

# **32<sup>nd</sup> ANNUAL REPORT**

**HARIGANGA MACHINERIES &  
ENGINEERING SERVICES LTD**

**2011-2012**

Name of the Company : **HARIGANGA MACHINERIES & ENGINEERING SERVICES LTD**

Directors : Shri Radheshyam Agrawal - Non Executive Director  
Shri Harish Agrawal - Executive Director  
Shri Krishankumar Agrawal - Independent Director

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

Registered Office : Old Motor Stand, Itwari,  
Nagpur-440008

Registrar and Share  
Transfer Agent : IN HOUSE

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## NOTICE

**NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of HARI GANGA MACHINERIES & ENGINEERING SERVICES LTD will be held on Saturday, 29<sup>th</sup> September, 2012, at 10.00 A.M. at the Registered Office of the Company situated at Old Motor Stand, Itwari, Nagpur-440008 to transact the following business:**

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### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31<sup>st</sup> March, 2012 and Balance Sheet as at that date, Cash Flow statement for the year ended 31<sup>st</sup> March, 2012 and Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Krishan Kumar Agrawal who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- 3) To re-appoint M/s P N Bahri & Co, Chartered Accountants, as the Statutory Auditor for the Financial Year 2012-13 and to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to decide their remuneration.

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

Date: 02<sup>nd</sup> September, 2012  
Place: Nagpur

Sd/-  
**Harish Agrawal**

### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company..
2. The Register of Members and the Share Transfer Books of the Company will remain closed from, Wednesday, 26<sup>th</sup> September, 2012 to Saturday, 29<sup>th</sup> September, 2012 (both days inclusive) for the purpose of Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2012.
3. Members who wish to attend the meeting are requested to bring duly filled attendance sheet and their copy of the Annual Report at the Meeting.
4. In case of physical shares, the instrument of Share Transfer complete in all respect should be sent so as to reach to the Registered Office of the Company prior to closure of the Register of Members as stated above.
5. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.
6. Members are requested to kindly notify changes including email address, if any, in their address to the Company's Registered Office address, situated at Old Motor Stand, Itwari, Nagpur-440008.

## DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting their 32<sup>nd</sup> Annual Report on the business and operations together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2012.

### 1. FINANCIAL RESULTS:

The Financial results are briefly indicated below:

| Particulars                 | (Amt. in Lacs) |         |
|-----------------------------|----------------|---------|
|                             | 2011-12        | 2010-11 |
| Total Income                | 0.00           | 0.00    |
| Total Expenditure           | (0.10)         | (0.18)  |
| Profit/Loss before Taxation | (0.10)         | (0.18)  |
| Profit/Loss after Taxation  | (0.16)         | (0.12)  |

### 2. REVIEW OF OPERATION:

The Company has incurred losses of Rs. 15814/- during the financial year. Your Director aspects to achieve better performance in the future taking maximum efforts to control the costs and optimize the results in the coming years.

### 3. DIVIDEND:

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

### 4. DEPOSITS:

The Company has not accepted any deposits from the public.

### 5. PARTICULARS OF EMPLOYEES:

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

### 6. DIRECTORS :

Mr. Krishan Kumar Agrawal retire by rotation being eligible offers themselves for re-appointment at the ensuing Annual General meeting. The resolution for his appointment as Director is proposed in the Notice of Annual General Meeting for consideration of Members.

### 7. SUBSIDIARIES:

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

### 8. DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2012 the applicable accounting standards had been followed along with proper explanation relating to material departures.

- b) that the Directors has selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year review.
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and,
- d) The Directors had prepared the accounts for the financial year ended 31st March, 2012 on a going concern basis.

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

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

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

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

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

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

#### **12. AUDITORS & AUDITORS REPORT**

The Board recommends M/s. P N Bahri & Co. Chartered Accountants, as statutory auditors of the Company for the year 2012 -13, who have also confirmed their appointment shall be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

Necessary Resolutions for their appointment has been proposed in the Notice of Annual General Meeting for their for the consideration of the Members of the Company.

#### **13. COMPLIANCE CERTIFICATE:**

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

#### **14. STOCK EXCHANGES:**

The Company's shares are listed on the **Calcutta Stock Exchange Limited**.

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

#### **15. ACKNOWLEDGEMENTS:**

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

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

Date: 02<sup>nd</sup> September, 2012  
Place: Nagpur

Sd/-  
**Harish Agrawal**

## ANNEXURE 'A' TO DIRECTORS' REPORT

### RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

#### A. Research & Development

##### 1. Future plan of action

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

#### B. Technology absorption:

##### 1. Efforts in brief made towards technology absorption, adoption and innovation.

No new technology was introduced during the Year ended 2011 -12.

##### 2. Benefits derived as a result of the above efforts.

None.

##### 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):

#### C. Foreign Exchange Earnings and Outgo

Nil

##### 1. Earning- FOB value of Exports

Nil

##### 2. Outgo- CIF Value of Imports

Nil

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

Date: 02<sup>nd</sup> September, 2012

Place: Nagpur

Sd/-  
**Harish Agrawal**

**AUDITORS REPORT**

To,  
The Members of  
Hariganga Machineries and Engineering Services Ltd.,  
N A G P U R

We have audited the attached Balance Sheet of M/s. **Hariganga Machineries and Engineering Services Limited, Nagpur as on 31<sup>st</sup> March, 2012** and also the Statement of Profit & Loss of the Company for the year ended on that date, annexed thereto. This financial statement is the responsibility of the management. Our responsibility is to express an opinion on this financial statement based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statement. An audit also 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.
2. As required by the Companies (Auditor's Report) Order, 2003 and amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
3. Further to our comments in annexure referred to in paragraph 1 above:-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appear from our examination of those books.
  - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this report are in agreement with books of accounts.
  - d) In our opinion and explanations given to us, the Statement of Profit & Loss and Balance Sheet comply with the Accounting Standards referred to in sub section (3C) of Section 211 of Companies Act, 1956,
  - e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we reports that none of the directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.



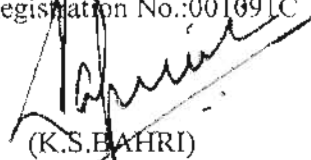
f) In our opinion and according to the explanations given to us the said accounts together with Significant Accounting Policies and Notes thereon the said accounts give the information required by the Companies Act, 1956 in the manner so required and subject to the following:-

i) Regarding non provision of interest on Application Money towards 10% Redeemable Cumulative Preference Shares.

give a true and fair view:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as on 31<sup>st</sup> March, 2012.
- b) in the case of the Statement of Profit and Loss, of the Loss of the company for the year ended on that date.

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

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

NAGPUR,  
DATED: 01-09-2012



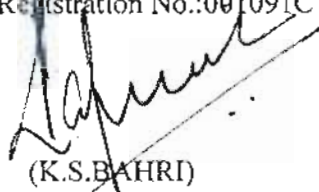
**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE TO MEMBERS OF HARGANGA MACHINERIES & ENGINEERING SERVICES LIMITED ON THE ACCOUNTS AS ON AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

1. a) The records maintained by the company showing particulars and quantitative details and situation of fixed assets are incomplete and as such could not be verified.
- b) We have been informed that the fixed assets of the Company have been physically verified by the management, during the year and no serious discrepancies between the book records and the physical inventory have been noticed.
- c) Substantial part of fixed assets have been disposed off. However, in the opinion of the management the disposal shall not effect the Company as a going concern.
2. a) The stocks of finished goods, stores, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stores followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained records of inventories. According to the records produced to us, the discrepancies noticed on physical verification of the stocks as compared to book records were not material and have been properly dealt with in the books of account.
3. a) The Company has granted unsecured advance to the company covered in the register maintained under section 301 of the Companies Act,. Total advance outstanding at the end of the year from one party is Rs. 63.50 Lacs. The advance is interest free and as such appear to be prejudicial to the interest of the company.
- b) The company has not taken loans, secured or unsecured, to companies firms or others parties covered in the register maintained under section 301 of the Act. Hence, the question of interest rate, terms and conditions and repayments does not arise
4. In our opinion and according to the information and explanations given to us, internal control system for the purchase of inventory and fixed assets and for the sale of goods and services are commensurate with the size of the company and nature of its business. There does not appear to be a continuing failure to correct major weakness in internal control system.
5. a) According to the information and explanations given to us, the particulars of contracts and arrangements referred to in section 301 of the Act have been so entered in the register required to be maintained under that section; and

- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts and arrangements aggregating during the year to Rs. 5,00,000 or more in respect of each party, have been made at prices which are, reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposit from the public during the year.
7. The Company does not have any formal internal audit system. Having regard to the existing internal control procedures, its scope and coverage is sufficient and commensurate with the size and nature of its business.
8. As per the information given to us, maintenance of cost records under section 209(i) (d) of the Companies Act, 1956 for any of the products of the Company has not been prescribed by the Central Government for this Company.
9. a) On the basis of records produced before us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, where applicable, with the appropriate authorities. According to the information and explanations given to us and the books and records examined by us, there are no undisputed amounts payable in respect of outstanding statutory dues on the last day of the financial year for a period exceeding six months from the date they became payable.  
b) We are informed that no dues of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Customs duty/ Excise duty/ Cess are in dispute.
10. The accumulated losses of the Company at the end of the financial year are not more than fifty percent of its net worth. The company has incurred cash losses in the current and immediately preceding financial year.
11. As per the information and explanations given to us, during the year the Company has not defaulted in any repayment of its dues to financial institutions and banks.
12. As per the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the provisions of any statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments and as such, the requirement of para 4(xiv) are not applicable to the Company.
15. As per the information and explanations given to us, the Company has not given any guarantee for the loans taken by others from Banks or financial institutions.

16. The Company has not taken any term loan and as such the application thereof is not required.
17. As per the information and explanations given to us and on the basis of our overall examination of the Balance Sheet, we report that the funds raised on short term basis have been used for long term investments. The Company has not raised long term funds during the year and hence the use of such funds for short term investments does not arise.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained U/s 301 of the Companies Act, 1956 during the year.
19. The Company has not issued debentures during the financial year.
20. The Company has not raised any monies by public issue.
21. On the basis of our examination and according to the information and explanation given to us, no fraud, on or by the Company, has been noticed or reported during the course of our audit.

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



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

NAGPUR,  
DATED: 01-09-2012



**HARIGANGA MACHINERIES & ENGINEERING SERVICES LTD., NAGPUR**

**BALANCE SHEET AS ON 31st MARCH 2012**

|   | Note    | AS ON<br>31.03.2012 | AS ON<br>31.03.2011 |
|---|---------|---------------------|---------------------|
| <b>EQUITY AND LIABILITIES</b>             |         |                     |                     |
| <b>Shareholders' Fund</b>                 |         |                     |                     |
| Share Capital                             | 1       | 5,000,000.00        | 4,995,500.00        |
| Reserves & Surplus                        | 3       | (1,896,908.07)      | (1,881,093.74)      |
| Money received against share warrants     |         | 3,103,091.93        | 3,114,406.26        |
| Share Application Money Pending Allotment | 2       | 317,000.00          | 317,000.00          |
| <b>Non-Current Liabilities</b>            |         |                     |                     |
| Long Term Borrowings                      |         | -                   | -                   |
| Deferred Tax Liability (Net)              |         | -                   | -                   |
| Other Long Term Liabilities               |         | -                   | -                   |
| Long term provisions                      |         | -                   | -                   |
| <b>Current Liabilities</b>                |         |                     |                     |
| Short Term Borrowings                     | 4       | 43,075.00           | 43,075.00           |
| Trade Payables                            | 5       | 4,890,880.75        | 4,899,824.75        |
| Other Current Liabilities                 | 6       | 148,017.50          | 148,017.50          |
| Short Term Provisions                     |         | -                   | 5,090,917.25        |
| <b>TOTAL</b>                              |         | <b>8,502,065.18</b> | <b>8,522,323.51</b> |
| <b>ASSETS</b>                             |         |                     |                     |
| <b>Non-Current Assets</b>                 |         |                     |                     |
| <b>Fixed Assets</b>                       |         |                     |                     |
| Tangible Assets                           |         | -                   | -                   |
| Intangible Assets                         |         | -                   | -                   |
| Capital Work-in-Progress                  |         | -                   | -                   |
| Intangible Assets under Development       |         | -                   | -                   |
| Non-Current Investments                   |         | -                   | -                   |
| Deferred Tax Assets (Net)                 |         | 313,417.46          | 318,874             |
| Long Term Loans and Advances              |         | -                   | -                   |
| Other non-current assets                  |         | 313,417.46          | 318,873.19          |
| <b>Current Assets</b>                     |         |                     |                     |
| Current Investments                       |         | -                   | -                   |
| Inventories                               |         | -                   | -                   |
| Trade Receivables                         | 7       | 543,224.00          | 543,224.00          |
| Cash and Bank Balances                    | 8       | 271,123.72          | 285,925.72          |
| Short Term Loans and Advances             | 9       | 7,374,300.00        | 7,374,300.00        |
| Other Current Assets                      |         | -                   | 8,203,449.12        |
| <b>TOTAL</b>                              |         | <b>8,502,065.18</b> | <b>8,522,323.51</b> |
| Significant Accounting Policies           |         |                     |                     |
| Notes on Financial Statements             | 1 to 19 |                     |                     |

As per our separate report of even date

For & on Behalf of the Board of  
**HARIGANGA MACHINERIES & ENGINEERING  
SERVICES LTD.**

*(Signature)*  
**(RADHEYSHYAM AGRAWAL)**  
DIRECTOR

*(Signature)*  
**(KRISHAN AGRAWAL)**  
DIRECTOR

FOR P.N. BAHRI & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No: 0010210

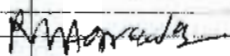
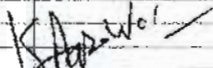
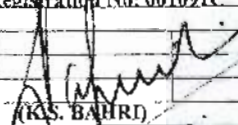
*(Signature)*  
**(K.S. BAHRI)**  
CHARTERED ACCOUNTANT  
PARTNER  
Membership No: 042492

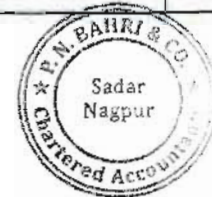
NAGPUR.  
DATED: 1 SEP 2012



**HARIGANGA MACHINERIES & ENGINEERING SERVICES LTD., NAGPUR**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012**

|  | Note   | FOR THE YEAR ENDED ON<br>31-03-2012   | FOR THE YEAR ENDED ON<br>31-03-2011 |
|--|--|---|-------------------------------------|
| <b>INCOME</b>  |  |   |                                     |
| Revenue from Operations  |  | -   | -                                   |
| Other Income   |  | -   | -                                   |
| Sundry written off   |  | -   | -                                   |
| <b>Total Revenue</b>   |  | -   | -                                   |
| <b>EXPENDITURE:</b>  |  |   |                                     |
| Cost of Materials Consumed   |  | -   | -                                   |
| Purchases of Stock-in-Trade  |  | -   | -                                   |
| Changes in Inventories of Finished Goods,<br>Stock-in-Process and Stock-in-Trade   |  | -   | -                                   |
| Employee Benefit Expenses  |  | -   | -                                   |
| Finance Costs  |  | -   | -                                   |
| Depreciation and Amortisation Expense  |  | -   | -                                   |
| Other Expenses   | 10   | 10,358.00   | 17,658.00                           |
| <b>Total Expenses</b>  |  | 10,358.00   | 17,658.00                           |
| Profit Before Tax  |  | (10,358.00)   | (17,658.00)                         |
| <b>Tax Expenses</b>  |  |   |                                     |
| Current Tax  |  | -   | -                                   |
| For earlier year   |  | -   | -                                   |
| Deferred Tax   |  | (5,456.33)  | 5,456.33                            |
| <b>Profit for the year</b>   |  | (15,814.33)   | (12,201.67)                         |
| <b>Earnings per equity share of face value of Rs. each</b>   |  |   |                                     |
| Basic and Diluted (In Rs.)   |  | -   | -                                   |
| Significant Accounting Policies<br>Notes on Financial Statements   | 1 to 19  |   |                                     |
| As per our separate report of even date  |  |   |                                     |
| For & on Behalf of the Board of<br>HARIGANGA MACHINERIES & ENGINEERING<br>SERVICES LTD.                                  |  | FOR P.N. BAHRI & CO.,<br>CHARTERED ACCOUNTANTS<br>Firm Registration No: 001091C   |                                     |
| <br>(RADHEYSHYAM AGRAWAL)<br>DIRECTOR | <br>(KRISHAN AGRAWAL)<br>DIRECTOR | <br>(P.N. BAHRI)<br>CHARTERED ACCOUNTANT<br>PARTNER<br>Membership No: 042492 |                                     |
| NAGPUR,<br>DATED: 1 SEP 2012   |  |   |                                     |



**HARIGANGA MACHINERIES AND ENGINEERING SERVICES LTD, NAGPUR**

1) **ACCOUNTING POLICES**

- a) Company follows accrual system of accounting except for Claims/Refund/Set Off/ Section which are accounted for on cash basis.
- b) Inventory Valuation
- |                           |   |                     |
|---------------------------|---|---------------------|
| Materials (Trading)       | : | At Cost             |
| Work in progress          | : | At Cost             |
| Finished Goods (Rejected) | : | At Cost of material |
| Stores                    | : | At Cost             |
- c) No Depreciation is charged on assets. Earlier depreciation was charged on straight line method at rates previously charged by the Company, which are different from the rates as in Schedule XIV to the Companies Act, 1956.

d) **ACCOUNTING FOR TAXES ON INCOME**

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

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

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

**HARIGANGA MACHINERIES & ENGINEERING SERVICES LTD., NAGPUR**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2012**

The previous years figures have been regrouped or re-arranged wherever necessary to conform to current year's presentation

|   | AS ON<br>31.03.2012 |               | AS ON<br>31.03.2011 |               |
|---|---------------------|---------------|---------------------|---------------|
|   | No of shares        | Value (Rs.)   | No of shares        | Value (Rs.)   |
| <b>1 SHARE CAPITAL</b>  |                     |               |                     |               |
| <b>Authorised Share Capital</b>   |                     |               |                     |               |
| Equity shares of Rs. 10 each  | 1,100,000           | 11,000,000.00 | 1,100,000           | 11,000,000.00 |
| 10% Redeemable Cumulative Preference Shares of Rs. 100 each   | 15,000              | 1,500,000.00  | 15,000              | 1,500,000.00  |
| <b>Issued, Subscribed &amp; Paid up</b>   |                     |               |                     |               |
| Equity shares of Rs. 10 each  | 500,000             | 5,000,000.00  | 500,000             | 5,000,000.00  |
| Less : Call in Arrears  |                     | -             |                     | (4,500.00)    |
|   |                     | 5,000,000.00  |                     | 4,995,500.00  |
| 1.1 Calls unpaid  |                     | -             |                     | 4,500.00      |
| 1.2 Reconciliation of number of shares outstanding :  |                     |               |                     |               |
| Equity shares at the beginning of the year  | 500,000             |               | 500,000             |               |
| Add : Shares issued   | 0                   |               | -                   |               |
| Less : Shares cancelled   | 0                   |               | -                   |               |
| Equity shares at the end of the year  | 500,000             |               | 500,000             |               |
| 1.3 Details of shareholders holding more than 5 % shares  |                     |               |                     |               |
|   | AS ON 31.03.2012    |               | AS ON 31.03.2011    |               |
| Shareholder   | Shares held         | % holding     | Shares held         | % holding     |
| Smt. Tarasani Parsi Anam Agrawal  | 32,000              | 6.40%         | 32,000              | 6.40%         |
| Smt. Gangadevi Unprakash Agrawal  | 25,000              | 5.00%         | 25,000              | 5.00%         |
|   |                     |               |                     |               |
|   |                     |               |                     |               |
| <b>2 Share Application Money Pending Allotment</b>  |                     |               |                     |               |
| Towards 10% Redeemable Cumulative Preference Shares   |                     | 317,000.00    |                     | 317,000.00    |
| 2.1 Application Money received is pending allotment. No provision is made for interest as the management is of the opinion that there is no such facility will arise. |                     |               |                     |               |



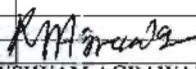
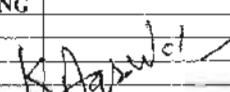
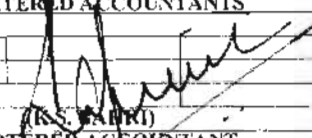
|   | AS ON<br>31.03.2012 | AS ON<br>31.03.2011 |
|---|---------------------|---------------------|
| <b>3 RESERVES &amp; SURPLUS</b>   |                     |                     |
| Profit & Loss account   |                     |                     |
| As per last Balance Sheet   | (1,881,093.74)      | (1,868,892)         |
| Add: Profit for the year  | (15,814.33)         | (12,202)            |
|   | (1,896,908.07)      | (1,881,094)         |
| Less : Appropriations   | -                   | (1,896,908.07)      |
|   | (1,896,908.07)      | (1,881,093.74)      |
| <b>4 SHORT TERM BORROWINGS</b>  |                     |                     |
| Unsecured   |                     |                     |
| Loans from other parties  |                     |                     |
| Upkar Investment Ltd.   | 43,075.00           | 43,075.00           |
| Loans and advances from related parties   |                     |                     |
|   | 43,075.00           | 43,075.00           |
| <b>5 TRADE PAYABLES</b>   |                     |                     |
| Micro, Small and Medium Enterprises   |                     |                     |
| Others  |                     |                     |
| For Materials and services  |                     |                     |
| P N. Bahri & Co.,   | 15,045.00           | 18,750.00           |
| Loya Bagri & Co.,   | 7,247.00            | 12,762.00           |
| Loya Bagri & Associates   | 1,931.00            | 1,655.00            |
| Prabhu Steel Industries Ltd, Nagpur   | 4,654,833.75        | 4,654,833.75        |
| Haryana Properties  | 211,824.00          | 211,824.00          |
|   | 4,890,880.75        | 4,890,824.75        |
| Under the Micro Small and Medium Enterprises Development Act, 2006 which came into effect on October 2, 2006, certain disclosures are required to be made relating to Micro Medium and Small Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available, no disclosures have been made in account... |                     |                     |
|   | AS ON<br>31.03.2012 | AS ON<br>31.03.2011 |
| <b>6 OTHER CURRENT LIABILITIES</b>  |                     |                     |
| Other payables -  |                     |                     |
| For Expenses & Others   |                     |                     |
| Mahalaxmiji Maharaj   | 8.75                | 8.75                |
| Ganeshji Maharaj  | 8.75                | 8.75                |
| Advances from customers   |                     |                     |
| Shri Gopal Finance (P) Ltd.   | 148,000.00          | 148,000.00          |
|   | 148,017.50          | 148,017.50          |

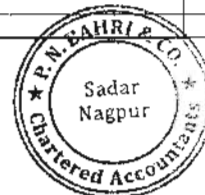
**HARIGANGA MACHINERIES & ENGINEERING SERVICES LTD., NAGPUR**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2012**

|          |   | AS ON<br>31.03.2012 | AS ON<br>31.03.2011 |
|----------|---|---------------------|---------------------|
| <b>7</b> | <b>TRADE RECEIVABLES</b>  |                     |                     |
|          | (Unsecured and considered good)   |                     |                     |
|          | Outstanding and due   |                     |                     |
|          | For more than six months  |                     |                     |
|          | Celestial Steel Structural (P) Ltd  | 10,806.00           | 10,806.00           |
|          | Hariganga Alloys and Steel  | 532,418.00          | 532,418.00          |
|          |   | 543,224.00          | 543,224.00          |
|          | Others  | -                   | -                   |
|          |   | 543,224.00          | 543,224.00          |
|          | Debts due from directors  | Nil                 | Nil                 |
|          | Debts due from other officers   | Nil                 | Nil                 |
|          | Debts due from Firms in which director is member or partner   | 532,418.00          | -                   |
|          | Debts due from Private Companies in which director is member/director                               | 10,806.00           | -                   |
| <b>8</b> | <b>CASH &amp; BANK BALANCES</b>   |                     |                     |
|          | Cash in hand & with Imprest   | 236,548.24          | 253,280.24          |
|          | With Banks  |                     |                     |
|          | The South Indian Bank Ltd.  | 10,395.24           | 10,395.24           |
|          | State Bank of India, Nagpur (A/c No. 3412)  | 13,403.74           | 10,573.74           |
|          | HDFC Bank   | 10,776.50           | 32,645.43           |
|          |   | 34,575.48           | 11,676.50           |
|          |   | 271,123.72          | 285,925.72          |
|          | Balance with The South Indian Bank Ltd remains unconfirmed and carried at value appearing in books. |                     |                     |
| <b>9</b> | <b>SHORT TERM LOANS AND ADVANCES</b>  |                     |                     |
|          | (Unsecured and considered good)   |                     |                     |
|          | Loans and advances to related parties   |                     |                     |
|          | Other advances  |                     |                     |
|          | Advances to Others  |                     |                     |
|          | Mahesh Agricultural Implements and Steel I  | 6,350,000.00        | -                   |
|          | Kedim Algenerated Marble Ltd  | 400,000.00          | 400,000.00          |
|          | Growell Credit & Security Services Ltd.   | 236,800.00          | 236,800.00          |
|          | Admiral Investment Ltd.   | 387,500.00          | 387,500.00          |
|          | Advances for Shares   |                     |                     |
|          | In Haryana Metals Ltd   |                     | 6,350,000.00        |
|          |   | 7,374,300.00        | 7,374,300.00        |
|          | Debts due from directors  | Nil                 |                     |
|          | Debts due from other officers   | Nil                 |                     |
|          | Debts due from Firms in which director is member or partner   | Nil                 |                     |
|          | Debts due from Private Companies in which director is member/director                               | Nil                 |                     |

|    |   |          |                 |                 |
|----|---|----------|-----------------|-----------------|
|    | Law & Legal Expenses  | 1,931.00 | 7,170.00        |                 |
|    | Profession Tax  | -        | 2,500.00        |                 |
|    | Auditors' remuneration  | 8,427.00 | 6,618.00        |                 |
|    | Accounts written off  | -        | 1,370.00        | 17,658.00       |
|    |   |          | 10,358.00       | 17,658.00       |
| 11 | <b>CONTINGENT LIABILITIES</b>   |          |                 |                 |
|    |   |          | As on 31-3-2012 | As on 31-3-2011 |
|    | Contingent Liabilities  |          |                 |                 |
|    | Bank Guarantees outstanding not provided for  |          |                 |                 |
|    | Fixed deposits offered as security for bank guarantee   |          |                 |                 |
|    | Claims against the company not acknowledged as debts  |          |                 |                 |
|    | Commitments   |          |                 |                 |
|    | Estimated amount of Contracts remaining to be executed on Capital   |          |                 |                 |
|    | Uncalled liability on shares  |          |                 |                 |
|    | Uncalled liability on investments partly paid   |          |                 |                 |
| 12 | In cases, where confirmations are not available, the balances have been considered as appearing in the books. Adjustments, if any, shall be made on settlement.   |          |                 |                 |
| 13 | In the opinion of the management, subject to the foregoing notes, current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business and provision for known liabilities as made are adequate. |          |                 |                 |
| 14 | Payments to auditors during the year :  |          |                 |                 |
|    | For Statutory Audit   |          | 7,500.00        | 6,000.00        |
|    | Tax Audit   |          | -               | -               |
|    | Taxation Matter   |          | -               | -               |
|    | Service tax   |          | 927.00          | 618.00          |
|    |   |          | 8,427.00        | 6,618.00        |
| 15 | <b>EARNINGS PER SHARE</b>   |          |                 |                 |
|    | Net profit after tax as per statement of Profit & Loss attributable to Equity shareholders  |          | Nil             | Nil             |
|    | Weighted average number of equity shares used as a denominators for calculating EPS   |          | Nil             | Nil             |
|    | Basic and diluted earnings per share  |          | Nil             | Nil             |
|    | Face value per equity share   |          | 10.00           |                 |
| 16 | There are no earnings or payments in foreign exchange.  |          |                 |                 |

|    |   |   |   |   |
|----|---|---|---|---|
| 17 | <b>RELATED PARTY DISCLOSURES</b>  |   |   |   |
|    | List of related parties and relationships   |   |   |   |
|    | Enterprises under significant influence of key management personnel :   |   |   |   |
|    | Prabhu Steel Industries Ltd   |   |   |   |
|    | Celestial Steel Structures (P) Ltd  |   |   |   |
|    | Shree Copal Finance (P) Ltd   |   |   |   |
|    | Harigar ga Alloys & Steel   |   |   |   |
|    | Key management personnel and their relatives :  |   |   |   |
|    | Transactions during the year with related parties   |   |   |   |
|    | Particulars   |   |   | with key management personnel and their relatives |
|    | Loan taken  |   |   |   |
|    | Loan repaid   |   |   |   |
|    | Advances given  |   |   | 6,350,000.00                                      |
|    | Advances received back  |   |   | 6,350,000.00                                      |
|    | Payable outstanding   |   |   | 4,802,833.75                                      |
|    | Receivable outstanding  |   |   | 6,893,224.00                                      |
| 18 | <b>SEGMENT REPORTING</b>  |   |   |   |
|    | The company has not started commercial operations.  |   |   |   |
| 19 | Till the year ended 31st March 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI was notified and has become applicable. The company has reclassified previous years figures to conform to this years classification. |   |   |   |
|    | As per our separate report of even date   |   |   |   |
|    | For & on Behalf of the Board of<br><b>HARIGANGA MACHINERIES &amp; ENGINEERING</b>   |   | <b>FOR P.N. BAHRI &amp; CO.,<br/>CHARTERED ACCOUNTANTS</b>  |   |
|    | <br>(RADHEYSHYAM AGRAWAL)<br>DIRECTOR  | <br>(KRISHAN AGRAWAL)<br>DIRECTOR | <br>(P.N. BAHRI)<br>CHARTERED ACCOUNTANT<br>PARTNER |   |
|    |   |   | Membership No: 042492   |   |
|    | NAGPUR  |   |   |   |
|    | DATED 7 SEP 2012  |   |   |   |



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

| PARTICULARS   | AS AT<br>31.03.2012 | AS AT<br>31.03.2011 |
|---|---------------------|---------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>             |                     |                     |
| Net Profit / (Loss) before tax and Extra Ordinary Items   | (10,358.00)         | (17,658.00)         |
| <i>Adjustment for:</i>                                    |                     |                     |
| Depreciation  | --                  | --                  |
| Misc. Bal Written off                                     | --                  | --                  |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>    | <b>(10,358.00)</b>  | <b>(17,658.00)</b>  |
| <i>Adjustment for:</i>                                    |                     |                     |
| Trade and other receivables                               | --                  | --                  |
| Trade Payables  | (8,944.00)          | 11,565.75           |
| Other payables  | --                  | --                  |
| Other receivables/Current Assets/Deferred Tax Assets      | --                  | --                  |
| Cash Generated from operations                            | <b>(8,944.00)</b>   | <b>11,565.75</b>    |
| Direct taxes paid   | --                  | --                  |
| Extra-ordinary items                                      | --                  | --                  |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES (I)</b>        | <b>(19,302.00)</b>  | <b>(6,092.25)</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>             |                     |                     |
| Purchase of Fixed Assets                                  | --                  | --                  |
| Sale of Fixed Assets                                      | --                  | --                  |
| New Investments   | --                  | --                  |
| Sale of Investments                                       | --                  | --                  |
| Interest Received   | --                  | --                  |
| Dividend Received   | --                  | --                  |
| <b>NET CASH USED IN INVESTING ACTIVITIES (II)</b>         | <b>--</b>           | <b>--</b>           |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>             |                     |                     |
| Loan Received   | --                  | --                  |
| Proceeds from Issue of share capital                      | --                  | --                  |
| Proceeds from Long term borrowings                        | --                  | --                  |
| Repayment of Financial Liability/Lease                    | --                  | --                  |
| Dividend Paid   | --                  | --                  |
| Call in arrears   | 4,500.00            | --                  |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>              | <b>4,500.00</b>     | <b>--</b>           |
| <b>NET INCREASE/(DECREASE) IN CASH OR CASH (I+II+III)</b> | <b>(14,802.00)</b>  | <b>(6,092.25)</b>   |
| <b>EQUIVALENTS</b>  |                     |                     |
| Add:- CASH & CASH EQUIVALENTS AS AT BEGNNING              | 285,925.50          | 292,017.75          |
| <b>CASH &amp; CASH EQUIVALENTS AT THE END</b>             | <b>271,123.50</b>   | <b>285,925.50</b>   |

Date: 01/09/2012  
Place: Nagpur

**HARIGANGA MACHINERIES & ENGG. SERVICES LTD.**

  
Radheshyam Agrawal  
DIRECTOR

  
Krishan Agarwal  
DIRECTOR

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

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**ATTENDANCE SLIP**

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

I hereby record my presence at the **32<sup>nd</sup> Annual General Meeting** of the Company at the **Regd. Office** of the company at Old Motor Stand, Itwari, Nagpur -440008 on Saturday the **29<sup>th</sup> September, 2012** at **10.00 a.m.**

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

\_\_\_\_\_  
Signature

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

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

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

----- (TEAR) -----

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

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**PROXY FORM**

I/We.....of.....  
..... in the district of ..... being a member/members of the  
above named Company hereby appoint ..... of  
..... in the district of..... or failing him  
..... of ..... In the district of  
..... as my / our proxy to vote for me/us on my our behalf at  
the 32<sup>nd</sup> Annual General Meeting of the Company at the Regd. Office of the company at Old Motor  
Stand, Itwari, Nagpur -440008 on Saturday the 29<sup>th</sup> September, 2012 at 10.00 a.m. and at any  
adjournment thereof.

Signed this..... day of .....2012.

Reg. Folio No.....

No. of Shares .....

REVENUE  
STAMP

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

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**BOOK-POST**

If undelivered please return to:

HARIGANGA MACHINERIES & ENGINEERING SERVICES LTD  
Regd. office  
Old Motor Stand, Itwari,  
Nagpur- 440008