



ADHUNIK INDUSTRIES LTD
FORMERLY KNOWN AS BHAGWATI RESOURCES LTD

AUDITED FINANCIAL RESULT

FOR THE YEAR ENDED

2011 – 2012



ADHUNIK INDUSTRIES LIMITED
(FORMERLY BHAGWATI RESOURCES LIMITED)

Directors' Report - 2012

Dear Members

Your Directors have pleasure in presenting their Annual Report together with audited accounts of your Company for the year ended 31st March, 2012.

Financial highlights		(Rs. in Lakhs)	
		2011-12	2010-11
Turnover		35,375.27	33,488.80
Earning before Interest, Tax, Depreciation & Amortization (EBITDA)		3,021.29	2,825.86
Provision for Taxation		186.58	604.52
Profit after Taxation		588.30	1,268.51

Operations

During the year, your Company recorded a profit of Rs. 5.88 Crores. The production of finished goods increased in the current financial year due to expansion of Rolling Mill. The Company has increased the production capacity of Rolling Mill from 1,32,000 MT to 2,22,000 MT. The commercial operation of the increased facility started on 30th April, 2012.

Deposits

Your Company did not accept any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

Dividend

In view of meeting capital requirements of the Company through ploughing back of profit, your Directors intend to retain the surplus Profits in the business itself. Therefore, no dividend is being declared.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Annual Report.

Directors

In accordance with the provisions of the Companies Act, 1956, Mr. Mahesh Kumar Agarwal, Director of your Company, retire from the Board by rotation and being eligible to offer himself for reelection at the ensuing Annual General Meeting.

Further, the Company received a notice from a member under the provisions of Section 257 of the Companies Act, 1956, nominating reappointment of Mr. Ashok Bacter & Mr. Nand Kishore Singhal in the Annual General Meeting (AGM) as Director of the Company. Mr. Ashok Bacter and Mr. Nand Kishore Singhal were appointed on the Board of the Company as Additional Director on April 3, 2012 and hold their office till the conclusion of this Annual General Meeting.

Directors' responsibility statement

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors confirm and state that

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2012, the applicable accounting standards had been followed and that there were no material departures
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the Balance Sheet of the Company as at March 31, 2012 and of the profit of the Company for that period
- (iii) The Directors had taken proper and sufficient care for the maintenance 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
- (iv) The Directors had prepared the annual accounts on a going concern basis.

Corporate Governance

Your Company has been practicing good Corporate Governance and lays strong emphasis on transparency, accountability and integrity. A separate section on Corporate Governance is given in the Annual Report and a certificate from Mr. Mohan Ram Goenka, practicing Company Secretary, regarding compliance of conditions and provisions of the Corporate Governance is given as annexure to the Report along with a certificate from CEO/CFO in terms of sub-Clause (v) of Clause 49 of the Listing Agreement is annexed in the Corporate Governance Report.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company.

Board members and senior management personnel have affirmed compliance with the Code for the financial year 2010-11. A certificate from the CEO is annexed in this regard.

Code for Prevention of Insider Trading Practices

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a comprehensive code for prevention of insider trading is in place. The objective of the code is to prevent purchase and /or sale of shares of the Company by insider on the basis of unpublished price sensitive information.

Statutory disclosures

None of the Directors of the Company are disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956. The Directors have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the Company is not required to transfer any amount to Investor Protection and Education Fund as the Company is declaring dividends since financial year 2007-08 and as such there is no amount of dividend which was due and payable and remained unclaimed and unpaid for a period of seven years.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as required by Section 217(1)(e) of the Companies Act, 1956, read with the Company's (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is given in the annexure attached hereto and forms a part of this Report.

Auditors

M/s. Sudhir Kumar Jain & Associates, Chartered Accountants, the statutory Auditors of the Company who retire at the ensuing Annual General Meeting are eligible for reappointment.

Secretarial audit report

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Mr. Mohan Ram Goenka, Practicing Company Secretary to conduct independent secretarial audit of the Company. The secretarial compliance certificate for the financial year ended March 31, 2012, is provided in the Annual Report.

The secretarial compliance certificate confirms that the Company complied with all the applicable provisions of the Companies Act, 1956, Listing Agreements with the stock exchanges, Securities Contract (Regulation) Act, 1956 and all the regulations of SEBI as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Personnel

At Adhunik, values make for more than just a powerful tagline. We have proven a role model for creating wealth ethically and legally. We engage employees through a fair and rewarding work environment. The information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, is provided in the Annexure as below

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Name	Age in Years	Designation & Qualification	Nature of duties	Gross Remuneration (Rs.)	Experience (No. of years)	Last Employment
Mr. Jugal Kishore Agarwal	60	Managing Director / Law Graduate	Management and overall in charge	30,00,000	27	NIL

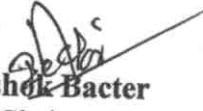
Acknowledgement

The Board takes this opportunity to express its sincere appreciation for the excellent support and cooperation received from the Company's customers, suppliers, government authorities, bankers, investors, financial institutions and shareholders for their consistent support to the Company. The Directors also sincerely acknowledge the outstanding support and services of the workers, staff and executives of the Company which together contributed towards the efficient operation and management of the Company.

For and on behalf of the Board

Registered office
14 Netaji Subhash Road
Kolkata - 700001

Date: 04.09.2012


Ashok Bacter
Chairman


Jugal Kishore Agarwal
Managing Director

Annexure to the Directors' Report

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988.

Conservation of Energy

There are many steps regarding conservation of energy were taken, which helped in improving the energy consumption. But due to increase in fuel prices, cost per unit increased compared to previous years.

Form for disclosure of particulars with respect to Conservation of Energy are as follows:

Particulars	2011-12	2010-11
A. Power & Fuel Consumption		
1. Electricity Purchased		
Unit (Lakhs- Kwh)	140.89	187.54
Total Amount (Rs. in Lakhs)	713.69	781.64
Cost per Unit (Rs.)	5.07	4.17
2. Coal		
Quantity (Tons)	3,844.60	4,992.07
Total Cost (Rs. in Lakhs)	193.40	169.05
Average Cost (Rs. per Ton)	5,030.43	3,386.43
3. Furnace Oil		
Quantity (K. Ltrs.)	2,016.65	2,170.72
Total Amount (Rs. in Lakhs)	747.09	601.32
Average Rate (Rs. in Lakhs per K. Ltr.)	0.37	0.28
B. Consumption (In Units) per Tonne of Rolled Products		
Electricity (in KWH)	248.07	234.54
Furnace Oil (in Ltr)	35.51	27.15

Technology Absorption, Adaptation and Innovation

No specific technology has been absorbed or adopted during the year.

Foreign Exchange Earnings and Outgo

Activities relating to exports, initiatives taken to increase exports; development of new export markets for product and export plans;

Total foreign exchange used and earned	2011-12	2010-11
Foreign Exchange Earnings (Rs. in Lakhs)	182.77	NIL
Foreign Exchange Outgo (Rs. in Lakhs)	NIL	NIL



Management Discussion & Analysis

A. Industry Structure and Developments

Your Company is engaged in the production of wire rods and tmt bars which is mainly used in the construction industry. As such, the outlook for your Company is closely linked to that of the steel, infrastructure and real estate industry and the demand for tmt and wire rod in particular is influenced by the price & availability of raw materials.

B. Opportunities and Threats

The demand for tmt and wire rod is cyclical in nature reflecting a similar trend in the iron & steel industry and as a result, there is substantial volatility in prices. During the current financial year 2011-12, the prices remain volatile throughout the period. However, the Company is able to maintain its level of turnover in spite of there is global crisis in the overall economy.

C. Segment-wise or Product-wise Performance

The Company has identified iron & steel products as its sole operating segment and the same has been treated as primary segment. Total revenue earned is Rs. 353.75 Crores.

D. Future Outlook:

As India is one of the developing nations around the world and expecting the fast growth in the near future, the demand for steel related products always been there. So, the Company will be able to survive in the competitive market with increase in demand for the products.

E. Risks and Concerns:

The major risk for the Company is the supply of adequate raw materials such as billet for smooth operation and production which is mitigated from the supply from the group companies. Also, reputed supplies are there in the market from which the Company is procuring raw materials at present.

F. Internal Control Systems and their Adequacy:

Your Company has instituted adequate internal control systems commensurate with its size and scale of operations. The Audit Committee periodically reviews such systems with the help of the internal and Statutory Auditors and reports to the Board on its adequacy.

G. Discussion on Financial Performance with respect to Operational Performance:

In spite of this global this global turmoil and liquidity crisis in the overall economy, the company is able to maintain its turnover as compared to last year. Also, the prices of raw materials were increased rapidly as compared to selling prices. Due to this, profit of the Company decreases. However, with better control and efficient management and policies of cost reduction, impact on profit could be reduced to some extent.

H. Human Resources/Industrial Relations:

Industrial relations during the year under review were cordial and peaceful. Your Directors wish to place on record the excellent cooperation and contribution made by the employees at all levels to the growth and development of the Company.



Report on Corporate Governance

Your Company has been practicing the principles of good Corporate Governance, which comprise all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of the Corporate Governance compliance by the Company as per Clause 49 of the listing agreement with Stock Exchanges are as under

Company's philosophy on Corporate Governance

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and to dedicate itself for increasing long-term shareholders' value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places high emphasis on business ethics. We believe that Corporate Governance is voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also by being responsive to our stakeholders needs.

The key elements of good Corporate Governance include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and a commitment to the organization. The Corporate Governance framework of the Company ensures that a timely and accurate disclosure is made on all material matters regarding the Company, including the financial statements, performance, ownership and governance of the Company. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors, and enhance the trust and confidence of the stakeholders.

The Board of Directors ('The Board') is at the core of our Corporate Governance practice and oversees how the management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

Board of Directors

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Managing Director is assisted by senior managerial personnel in overseeing the functional matters of the Company.

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. As trustees, the Board ensures that the Company has clear goals relating to shareholder value and its growth and seeks accountability for their fulfillment. The Board of the

A handwritten signature in black ink, appearing to read 'Chetan', is located in the bottom right corner of the page.

Company comprises an adequate blend of professional, Executive and Independent Directors.

Composition

The Board had composition of 5 (five) Directors including 2 (two) Independent Directors. During 2011-12, the Board met six times on May 13, 2011, August 12, 2011, September 3, 2011, November 14, 2011, February 14, 2012 and March 23, 2012. The maximum time gap between any two consecutive meetings was not more than four months. The constitution of the Board during the year ended March 31, 2012 and their attendance at the Board meetings, last Annual General Meeting and the Directorship/Chairmanship/Membership of Committee of each Director in other companies are as under:

S. No.	Name of Director	Attendance		Category of Directors	Other		Other committee	
		Board	Last AGM		Directors hip	Chairman ship	Membership	Chairman ship
1	Shri Manoj Sharma (Chairman)	6	Yes	Independent Non-Executive	Nil	Nil	Nil	Nil
2	Shri Jugal Kishore Agarwal (Managing Director)	6	Yes	Non- Independent Executive	12	Nil	2	Nil
3	Shri Nirmal Kumar Agarwal(*)	3	Yes	Non Independent Non-Executive	10	Nil	3	Nil
4	Shri Mohan Lal Agarwal	6	Yes	Non Independent Non-Executive	13	Nil	2	Nil
5	Shri Mahesh Kumar Agarwal	6	Yes	Non Independent Non-Executive	9	Nil	1	Nil
6	Shri Manoj Kumar Agarwal(*)	3	Yes	Non Independent Non-Executive	9	Nil	4	Nil
7	Shri Manish Kumar	6	Yes	Independent Non- Executive	Nil	Nil	Nil	Nil

*resigned on November 1, 2011.

Notes

1. Committee includes Audit Committee, Shareholders'/Investors' Grievance Committee and Remuneration/Compensation Committee only.
2. Other directorship includes directorship in public companies only.
3. All the directors certified that the disqualifications mentioned under section 274(1)(g) of the Companies Act, 1956 do not apply to them.
4. None of the Directors is a member in more than 10 committees or act as a Chairman of more than five committees across all companies in which he is a Director and the same is in compliance with Clause 49(c)(iv) of the Listing Agreement.

5. Mr. Mahesh Kumar Agarwal, who retires by rotation at the end of ensuing AGM and offers himself for reappointment, details pursuant to clause 49(vi) forms part of the notice.

Board business

The normal business of the Board includes:

- General notice of interest of Directors
- Appointment, remuneration and resignation of Directors, Chief Financial Officer and Company Secretary of the Company
- Strategies for shaping of portfolio and direction of the Company and priorities, in corporate resource allocation
- Corporate annual plan and operating framework
- Quarterly business performance reports
- Convening a meeting of shareholders of the Company, setting the agenda thereof, and ensuring that a satisfactory dialogue with shareholders takes place
- Declaration / recommendation of dividend
- Formation/reconstitution of Board Committees and their terms of reference.
- Review functioning of the Board and its Committees
- Minutes of meetings of Audit Committee and other Committees of the Board
- Annual review of accounts for adoption by shareholders
- Quarterly and annual results announcements
- Merger, acquisition, joint venture or disposal, if any
- Recruitment and remuneration of senior management
- Materially important show cause, demand, prosecution and penalty notices
- Significant development in the human resources and industrial relations fronts
- Risk evaluation and control
- Summary of all long-term borrowings made, bank guarantee issued, loans and investments made
- Significant changes in accounting policies and internal controls
- Internal Audit findings and External Audit Reports (through the Audit Committee)
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer (if any), etc. (through the Shareholders / Investors' Grievances Committee)
- Brief on all statutory developments, changes in government policies etc. with impact thereof, Directors' responsibility arising out of any such developments
- Compliance with all relevant legislations and regulations

Board support

The Management and the conduct of the affairs of the Company lie with the Managing Director, who heads the management team. He is collectively entrusted with the task of ensuring that all management functions are executed professionally and are accountable to the Board for their actions and results.



The Company Secretary of the Company attends all the meetings of Board and advises/assures the Board on compliance and governance principles.

Board independence

The Board has adopted guidelines which are in line with the applicable legal requirements. Our definition of independence of Directors is derived from Clause 49 of the Listing Agreement with stock exchanges. Based on the confirmation/disclosures from the Directors and on evaluation of relationships disclosed, the Company had an optimum mix of Independent Directors on the Board of the Company which is in conformity with Clause 49 of the Listing Agreement.

The Independent Directors have the requisite qualifications and experience in their respective fields which is of great use to the Company. They contribute in significant measure to Board Committees. Their independent role vis-à-vis the Company means that they have a special contribution to make in situations where they add a broader perspective by ensuring that the interests of all stakeholders are kept in acceptable balance and in providing an objective view in any instances where a (potential) conflict of interest may arise between stakeholders.

Board meetings

Scheduling and selection of agenda items for Board meetings

- i) The Company holds minimum of four Board meetings in each year. All Board meetings are convened by giving appropriate notice at any time to address the specific needs of the Company.
- ii) The meetings are usually held at the Company's Corporate Office at 2/1A Sarat Bose Road, "Lansdowne Tower" Kolkata-700 020.
- iii) Meetings are governed by a structured agenda. All departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval in the Board Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board.
- iv) The Board is given presentations covering finance, the major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the scheduled Board meeting.

The Managing Director and the Company Secretary in consultation with the other concerned persons in senior management finalize the agenda papers for the Board



meeting. Directors have access to the Company Secretary's support and all information of the Company and are free to suggest inclusion of any matter in the Agenda.

Board material distributed in advance

Agenda papers are circulated to the Directors in advance. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents to the agenda, the same are placed on the table at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

Recording minutes of proceedings at Board/Committee meetings

The Company Secretary records the minutes of the proceedings of each Board meeting. Draft minutes are circulated to all the members of the Board for their comments. The minutes of proceedings of a meeting are generally entered in the minutes book within 30 days from the conclusion of the meeting.

Post meeting follow up mechanism

The guidelines for Board and Committee meetings facilitate an effective post meeting follow up, review and reporting process of the decisions taken by the Board and Board Committee thereof. The important decisions taken by the Board/Committees meetings are communicated to the respective departments/division concerned promptly. Action taken report on the decisions/minute of the previous meeting(s) is placed at the meeting of the Board/Committee for their noting.

Committees of the Board

The Board committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and need a closer review. The Board committees are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board as a part of good governance practice. The terms of reference of the Board Committees are determined by the Board from time to time. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review.

To enable better and focused attention on the affairs of the Company, the Board constituted the following committees

Audit Committee

The terms of reference, role and scope of Audit Committee are in line with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange(s). The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process with a view to ensuring accurate and timely disclosures, with highest levels of transparency, integrity, and quality of financial reporting viz.:

A. Powers of the Audit Committee:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal and professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

B. The role of Audit Committee includes:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible
- Recommending the appointment and removal of statutory auditors, fixation of audit fee and approval for payment of any other services
- Reviewing with management the annual financial statements before submission to the Board
- Reviewing with the management and external and internal auditors, the adequacy of internal control systems
- Reviewing the adequacy of internal audit function
- Discussing with internal auditors any significant findings and follow up on such issues
- Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain area of concern, if any
- Reviewing the Company's financial and risk management policies and
- Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company

Five meeting of the Committee was held during the financial year 2011-12. The dates on which the said meetings were held were as follows:

May 13th, 2011, August 12th, 2011, September 3rd, 2011, November 14th, 2011 & February 14th, 2012.

The necessary quorum was present at the meetings. The maximum time gap between any consecutive meetings was not more than four months.

Attendance record of Audit Committee members

Name of the Member	Category	No. of Meetings	Meetings attended
Shri Manoj Sharma	Independent Non-Executive	5	5
Shri Manish Kumar	Independent Non-Executive	5	5
Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	5	5

Mr. Manoj Sharma is the chairman of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting. Statutory auditors, internal auditors and the GM-Finance & Accounts of the Company are permanent invitees to Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee.

Remuneration/Compensation Committee

The Remuneration/Compensation Committee ("the committee") comprised of three members out of which two are Independent Directors. This Committee comprises of Shri Manoj Sharma (Chairman), Shri Manish Kumar and Shri Mahesh Kumar Agarwal.

The Remuneration/Compensation Committee was set up to review the overall compensation structure and related policies of the Company with a view to attract, motivate and retain employees. The Committee determines the Company's policies on remuneration packages payable to Managing Director and also reviews the compensation levels vis-à-vis other companies and the industry in general. The Company Secretary acts as the Secretary to the Committee. No Meeting of the Committee was held during the financial year 2011-12.

Details of remuneration paid to the Directors during 2011-12

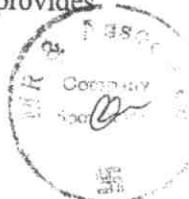
No sitting fees for Board meeting and Committee meeting were paid to the directors. The Company has paid an annual remuneration of Rs. 30,00,000/- (Rupees Thirty Lacs only) including perquisites to the Managing Director Sri Jugal Kishore Agarwal.

Shareholders/Investors' Grievances Committee

The Shareholders/Investors' Grievances Committee ('the committee') comprised of three members including one Independent Director.

This Committee comprises of Shri Nirmal Kumar Agarwal (Chairman), Shri Manoj Sharma and Shri Mohan Lal Agarwal as member of the Committee. The Committee was constituted to address investor grievances and complaints in matters such as transfer of equity shares, non-receipt of annual reports and non-receipt of declared dividends, among others, and ensure an expeditious resolution to the matter. The Committee also evaluates performance and service standards of Registrar and Transfer Agent and provides continuous guidance to improve the service levels for investors.

Mr. Bharat Agarwal, Company Secretary acts as the Compliance Officer.



Two Meetings of the Committee was held during the financial year on 12th May, 2011 and November 15th, 2011.

Attendance record of Shareholders/Investors' Grievances Committee :

Name of the Member	Category	Number of meetings	Meetings attended
Shri Nirmal Kumar Agarwal (Chairman)	Non Independent Non-Executive	2	2
Shri Mohan Lal Agarwal	Non Independent Non-Executive	2	2
Shri Manoj Sharma	Independent	2	2

The Company did not receive any complaints from shareholders during the year. No complaints were pending as on March 31, 2012. There were also no investor complaint pending against the Company as on March 31, 2012 on SCORES, the web based complaint redressal system of SEBI.

Status of Investors' Complaints:

Number of complaints received during the year	Nil
Number of complaints resolved upto 31st March, 2012	Nil
Number of complaints not solved to the satisfaction of shareholders	N. A.
Number of complaints pending as on 31st March, 2012.	Nil

E-mail ID earmarked for redressing Investors queries in terms of Clause 47(f) of the listing agreement- secretarial@adhunikgroup.co.in

Disclosures

- (i) There was no materially significant related party transaction entered into by the Company with the promoter Directors or their relatives during the period that may have potential conflict with interest of the Company at large.
- (ii) There was no instance of non-compliance penalties/strictures imposed on the Company by stock exchange(s) or the SEBI or any other statutory authorities, on any matter related to capital markets during the last three years
- (iii) There were no inter-se or pecuniary relationships or transactions with the Non-Executive Directors.
- (iv) Whistle Blower Policy being non-mandatory requirement has not been adopted by the Company. However, the management affirms that no personnel have been denied access to the Audit Committee.

- (v) The company is complying with all mandatory requirements of Clause 49 of Listing Agreement. The Non-Mandatory requirements relating Remuneration/ Compensation Committee have been adopted by the company.
- (vi) Shareholding of Directors in the Company as on March 31, 2012.

Name of Directors	Number of equity shares
Shri Jugal Kishore Agarwal	4,94,500
Shri Mohan Lal Agarwal	4,41,500
Shri Mahesh Kumar Agarwal	5,24,000

Means of Communication

- a) The Financial results are regularly submitted to the stock exchanges in accordance with the listing agreement and published in one English Daily (The Echo of India) and one Bengali Daily (Aarthik Lipi).
- b) The Management Discussion and Analysis report is a part of Annual Report.

Details of previous Annual General Meeting:

The last three Annual General Meetings of the Company were held as per details given below:

Year	Date	Time	Venue	Number of special resolutions passed
2010-11	September 30, 2011	11:00 am	2/1 A Sarat Bose Road, Kolkata-700 020	Nil
2009-10	September 13, 2010	11.00 am	14, Netaji Subhas Road Kolkata-700 001.	Nil
2008-09	November 30, 2009	11.00 am	14, Netaji Subhas Road Kolkata-700 001.	1. Appointment of Sri Manoj Kumar Agarwal as Director 2. Appointment of Sri Manoj Sharma as Director 3. Appointment of Sri Jugal Kishore Agarwal as Managing Director 4. Change in name of the Company.

One Extra Ordinary General Meetings of the shareholders was held during the financial year by Ordinary resolution on December 30, 2011 for appointment of Statutory Auditor. No Special resolution was passed during the last financial year.



Postal Ballot

No resolution was passed through Postal Ballot in 2011-12. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a resolution through postal ballot.

Code of Conduct

The Code of Conduct, as adopted by the Board, is applicable to Directors, senior management and employees of the Company. The Code is designed from three interlinked fundamental principles viz. good corporate governance, good citizenship and exemplary personal conduct. The Code covers commitment to sustainable development concern for occupational health, safety and environment, a gender-friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example.

Code for prevention of insider trading practices

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a comprehensive code for prevention of insider trading is in place. The objective of the code is to prevent purchase and /or sale of shares of the Company by insider on the basis of unpublished price sensitive information.

CEO/CFO certification

The CEO and CFO certification issued in accordance with the provisions of Clause 49 of Listing Agreement with Stock Exchanges for the year is annexed and forms part of the Annual Report.

Compliance certificate

The compliance certificate from MR & Associates, practicing Company Secretary, affirms that the Company complied with the conditions of corporate governance as were applicable as on March 31, 2012 and stipulated in Clause 49 of the Listing Agreement with the stock exchange(s) is annexed hereto.

General shareholders' information

AGM details

Day and date	Saturday, September 29, 2012
Venue	2/1A Sarat Bose Road," Lansdowne Towers" Kolkata – 700 020.
Time	11.00 A.M.
Book closure dates	16th September 2012 to 29 th September 2012 (both days inclusive)

Registrar & Share Transfer Agents

M/s Maheshwari Datamatics Private Limited.
6, Mangoe Lane, 2nd Floor
Kolkata-700 001.
Tel no. 91-33-22435809
Fax no. 91-33-22484787
E-mail- mdpl@cal.vsnl.net.in

Share transfer system

The Registrars and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited, register the share transfer after the shares are lodged for transfer, within a period ranging from 7 to 10 days provided the documents lodged with the Registrars/Company are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchange.

Dematerialization of shares and liquidity

As per SEBI requirement the Company enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's shares are available for trading under both the depository systems in India. The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE452L01012. The Company has paid annual custody fee for the financial year 2012-13 to NSDL and CDSL, the depositories. As on 31st March, 2012 3,50,54,800 Equity Shares of the Company representing 74.96% of the issued and subscribed share capital stood dematerialized.

Details of DEMAT and Physical Shares as on March 31, 2012

Description	Number of Holders	Number of Shares	% of Equity
CDSL	NIL	NIL	NIL
NSDL	15	3,50,54,800	74.96%
Physical	81	1,17,08,950	25.04%
Total	96	4,67,63,750	100.00%



Physical Form
 NSDL
 CDSL



Distribution of shareholding as on March 31, 2012

Category (Share)	Shareholders		No of Shares	
	Number	% to total		% to total
1- 500	66	68.7500	10693	0.0229
501-1000	1	1.0417	1000	0.0021
1001-2000	5	5.2083	10000	0.0214
2001-3000	4	4.1667	9450	0.0202
3001-4000	1	1.0417	3300	0.0071
4001-5000	Nil	Nil	Nil	Nil
5001-10000	1	1.0417	6000	0.0128
10001 and above	18	18.7500	46723307	99.9135
Total	96	100.0000	46763750	100.0000

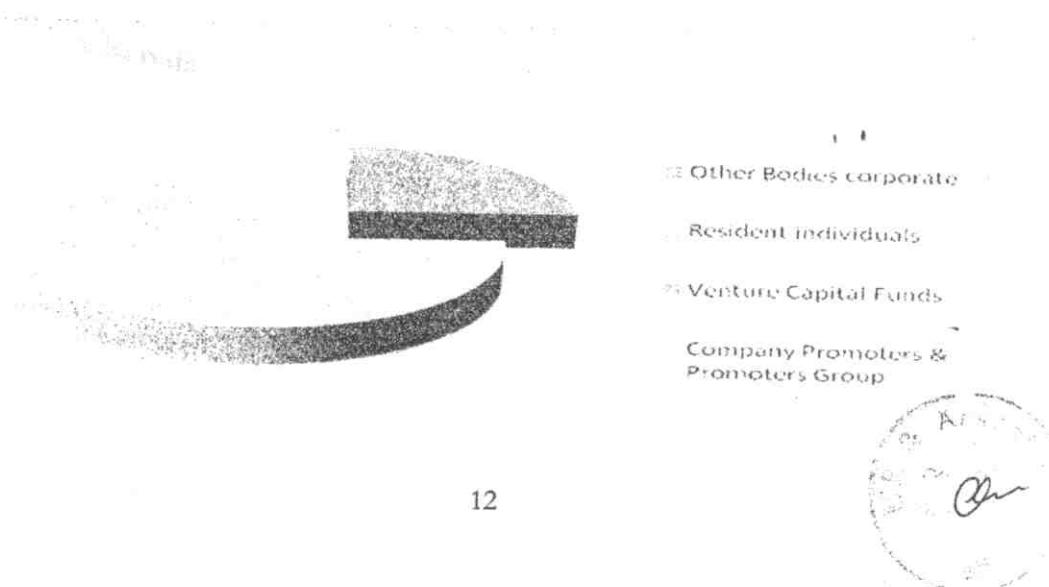
Market Price Data

Since the Companies shares are not actively traded presently on Calcutta Stock Exchange, therefore the market price data are not available.

Categories of shareholders as on March 31, 2012

Serial number	Category	Numbers of holders	Number of shares	% to equity
1	Company Promoters & Promoters Group	15	3,50,54,800	74.9615
2	Other Bodies corporate	7	28,107	0.0601
3	Resident individuals	73	39,893	0.0853
4	Venture Capital Funds	1	1,16,40,950	24.8931
	Total	96	4,67,63,750	100.00

Shareholding pattern as on March 31st, 2012.



Listing of shares on stock exchanges with stock code

Stock exchange	Stock code
Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001. Telephone nos : 033-22104470-77 Facsimile no. : 033-22102223 Website : www.cse-india.com ISIN No.-	028188 INE452L01012

The annual listing fee for the year 2012-13 has been paid to the above stock exchange.

Dividend history

Financial year	Dividend per share (RS.)	Total dividend (Rs. in lakhs)
2011-12	Nil	Nil
2010-11	1.00	467.64
2009-10	1.00	467.64
2008-09	1.00	2.00
2007-08	1.00	2.00

Financial calendar tentative

Financial year 2011-12	
1	First quarter results
2	Second quarter and half-year results
3	Third quarter results
4	Fourth quarter results
5	Annual Result

Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity :

Not applicable



Plant location :

Raturia Industrial Area, Angadpur
Durgapur-713 215, West Bengal.
India

Investors correspondence

All queries of investors regarding the Company's shares or other matters may be sent at the following addresses

The Company Secretary
Adhunik Industries Limited
Lansdowne Towers
2/1A, Sarat Bose Road
Kolkata – 700 020
Tel no. 91-33-30517100
Fax no. 91-33-22890285
E Mail:bharatagarwal@adhunikgroup.co.in

or

M/s Maheshwari Datamatics Pvt. Limited.
6, Mangoe Lane, 2nd Floor
Kolkata- 700 001
Tel no. 91-33-22435809
Fax no. 91-33-22484787

Registered Office
14, Netaji Subhash Road
Kolkata – 700 001

For and on behalf of the Board

Date: September 4, 2012


Ashok Bacter
Chairman

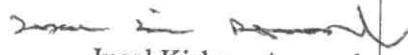

Jugal Kishore Agarwal
Managing Director

DECLARATION BY CEO ON CODE OF CONDUCT

TO
THE MEMBERS
M/S. ADHUNIK INDUSTRIES LIMITED

All the members of the Board and senior management personnel of the Company affirmed due observance of the Code of Conduct, framed pursuant to Clause 49 of the Listing Agreement with stock exchanges, in so far as it was applicable to them and there was no non compliance thereof during the year ended March 31, 2012.

Place: Kolkata
Date: September 4, 2012


Jugal Kishore Agarwal
Managing Director

Company Secretary Certificate regarding compliance of conditions of Corporate Governance

To the Members of
M/s. Adhunik Industries Limited

Re: Certificate regarding compliance of conditions of Corporate Governance

1. We have examined the compliance of conditions of Corporate Governance by Adhunik Industries Limited, for the year ended 31.03.2012, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange (s).
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination has been limited to procedure 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.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. 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 MR & Associates
Company Secretaries

Place : Kolkata
Date : September 4, 2012

Mohan Ram Goenka
Partner
C P No.: 2551



CEO AND CFO CERTIFICATION

We, Jugal Kishore Agarwal, Managing Director and Bikash Roy Choudhury, Head of Finance and Accounts, responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2012 and confirm that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee :
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.


Jugal Kishore Agarwal
Managing Director


Bikash Roy Choudhury
Head of Finance & Accounts

Kolkata
4th September 2012.

AUDITOR'S REPORT

To:

The Members of

ADHUNIK INDUSTRIES LTD., (formerly Bhagwati Resources Ltd.)

- 1) We have audited the attached Balance Sheet of Adhunik Industries LTD, (formerly Bhagwati Resources LTD.) as at 31st March 2012 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with 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 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 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ("the order"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - i. 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;
 - ii. 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 such books;
 - iii. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;



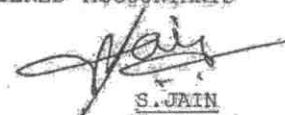
Sudhir Kumar Jain & Associates

CHARTERED ACCOUNTANTS

"MOON HOUSE", 5TH FLOOR, SUIT NO.31
21, GANESH CHANDRA AVENUE
KOLKATA-700 013
M: 22113863/64/65
E-mail: jain_sudhirkal@yahoo.co.in

- iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
5. In our opinion and to the best of our information and according to the explanations given to us, the said Statements of accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012; and
 - (b) in the case of Profit and Loss Account, of the profit of the Company for the year ended on that date;
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For SUDHIR KUMAR JAIN & ASSOCIATES
Firm Reg. No.: 318016E
CHARTERED ACCOUNTANTS


S. JAIN
(Partner)
Membership No.: 53637

Place: Kolkata
Date: The 4th Day of September, 2012



ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF ADHUNIK INDUSTRIES LTD. AS AT AND FOR THE YEAR ENDED 31ST, MARCH, 2012)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Fixed Assets were physically verified by the management in accordance to the programme of verification. The discrepancies all noticed on such verification were not material and have been properly dealt with in the books of Account.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted Physical verification of inventories at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining Proper records of inventory and no material discrepancies noticed on such physical verification carried out at the end of the year.
- (iii) (a) According to the information and explanation given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act,1956. Accordingly Clauses (a)to(d) of para III the order are not applicable to the company.
- (b) According to the information and explanation given to us, the company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act,1956. Accordingly Clauses (e)to(g) of para III the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weaknesses or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.



- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of the contracts or arrangement referred to in section 301 of the Companies Act, 1956 that needs to be entered into the register maintained under section 301 has been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lakhs entered into during the financial year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public within the provisions of section 58A, 58AA or any other relevant provisions of Companies Act, 1956, and rules framed there under.
- (vii) In our opinion, the Company has an internal audit system which needs to be further strengthened to make the same with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of any cost records under clause (d) of sub-section (1) of section 209 of the Act for the company. Thus, the requirements of clause 4(viii) are not applicable to the company.
- (ix) (a) Undisputed statutory dues including Provident Fund, Income Tax except Wealth Tax, Sales Tax, Service Tax, Excise Duty, Cess have been deposited with appropriate authorities though in general there have been delays in payments of dues other than Excise Duty and Service Tax.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion, the Company has no accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) According to the information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institution and banks.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii)



Sudhir Kumar Jain & Associates

CHARTERED ACCOUNTANTS

"MOON HOUSE", 5TH FLOOR, SUIT NO.31
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KOLKATA-700 013
Ph : 22113863/64/65
E-mail : jain_sudhirkol@yahoo.co.in

of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.

- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks and financial institution. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.
- (xvi) On the basis of review of utilisation of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the Company were *prima facie* been used for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment during the financial year to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The company did not issue any debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.
- (xx) The company did not raise any money from public issue. Therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.
- (xxi) According to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For SUDHIR KUMAR JAIN & ASSOCIATES
Firm Reg. No.: 318016E
CHARTERED ACCOUNTANTS

Place: Kolkata
Date : The 4th Day of September, 2012


S.JAIN
(Partner)
Membership No.: 53537



ADHUNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

BALANCE SHEET AS AT 31ST MARCH 2012

	Notes	31st. March 2012	31st. March 2011
EQUITY AND LIABILITIES			
A. Shareholders' Funds			
Share Capital	3	467,637,500	467,637,500
Reserves and Surplus	4	348,617,979	289,788,451
		816,255,479	757,425,951
B. Share Application Money pending for allotment			52,700,000
C. Non-current Liabilities			
Long Term Borrowing	5	583,712,749	428,712,046
Deferred Tax Liabilities	6	182,951,085	80,271,529
Other long term Liabilities	7	13,414,730	181,475,311
		680,078,564	690,458,686
D. Current Liabilities			
Short Term Borrowing	8	752,679,909	585,401,876
Trade Payable	9	298,513,724	161,696,537
Other short term Liabilities	10	67,657,082	42,263,750
Short Term provisions	11	14,992,642	65,643,035
		1,133,843,357	855,007,199
		2,630,177,400	2,355,591,835
ASSETS			
A. Non-Current Assets			
Fixed Assets			
a) Tangible Assets	12	617,004,820	637,106,998
b) Capital Work-in-Progress		101,428,207	51,349,118
Non-Current Investments	13	400,000	400,000
Long Term Loans and Advances	14	6,481,247	6,163,747
		725,294,274	695,019,863
B. Current Assets			
Inventories	15	489,345,744	600,325,431
Trade Receivables	16	862,935,516	679,899,211
Cash & Bank Balances	17	60,008,495	113,314,743
Short Term Loans and Advances	18	493,192,571	267,031,588
		1,904,883,126	1,660,571,972
		2,630,177,400	2,355,591,835
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			
As per our report of even date			
FOR SUDHIR KUMAR JAIN & ASSOCIATES Adhunik Industries Ltd., Adhunik Industries Ltd.			
Firm Regn No: 318016E			
Chartered Accountants:			
<i>(S.Jain)</i>		<i>Mukesh Agarwal</i>	<i>Parshuram Agarwal</i>
Partner		Director	Director
Membership No: 053537			
Place: Kolkata		Adhunik industries Limited	
Date: 4th September 2012		<i>Parshuram Agarwal</i>	Company Secretary



ADHUNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	31st March 2012	31st March 2011
INCOME			
Revenue from Operations (Gross)	18	3,711,262,300	3,508,332,194
Less: Excise Duty	18	173,735,018	159,452,585
Revenue from Operations (Net)		3,537,527,282	3,348,879,549
Other Income	19	16,987,996	1,334,998
Total Revenue (A)		3,554,515,278	3,350,211,547
EXPENSES			
Purchases & Raw Materials Consumed	20	2,906,405,104	3,068,073,396
(Increases)/Decrease in Inventories	21	177,688,974	(152,952,715)
Employee Benefit Scheme	22	15,622,650	12,265,305
Other Expenses	23	152,669,204	140,239,773
Total Expenses (B)		3,252,885,932	3,067,625,759
Earnings before Interest, Tax, Depreciation, and Amortization (EBITDA)		302,129,346	282,585,789
(A)-(B)		36,814,510	21,690,564
Depreciation and Amortization Expenses	22	187,827,307	73,592,502
Finance Costs	24		
Profit/(Loss) Before Extraordinary & Exceptional Item and Taxes		77,487,529	187,302,723
Exceptional & Extraordinary Item			
Profit/(Loss) Before Taxes		77,487,529	187,302,723
Tax Expenses			
Current Tax		15,978,445	47,395,160
Deferred Tax		2,679,556	12,856,525
Total Tax Expenses		18,658,001	60,451,685
Profit/(Loss) for the year from Continuing Operation		58,829,528	126,851,038
Earnings per Equity Share (Nominal Value of share Rs. 10)			
Basic		1.26	2.71
Diluted		1.26	2.56

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

FOR SUDHIR KUMAR JAIN & ASSOCIATES Adhunik Industries Ltd. Adhunik Industries Ltd.

Firm Regn No: 318016E

Chartered Accountants

(S.Jain)
Partner
Membership No: 058597

Place: Kolkata
Date: 4th September 2012



Mohan Jeawal
Director

Parimal
Director

Adhunik industries Limited

Rehanat Agarwal
Company Secretary

ADHNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

Cash Flow Statement for the year ended 31st March 2012

	Figures for the year ended 31st March, 2012 (`)	Figures for the year ended 31st March, 2011 (`)
A. Cash Flow from Operating Activities		
Net Profit before Tax and Extra ordinary item	77,487,529	187,502,721
Adjustments for:		
Depreciation	36,814,510	21,690,564
Gratuity	10,6681	93,942
Interest Income	15,350,884	(1,075,307)
Interest Paid	187,827,307	20,616,413
Dividend Income	60,000	(50,000)
	<u>240,657,362</u>	<u>41,275,014</u>
Operating Profit before working Capital changes	318,144,891	228,577,735
Adjustments for:		
(Increase)/Decrease in Trade and Other Receivable	(408,895,589)	(120,153,751)
(Increase)/Decrease in Inventories	110,980,688	(24,110,105)
Increase/(Decrease) in Trade Payables & Liabilities	(30,342,362)	60,142,181
	<u>(28,757,263)</u>	<u>(84,131,675)</u>
Cash Generated from Operations	10,812,322	144,445,060
Income Tax (Paid) / Refund	(12,024,270)	(55,253,224)
Cash Flow before Extraordinary items	(22,636,642)	89,192,836
Extra Ordinary Items	-	-
Net Cash Used in Operating Activities	(22,636,642)	89,192,836
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(66,791,470)	(287,251,330)
Interest Income	(15,850,864)	(1,075,307)
Fixed Deposit made / matured during the year	23,781,429	(45,832,651)
Dividend Income	(60,000)	50,000
Net Cash Used in Investing Activities	(58,940,355)	(331,558,974)
C. Cash Flow from Financing Activities		
Share Application money (net)	(52,700,000)	(8,250,000)
Interest Paid	(187,827,307)	(20,616,413)
Increase in Secured Loan	337,549,711	263,763,020
Increase in Unsecured Loan	9,653,525	79,222,788
Dividend Paid	(46,695,750)	(46,695,750)
Tax on Dividend	(7,947,499)	(7,947,499)
Net Cash from financing Activities	52,032,679	274,976,142
Net increase / (Decrease) in Cash and Cash Equivalents	(29,544,818)	32,620,104
Cash and Cash Equivalent as at the Opening of the year	43,278,795	10,668,691
Cash and Cash Equivalent as at the Close of the year	13,733,977	43,278,795

Note : a) Cash and Cash Equivalent comprises of :

Cash in Hand	3,269,474	1,987,726
Balance with Scheduled Banks (including Bank Over Cheques in Hand	10,464,503	91,311,975
	<u>13,733,977</u>	<u>43,278,795</u>

b) This Cash Flow Statement has been prepared under Indirect method.

c) Previous year figure have been regrouped wherever necessary.

Adhnik Industries Ltd.

Sudhir Kumar Jain & Associates
Director

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Regn No: 3180165

Chartered Accountants

(S.Jain)
Partner

Membership No: 053537



Adhnik Industries Ltd.

Shri. B. Bhattacharya

Company Secretary

Bharat Agarwal

Place: Kolkata
Date: 4th September 2012

ADHNIK INDUSTRIES LIMITED

ADHUNK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

NOTES TO FINANCIAL STATEMENTS

1) CORPORATE INFORMATION

Adhunk Industries Ltd, having manufacturing facilities at Durgapur, West Bengal is primarily engaged in the manufacture & sale of steel products.

2) SIGNIFICANT ACCOUNTING POLICIES:

(I) Basis of Accounting :

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis under the historical cost convention. Except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year.

(II) Presentation and disclosure of financial statement :

During The year 31st March 2012, the revised schedule VI notified under Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statement. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However it has significant impact on presentation and disclosures made in financial statement. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(III) Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and result of operation during the reported year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(IV) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (a) Revenue from sale of goods and services rendered is recognised when significant risks and rewards of ownership of products and services have passed to the customers.
- (b) Claims made in respect thereof is accounted as income in the year of receipts or acceptance by the client or evidence of acceptance received by the client.
- (c) Dividend is recognized on cash basis.
- (d) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(V) Fixed Assets :

- (a) Fixed assets are stated at cost, less accumulated depreciation / amortization and impairment if any. Cost comprises the purchase price inclusive of duties (net of CENVAT & VAT), taxes, incidental expenses, erection/commissioning expenses, and interest etc. upto the date the asset is put to use
- (b) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual useful life of the respective assets.



ADHUNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

NOTES TO FINANCIAL STATEMENTS

(c) **Expenditure on New Projects and Substantial Expansion:** Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction activity or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit & Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

(VI) Depreciation:

- (a) The Classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- (b) Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 or estimated useful life whichever is higher.
- (c) Depreciation includes the amount written off in respect of leasehold land over the respective lease period.
- (d) Depreciation on fixed assets added / disposed off during the year, is provided on pro-rata basis with reference to the month of addition / disposal.
- (e) Discarded Fixed Assets awaiting disposal are valued at estimated realisable value and disclosed separately.
- (f) Depreciation on Insurance Spares / standby equipments is provided over the useful lives of the respective mother assets.

(VII) Fixed Assets acquired under lease:

- (a) **Finance Lease:**
 - (i) Assets acquired under lease agreements which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payment after discounting them at an appropriate discount rate at the inception of the lease term and disclosed as leased assets. Lease Payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to expenses account.
 - (ii) Lease assets capitalised, if any, are depreciated over the shorter of the estimated useful life of the asset or the lease term.
- (b) **Operating Lease:** Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating lease. Operating lease payments are recognized as expense in the profit and loss Account on a straight line basis over the lease term.



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NOTES TO FINANCIAL STATEMENTS

(VIII) Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(IX) Inventories:

- (a) Raw Materials, Stores & Spares & Packing Materials are valued at lower of cost computed on FIFO basis and net realisable value.
- (b) Finished Goods are valued at lower of cost computed on weighted average basis and net realisable value. Cost of finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- (c) By-products are valued at net realisable value.
- (d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(X) Cash & Cash Equivalents:

Cash and cash equivalents in the Cash Flow comprise cash at bank and in hand (including cheques / drafts in hand), balance lying in banks in current account (including overdraft).

(XI) Excise Duty:

Excise Duty on Finished Goods stock lying at the factories is accounted for at the point of manufacture of goods and is accordingly considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date.

(XII) Employees Benefits:

- i. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when these are due.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of Financial Year.
- iii. Actuarial gain/losses are immediately taken to the Profit & Loss Account and are not deferred.

(XIII) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(XIII) Provisions:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



ADHUNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

NOTES TO FINANCIAL STATEMENTS

(XIV) Taxation:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is 'reasonable certainty' that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(XV) Segment Reporting:

The Company has identified Iron & Steel products as its sole operating segment and the same has been treated as primary segment.

(XVI) Contingencies:

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes to the Accounts.

(XVII) Earning per share:

Earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

(XVIII) Impairment of Assets:

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(XIX) Miscellaneous Expenditure

Preliminary expenses are amortized over a period of five years.



ADHUNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

NOTES TO FINANCIAL STATEMENTS

NOTE 3 : SHARE CAPITAL

	31st March 2012 ₹	31st March 2011 ₹		
a) Authorised Shares 50,00,000 (Pr.Yr 50,00,000) Equity Shares of ₹ 10/- each	500,000,000	500,000,000		
Issued, Subscribed and Fully Paid Up Share 46,763,750 (46,763,750) Equity Shares of ₹ 10 each fully paid up	467,637,500	467,637,500		
Total Issued, subscribed and fully paid up equity share capital	467,637,500	467,637,500		
b) Reconciliation of the number of Equity shares	31st March 2012	31st March 2011		
	No. Of Share	Amount	No. Of Share	Amount
Outstanding at the beginning of the year	46,763,750	467,637,500	46,763,750	467,637,500
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	46,763,750	467,637,500	46,763,750	467,637,500
c) Details of Shareholders holding more than 5 percent of equity shares	31st March 2012	31st March 2011		
	No. of Shares	% of Holding	No. of Shares held	% of Holding
Mahananda Suppliers Limited	16,600,000	35.50	16,600,000	35.50
Sungrowth Share & Stocks Limited	14,883,750	31.83	14,883,750	31.83
Adharshila Venture Capital Fund Ltd.	11,640,950	24.89	11,640,950	24.89
d) Terms/ Rights attached to Equity Share				
The Company has only one class of issued shares i.e. equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of share holders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after payment of all the preferential amounts, in proportion to their shareholding.				

NOTE 4 : RESERVES AND SURPLUS:

	31st March 2012 ₹	31st March 2011 ₹
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statement	289,788,451	217,648,662
Add: Net Profit for the year as per Statement of Profit and Loss	58,829,528	126,851,038
	348,617,979	344,499,700
Less: Appropriation		
Proposed Final Equity Dividend (amount per share ₹ Nil (31st March 2011 ₹ 1.00))		46,763,750
Tax on Proposed Equity Dividend		7,947,499
Total Appropriation		54,711,249
Net Surplus/(Deficit) in the statement of Profit and Loss	348,617,979	289,788,451
Total Reserve and Surplus	348,617,979	289,788,451

NOTE 5 : LONG TERM BORROWING

	Non Current Portion		Current Maturities	
	31st March 2012 ₹	31st March 2011 ₹	31st March 2012 ₹	31st March 2011 ₹
(a) Term loans Indian rupee loan from banks (secured)	304,375,343	158,161,391	41,398,000	16,473,500
(b) Deferred Payment Credit Indian rupee loan from banks (secured)	-	866,774	-	-
(c) Other loans and advances From Bodies Corporate (Unsecured)	279,337,406	269,683,881	-	-
Total Long Term Borrowings	583,712,749	428,712,046	41,398,000	16,473,500

Indian Rupee Term loan from Banks are secured by way of:

- a Equitable mortgage on all the present and future immovable properties including land & building both present & future of the Company at factory at Angadpur Durgapur, West Bengal and first charge by way of hypothecation of the Company's movable properties, save and except book debts and equipment purchase on hire purchase basis but including movable machinery, spares, tools and accessories, both present and future subject to prior charges in favour of the Company's bankers on specified movable properties for borrowing of working capital requirement. This loan includes ₹ 21,925,690/- (P.Y. ₹ 35,682,905/-) taken from State Bank of Mysore which is secured by way of hypothecation charge over wind mill in Ohule, Maharashtra
- b Guarantee and certain collateral securities have been provided by the Promoters / Directors in their personal capacity.



ADHUNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)
NOTES TO FINANCIAL STATEMENTS

NOTE 6: DEFERRED TAX LIABILITIES (NET)

The Company has recognised deferred tax arising on account of timing difference being the difference between the accounting income, that originate in one period and is capable of reverse in or more subsequent periods in compliance with Accounting Taxable Income and Accounting Standard (AS 22) - Accounting for taxes on income.

The major component of deferred tax liabilities arising on account of timing difference are as follows:

	31st March 2012	31st March 2011
Difference between WDV of Fixed Assets as per Company Act and IT Act	83,146,542	80,433,017
b) Others	(195,457)	(161,488)
Total Deferred Tax Liabilities (Net)	82,951,085	80,271,529

NOTE 7: OTHER LONG TERM LIABILITIES

	31st March 2012	31st March 2011
Trade Payables (including Acceptance)	13,414,730	181,475,111
Total Other Long Term Liabilities	13,414,730	181,475,111

NOTE 8: SHORT TERM BORROWING

	31st March 2012	31st March 2011
Cash Credit from Banks (Secured)	752,679,909	585,401,876
Total Short Term Borrowings	752,679,909	585,401,876

Cash Credit from banks are secured by way of:

- a) First charge by way of hypothecation of stock, book debts and other current assets of the company related to factory at Andagpur, Durgapur.
- b) Second charge on other assets on which first charge has been created in favour of Term Loan Lenders for term loans provided by them of the company related to factory at Andagpur, Durgapur.
- c) Guarantee and certain collateral securities have been provided by the Directors in their personal capacity.

NOTE 9: TRADE PAYABLES

	31st March 2012	31st March 2011
a) Due to Micro, Small & Medium Enterprises	-	-
b) Trade Payables (including Acceptance)	298,513,724	161,696,537
Total Trade Payable	298,513,724	161,696,537

Trade Payable include ₹ NIL (₹ NIL) due to small scale and ancillary industry undertakings (SSI) to the extent such parties have been identified from the available documents/ informations.

As per information available with the Company, none of the parties from whom the Company procure the goods or receives services are enterprises covered under The Macro, Small and Medium Enterprise Development Act, 2006 (the Act).

NOTE 10: OTHER CURRENT LIABILITIES

	31st March 2012	31st March 2011
a) Current maturities of long-term debt (Refer Note 5)	41,398,000	16,473,500
b) Advance from customers	5,219,446	14,747,030
c) Unpaid/Unclaimed Dividends	272,000	204,000
d) Statutory Dues		
- Service Tax	19,178,730	10,836,724
- TDS	1,588,906	2,496
Total Other Current Liabilities	67,657,082	42,263,750

NOTE 11: SHORT TERM PROVISION

	31st March 2012	31st March 2011
Provision for Employee Benefits		
Provision for gratuity	602,333	497,652
Other Provision		
Provision for Income Tax ('Net of Advance Tax')	14,390,309	10,436,134
Proposed Equity Dividend	-	46,763,750
Provision for tax on Proposed Equity Dividend		7,947,499
Total Short Term Provision	14,992,642	65,645,035



ADHUNK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

NOTES TO FINANCIAL STATEMENTS

Note 12: Fixed Assets

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at April, 2011	1st April, the Year	Sale/Adjustment	As at 31st March, 2012	As at 1st April, 2013	As at 31st March, 2012
Tangible Assets:						
Leased Land	8,429,270			8,429,270	608,709	7,820,561
Freahold Land	2,700,000			2,700,000	-	2,700,000
Factory/Billing	373,512,988			373,970,931	18,155,259	348,066,896
Plant & Machinery	162,824,122			161,669,915	5,748,795	153,352,689
Furniture	663,212			663,212	242,484	420,728
Office Equipment	8,053,967			8,125,757	70,935	453,94,999
Vehicle	4,893,144			4,692,144	1,644,463	467,710,356
Computer	2,497,801			2,513,055	156,550	2,146,453
Total	755,370,504	16,72,332		772,082,836	118,263,156	155,078,016
Previous Year's Total	3,337,2,908	321,657,600		755,370,504	965,2,902	21,690,564
						18,263,506
						637,05,998



ADHUNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

NOTES TO FINANCIAL STATEMENTS

NOTE 13: NON CURRENT INVESTMENT	Number of Shares	Face Value per Share	31st March 2012	31st March 2011
<u>Long Term, Quoted (Other than Trade)</u>			₹	₹
<u>Fully Paid Equity Shares</u>				
- In Adhunik Metalks Ltd	40,000	10	400,000	400,000
Total Non Current Investment			400,000	400,000

NOTE 14: LOANS AND ADVANCES	Non Current		Current	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
a. Security Deposits				
Secured, considered good				
Unsecured, considered good	6,461,247	6,163,747	52,500,000	-
A	6,461,247	6,163,747	52,500,000	-
b. Advances recoverable in cash or in kind				
Secured, considered good				
Unsecured, considered good			154,800,540	74,416,434
B			154,800,540	74,416,434
c. Other loans and advances				
Prepaid Expenses			110,930	141,697
Advance Payment to Supplier			190,574,277	95,975,297
Balance with statutory/government authorities			95,207,224	96,498,160
C			285,892,431	192,615,154
(A+B+C) Total Loans and Advances	6,461,247	6,163,747	493,192,971	267,031,588

NOTE 15: INVENTORIES	31st March 2012	31st March 2011
Raw Materials and Components	284,171,671	214,031,695
Finished Goods and Rejected Materials	187,880,335	365,569,309
Stores & Spares	17,293,738	20,725,427
Total Inventories	489,345,744	600,326,431

NOTE 16: TRADE RECEIVABLE	31st March 2012	31st March 2011
Unsecured, considered good unless stated otherwise		
Outstanding for the period exceeding six months from the date they are due for payment		
Unsecured, considered good	35,442,647	32,541,244
Doubtful		
(A)	35,442,647	32,541,244
Other receivables		
Unsecured, considered good	826,893,269	647,357,967
Doubtful		
(B)	826,893,269	647,357,967
(A+B) Total Trade Receivable	862,335,916	679,899,211

NOTE 17: CASH AND BANK BALANCES	31st March 2012	31st March 2011
Cash and cash equivalents		
Balances with banks		
On Current Accounts	10,464,503	41,311,575
Deposit with original maturity less than three months	46,274,518	70,035,948
Cash on Hand	3,269,474	1,967,220
Total Cash and Bank Balance	60,008,495	113,314,743



ADHUNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

NOTES TO FINANCIAL STATEMENTS

NOTE 18 : REVENUE FROM OPERATION	31st March 2012	31st March 2011
Sales	3,533,106,552	3,232,402,450
Business & Other Service Income	178,155,748	275,929,684
Revenue from Operation (Gross)	3,711,262,300	3,508,332,134
Less: Excise Duty	173,735,018	159,452,585
Total Revenue from Operation (Net)	3,537,527,282	3,348,879,549

DETAILS OF REVENUE FROM OPERATION	31st March 2012	31st March 2011
Sales		
Iron & Steel product	3,533,106,552	3,232,402,450
	3,533,106,552	3,232,402,450
Details of Services Rendered		
Business & Other Service Income	178,155,748	275,929,684
	178,155,748	275,929,684

NOTE 19 : OTHER INCOME	31st March 2012	31st March 2011
Interest Income On:		
- Bank Deposits	1,513,984	864,835
- Others	14,336,880	417,163
Dividend Income On:		
- Investment in Adhunik Metalik	60,000	50,000
Unspent Liabilities and provisions no longer required written back	56,999	
Foreign Exchange Gain	1,020,133	
Total Other Income	16,987,996	1,331,998

NOTE 20 : PURCHASES & RAW MATERIAL CONSUMED	31st March 2012	31st March 2011
Inventory at the beginning of the year	214,031,695	346,601,769
Add: Purchases	2,955,894,144	2,911,887,216
Freight	20,650,936	23,515,106
	3,190,576,775	3,282,105,091
Less: Inventory at the end of the year	284,171,671	214,031,695
Total Purchases & Raw Material Consumed	2,906,405,104	3,068,073,396

DETAILS OF PURCHASES	31st March 2012	31st March 2011
Purchase		
Iron & Steel product	2,955,894,144	2,911,887,216
	2,955,894,144	2,911,887,216

NOTE 21 : (INCREASES)/DECREASE IN INVENTORIES	31st March 2012	31st March 2011
Inventory at the end of the year		
Finished Goods	187,880,335	365,569,309
Less: Inventory at the beginning of the year		
Finished Goods	365,569,309	212,616,594
Total (Increases)/Decrease in Inventories	177,688,974	(152,952,715)

NOTE 22 : EMPLOYEE BENEFIT EXPENSES	31st March 2012	31st March 2011
Salaries & Bonus	11,244,691	8,141,672
Contribution to Provident Fund	1,273,278	1,030,291
Gratuity	104,681	93,342
Managing Directors' Remuneration	3,000,000	3,000,000
Total Employee Benefit Expenses	15,622,650	12,265,305



ADHUNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

NOTES TO FINANCIAL STATEMENTS

NOTE 23: OTHER EXPENSES	31st March 2012	31st March 2011
Consumption of Stores and Spares	18,742,768	14,070,922
Excise Duty on Inventory	19,752,386	16,737,246
Power and Fuel	71,369,387	78,164,352
Oil and Lubricant Expenses	122,772	136,363
Water Charges	732,980	814,650
Operation & Maintenance Charges	2,577,600	1,870,200
Freight and Forwarding Charges	6,743,870	246,929
Rent	2,917,920	2,456,106
Rates and Taxes	364,596	362,995
Donation	282,000	813,000
Fees and Subscription	2,148,335	1,005,000
Insurance	162,960	269,358
Repair & Maintenance	1,024,753	981,095
Motor Vehicle & Travelling Expenses	1,779,859	1,902,926
Printing & Stationery Expenses	631,791	640,397
Sales Promotion Expenses	830,982	151,000
Advertisement Expenses	2,561,761	2,807,909
Postage & Communication Costs	311,227	418,014
Accounts & Finance Maintenance Charges	1,980,000	1,800,000
Payment to auditor (Refer details below)	100,000	100,000
Commission Charges	1,317,358	661,638
Consultancy Charges	720,000	267,000
Bank Commission, Letter of Credit and Charges	12,325,398	11,789,613
Registrar Fees	33,917	18,891
Listing Fees	59,325	11,581
Miscellaneous Expenses	3,075,259	1,747,589
Total Other Expenses	152,669,204	140,239,773

PAYMENT TO AUDITOR	31st March 2012	31st March 2011
As Auditor		
- Audit Fees	75,000	75,000
- Tax Audit Fees	25,000	25,000
	100,000	100,000

NOTE 24: FINANCE COST	31st March 2012	31st March 2011
Interest to Banks on Term Loans	46,383,972	4,383,652
Others	141,443,335	69,208,850
Total Finance Cost:	187,827,307	73,592,502

NOTE 25: DIRECTOR REMUNERATION	31st March 2012	31st March 2011
a) Director Remuneration Paid		
Basic	1,500,000	1,500,000
House Rent Allowance	290,000	290,000
Bonus	250,000	250,000
Other	960,000	960,000
	3,000,000	3,000,000
b) Computation of Profit for the purpose of Directors Remuneration Profit before taxes per profit & loss account		
Add : Depreciation	77,487,529	187,302,723
Directors' Remuneration	36,814,510	21,690,564
	3,000,000	3,000,000
	117,302,039	211,993,287
Less: Depreciation (u/s 350 of the Companies Act, 1956)	36,814,510	21,690,564
Directors' Remuneration	3,000,000	3,000,000
Profit for the year	77,487,529	187,302,723
Net profit under section 349 of the Companies Act, 1956	77,487,529	187,302,723

NOTE 26: EARNING PER SHARE	31st March 2012	31st March 2011
Net Profit after tax (₹)	58,829,528	126,851,038
Weighted average No of Equity Shares outstanding in calculation of Basic EPS	46,763,750	46,763,750
Basic Earnings per Share (in Rupees)	1.26	2.71
Weighted average No. of Equity Shares outstanding in calculation of Diluted EPS	46,763,750	49,805,807
Diluted Earnings per Share (in Rupees)	1.26	2.55
Nominal Value of Share	10	10



ADHUNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)

NOTES TO FINANCIAL STATEMENTS

NOTE 27 : Related Party

Related party disclosure is identified by the management in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

(a) Name of the related parties

Key Management Personnel

Mr. Mahesh Kumar Agarwal

Mr. Manoj Sharma

Mr. Mohan Lal Agarwal

Mr. Jugal Kishore Agarwal

Mr. Manish Kumar

Relatives of Key Management personnel

Mr. Ghanshyam Das Agarwal (Brother of Director)

Mrs. Pramilla Agarwal (Wife of Mr. Jugal Kishore Agarwal)

Mr. Manoj Kumar Agarwal (Brother of Director)

Mr. Nirmal Agarwal (Brother of Director)

Mr. Sachin Agarwal (Son of Mr. Jugal Kishore Agarwal)

Mr. Naveen Agarwal (Son of Mr. Jugal Kishore Agarwal)

Enterprises over which Key Management Personnel / Relatives have significant influence

Adhunik Corporation Ltd.

Neepaz V Forge (India) Ltd.

Orissa Manganese and Minerals Ltd

Adhunik Power & Natural Resource Ltd

Adhunik Power Transmission Ltd.

Adhunik Steels Ltd.

Adhunik Cement (Assam) Ltd.

Adhunik Alloys & Power Ltd.

Adhunik Cement Ltd.

Sungrowth Shares & Stock Ltd.

Mahananda Suppliers Ltd.

Zion Steel Limited

Adhunik Meghalaya Steels Private Limited

Futuristic Steels Limited

Adhunik Metaliks Ltd.

Adhunik Infotech Ltd.

Swarnarekha Steel Industries Ltd

(b) Aggregated Related Party Disclosures:

Nature of Transactions	Key Persons/ Relatives of Key Management Personnel	Managerial	Enterprises over which key Management Personnel/Relatives have significant influence	Total Amount (₹)
Dividend Received		NIL (NIL)	60,000 (50,000)	60,000 (50,000)
Expenditure for services/others		5,000 (5,000)	5,101,860 (4,632,600)	5,107,860 (4,638,600)
Director's Remuneration		30,00,000 (30,00,000)	2NIL (NIL)	30,00,000 (30,00,000)
Sales		NIL (NIL)	150,265,718 (398,585,188)	150,265,718 (398,585,188)
Purchases		NIL (NIL)	296,233,471 (457,644,460)	296,233,471 (457,644,460)
Balance outstanding as at the year-end - Debit		NIL (NIL)	6,466,694 (14,070,002)	6,466,694 (14,070,002)
Balance outstanding as at the year-end - Credit		NIL (NIL)	3,908,122 (2,730,046)	3,908,122 (2,730,046)



ADHUNIK INDUSTRIES LTD (FORMERLY KNOWN AS BHAGWATI RESOURCES LTD)
NOTES TO FINANCIAL STATEMENTS

NOTE 28: In the opinion of the management, current assets, loans and advances have the value at which these are stated in the balance sheet, if realized in the ordinary course of business, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.

NOTE 29: The outstanding balances of Sundry debtors / creditors are subject to confirmation as letters of confirmation of balances from several parties have not been received and hence the balances are subject to adjustments, if any, on reconciliation / settlement of account.

NOTE 30: In the opinion of the management, leave is meant to be availed of and the employees has been advised to plan their leave in advance while in service and also immediately before superannuation. Accordingly, leave encashment liability for the year has been recognised and provided for only when such encashment was allowed.

NOTE 31: Revenue in respect of rejected/scrapped materials is recognized as and when these are sold or amount there against is ascertained.

NOTE 32: Raw materials consumed are accounted after adjustment of normal shortage/surplus of raw materials and rejected raw materials.

NOTE 33: The financial statement for the year ended 31st March 2011, was prepared as per then applicable, erstwhile Schedule VI to the Companies Act 1956. Consequent to the notification of revised Schedule VI to the Companies Act 1956, the financial statement for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly the previous year figure have also been reclassified to conform to this year classification. The adoption of revised Schedule VI for the previous year figure does not impact recognition and measurement principles followed for preparation of financial statement.

Signatories to Schedules 1 to 33.

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Regn. No. 3180166
Chartered Accountants

(S.Jain)
Partner
Membership No. 053537
Place: Kolkata
Date 24th September 2012



Mukul Agarwal
Director

Shrikant Dey
Director

Adhunik industries Limited
Rahavat Agarwal
Company Secretary