt Ltd	-	-
5000 Equity share of ₹ 10 each fully paid up (PY 5000)		
Advantage Real Estate India Pvt Ltd	-	125,000
NIL Equity share of ₹ 10 each fully paid up (PY 12500)		
GMS Realtors Private Limited	30,923	32,156
5000 Equity share of ₹ 10 each fully paid up (PY 5000)		
SUB-TOTAL	542,628	670,929
c) In other Companies		
Arihant Optics Limited	3,000,000	3,000,000
3,00,000 Equity share of ₹ 10 each fully paid up (PY 3,00,000)		
SUB-TOTAL	3,000,000	3,000,000
B) Quoted securities		
1) In Equity Instruments		
a) In companies under the same management		
Surana Telecom and Power Limited	14,409,739	14,409,739
18,37,262 Equity share of ₹ 5 each fully paid up (PY 18,37,262)		
Surana Ventures Limited	44,100,000	44,100,000
57,87,946 Equity share of ₹ 10 each fully paid up (PY 57,87,946)		
	-	-
SUB-TOTAL	58,509,739	58,509,739

A. Notes to Consolidated Balance Sheet

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
b) In other Companies		
Indosolar Limited	106,258	106,258
5000 Equity share of ₹ 10 each fully paid up (PY 5000)		
GHCL limited (Formerly Gujrat Heavy Chemicals Limited)	225,244	225,244
4490 Equity share of ₹ 10 each fully paid up (PY 4490)		
Megasoft Limited	71,385	71,385
1500 Equity share of ₹ 10 each fully paid up (PY 1500)		
Sree Sakthi Paper Mills Limited	30,000	30,000
1000 Equity share of ₹ 10 each fully paid up (PY 1000)		
Shree Vasavi Industries Ltd	45,175	45,175
14000 Equity share of ₹ 10 each fully paid up (PY 14000)		
Sampre Nutrition Ltd	266,500	266,500
26650 Equity share of ₹ 10 each fully paid up (PY 26650)		
Vaibhav Gems Limited	48,623	48,623
300 Equity share of ₹ 10 each fully paid up (PY 300)		
	<u>793,185</u>	<u>793,185</u>
Aggregate Market value of quoted investments ₹ 13,95,18,198		
GRAND TOTAL	<u>81,175,552</u>	<u>81,303,853</u>

Note : 2.11 Deferred Tax Assets (Net)	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Deferred Tax Asset at the beginning of the year	6,065,847	20,736,883
Less:Deferred Tax (Liability) for the year - on account of timing difference	(5,175,788)	(7,571,751)
Amount transferred to Loans and Advances.	-	(7,099,282)
Deferred Tax Asset at the end of the year	890,059	6,065,850
TOTAL	<u>890,059</u>	<u>6,065,850</u>

A. Notes to Consolidated Balance Sheet

Note : 2.12	Sub	As at	As at
Long-Term Loans and Advances	Note	31.03.2012	31.03.2011
		₹	₹
(a) Security Deposits			
(i) Deposits		16,234,652	14,913,652
(b) Loans and advances to related parties	2.12(a)		
(i) Loans to Associate		222,560,266	141,169,052
(c) Others			
(i) MAT Credit Entitlement		7,239,437	7,099,282
TOTAL		246,034,355	163,181,986
		₹	₹
		Balance as on	Balance as on
		31.03.2012	31.03.2011

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

Name of the Company

Bhagyanagar Infrastructure Limited	141,986,189	140,800,168
Bhagyanagar Entertainment & Infra Development Company Pvt Limited	-	108,909
Advantage Real Estate India Pvt Ltd	-	67,530
Bhagyanagar Green Energy Ltd	-	(200,000)
Surana Telecom and Power Ltd	80,574,077	-

Note : 2.13	As at	As at
Current Investments	31.03.2012	31.03.2011
	₹	₹
(a) Investment in debentures or bonds		
Surana Ventures Limited	-	29,400,000
(12% non-convertible debentures of ₹ 10/- each - 29,40,000)		
SUB-TOTAL	-	29,400,000
(b) Investment in Mutual Funds		
JM Money Manager Fund Super Plan	-	23,000,000
IDFC Fund	-	20,000,000
Birla Sun Life Cash Plus	-	20,000,000
SUB-TOTAL	-	63,000,000
GRAND TOTAL	-	92,400,000

A. Notes to Consolidated Balance Sheet

Note : 2.14	As at	As at
Inventories (At cost or market value whichever is lower)	31.03.2012	31.03.2011
	₹	₹
Raw materials	180,768,601	290,398,819
Finished Goods	9,166,441	1,664,152
Material - In - Transit	10,195,433	-
TOTAL	200,130,475	292,062,971

Note : 2.15	As at	As at
Trade Receivables (Unsecured, considered good)	31.03.2012	31.03.2011
	₹	₹
(i) Aggregate amount of Trade Receivables outstanding for a period less than six months	241,064,940	228,991,827
(ii) Aggregate amount of Trade Receivables outstanding for a period exceeding than six months	21,092,876	20,129,233
TOTAL	262,157,816	249,121,060

In case of balances in Trade Receivables, letters seeking confirmation of year-end balances are sent to the concerned parties. The Balances are subject to confirmation and reconciliation.

Note : 2.16	As at	As at
Cash and Cash Equivalents	31.03.2012	31.03.2011
	₹	₹
(a) Balance with banks		
In current account	29,978,272	10,358,562
In Escrow account	-	42,798
In Dividend account	1,555,243	1,358,709
Deposit held to the extent of margin money	13,224,871	10,796,020
Maturity of deposits less than 12 months	46,282,109	10,000,000
(b) Cash on hand	1,019,655	872,616
(c) Accrued interest on Fixed Deposits with Banks	3,271,889	1,861,306
TOTAL	95,332,039	35,290,011

Note : 2.17	Sub	As at	As at
Short-Term Loans and Advances	Note	31.03.2012	31.03.2011
		₹	₹
(i) Loans and advances to related parties- Associates & Others	2.17(a)	150,000,001	80,000,000
(ii) Sundry Advances - Infrastructure		101,000,000	118,500,000
(iii) Taxes paid under protest		5,414,571	1,714,571
(iv) Advances to suppliers		21,438,390	49,418,829
(v) Sundry Advances		49,490,140	55,920,573
TOTAL		327,343,102	305,553,973

A. Notes to Consolidated Balance Sheet

		₹	₹
		Balance as on	Balance as on
		31.03.2012	31.03.2011
2.17 (a) LOANS TO ASSOCIATE & OTHERS: It includes			
Name of the Company			
Surana Ventures Ltd		150,000,000	80,000,000
Note : 2.18	Sub	As at	As at
Other Current Assets	Note	31.03.2012	31.03.2011
		₹	₹
(i) Loans Against pledge of Securities Secured, considered good		106,854,394	122,905,515
(ii) Balances with statutory Authorities		42,898,174	49,061,166
(iii) Income tax receivable (TDS)		3,201,369	-
(iv) Deferred Revenue Expenditure	2.18(a)	11,041,306	-
(v) Foreign Currency Monetary Item Translation Difference Account	2.18(b)	27,929,599	
(vi) Preliminary Expenses to the extent not written off Balance as per last account		83,183	270,780
Less: Reduction on divestment in Subsidiary		-	139,124
Less: Written off during the year		39,440	48,473
Balance as at the close of the year		<u>43,743</u>	<u>83,183</u>
TOTAL		<u>191,968,585</u>	<u>172,049,864</u>

2.18 (a) Deferred Revenue Expenditure

Represents Processing fees paid to ICICI Bank for availing ECB which is amortised over a period of 3 years. one third of the expenditure amounting to ₹ 55,20,653 have been charged off to Profit & Loss Account during the current financial year

2.18 (b) 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 51.16 per ₹ as on 31st March, 2012 from USD 49.10 per ₹ prevailing rate at the time of receipt of ECB) 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. Notes to Consolidated Profit & Loss Account

Note: 2.19	For the year	For the year
Revenue From Operations	31.03.2012	31.03.2011
	₹	₹
(a) Sale of products		
Copper Products	2,017,669,181	1,963,580,713
Sale of Wind Power	85,337,791	86,326,178
Sale of Verified Emission Reduction	5,499,819	
Jelly Filled Telephone Cable	-	
Scrap & Misc Sales	1,379,476	645,140
SUB-TOTAL	2,109,886,267	2,050,552,031
Less: Inter-Unit Sales	1,004,596	4,904,112
Gross Sales	2,108,881,671	2,045,647,919
Less: Excise duty	179,678,608	185,377,833
Net Sales	1,929,203,063	1,860,270,086
(b) Infrastructure Leasing and Sales	50,477,217	-
TOTAL	1,979,680,280	1,860,270,086

Note: 2.20	Sub	For the year	For the year
Other Income	Note	31.03.2012	31.03.2011
		₹	₹
(a) Interest Income			
Interest on Loans, Deposits and Others	2.20(a)	135,463,967	32,684,062
Interest from Trade Debtors and creditors		4,014,155	1,419,477
(b) Dividend Income		10,001,190	3,207,565
(c) Profit on sale of Sundry Assets		2,834,346	2,012,028
(d) Profit on sale of Investments		-	11,408,645
(e) AMC charges on CDMA phones		-	300,000
(f) Other non-operating income		-	
Miscellaneous income		373,238	691,604
Miscellaneous rental income		124,000	4,200,000
Balances no longer payable written back		8,522,678	1,790,890
Gain on foreign exchange fluctuation		-	5,483,258
TOTAL		161,333,574	63,197,529
<u>Interest on Loans, Deposits and Others</u>			

2.20 (a) Interest amounting to ₹ 7,03,43,053 has been Debited to Subsidiary Companies in accordance with section 372A of the Companies Act, 1956.

B. Notes to Consolidated Profit & Loss Account

Note: 2.21		For the year	For the year
Cost of Raw Material Consumed		31.03.2012	31.03.2011
		₹	₹
Opening Stock Raw Materials		290,398,819	97,899,760
Purchases net of Modvat		1,389,950,559	1,635,674,801
Closing Stock Raw Materials		180,768,600	290,398,819
Material - In - Transit		10,195,433	-
Less: Inter-Unit Purchases		1,004,596	4,904,112
Raw Material Consumed		1,488,380,749	1,438,271,630
Note: 2.22		For the year	For the year
Changes in Inventories		31.03.2012	31.03.2011
		₹	₹
Opening Stock WIP		-	352,240
Opening Stock Finished Goods		1,664,152	2,149,395
Less: Closing Stock WIP		-	-
Less: Closing Stock Finished Goods		9,166,441	1,664,152
Increase/(Decrease) in Stock		(7,502,289)	837,483
Note: 2.23		For the year	For the year
Employee Benefits Expense		31.03.2012	31.03.2011
		₹	₹
Salaries and wages		34,391,291	31,489,193
Contribution to provident and other funds		3,816,666	3,104,720
Staff welfare expenses		1,722,217	1,407,569
TOTAL		39,930,174	36,001,482
Note: 2.24	Sub	For the year	For the year
Finance Costs	Note	31.03.2012	31.03.2011
		₹	₹
Interest Expense			
Cash Credit & others		2,387,769	2,248,857
Other borrowing costs			
Medium term loan		7,117,313	13,177,845
Long term loan		22,900,121	-
Financial Charges	2.24(a)	11,313,782	4,590,228
Interest on FCCB Bonds		263,257,834	-
TOTAL		306,976,819	20,016,930

2.24 (a) Financial Charges

Financial Charges includes ₹ 55,20,653 towards amortisation of Deferred Revenue Expenditure. (Refer Note No.2.18(a))

B. Notes to Consolidated Profit & Loss Account

2.24 (b) Interest on FCCB Bonds

The Company had a commitment to the Foreign Currency Convertible Bond holders to pay Yield to Maturity at the rate of 8% compounded half year for the tenure of the bond i.e.5 years in case the option of conversion is not exercised by them,before the maturity of bond.As the interest has accrued on maturity of bond due to non-exercise of option of conversion interest amounting to ₹ 26,32,57,834 along with withholding tax is accounted in the Current Year. (Refer note no.2.4(a)).

Note: 2.25	For the year	For the year
Depreciation and Amortisation Expenses	31.03.2012	31.03.2011
	₹	₹
Depreciation	59,714,567	57,308,961
Amortisation expenses - Lease Rent	512,630	512,630
TOTAL	60,227,197	57,821,591

Note: 2.26	For the year	For the year
Other Expenses	31.03.2012	31.03.2011
	₹	₹
Consumption of stores and spare parts	12,766,787	14,052,857
Power and fuel	61,090,746	48,172,289
Rent	2,895,860	3,449,430
Repairs		
Buildings	1,793,094	1,447,003
Machinery	21,207,295	11,402,966
Others	2,167,057	1,941,171
Insurance	1,488,280	1,083,351
Rates and taxes	1,857,179	1,292,057
Packing and Forwarding	11,847,134	13,640,589
Remuneration to Directors	11,532,000	11,504,000
Loss on		
Sale of fixed asset	-	721,718
Foreign exchange fluctuation	15,896,886	-
Material in transit	-	21,422,200
Taxes paid		
Service Tax	164,804	259,826
Sales Tax	71,717,804	71,701,486
Other Miscellaneous expenses	25,811,282	32,443,897
Sitting fees to Directors	440,000	430,000
Payments to the auditor:		
for Statutory audit	275,730	265,442
for tax audit	70,000	60,000
for taxation/other matters	70,000	60,000
for reimbursement of expenses	40,000	30,000
TOTAL OTHER EXPENSES	243,131,938	235,380,282

1 Sales tax paid is net of the sales tax incentive of ₹ 1,74,28,877 sanctioned by Commissionerate of Industries

B. Notes to Consolidated Profit & Loss Account

Note : 2.27

Subsidiaries Considered for Consolidation

(Value in ₹)

Name of the company	Paid up Capital	Extent of Holding as at 31st March, 2012 (%)	Equity Investment	Loans & Advances	Maximum Outstanding during the year
Bhagyanagar Properties Private Limited	40,000,000	100	40,000,000	588,271,465	588,271,465
Scientia Infocom India Private Limited	40,000,000	76	30,400,000	196,617,431	196,617,431
Metropolitan Ventures India Limited	5,000,000	74	3,700,000	58,937,686	58,937,686
Bhagyanagar Metals Limited	500,000	100	500,000	-	-

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.

Note: 2.28

Associates Companies

(Value in ₹)

Name of the company	Paid up Capital	Extent of Holding as at 31st March, 2012 (%)	Equity Investment	Loans & Advances	Maximum Outstanding during the year
Bhagyanagar Entertainment & Infra Development Co. Pvt.Ltd.	500,000	47	235,000	-	-
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

Note: 2.29	As at	As at
Commitments and Contingent Liabilities	31.03.2012	31.03.2011
	₹	₹
(i) Counter Guarantees given to the banks against Guarantee issued by them	62,070,200	36,431,315
(ii) Letters of credit opened by Banks/Buyer's credit	7,185,846	32,602,902
(iii) YTM payable to the FCCB bond-holders	-	206,363,000
(iv) Customs duty/Excise duty matters under dispute	22,859,000	22,859,000
(v) Demand raised by income-tax authorities contested by the company	4,944,000	-

Note: 2.30	As at	As at
Earnings Per Share (EPS)	31.03.2012	31.03.2011
	₹	₹
Earnings		
Net profit after tax for the year	4,692,633	101,624,473
Net Profit available for Equity Share holders	4,837,049	106,699,967
Shares		
Number of shares at the beginning of the year	68,400,000	68,926,614
Less : Shares bought back during the year.	4,410,000	526,614
Number of shares at the end of the year.	63,990,000	68,400,000
Weighted average no. of Equity shares - Basic	67,505,631	68,408,174
Add : Undiluted effect of potential equity shares on conversion of FCCB.	-	10,445,455
Weighted average no. of Equity shares - Diluted	67,505,631	78,853,629
Nominal Value of each equity share (₹)	2	2
Earnings Per Share (EPS) - Basic (₹)	0.07	1.56
Earnings Per Share (EPS) - Diluted (₹)	0.07	1.35

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Note : 2.31

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	GMS Realtors Pvt Ltd	Devendra Surana	
Bhagyanagar Energy & Telecom Pvt Ltd	Bhagyanagar Metals Ltd		Narender Munoth	
Bhagyanagar Infrastructure Ltd Bhagyanagar Entertainment Ltd Every Time Foods Industries Pvt Ltd Surana Infocom Pvt. Ltd Andhra Electro Galvanising Works Tranquil Avenues India Pvt Ltd Royal Skyscrapers India Pvt Ltd Innova Infrastructure Pvt Ltd Majestic Logistics Pvt Ltd Innova Biotech India Pvt Ltd Epicentre entertainment Pvt. Ltd Bhagyanagar Ventures Pvt Ltd Surana Ventures Limited Bhagyanagar Green Energy Ltd (Formerly Known as Bhagyanagar Telecom Limited)				

(Value 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
Sale of Goods	41,76,594				
Surana Telecom & Power Limited	(1,36,86,675)				
Purchase of Goods	41,76,594				
Surana Telecom & Power Limited	(1,36,86,675)				
Job Work-Sales	20,84,670				
Surana Telecom & Power Limited	(8,36,19,370)				
Job work-Purchase	Nil				
Surana Telecom & Power Limited	(7,36,707)				
Interest received	Nil				
Surana Telecom & Power Limited	(12,40,595)				
Interest received	3,20,12,866	7,03,43,053	1,73,94,682		(8,17,920)
Surana Telecom & Power Limited	(1,83,84,162)	(Nil)			
Surana Ventures Limited	32,06,497				
Bhagyanagar Infrastructure Limited	1,96,24,085				
Scientia Infocom India Private Limited	(55,48,354)				
Metropolitan Ventures India Limited	(54,42,844)				
Advantage Real Estate India Pvt Ltd	91,82,284				
Savitrimata Realtors Private Limited					
Advances Given	44,04,52,539	46,31,386			
Surana Telecom & Power Limited	(56,05,93,818)	(1,88,409)			
Surana Ventures Limited	19,61,27,764				
Bhagyanagar Infrastructure Limited	20,69,31,037				
Bhagyanagar Properties Private Limited	3,73,93,738				
Scientia Infocom India Private Limited		4,00,932			
Metropolitan Ventures India Limited		3,03,869			
Bhagyanagar Metals Limited		2,56,585			
		36,70,000			
				1,73,94,682	
					(817,920)

B. Summary of significant Related Party Transactions (Contd.)		(Value in ₹)			
Nature of Transaction	Entities in which directors are interested	Subsidiary companies	Associates	Key Management Personnel	Relatives of key management Personnel
Advances received back	30,36,55,108	(Nil)	Nil (18,12,95,092)		
Surana Telecom & Power Limited	12,13,34,070				
Surana Ventures Limited Bhayyanagar	13,69,31,037				
Infrastructure Limited Advantage Real Estate India Pvt Ltd	4,53,90,001				
Savitrimata Realtors Private Limited Bhayyanagar Metals Limited		36,62,535	Nil (4,49,50,000)		
Scientia Infocom India Private Limited		2,25,000	Nil (13,63,45,092)		
Remuneration				1,15,32,000	10,35,000
Narender Surana				48,00,000	(48,00,000)
Devendra Surana				48,00,000	(48,00,000)
Narender Munoth				16,20,000	(16,20,000)
N.K.Reddy				3,12,000	(2,84,000)
Namrata Surana Nivrithi Surana					5,55,000 (4,80,000)
Share Application Money Paid	Nil				(7,80,000)
Stealth Energy Private Limited	Nil				4,80,000 (3,00,000)

Note: 2.32
Particulars of Loans and Advances in the nature of loans as required by Clause 32 of the listing Agreement. (Value in ₹)

Name of the Company	Balance as at		Maximum Outstanding during	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
A. Subsidiaries				
Bhagyanagar Properties Private Limited	588,271,465	587,870,533	588,271,465	587,870,533
Scientia Infocom India Private Limited	196,617,431	141,941,976	196,617,431	141,941,976
Metropolitan Ventures India Limited	58,937,686	42,984,780	58,937,686	42,984,780
Bhagyanagar Metals Limited	-	-	-	-
B. Associates				
Bhagyanagar Entertainment & Infra Development Co. Pvt.Ltd.	-	108,909	-	108,909
Globecom Infra-Ventures Pvt.Ltd.	-	-	-	-
GMS Realtors Pvt. Ltd.	-	-	-	-
Bhagyanagar Infrastructure Limited	141,957,933	140,800,168	141,957,933	140,800,168
C. Advances in the nature of Loans where there is no repayment schedule				
Bhagyanagar Properties Private Limited	588,271,465	587,870,533	588,271,465	587,870,533
Scientia Infocom India Private Limited	196,617,431	141,941,976	196,617,431	141,941,976
Metropolitan Ventures India Limited	58,937,686	42,984,780	58,937,686	42,984,780
Bhagyanagar Metals Limited	-	-	-	-
D. Advances in the nature of Loans where interest is below section 372A of Companies Act,1956	NIL	NIL	NIL	NIL
E. Advances in the nature of Loans to Firms/Companies in which directors are interested	NIL	NIL	NIL	NIL

Note : 2.33
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 31.03.2012

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

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

	Gratuity
Current service cost	365,807
Interest Cost	314,843
Expected Return on Planned Assets	537,268
Net actuarial loss / (gain) on obligation	906,011

B. Change in Defined Benefit obligation during the year ended 31st March,2012

	Gratuity
Opening Present value of obligation	3,935,534
Interest Cost	314,843
Current service cost	365,807
Benefits Paid	738,173
Expected liability at the year end	3,878,011
Closing Present value of obligation	4,784,022

C. Change in Fair Value of Plan Assets during the year ended 31st March,2012

	Gratuity
Opening Fair value of Plan Assets	6,186,364
Expected Return on Planned assets	537,268
Contribution made during the year	-
Benefits Paid	738,173
Actuarial gain on planned Assets	-
Closing Fair value of Plan Assets	5,985,459

D Actuarial assumption

	Gratuity
Discount rate used	8%
Salary escalation	4%

Note: 2.34 Unhedged Foreign Currency Exposure

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

Particulars	2011-2012		2010-2011	
	USD	₹	USD	₹
Sundry Creditors	2,438,777.82	124,759,330.00	1,482,530.80	66,195,000.00
Secured Loans	13,560,000.00	693,729,600.00	-	-
TOTAL	15,998,777.82	818,488,930.00	-	-

Note: 2.35

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		(Value in ₹)	
		2011-12	2010-11	2011-12	2010-11
Copper	MTs	2,412.328	3,147.561	1,042,441,003	1,216,447,993
Scrap	MTs	1,071.941	540.591	394,006,457	164,782,004
Others	-	-	-	44,431,000	57,879,114
Inter Unit Transfers					
(a) Copper Rod / Wires	MTs	-	11.195	-	4,904,114
(b) Others				1,004,000	
SUB - TOTAL		3,484.269	3,699.347	1,481,882,460	1,444,013,225
Less:Inter Unit Purchases			11.195	1,004,000	4,904,112
TOTAL		3,484.269	3,688.152	1,480,878,460	1,439,109,113

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

Particulars	2011-2012		2010-2011	
	Value in ₹	Value Percentage	Value in ₹	Value Percentage
Raw Materials & Components				
(a) Imported	317,819,000	21.45	229,444,283	15.89
(b) Indigenous	1,164,063,460	78.55	1,214,568,942	84.11
TOTAL	1,481,882,460	100.00	1,444,013,225	100.00
Stores & Spare Parts (including consumed for repair)				
(a) Imported	5,032,000	39.41	6,795,415	50.70
(b) Indigenous	7,734,787	60.59	7,257,442	49.30
TOTAL	12,766,787	100.00	14,052,857	100.00

C TRANSACTIONS IN FOREIGN EXCHANGE:

Particulars	2011-2012 Value in ₹	2010-2011 Value in ₹
Imports (on CIF Basis)		
(a) Raw Materials/Traded Goods	293,769,000	235,079,115
(b) Stores & Spares	4,922,000	5,854,318
(c) Capital Goods	7,880,000	5,493,010
Expenditure in Foreign Currency (Travelling)	1,310,000	1,220,100
Expenditure in Foreign Currency (FCCB)	727,783,795	-
Expenditure in Foreign Currency (Interest on ECB)	12,841,121	-
Earnings in Foreign Currency (Export Sales)	6,032,000	-

Annual Report 2011 - 2012

Note: 2.36

In accordance with the Accounting Standard - 17 (AS-17) "SEGMENT REPORTING" issued by the Chartered Accountants of India, the Segment Report is given below: (Value in ₹)

Sl No	Particulars	Copper Products	Wind power	Infra Structure	Others	Total
1.	REVENUE					
	External Sales (Net of Excise duty)	1,837,340,501	90,837,610	50,477,217	1,024,952	1,979,680,280
	Other Operating income	12,611,377	-	-	3,030,111	15,641,488
	Total Revenue	1,849,951,878	90,837,610	50,477,217	4,055,063	1,995,321,768
2.	RESULTS					
	Segment results	138,191,026	43,583,270	48,276,605	1,659,858	231,710,759
	Unallocable income/Expenses					85,133,838
	Operating Profit					316,844,597
	Interest Expenses					306,975,330
	Income taxes					-
	Profit from Ordinary Activities					9,869,267
	Net Profit					9,869,267
3.	Other Information					
	Segment Assets	588,510,941	546,814,248	2,306,802,223	11,229,313	3,453,356,725
	Unallocable Assets					629,988,000
	Total Assets					4,083,344,725
	Segment Liabilities	159,183,550	53,589	827,941,000	101,122	987,279,261
	Unallocable Liabilities					104,434,828
	Total Liabilities					1,091,714,089
	Capital Expenditure	54,974,629	-			54,974,629
	Unallocable Capital Expenditure					650,208
	Total Capital Expenditure					55,624,837
	Depreciation	17,244,881	35,076,010	1,854,491	606,868	54,782,250
	Unallocable Depreciation					4,932,317
	Total Depreciation					59,714,567

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 : April 30, 2012

G.M. Surana
Chairman

Surendra Bhutoria
Chief Financial Officer

For Bhagyanagar India Limited

Narender Surana
Managing Director

Devendra Surana
Managing Director

Sridevi Madati
Company Secretary

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

S.No	Name of subsidiary Company	Bhagyanagar Metals Limited	Bhagyanagar Properties Private Limited	Scientia Infocom India Private Limited	Metropolitan Ventures India Limited
1.	Financial Year ending of the Subsidiary	31.03.2012	31.03.2012	31.03.2012	31.03.2012
2.	Shares of the subsidiary held by Holding Company on the above date				
	a. Number and Face Value.	50,000 Equity Shares of ₹ 10/- each	40,00,000 Equity Shares of ₹ 10/- each	30,40,000 Equity Shares of ₹ 10/- each	3,70,000 Equity Shares of ₹ 10/- each
	b. Extent of Holding	100.00%	100.00%	76.00%	74.00%
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	(11,341.00)	(240,821.00)	(154,077.00)	(425,915.00)
	b. For the previous financial years of the subsidiary since it became the Holding Company's Subsidiary	(35,274.00)	(1,709,973.00)	(647,616.00)	2,900,177.00
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
	b. For the previous financial years of the subsidiary since it became the Holding Company's Subsidiary	nil	nil	nil	nil

Brief financial particulars of Subsidiaries as per MCA General Circular No 2/2011 dt 8th February, 2011

(Figures 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 Ltd.	400	(19.51)	6263.27	5882.77	-	-	(2.40)	-	(2.40)	-
Bhagyanagar Metals Ltd.	5	(0.47)	4.56	0.02	-	-	(0.11)	-	(0.11)	-
Scientia Infocom India Ltd.	400	(8.02)	2846.44	2454.46	-	-	(1.54)	-	(1.54)	-
Metropolitan Ventures India Ltd.	50	24.74	664.29	589.55	-	-	(4.26)	-	(4.26)	-

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. : (for Office use only)
Name of the first/sole shareholder	
Bank Name	
Branch Address & Telephone No. of Branch	
Bank Account Number (As appearing on the Cheque Books)	
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank. (Please attach a blank cancelled cheque, or a photocopy of a cheque issued to you by your Bank, for verification of the above particulars)	
Account Type (Please tick the option)	<input type="checkbox"/> Savings <input type="checkbox"/> Current <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

17-24, Vittal Rao Nagar,
Madhapur, Hyderabad-500 081



BHAGYANAGAR INDIA LIMITED

(Formerly Bhagyanagar Metals Limited)

Registered Office : 5th Floor, Surya Towers, S.P.Road, Secunderabad - 500 003.

ATTENDANCE SLIP

27th Annual General Meeting 29th September, 2012.

DP.Id*
Client Id*

Reg. Folio No.

Name and Address of the Shareholder : _____

No. of Share(s) held : _____

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at the 27th Annual General Meeting of the Company, Saturday 29th day of September, 2012 at 10.30 a.m. at Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad-500 003.

** 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.

NO GIFTS WILL BE GIVEN



BHAGYANAGAR INDIA LIMITED

(Formerly Bhagyanagar Metals Limited)

Registered Office : 5th Floor, Surya Towers, S.P.Road, Secunderabad - 500 003.

PROXY FORM

DP.Id*
Client Id*

Reg. Folio No.

I/We
of
being member/members of M/s. BHAGYANAGAR INDIA LIMITED, hereby appoint
of
or failing him
of
as my / our proxy to vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held at Saturday 29th day of September, 2012 at 10.30 a.m. at Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad-500 003 and at every adjournment thereof.

Signed this day of, 2012.

Note : 1. Proxy need not be a member.

2. Proxy Form, complete in all respects, should reach the Registered Office of the Company on or not later than 48 hours before the time for holding of the Meeting.

Please Affix Re.1/- Revenue Stamp
--

Signature

NO GIFTS WILL BE GIVEN

* Applicable for Investors holding shares in electronic form.



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INVESTOR INFORMATION

DIVIDEND

The Dividend at 20% (Rs.0.40/- per share) will be paid to the shareholders whose names appear on the Register of Members as on 26.09.2012 and to those shareholders whose names appear as Beneficial owners as on 26.09.2012 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 6 months from the date of the warrant. After expiry of the said 6 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 Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

DEMATERIALISATION OF SHARES

The shares of the Company are under compulsory dematerialised trading since 8th 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 into 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 to 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.*

**PRINTED MATTER
BOOK - POST**



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

E-mail : surana@surana.com

Investor Complaints: cs@surana.com, investorservices_bil@surana.com

Website : www.surana.com, www.bhagyanagarindia.com