

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Surendra Bhutoria

**COMPANY SECRETARY**

Sridevi Madati

**BANKERS**

State Bank of India  
Corporation Bank  
Bank of Bahrain & Kuwait, B.S.C.  
HDFC Bank Limited

**STATUTORY AUDITORS**

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

**INTERNAL AUDITORS**

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

**REGISTRARS & TRANSFER AGENTS**

KARVY Computershare Private Limited,  
Plot No. 17-24, Vittalrao Nagar, Madhapur,  
Hyderabad-500 081.  
Tel: +91 40 23420818 - 824  
Fax : +91 40 23420814  
E-mail: mailmanager@karvy.com

**REGISTERED OFFICE:**

Bhagyanagar India Limited  
5th Floor, Surya Towers, S.P. Road,  
Secunderabad, India-500 003  
Tel: +91 40 44665700, 27845119, 27841198  
Fax : +91 40 27818868  
E-mail: surana@surana.com,  
Investor Complaints: cs@surana.com,  
investorservices\_bil@surana.com  
Website: www.surana.com,  
www.bhagyanagarindia.com

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

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

**REMUNERATION COMMITTEE**

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

**SHAREHOLDERS' GRIEVANCE COMMITTEE**

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

**WORKS**

- Copper Division (Auto Electric, Refrigeration & Solar Components)
  - India Extrusion, Plot No. P9/13/1, IDA, Nacharam, Hyderabad, India-500 076.
  - Harinam Wires  
Plot No. P9/13(A), (B), (C)  
Industrial Development Area,  
Nacharam, Hyderabad, India - 500 076.
  - Bhagyanagar India Limited  
Plot No. P9/14, Road No. 6, IDA Nacharam,  
Hyderabad, India-500 076.
- Telecom Division  
Goa Unit  
Plot No. 61, Pilerne Industrial Estate,  
Panajim, Goa , India- 403 001.
- Non-Conventional Energy
  - Kapatgudda Site  
Kapatgudda, Gadag District, Karnataka, India.
  - Udayathoor Site  
Udayathoor, Kasthuriengapuram,  
Tirunelveli, Tamilnadu-627 106.



# Contents

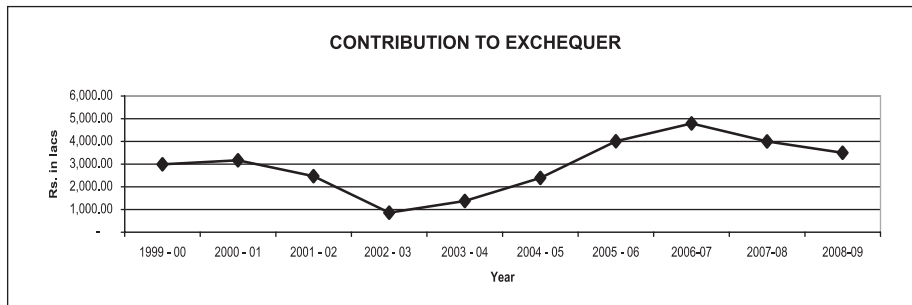
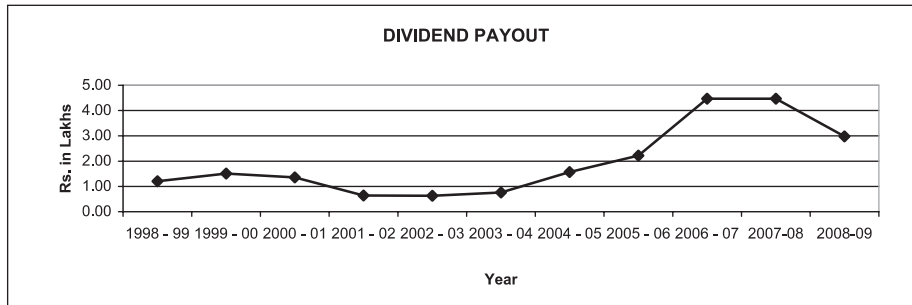
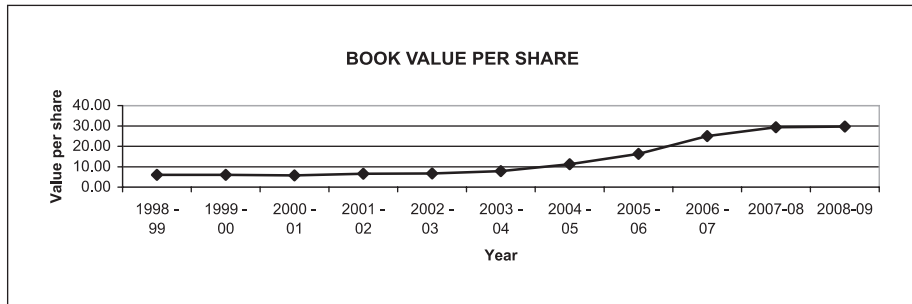
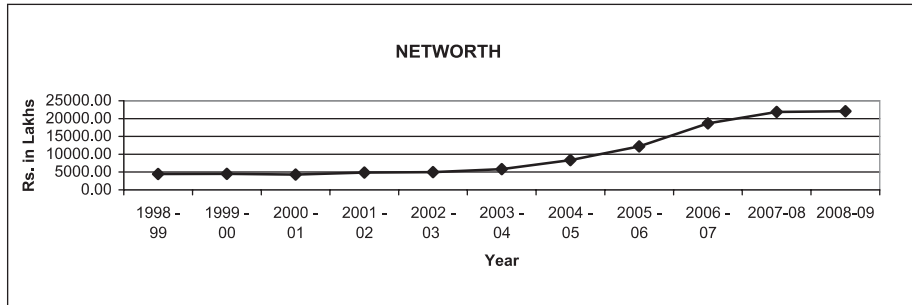
- ◆ A Journey to Growth..\_\_\_\_\_ 3 - 4
- ◆ Financial Highlights 10 Years' Record\_\_\_\_\_ 5
- ◆ Notice \_\_\_\_\_ 6 - 10
- ◆ Director's Report \_\_\_\_\_ 11 - 16
- ◆ Report on Corporate Governance \_\_\_\_\_ 17 - 31
- ◆ Management Discussion and Analysis \_\_\_\_\_ 32 - 36
- ◆ Auditors' Report \_\_\_\_\_ 37 - 40
- ◆ Balance Sheet \_\_\_\_\_ 41
- ◆ Profit & Loss Account \_\_\_\_\_ 42
- ◆ Cash Flow Statement \_\_\_\_\_ 43 - 44
- ◆ Schedules forming part of the Accounts \_\_\_\_\_ 45 - 54
- ◆ Significant Accounting Policies \_\_\_\_\_ 55 - 65
- ◆ Segmental Reporting \_\_\_\_\_ 66 - 67
- ◆ Statement pursuant to Section 212 of Companies Act, 1956 \_\_\_\_\_ 68
- ◆ Balance Sheet Abstract \_\_\_\_\_ 69

**CONSOLIDATED FINANCIAL STATEMENTS**

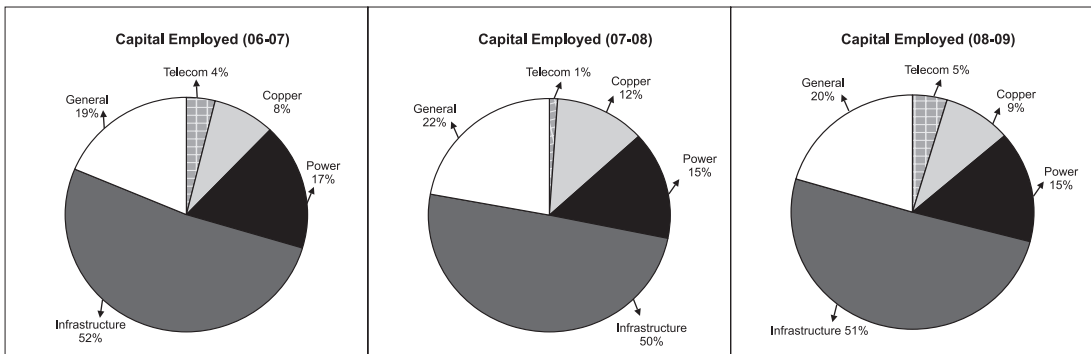
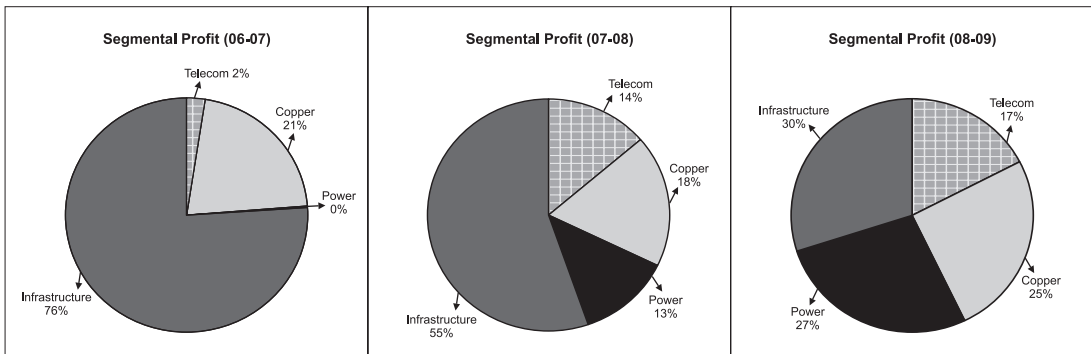
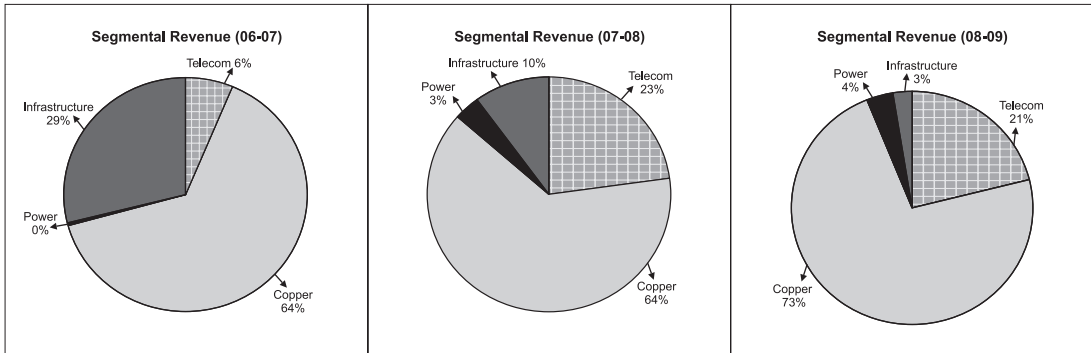
- ◆ Auditor's Report \_\_\_\_\_ 70
- ◆ Balance Sheet \_\_\_\_\_ 71
- ◆ Profit & Loss Account \_\_\_\_\_ 72
- ◆ Cash Flow Statement \_\_\_\_\_ 73 - 74
- ◆ Schedules forming part of the Accounts \_\_\_\_\_ 75 - 86
- ◆ Significant Accounting Policies \_\_\_\_\_ 87 - 97
- ◆ Segmental Reporting \_\_\_\_\_ 98 - 99
- ◆ Balance Sheet Abstract \_\_\_\_\_ 100
- ◆ ECS, Attendance Slip and Proxy Form



**A Journey to Growth...**



A Journey to Growth...



## *Financial Highlights - 10 Years' Record*

Rs.in lacs

	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
Turnover	18,963	19,995	23,843	17,233	13,882	9,650	4,832	15,168	17,323	15,750
Total Income	20,149	22,073	24,833	18,264	14,963	10,119	5,319	15,360	17,418	15,860
Profit Before tax	1,523	4,258	8,041	3,145	2,958	1,028	229	977	805	973
Profit After tax	1,104	3,741	7,017	2,596	2,696	943	222	884	555	733
Equity dividend %	20%	30%	30%	30%	25%	12%	10%	10%	20%	20%
Equity Share Capital	1,490	1,490	1,490	740	630	630	630	642	677	752
Reserve & Surplus	20,614	20,380	17,161	11,448	7,734	5,217	4,361	4,253	3,622	3,743
Net Worth	22,104	21,870	18,651	12,188	8,364	5,848	4,991	4,896	4,299	4,496
Gross Fixed Assets	12,683	12,176	12,798	7,098	7,066	7,594	6,494	5,588	5,073	4,975
Net Fixed Assets	7,433	7,341	8,252	2,602	2,579	3,005	2,188	1,573	1,382	1,695
Total Assets	31,894	34,458	29,006	13,005	9,812	9,634	6,421	6,509	6,248	6,304
Contribution to National Exchequer	3,498	3,998	4,791	4,008	2,392	1,375	857	2,467	3,166	2,993

## *Key Indicators*

	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
Earning per share- Basic	1.48	5.02	9.42	7.02	8.56	2.99	0.70	2.75	1.64	1.95
Book Value Per Share	29.67	29.36	25.03	32.94	26.55	18.57	15.84	15.25	12.70	11.96
Debt Equity Ratio	0.06:1	0.26:1	0.20:1	0.07:1	0.17:1	0.65:1	0.29:1	0.33:1	0.45:1	0.40:1

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



### NOTICE OF 24th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 24th Annual General Meeting of the members of **BHAGYANAGAR INDIA LIMITED**, will be held on Tuesday 29th day of September, 2009 at 12.00 noon at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016, to transact the following business :

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended 31st March, 2009, along with the Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2009.
3. To appoint a Director in place of Shri G. Mangilal Surana who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri D Venkatasubbiah who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri Kamlesh Gandhi who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s. Sekhar & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

#### SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:  
**"RESOLVED THAT** pursuant to the provisions of Sections 260, 257 and other applicable provisions, if any, of the Companies Act, 1956,

Dr R.N. Sreenath, who was appointed as an Additional Director of the Company by the Board of Directors on 17.09.2008 and his term is due to expire with the conclusion of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature of Dr. R.N. Sreenath for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri Narender Munoth be and is hereby re-appointed as Executive Director of the Company and shall continue to act as such for a further period of 5 years with effect from 15.11.2008 i.e., upto 14.11.2013 on a remuneration of Rs. 1,00,000/- per month in addition to reimbursement of actual expenses.

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

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



foregoing resolution or as may be otherwise considered by it to be in the best interests of the Company.”

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION:** (to be passed by Postal Ballot)

**“RESOLVED THAT** that pursuant to the provisions of Section 293(1) (a), Section 192A read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 and other applicable provisions of the Companies Act, 1956 and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned statutory authorities and subject to such terms and conditions as may be imposed by them, consent of the Company be and is hereby accorded to the Board of Directors of the Company to lease, sell or otherwise dispose off the whole or substantially the whole of Company’s Jelly Filled Telecom Cables manufacturing facility along with the assets thereof situated at Plot No.61, Pilerne Industrial Estate, Panajim, Goa, to any interested party/parties, in part or whole, for such consideration and on such terms and conditions as the Board may deem fit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, matters, deeds and things as may be necessary without further referring to the Members of the Company including finalizing the terms and

conditions, signing, sealing and delivering deeds, conveyances, contracts, assignments, undertakings or any other instrument that may be incidental or necessary and authorizing any Director/ Officer of the Company for the purpose of execution of this resolution.”

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

**RESOLVED** that pursuant to the provisions of Section 314(1B) and other applicable provisions if any of the Companies Act, 1956, Ms Nivriti Surana, daughter of Shri Devendra Surana, Managing Director of the Company, be and is hereby appointed as GM (Finance) of the Company w.e.f. 28.07.09 on a remuneration of Rs. 40,000/- per month.

**RESOLVED FURTHER** that Ms Nivriti Surana shall also be entitled to performance bonus, leave encashment and reimbursement of medical expenses in accordance with the Service Rules of the Company subject to a maximum of Rs.2,00,000/- p.a.

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

Place : Secunderabad  
Date : 28.07.2009

**Sridevi Madati**  
Company Secretary



### NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and such proxy need not be a member. The instrument appointing a proxy should, however, be deposited at the Registered office of the Company not less than 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2009 to 29.09.2009 (both days inclusive).
3. Dividend on shares @ 20 % as recommended by the Board of Directors, if declared by the Company at the meeting, will be paid subject to the provisions of Section 205A of the Companies Act, 1956, to those shareholders whose names appear on the Register of Members of the Company as on 29.09.2009 or to their mandates, to the extent eligible, and also to the beneficial owners of equity shares held in electronic form on the same date as per the details furnished by the Depositories for this purpose.
4. The Securities and Exchange Board of India (SEBI) and the Department of Company Affairs have made it mandatory for all the listed companies to offer Electronic Clearing Service (ECS) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders' account, elimination of loss of instruments in transit or fraudulent encashment etc. Currently, the facility is available at locations specified by RBI. In case of shareholders staying at locations not currently covered by ECS, the bank account details will be used for suffixing along with the name of the shareholder on the Dividend Warrant. In view of the above:
  - i. Shareholders holding shares in Physical Form and desirous of availing the facility are requested to complete the ECS Form attached to this Annual Report and forward the same to the Company at its registered address.

ii Shareholders holding shares in Dematerialised Form are requested to provide the Bank details to their Depository participants for incorporation in their records. The Depository in turn would also forward the required information to the Company.

5. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, Dividends for the Financial Year ended 31st March, 2002 and thereafter, which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 (c) of the Companies Act, 1956,

Information in respect of the due date for transfer of such unclaimed dividend to the said fund is given below:

For the Financial Year	Date of Declaration	Due for Transfer on
2001-02	27.09.2002	24.10.2009
2002-03	20.09.2003	26.10.2010
2003-04	28.09.2004	27.10.2011
2004-05	01.07.2005	30.07.2012
2005-06	07.08.2006	06.09.2013
2006-07	27.09.2007	26.09.2014
2007-08	17.09.2008	16.09.2015

The Members who have not encashed the Dividend Warrant(s) so far for the Financial Year ended 31st March, 2002 or any subsequent Financial Years are requested to make their claim to the Company at its Registered Office. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.

6. The Company's Equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E),





- Mumbai - 400 051, and the Company has paid the Listing Fees to the said Stock Exchanges.
7. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
  8. The relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Businesses set out above is annexed herewith.
  9. Members holding shares in physical form, may write to the Company's share transfer agents for any change in their address and bank mandates, members having shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to despatch dividend warrants at their correct addresses.
  10. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at M/s KARVY COMPUTERSHARE PRIVATE LIMITED, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad- 500 081. Further kindly note that members holding shares in physical form and intending to transfer their shares have to furnish the PAN particulars of transferee along with the share transfer deeds for effecting the physical share transfer.
  11. Please note that, any queries pertaining to accounting related aspects, may be posted / handed over to the Company Secretary at the Registered Office of the Company at least 48 hours before the Annual General Meeting, so that the same could be clarified to the shareholders at the Annual General Meeting.

## **EXPLANATORY STATEMENT**

### **Pursuant to Section 173 (2) of the Companies Act, 1956**

#### **ITEM NO. 7:**

Dr. R.N. Sreenath, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 17.09.2008, and his term is due to expire with the conclusion of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956 .The Company has received notice from a member together with the requisite deposit in accordance with Section 257 of the Act in writing, proposing the appointment of Dr. R.N. Sreenath as a Director, liable for retirement by rotation,. The particulars of Dr. R.N. Sreenath are detailed in the Report on Corporate Governance, which is herewith annexed.

The Board is of the view that Dr. R.N. Sreenath who is an electronics engineer having over 31 years of experience will be able to provide the much needed technical expertise for the various manufacturing activities of the Company.

Under Section 173 of the Companies Act 1956, your Directors recommend the ordinary resolution for your approval.

None of the Directors of the Company except Dr R.N. Sreenath are concerned or interested in the resolution.

#### **ITEM NO 8:**

Shri Narender Munoth who has been Director of the Company since 02.04.1987, was re-appointed as an Executive Director of the Company by the Board of Directors at their meeting held on 24.10. 2008 for a further period of 5 years w.e.f 15.11.2008 upto 14.11.2013, as per Sections 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 on a remuneration as mentioned in the resolution.

The said re-appointment was made keeping in view the vast knowledge and experience of Shri Narender



Munoth which has been of immense value and benefit to the Company over the past 22 years.

As per the provisions of Schedule XIII of the Companies Act, 1956 approval by a resolution of the Shareholders in the General Meeting is required for re-appointment of the Executive Director. The remuneration committee at their meeting held on 24.10.2008 has approved the remuneration payable to Shri Narender Munoth.

Your Directors recommend the ordinary resolution for your approval.

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

### ITEM NO 9:

The Company has a Jelly filled telephone cable manufacturing facility at Plot No. 61, Pilerne Industrial Estate, Panajim, Goa - 403 001. Since the Jelly Filled Telephone cables have become obsolete and are being slowly replaced by Wireless Communication (Mobiles) and Fiber Optic Cables, the receipt of orders by the Company for the same has substantially reduced over the past few years. Currently, the Company has no orders pending for execution and is not expecting any substantial orders in future. In the current scenario continuing with the operations of the above manufacturing facility shall not be financially viable.

Considering the above, it is proposed to lease, sell or otherwise dispose off the whole or substantially the whole of Company's Jelly Filled Telecom Cables manufacturing facility along with all the assets thereof situated at Plot No.61, Pilerne Industrial Estate, Panajim, Goa, to any interested party/parties, in part or whole, for such consideration and on such terms and conditions as the Board may deem fit

Pursuant to the provisions of Section 293(1)a and 192A of the Companies Act,1956 read with the Companies(Passing of Resolution by Postal Ballot)Rules, 2001, approval of the Members by an ordinary resolution by way of Postal Ballot is required to lease/sale/disposal of an undertaking or substantially whole of an undertaking. The Jelly filled telephone cable manufacturing facility at Plot No. 61, Pilerne Industrial Estate, Panajim, Goa - 403 001 comprises substantially the whole of the Telecom undertaking of the Company. Accordingly, the

approval of the Members is being sought through Postal Ballot for passing the Ordinary Resolution.

Notice pursuant to section 192A of the Companies Act,1956 read with Companies (Passing of Resolution by Postal Ballot) Rules,2001 has been sent to all the members and the result of the postal ballot shall be announced by the Chairman at the current Annual General Meeting of the Company to which the above notice pertains..

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

### ITEM NO. 10:

Ms Nivriti Surana, daughter of Shri Devendra Surana, Managing Director of the Company pursued Under Graduate Programme in National Planning and Entrepreneurship and BBA from IIPM, Hyderabad. She has also completed her Investment Banking Course from National University of Singapore Extn. The Board is of the view that her Management and financial qualification will be of value and benefit to the Company and appointed her as GM (finance) of the Company on a salary of Rs. 40,000 at their meeting held on 28.07.2009.

The said appointment requires the approval of members as per Section 314(1B) of the Companies Act, 1956 and therefore the approval of the Members is sought for the said appointment.

Under Section 173 of the Companies Act 1956, your Directors recommend the Special Resolution for your approval.

None of the Directors of the Company other than Shri.G.M.Surana, Shri Narender Surana and Shri Devendra Surana are concerned or interested in the resolution.

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

Place : Secunderabad  
Date : 28.07.2009

**Sridevi Madati**  
Company Secretary



## DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 24th Annual Report of your Company together with the Audited Balance Sheet as at 31st March 2009 and Profit and Loss A/c for the year ended 31st March, 2009

### FINANCIAL RESULTS:

The performance of the Company during the year has been as under :

( Rs. in lacs)

Particulars	Consolidated Results		Standalone Results	
	2009	2008	2009	2008
<b>Sales and other Income</b>	<b>20,194.78</b>	22072.86	<b>20,148.61</b>	22072.86
Profit before Depreciation and Interest	<b>2522.59</b>	5329.26	<b>2482.17</b>	5331.80
<b>DEDUCT :</b>				
Depreciation	<b>(498.39)</b>	(483.26)	<b>(498.39)</b>	(483.26)
Interest	<b>(463.15)</b>	(591.03)	<b>(463.15)</b>	(591.03)
Profit for the year	<b>1561.04</b>	4255.06	<b>1520.63</b>	4257.51
Prior period Adjustments	<b>2.84</b>	Nil	<b>2.84</b>	Nil
Provision for Taxation : Current Tax	<b>417.07</b>	480.00	<b>400.00</b>	480.00
Fringe Benefit Tax	<b>5.75</b>	8.65	<b>5.75</b>	8.65
Deferred Tax	<b>13.85</b>	30.66	<b>13.84</b>	27.55
Profit after Tax	<b>1127.21</b>	3735.75	<b>1103.87</b>	3741.30
Income Tax in respect of earlier years	-	-	-	-
<b>Less: Minority Interest</b>	<b>7.24</b>	(0.54)	-	-
Share in net assets of associate cos.	<b>35.95</b>	-	-	-
Surplus brought forward from previous year	<b>7848.31</b>	6010.98	<b>7859.40</b>	6017.07
Balance available for appropriation	<b>8932.32</b>	9747.28	<b>8963.27</b>	9758.37
<b>APPROPRIATION:</b>				
<b>Dividend</b>	<b>298.00</b>	447.00	<b>298.00</b>	447.00
Excess provision of Dividend for earlier year	-	-	-	-
Tax on Dividend	<b>50.51</b>	75.97	<b>50.51</b>	75.97
Transfer to Foreign Exchange fluctuation reserve	-	876.00	-	876.00
Transfer to General Reserves	<b>500.00</b>	500.00	<b>500.00</b>	500.00
Balance c/f to Balance Sheet	<b>8083.81</b>	7848.31	<b>8114.76</b>	7859.40
<b>TOTAL</b>	<b>8932.32</b>	9747.28	<b>8963.27</b>	9758.37

### OPERATIONS:

The year 2008-09 witnessed recession in the global economy. Fall in demand, fall in prices, investors apathy towards investment in equity markets and Real estate, about 20-25% depreciation in value of Rupee vis USD adversely effected our economy. Our company was also not isolated from these negative developments which is reflected in its financial

performance. However, the company could mitigate the impact by way of better financial management, low debt, improvement in overall efficiency and effective steps taken to control the cost, resulting in profits inspite of all the odds.

The Income from Operations is Rs. 18962.57 Lakhs as against Rs. 19995.48 Lakhs for the corresponding



previous year The Profit Before Tax is 1523.47 Lakhs as against Rs. 4257.51 Lakhs for the previous year. The Profit After Tax is 1103.87 Lakhs as against Rs. 3741.30 Lakhs for the corresponding period. The Company recorded a decline in the income due to decrease in the revenues from telecom and infrastructure segments. The Basic Earnings Per Share for the year-ended 31.03.2009 is 1.48 as against Rs.5.02 for the corresponding previous year ended 31.03.2008

### BUYBACK OF EQUITY SHARES:

The Board of Directors at their meeting held on 09.04.2009 has approved the Buy-Back of Equity Shares of the Company of Rs.2/- each from open market through stock exchange mechanism, for an aggregate amount not exceeding Rs.20,00,00,000/- (Rupees Twenty Crores only), up to a minimum of 50,00,000 shares and a maximum of 1,00,00,000 shares, at the prevailing market price up to a maximum price of Rs. 40/- per equity share, subject to the approval of the Members and receipt of exemption from SEBI under Takeover Code.

The Company sought the approval of the Members through Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956. Subsequently, the promoters of the Company filed an application seeking exemption under Regulation 4 of Takeover Code with Securities Exchange Board of India ("SEBI") on 20.05.2009. The approval from SEBI in respect of the stated application is awaited. The Company can announce the commencement of the buy back offer only after the receipt of the said exemption from SEBI.

### REAL ESTATE/INFRASTRUCTURE

The Company is focusing on development of residential and commercial space within the state of Andhra Pradesh primarily in Hyderabad. The current status of the Company's projects is as follows:

- i) **Housing Project at Visakhapatnam:** The SPV viz., M/s Savitrimata Realtors Private Limited, through which the Company planned to execute the project has since received all the requisite approvals including building plan approval, Environmental Clearance etc. from the Government. An approach road has been laid, compound wall is under construction and the

master plan is ready. SPV is planning for soft launching of the project shortly.

- ii) **Panjugutta Land:** The Company owns land at Panjugutta, Hyderabad which is entrusted for development to M/s Maruthi Constructions Private Limited. The Civil Construction on the land is almost completed and the Company proposes to either sell or lease out the said building.
- iii) **Others:** The Company also has lot of other land banks in the city of Hyderabad including lands at Gachibowli and Uppal for which approvals from respective Government agencies are being pursued upon.

### LEASE/SALE OF JFTC UNIT

The Company has a Jelly filled Telephone Cable manufacturing facility at Plot No. 61, Pilerne Industrial Estate, Panajim, Goa, India- 403 001. Since the Jelly Filled Telephone Cables have become obsolete and are being slowly replaced by Wireless Communication (Mobiles) and Fiber Optic Cables, the receipt of orders by the Company for the same has substantially reduced over the past few years. Currently, the Company has no orders pending for execution and is not expecting any substantial orders in future. In the current scenario continuing with the operations of the above manufacturing facility shall not be financially viable.

Considering the above, it is proposed to lease, sell or otherwise dispose off the whole or substantially the whole of Company's Jelly Filled Telecom Cables manufacturing facility along with all the assets thereof situated at Plot No.61, Pilerne Industrial Estate, Panajim, Goa, to any interested party/parties, in part or whole. Pursuant to the provisions of Section 293(1)a and 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, approval of the Members by an ordinary resolution is sought by way of Postal Ballot.

### FUTURE PROJECT INITIATIVES:

**Copper Business:** The Company proposes to develop Commutator /Slip Rings for auto electrical applications and the trial run is expected by March 2010.



**Wind Power:** The Company has installed another 1.5 MW Wind Turbine Generator in the state of Tamilnadu which was commissioned on 30th June '09. This takes the overall installed capacity to 10.50 MW. Steps have been taken to get carbon credit under Clean Development Mechanism(CDM) and Voluntary Carbon Standards(VCS) and the validation work for the same is in progress.

**CONSOLIDATED FINANCIAL STATEMENTS:**

The Consolidated Financial Statements incorporating the operations of the Company and its subsidiaries are attached herewith in this Annual Report. The Ministry of Corporate Affairs while exercising its power under Section 212 (8) of the Companies Act, 1956 vide their Letter no. 47/170/2008-CL-III dated 31.03.2008 exempted the Company from publishing the Annual Report of all its subsidiaries for financial year 2007-08. The Company has applied for the said exemption under Section 212(1) of the Act for the financial year 2008-09. The clarification sought by MCA on the same has been provided and the exemption u/s 212(8) is awaited. Since, the Company has been in receipt of the said exemption every year since financial year 2006-07, and in anticipation of the same for the financial year 2008-09, the Company continues to publish the Annual Report for financial year 2008-09 in accordance with the terms and conditions as set out in the Letter no. 47/170/2008-CL-III dated 31.03.2008 of Ministry of Company Affairs.

However, the accounts of the subsidiary companies and the detailed related information will be made available to the investors of the Company on request and are also available for inspection at Registered Office of the Company.

**DIVIDEND:**

Your Directors recommended a Dividend @ 20% amounting to Rs. 298.00 lakhs for the year ended 31st March 2009. This will entail an outflow of Rs. 348.51 lakhs (inclusive of tax thereon). Your Directors also inform that applications for conversion of FCCBs received upto the date of closure of the Register of Members of the Company would be processed and the resulting shares arising out of the said conversion of FCCBs and Equity Share warrants, would also be eligible for dividend, as recommended by the Board and approved by the members at the ensuing Annual General Meeting of the Company.

**RESERVES:**

During the year the Company has transferred an amount of Rs.5.00 crores to General Reserves.

**FIXED DEPOSITS:**

The Company had not accepted or invited any Deposits and consequently no Deposit has matured/ become due for re-payment as on 31st March 2009

**DIRECTORS:**

In order to comply with Section 256 of the Companies Act 1956 and Articles of Association of the Company Shri. G.M. Surana, Shri Kamlesh Gandhi and Shri. D.Venkatasubbiah, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

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

Further, during the year, the Board appointed Dr R.N.Sreenath as an Additional Director and as per Section 260 of the Companies Act, 1956 his term of office is due to expire at the conclusion of this Annual General Meeting. The Company has received notice in writing, proposing the appointment of Dr R.N. Sreenath as Director

**AUDITORS:**

M/s. Sekhar & Company, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting are eligible for re-appointment. The Company is in receipt of confirmation from M/s Sekhar & Company that in the event of their re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting, such re-appointment will be in accordance with the limits specified in Sub-section (1B) of Section 224 of the Companies Act, 1956.

**INSURANCE**

All the movable and immovable assets of your Company are adequately insured.

**ISO 9001-2000 CERTIFICATION:**

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



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

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

- a) That in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year and of the Profit or Loss account of the Company for the year under review;
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the Directors have prepared the accounts for the Financial Year ended 31st March 2009 on a 'going concern' basis.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

### **CORPORATE GOVERNANCE:**

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is annexed herewith, as a part of the Annual Report along with the Auditor's Certificate on its compliance.

### **CONSERVATION OF ENERGY, FOREIGN EXCHANGE ETC:**

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

### **PARTICULARS OF EMPLOYEES:**

Information relating to particulars of Employees who are drawing more than Rs.24,00,000/- per annum which is required to be disclosed under Section 217(2A) of the Companies Act 1956 read with The Companies (Particulars of Employees) Rules 1975 are provided in the Annexure forming part of this Report.

### **APPRECIATION:**

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

### **ACKNOWLEDGEMENTS:**

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

for and on behalf of the Board of Directors

Place : Secunderabad

Date : 28.07.2009

**G. Mangilal Surana**

Chairman



**ANNEXURE TO DIRECTORS' REPORT**

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March, 2009

Name	Age	Qualifications	Date of employment	Designation	Remuneration (in Rs.)	Experience	Last employment held
Shri. Narender Surana	49 yrs	B.E (Chem)	24.01.87	Managing Director	48,00,000	22 yrs	First Employment
Shri. Devendra Surana	44 yrs	B.E (Mech) PGDBA	15.11.88	Managing Director	48,00,000	20 yrs	First Employment

**Notes:**

- (i) The appointment is contractual, and other terms and conditions are as per Company's Rule.
- (ii) The Company has paid the minimum remuneration to Shri.Narender Surana and Shri.Devendra Surana in accordance with their terms of appointment. Gross remuneration paid to all the managerial personnel includes Salary, HRA, Perks and PF, and is in accordance with the terms of Schedule XIII to the Companies Act, 1956.
- (iii) Shri Narender Surana is related to Shri G. M. Surana, Chairman and Shri Devendra Surana, Managing Director of the Company.
- (iv) Shri Devendra Surana is related to Shri G. M. Surana, Chairman and Shri Narender Surana, Managing Director of the Company

for and on behalf of the Board of Directors

Place : Secunderabad  
Date : 28.07.2009

**G Mangilal Surana**  
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

FORM - A

1. CONSERVATION OF ENERGY:

- (i) Energy Conservation measures : Maximum Demand (MD) Controller has been utilized to bring down maximum demand in the factory. This has led to reduction on MD charges as well as increase in incentive for higher loan factors resulting in substantial cost saving.
- (ii) Total energy consumption and energy consumption per unit of : The Company has not made any additional investments and has not proposed any amount for reduction of consumption and consequent impact on cost of production of goods

2. TECHNOLOGY ABSORPTION : Efforts made in Technology Absorption as per Form B

FORM - B

(Disclosure of particulars with respect to Technology Absorption)

- A. Research and Development (R & D) :
1. Specific areas in which R & D is carried out by the Company : ---
2. Benefits derived as a result of the above R & D : ---
3. Future plan of action : ---
4. Expenditure on R & D : As there is no significant amount has been spent, the same has not being shown separately
- B. Technology absorption, adaptation and innovation : The Company is making all out efforts for improving productivity, product quality and reducing consumption of scarce raw materials and fuels.
3. FOREIGN EXCHANGE EARNINGS AND OUTGO : Activities relating to exports and initiatives taken to increase export products and services and export plans: NIL
- Total Foreign Exchange used and earned :
- Used : Rs. 3485.69 Lakhs
- Earned : Rs. 236.43 Lakhs

For and on behalf of the Board of Directors

Place : Secunderabad  
Date : 28.07.2009

G. Mangilal Surana  
Chairman





**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Corporate Governance:**

Corporate Governance is more a way of business life than a mere legal compulsion. Your Company believes that, though its primary focus is on the core objective of earning profits, the corporate governance goes beyond being a regulatory requirement, actually it builds a long-term value to stakeholders, contemplates that corporate actions which balance the interests of all stakeholders and satisfy the tests of transparency, accountability, fairness and social responsibility and it must serve the underlying goal of enhancing the shareholder value over a sustained period of time.

**2. Board of Directors (Board):****a) The Board of Directors of the Company as on 31st March, 2009 consists of :**

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

**b) Attendance Record for 2008-09:**

Sl. No	Name of Director	Category	Meetings attended	Attendance at last AGM on 17.09.2008	Remarks
1	G Mangilal Surana	Non-executive	4	Present	-
2	O Swaminatha Reddy	Independent, Non-executive	6	Present	-
3	R Surender Reddy	Independent, Non-executive	4	Present	-
4	Kamlesh Gandhi	Independent, Non-executive	4	Absent	-
5	Dr R.N.Sreenath	Independent, Non-executive	2	-	Appointed as Director on 17.09.2008
6	D Venkatasubbiah	Independent, Non-executive	5	Absent	-
7	Narender Surana	Executive	5	Present	-
8	Devendra Surana	Executive	6	Present	-
9	Narender Munoth	Executive	4	Present	-
10	N Krupakar Reddy	Executive	4	Present	-



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

Sl. No.	Name of the Director	Other Directorships	Committee Membership	Committee Chairmanship
1	G Mangilal Surana	12	1	1
2	O Swaminatha Reddy	12	2	4
3	R Surender Reddy	9	6	5
4	Kamlesh Gandhi	7	1	None
5	Dr. R.N. Sreenath	4	None	None
6	D Venkatasubbiah	1	None	None
7	Narender Surana	29	1	None
8	Devendra Surana	30	1	None
9	Narender Munoth	None	None	None
10	N Krupakar Reddy	1	None	None

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

A total of 6 Board Meetings were held during the year as against the minimum requirement of 4 meetings. The maximum gap between any two Board Meetings was not more than four months at any time.

The dates on which the Board meetings were held are:

22.04.2008	26.06.2008	28.07.2008	17.09.2008	24.10.2008	29.01.2009
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**e) Pecuniary relationship or transactions of Non-Executive Director:**

Apart from receiving Directors Remuneration, Non-Executive Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect independence of judgement of the Director.

**3. Audit Committee:**

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

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

- Smt. Sridevi Madati, Company Secretary, is acting as Secretary to the Audit Committee.
- The terms of reference stipulated by the Board to the Audit Committee includes review of the following:
  - Management Discussion and Analysis of financial condition and results of operations;
  - Statement of significant related party transactions submitted by Management;
  - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - Internal Audit reports relating to internal control weaknesses; and



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

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

26.06.2008	28.07.2008	29.10.2008	29.01.2009
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## Attendance Record - 2008-2009

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

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

#### 4. Remuneration Committee:

a) Composition, Name of the Chairman and Members:

1	Shri R Surender Reddy	Chairman
2	Shri O Swaminatha Reddy	Member
3	Shri D Venkatasubbiah	Member

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

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

#### 5. Remuneration of Directors:

The Company pays Sitting fees to all the Non-executive Directors at the rate of Rs.10,000/- for each meeting. The details of Sitting Fees paid to the Non-executive Directors for attending Board Meetings and Committee Meetings during the Financial Year 2008-09 are as follows:

Sl. No.	Name of Director	Sitting Fees paid (Rs.)
1	Shri G Mangilal Surana	60000
2	Shri O Swaminatha Reddy	1,00,000
3	Shri R Surender Reddy	60,000
4	Dr. R.N. Sreenath	10,000
5	Shri Kamlesh Gandhi	70,000
6	Shri D.Venkatasubbiah	50,000
<b>Total</b>		<b>3,50,000</b>



The remuneration paid to the Executive and Whole-time Directors during the year 2008-2009 are:

Name of Director	Salary	H R A	Commission	Perks	Total
Narender Surana	32,00,000	16,00,000	nil	nil	48,00,000
Devendra Surana	32,00,000	16,00,000	nil	nil	48,00,000
Narender Munoth	10,80,000	5,40,000	nil	nil	16,20,000
N K Reddy	2,26,050	nil	nil	nil	2,26,050
<b>TOTAL</b>	<b>77,06,050</b>	<b>37,40,000</b>	<b>nil</b>	<b>nil</b>	<b>1,14,46,050</b>

#### 6. Shareholders Grievance Committee:

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

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

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 32. There are no outstanding complaints as on 31st March 2009.

The Committee has received 5,815 Shares for Transfers and 435 Shares for Transmission out of which 4100 Shares were approved and the balance was rejected. The committee has also received 24,675 requests for conversion of physical shares into Dematerialisation out of which 18,325 shares were approved and the balance was rejected on account of mismatch of quantity. There were no transfers or transmissions or demat requests pending as on 31st March 2008.

#### 7. General Body Meetings:

##### a. Location and time for the last 3 years General Meetings were:

Year	Locations	Date	Time
2007-08 AGM	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	17th September, 2008	10.30 A.M.
2006-07 EGM	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	31st January, 2008	10.00 A.M.
2006-07 EGM	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	13th October, 2007	11.00 A.M.
2006-07 AGM	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	27th September, 2007	10.30 A.M.
2005-06 EGM	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	20th December, 2006	2.30 P.M.
2005-06 AGM	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	7th August, 2006	10.15 A.M.
2005-06 (EGM)	3rd Floor, Surya Towers, S.P.Road, Secunderabad - 500 003.	16th June, 2006	2.30 P.M.



### b. Special Resolutions passed in last 3 Annual General Meetings

- In the AGM held on 7th August, 2006 the Company passed special resolutions for the following items.
  - i) Alteration of Memorandum for increase in Authorised Share Capital from 15.00 Crores to 25.00 Crores
  - ii) Alteration of Articles 2, 32 and Insertion of Articles 34A, 34 B, 34 C in Articles of Association of the Company
  - iii) Issue of Bonus Shares in the ratio of 1: 1
  - iv) Change the name of the Company from Bhagyanagar Metals Limited to Bhagyanagar India Limited
- In the AGM held on 27th September, 2007 the Company passed Special Resolution for increasing the salary of Smt Namrata Surana, Manager (Public Relations).

In the AGM held on 17th September, 2008 the Company passed Special Resolution for re-appointment of Shri N.K. Reddy as Wholtime Director for a further period of 3 years

### c. Resolution passed through Postal Ballot

In accordance with the provisions of Section 192 A of the Companies Act, 1956, the Company has conducted a POSTAL BALLOT for obtaining the approval of the Shareholders for Buy-Back of fully paid-up Equity Shares of the Company of Rs.2/- each from open market through Stock Exchange Mechanism, for an aggregate amount not exceeding Rs.20,00,00,000/- (Rupees Twenty Crores only), up to a minimum of 50,00,000 shares and a maximum of 1,00,00,000 shares, at the prevailing market price up to a maximum price of Rs. 40/- per equity share.

Mr. Syed Meera Mohiddin, Company Secretary in Practice scrutinized the Postal Ballots and the Resolution was passed with a majority of 99.995% on 19.05.09

## 8. Disclosures:

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

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

- b) There were no strictures or penalties imposed on the Company by Stock Exchanges or Securities Exchange Board of India (SEBI) or any other statutory authority for non-compliance of any matter related to Capital Markets, during the last 3 years. The Company while making disclosure of share holding pattern of the Company as on 31.12.05 to the exchanges, made an inadvertent error in the computation of total promoter holding in the Company. SEBI vide its letter dt. 19.03.2008, advised the Company to be careful in future while making disclosure to the exchanges.



**9. Means of Communication:**

Half yearly results sent to each household of shareholders	No, as the results of the Company are published in the Newspapers having wide circulation
Quarterly results sent to each household of shareholders	No, as the results of the Company are published in the Newspapers having wide circulation
Newspapers in which published	“Business Standard” - English “Andhra Prabha” - Telugu
Website where the results and other official news releases are displayed	<a href="http://www.surana.com">http: www.surana.com</a> <a href="http://www.bhagyanagarindia.com">http: www.bhagyanagarindia.com</a>
The presentations made to institutional investors or to the analysts.	nil

**10. The Management Discussion and Analysis Report:**

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

**11. General Shareholders Information:**

Annual General Meeting	:	Date	:	29.09.2009
		Time	:	12.00 noon
		Venue	:	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016.
Financial Calendar	:	April 1st to March 31st		
Date of Book Closure	:	24.09.2009 to 29.09.2009 (both days inclusive)		
Dividend Payment Date	:	03.10.2009		
Listing on Stock Exchanges	:	1. Bombay Stock Exchange Ltd., Mumbai 2. National Stock Exchange of India Limited		
Stock Code	:	512296 on BSE BHAGYNAGAR on NSE		
ISIN Number for NSDL & CDSL	:	INE458B01028		



## Market Price Data

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr '08	47.90	37.50	52.30	37.50
May'08	42.95	36.15	42.75	36.05
Jun'08	37.55	25.10	37.00	24.00
Jul'08	28.40	18.30	29.50	20.10
Aug'08	24.50	17.55	23.00	18.00
Sep'08	21.85	14.20	22.35	14.80
Oct'08	18.00	9.35	17.10	10.25
Nov'08	13.55	11.00	13.50	11.10
Dec'08	15.95	10.60	16.80	9.00
Jan'09	16.35	12.05	16.40	12.15
Feb'09	16.00	12.50	16.10	12.45
Mar'09	19.45	13.80	19.50	14.20

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

**M/s KARVY COMPUTERSHARE PRIVATE LIMITED,**  
 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081  
 Phone # +91-40-23420818-824  
 Fax # 91-40-23420814  
 Email ID: mailmanager@karvy.com  
 Website : <http://www.karvy.com>

## 12. Share Transfer System:

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

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

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

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





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

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

**13. Shareholding Pattern as on 31st March, 2009:**

Category	No. of Shares	% Holding
Promoters	34166362	45.86
Resident Individuals	19250208	25.84
Promoters Bodies Corporate	10245374	13.75
Overseas Corporate Bodies	4207406	5.65
Bodies Corporates	3111437	4.18
Indian Financial Institutions	1495631	2.01
Foreign Institutional Investors	968530	1.30
H U F	512129	0.69
Non Resident Indians	302338	0.41
Government	176700	0.24
Trusts	32372	0.04
Clearing Members	16873	0.02
Mutual Funds	11000	0.01
Banks	3640	0.00
<b>Total</b>	<b>74500000</b>	<b>100.00</b>

**14. Distribution of Share holding as on 31st March 2009:**

Category (Amount)	No. of Cases	% of Cases
1 – 5000	16370	94.78
5001 – 10000	476	2.76
10001 – 20000	205	1.19
20001 – 30000	60	0.35
30001 – 40000	27	0.16
40001 – 50000	15	0.09
50001 – 100000	35	0.20
100001 & Above	83	0.48
<b>Total</b>	<b>17271</b>	<b>100.00</b>



### 15. Dematerialisation of Shares & Liquidity

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

### 16. Share Dematerialisation Records:

7,35,90,996 shares representing 98.78% of the total equity capital were held in dematerialized form with the National Securities Depository Limited and Central Depository Services Limited as on 31st March, 2009.

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

During the year 2006-07, the Company issued and allotted 150 zero coupon Unsecured Foreign Currency Convertible Bonds (FCCB) due 2011, of US\$100,000 each for an aggregate value of US\$ 15 million with a conversion price of Rs.44/- which are listed on the Luxembourg Stock Exchange. The Company has not received any request for conversion from the bond holders and all the Bonds are pending conversion as on 28.07.09.

### b) Equity Share Warrants issued in previous year:

Out of the total 1,55,00,000 Equity Shares Warrants issued and allotted by the Company in two tranches, 1,15,00,000 Equity Share Warrants were allotted by the Company on 08.11.2007 on preferential basis to promoters and non promoters at the rate of Rs 44/- per warrant, the Company did not receive any request for conversion of warrants from any of the warrant holders till the date of expiry. Pursuant to the provisions of SEBI (Disclosure and Investor Protection) Guidelines 2000 and the terms of allotment, all the 1,15,00,000 warrants stand expired on 07.05.2009 and all the sums paid on allotment was forfeited.

40,00,000 Equity Share Warrants which were allotted by the Company on 17.03.2008 on preferential basis to M/s Consolidated Securities Limited at the rate of Rs 90/- per warrant, are due to expire on 17.09.2009. On 04.06.2009, the company has received a letter dt. 03.02.09 from its sole warrant holder M/s. Consolidated Securities Ltd, expressing its unwillingness to exercise the option for conversion of warrants. The Board at their meeting held on 26.06.09, decided to forfeit the same on expiry.

### 18. Secretarial Audit:

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

### 19. Plant Locations:

#### India Extrusion (Copper Unit)

Plot No. P9/13/1, IDA, Nacharam,  
Hyderabad - 500 076.

#### Bhagyanagar India Limited (Copper Unit)

Plot No. P9/14, Road No. 6,  
IDA, Nacharam, Hyderabad - 500 076.

#### Harinam Wires (Copper Unit)

Plot No. P9/13(A), (B), (C)  
I. D. A., Nacharam,  
Hyderabad - 500 076.

#### Goa Unit (JFTC)

Plot No.61, Pilerne industrial Estate,  
Panajim, Goa - 403 001.

#### Wind Power Division

##### i) Kapatguda Site (9MW)

Kapatgudda, Gadag District,  
Karnataka, India.

##### ii. Udayathoor Site (1.5MW)

Udayathoor, Kasthurirengapuram,  
Tirunelveli, Tamilnadu-627 106.



**20. Addresses for Correspondence:**

Sl. No.	Shareholders Correspondence for	Address
1.	Transfer / Dematerialization / Consolidation / Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	Karvy Computershare Pvt. Ltd. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081 Phone # +91-40-23420818-824 Fax # -91-40-23420814 E.mail : mailmanager@karvy.com Website : www.karvy.com
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	<b>Sridevi Madati</b> Company Secretary  <b>Bhagyanagar India Limited</b> 5th Floor, Surya Towers, S.P.Road, Secunderabad - 500 003. Tel: +91 40 44665700, 27845119, 27841198 Fax : +91 40 27818868 E-mail: surana@surana.com, Investor Complaints: cs@surana.com, investorservices_bil@surana.com Website: www.surana.com, www.bhagyanagarindia.com

**21. Depository Services:**

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

National Securities Depository Ltd  
Trade World, 4th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai - 400 013  
Tel : 091-022-24994200  
Fax : 091-022-24972993/24976351  
Email : info@nsdl.co.in.

Central Depository Services (India) Ltd  
Phiroze Jeejeebhoy Towers,  
28th Floor,  
Dalal Street,  
Mumbai - 400 023  
Tel : 091-022-22723333  
Fax : 091-022-22723199  
Email : investors@cdslindia.com

**22. Nomination Facility:**

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

**23. Company's Policy on prevention of insider trading:**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has modified its Code of Conduct at its Board Meeting held on 31.01.2008.



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

**24. Particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement:**

Name of Director	G.M. Surana	Kamlesh Gandhi	D.Venkatasubbiah
<b>Expertise in specific functional areas</b>	A graduate in Commerce and law from Osmania University, is the Chairman of the Company and heads 'Surana Group' of Industries. He had around 2 decades of rich experience in the Ferrous & Non- Ferrous metal industry in his capacity as Promoter, Director, Partner of the various units belonging to Surana Group. Shri G.M Surana was the former Chairman of the Federation of Andhra Pradesh Chamber of Commerce and Industry (FAPCCI), former Director of Indian Overseas Bank, former Director of Andhra Pradesh State Trading Corporation, (APSTC), besides being the Member of Govt. Advisory Board, Minimum Wages Board. He is actively involved in various philanthropic activities.	He is the part of Capital and Financial Markets in India for the past 32 years and have been a member of BSE for 14 years from 1981 to 1995. He was a Director on the Board of Association of Merchant Bankers of India (AMBI) for 4 years from inception of the Association .He is now on the board after being elected .  As a Merchant Banker instrumental in raising funds for over 250 capital issues and involved in placement of equities of several companies with retail, high net worth and Institutional Investors, both domestic and overseas . Have travelled extensively to West Asian Countries , UK, North America and the Far East Asian countries in connection with these activities.  He has extensive contacts in the corporate and financial circles. Have had frequent interactions with officials in the Ministry of Finance, Reserve Bank of India and Securities and Exchange Board of India.	Graduate in Electronics and Communications, has held the post of Deputy Director General of Telecom Engg. Center, (TEC). He has wide experience in R&D work and engineering of Radio Relay systems covering VHF, UHF and Microwave Bands. He was also awarded the North East Telecom Award (1990) and Satellite Project Circle Award(1991) for meritorious services and outstanding contribution to Telecommunications. He has provided more than a decade of untiring service to Telecom Industry and service providers for basic telephony along with value added services covering Cellular Mobile, Radio Paging and Public Mobile Radio Trunking.



Name of Director	G.M. Surana	Kamlesh Gandhi	D.Venkatasubbiah
		<p>He has participated in many seminars as speaker in India and Overseas on Investments matter in context with the Indian Capital Market . He is the Guest Speaker at training Institutes of Banks and Bankers Training College of RBI, on Merchant Banking Activities.</p> <p>He was a Non Executive Director of several Companies including Dr. Reddy's Group, Rasi Group and Kirloskar Group</p> <p>He is involved in advising several NRI investors including many high net worth NRI's.</p>	
<b>Date of Birth</b>	08.11.1930	16.06.1950	01.07.1942
<b>Qualification</b>	B.Com, LL. B.	B. Com	B.E.
<b>List of Other Companies in which Directorship is held as on 31st March, 2009.</b>	<p><b>CHAIRMAN:</b></p> <ol style="list-style-type: none"> <li>1. Surana Telecom &amp; Power Ltd</li> </ol> <p><b>DIRECTOR:</b></p> <ol style="list-style-type: none"> <li>1. Bhagyanagar Energy and Telecom Pvt Ltd.,</li> <li>2. Bhagyanagar Entertainment Ltd</li> <li>3. Bhagyanagar Foods and Beverages Pvt Ltd</li> <li>4. Bhagyanagar Infrastructure Limited</li> <li>5. Bhagyanagar Metals Ltd</li> </ol>	<p><b>DIRECTOR</b></p> <ol style="list-style-type: none"> <li>1. Bombay Swadeshi Stores Ltd</li> <li>2. Lalbawa Investment &amp; Trading Company Pvt Ltd.,</li> <li>3. Kirloskar Electric Company Ltd</li> <li>4. NCL Industries Ltd</li> <li>5. Boruka Power Corporation Ltd</li> <li>6. Sai Infosystems Ltd</li> <li>7. Ogene Systems India Pvt. Ltd.</li> </ol>	<p><b>DIRECTOR</b></p> <p>Aishwarya Telecom Ltd</p>



Name of Director	G.M. Surana	Kamlesh Gandhi	D.Venkatasubbiah
	6. Bhagyanagar Telecom Limited 7. Everytime Foods Industries Private Limited., 8. Globecom Infotech Pvt Ltd 9. Innova Technologies Ltd 10. Surana Infocom Pvt Ltd 11. Scientia Infocom India Limited		
<b>Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2009</b>	He is Chairman of Shareholders Grievance Committee of M/s Surana Telecom and Power Ltd	None	None

**DECLARATION OF COMPLIANCE OF CODE OF CONDUCT**

Pursuant to the Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th Oct' 2004, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year 2008-09.

Place : Secunderabad  
 Date : 24.07.2009

**Narender Surana**  
 Managing Director



**AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by Bhagyanagar India Limited for the year ended 31.03.2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For and on behalf of**  
**M/s. Sekhar & Co**  
Chartered Accountants

Date : 24.07.09  
Place : Secunderabad

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



## MANAGEMENT DISCUSSION & ANALYSIS

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

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

#### 1.1 Introduction:

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

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

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

#### 1.2 Industry Analysis:

During the last year, the industry like other sectors of economy has been subject to widely fluctuating prices and demands which made the environment a very challenging one. As your Company has moved from commodity play to value added products it has fared much better

than most of the companies. However, there has been a pressure on margins.

### 1.3 Business Outlook:

We foresee the current year also will have tremendous challenges in the global economy and the challenges will remain. However, there are very promising signs of high growth in our end user industry currently because of the stimulus packages introduced by the Government. The Company hopes to continue to grow in this business with healthy double digit numbers.

### 2. REAL ESTATE/INFRASTRUCTURE BUSINESS:

#### 2.1. Introduction:

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

#### 2.2 Industry Analysis:

The key to sustaining India's growth rate during a global meltdown lies in developing India's infrastructure. In the present situation it is not possible on the part of the Government to provide the infrastructure on its own and is under pressure of rising gaps between demand and supply of infrastructure. Keeping this in mind, the government is targeting an investment of US\$ 20.38 billion over the next two years in the infrastructure sector.

The Indian real estate sector plays a significant role in the country's economy. The real estate sector is second only to agriculture in terms of employment generation and contributes heavily towards the gross domestic product (GDP). Almost five per cent of the country's GDP is contributed to by the housing sector.





According to industry players, housing accounts for 4.5 per cent of gross domestic product (GDP) with urban housing accounting for 3.13 per cent.

India's property sector could begin to recover from the current downturn and improve from late 2009 and may attract up to US\$ 12.11 billion in real estate investment over a five-year period. The IT and ITES sector alone is estimated to require 150 million sq ft of office space across urban India by 2010. Organised retail is also responsible for the growth in commercial office space requirement. The organised retail industry is likely to require an additional 220 million sq ft by 2010. Moreover, growth is not restricted to a few towns and cities but is pan-India, covering nearly all tier-I and tier-II cities.

Almost 80 per cent of real estate developed in India is residential space, the rest comprising of offices, shopping malls, hotels and hospitals. According to the Tenth Five-Year-Plan, there is a shortage of 22.4 million dwelling units. Thus, over the next 10 to 15 years, 80 to 90 million housing dwelling units will have to be constructed with a majority of them catering to middle- and lower-income groups.

Apart from the huge demand, India also scores on the construction front. The real estate sector is also likely to get a boost from Real Estate Mutual Funds (REMFs) and Real Estate Investment Trusts (REITs). In fact, according to a CRISIL paper, the REITs would have the potential to hold at least 5 per cent share of the total global real estate market by 2010, the size of which would turn to US\$ 1400 billion in the next 3 years. The paper titled, 'Indian REITs; Are We Prepared', says that by 2010, REITs alone would hold a market size of US\$ 70 billion of the total real estate market as its concept is gaining ground in countries like India and other developing nations.

The Government recently announced stimulus package coupled with the Reserve Bank of India's move allowing banks to provide special treatment to real estate sector, is likely to impact the Indian Real Estate sector in a positive way.

### 2.3 Business Outlook:

The Company is focusing on development of residential and Commercial space within the state of Andhra Pradesh primarily in Hyderabad. The current status of the Company's projects is as follows:

- i) **Housing Project at Visakhapatnam:** The SPV viz., M/s Savitrimata Realtors Private Limited, through which the Company planned to execute the project has since received all the requisite approvals including building plan approval, Environmental Clearance etc. from the Government. An approach road has been laid, compound wall is under construction and the master plan is ready. SPV is planning for soft launching of the project shortly.
- ii) **Panjagutta Land:** The Company owns land at Panjagutta, Hyderabad which is entrusted for development to M/s Maruthi Constructions Private Limited. The Civil Construction on the land is almost completed and the Company proposes to either sell or lease out the said building.
- iii) **Others:** The company also has lot of other land banks in the city of Hyderabad including lands at Gachibowli and Uppal for which approvals from respective Government agencies are being pursued upon.

## 3. NON CONVENTIONAL ENERGY DIVISION:

### 3.1 Introduction:

As a part of its Corporate Social responsibility, and in view raising global concerns over Global warming, BIL in the year 2006, the Company has forayed into



the non conventional energy sector with a wind power project with an initial installed capacity of 5 MW at Kapatgudda, Karnataka State. It was further expanded to 9.0MW in 2007. BIL is committed to its social responsibility and endeavors to consistently expand its generation capacity. In 2009, the Company has added another 1.5MW Wind Turbine Generator in State of Tamilnadu, making the total installed capacity at 10.5MW/Annum.

### 3.2 Industry Analysis:

The Indian wind energy sector has an installed capacity of 10,242.3 MW as on March 31, 2009. In terms of wind power installed capacity, India is ranked 5th in the world. Today India is a major player in the global wind energy market. The potential is far from exhausted. Indian Wind Energy Association has estimated that with the current level of technology, the 'on-shore' potential for utilization of wind energy for electricity generation is of the order of 65,000 MW. The unexploited resource availability has the potential to sustain the growth of wind energy sector in India in the years to come. With the ever increasing demand for electricity as well the raising concerns over global warming and speedy depletion of fossil fuels, Wind energy has become one of the best alternative source of energy. Governments, are increasingly recognising renewable energy as a reliable source for energy, both for their industrial and retail needs, targeting 20% electricity supply from renewable sources by the year 2020. In order to catalyse this, we are witnessing increase in policy support from various State governments across the country for renewable energy, wind energy in particular because of its lower gestation period. Interestingly, this support extends across almost the entire value chain for the sector, whether it is research and development or benefits to the customer. There is support in the form of subsidies,

tax credits, higher purchase price and the like, at almost every stage.

### 3.3 Business Outlook:

Wind Power Project with the present capacity of 10.50 MW has become one of the major and a consistent contributor to the Company's bottom line which will continue year on year. The Company plans to consistently expand further into this segment with a capacity addition of 1-2MW every year.

## 4. JELLY FILLED TELEPHONE CABLES:

### 4.1 Introduction:

The Company started this division in the year 1993-94 and it set up the plant for the first time in the country without any foreign collaboration. The Company has manufacturing facility at Goa and manufactures cables from the range of 5 pairs to 800 pairs.

### 4.2 Industry Analysis:

JFTC demand has suffered as a result of the increasing deployment of wireless networks and popularity of mobile services and the decline in the rollout of and demand for wireline services. It is expected that the business scenario for JFTC producers, battling with huge unused capacities (over 90 per cent of the industry capacity is lying idle) and weak demand, to continue to remain unfavourable.

### 4.3 Business Outlook:

Currently, the Company has no orders pending for execution and is not expecting any substantial orders in future. In the current scenario continuing with the operations of the above manufacturing facility shall not be financially viable. Considering the above, it is proposed to lease, sell or otherwise dispose off the whole or substantially the whole of Company's Jelly Filled Telecom Cables manufacturing facility along with all the assets thereof situated at Plot No.61, Pilerne Industrial Estate, Panajim, Goa,



to any interested party/parties, in part or whole.

## 5. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate Internal Control Systems and Procedures with regard to purchase of Stores, Raw Materials including Components, Plant and Machinery, equipment, sale of goods and other assets. The company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled.

The Company has an Internal Audit System commensurate with its size and nature of business. M/s Luharuka & Associates, a firm of Chartered Accountants, are acting as Internal Auditors of the Company. Periodic reports of Internal Auditors are reviewed in the meeting of the Audit Committee of the Board. Compliance with laws and regulations is also ensured and confirmed by the Internal Auditors of the company. Standard operating procedures and guidelines are issued from time to time to support best practices for internal control.

## 6. FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE :

### A. Financial Condition :

#### *Capital Structure :*

The Equity Share Capital of the Company is Rs.14,90,00,000/- comprising of 7,45,00,000 Equity Shares of Rs.2/- each fully paid.

#### *Reserves and Surplus:*

The Reserves and Surplus of the Company as on 31.03.09 stand at Rs. 20614.45 lakhs as compared to Rs. 20379.59 lakhs in the previous year.

#### *Fixed Assets :*

During the year, the Company added Rs.840.10 lakhs in Fixed Assets.

#### *Inventories :*

Inventories, as on 31st March, 2009, amounted to Rs. 1409.35 lakhs as against Rs. 2211.09 lakhs in the previous year.

#### *Sundry Debtors :*

Sundry debtors amounted to Rs.2519.38 lakhs as on 31st March, 2009 as against Rs.2239.06 lakhs in the previous year. These debtors are considered good and realisable.

#### *Cash and Bank Balances :*

'Cash and Bank balances' with Scheduled Banks amounting to Rs. 1889.10 lakhs as against Rs. 2865.23 lakhs in the previous year which include amounts deposited with banks as security.

#### *Loans and Advances :*

'Loans and Advances' amount to Rs. 13768.07 Lakhs as against Rs. 14006.00 lakhs in the previous year.

#### *Current Liabilities :*

'Sundry Creditors' represent the amount payable to vendors for supply of goods. 'Advances received from customers' denote monies received for the delivery of future services. 'Other Liabilities' denote amounts accrued for various other operational expenses.

### B. Operational Results :

#### *Turnover :*

During the year 2008-2009, the turnover of the Company was Rs.21416.03 lakhs as compared to Rs. 22845.15 lakhs in the previous year.

The Income from other sources as on 31st March, 2009 was Rs. 1186.03 lakhs as compared to Rs. 2077.37 lakhs in the previous year.

#### *Expenditure :*

During the year, the Company incurred expenses amounting to Rs. 2644.45 lakhs as compared to Rs. 2431.77 lakhs in the previous year.

#### *Depreciation :*

The Company has provided a sum of Rs. 498.39 lakhs towards depreciation for the year as against Rs. 483.26 lakhs in the previous year.



*Provision for Tax:*

The Company has provided a current tax of Rs. 400.00 lakhs and deferred tax liability of Rs 13.84 lakhs for the year 2008-09.

*Net Profit :*

The Net Profit of the Company after tax is Rs. 1103.87 lakhs as against Rs. 3741.30 lakhs in the previous year.

*Earnings Per Share :*

The Earnings Per Share of the Company as on 31st March, 2009 is Rs. 1.48 ps for Face Value of Rs.2/- as against Rs. 5.02 ps per share for Face Value of Rs.2/- in the previous year

### **HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:**

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

technological advancements. The Company is also maintaining a residential colony for its senior employees.

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

As on 31st March, 2009, the Company has a total strength of 183 employees.

### **CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the company's objectives and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.



**AUDITORS REPORT**

To  
**The Members of Bhagyanagar India Limited**

- I. We have audited the attached Balance Sheet of Bhagyanagar India Limited as at 31st March 2009 and the related Profit and Loss account and Cash Flow Statement for the period ended on that date annexed thereto, which we have signed under reference to this report. These Financial Statements are the responsibility of the Company's Management. Our responsibility expresses an opinion on these financial statements based on our audit.
- II. We have conducted our audit in accordance with the auditing and assurance standards generally accepted in India. The Standard requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit 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.
- III. As required by the Companies (Auditors Report) Order 2003, as amended by Companies (Auditor's Report)(Amendment) Order, 2004 (together 'the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanations given to us, we give below a statement on the matters specified in the said Order.
1. a. The Company is maintaining proper records showing full particulars including quantitative details of Fixed assets.
  1. b. Fixed Assets are not physically verified during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets.
1. c. In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of during the period.
  2. a. The Inventory has been physically verified during the year by the management. In Our opinion, the frequency of verification is reasonable.
  2. b. 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.
  2. c. On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records are not material.
  3. a. The Company has granted Loans to 6 (Six) Companies covered under section 301 of the Act. The maximum amount involved during the year was Rs.50.83 Crores (Rupees Fifty Crores Eighty three Lacs) and the year end balance of loans granted to such parties was Rs. 50.83 Crores (Fifty Crores Eighty Three Lacs).
  3. b. In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company.
  3. c. The parties have repaid the principal amounts as stipulated and have also been regular in the payment of Interest to the Company.
  3. d. There is no overdue amount in excess of Rs. 1 Lakh in respect of loans granted to Companies, firms or other parties listed in the register maintained under Section 301 of the Act.
  3. e. The Company has not taken any loans whether secured or Unsecured from the parties covered in the register maintained under Section 301 of the Act, hence we are not required to report on sub-clauses e, f & g of paragraph 4(3) of the order.



4. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regards to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
5. a. According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under sections 301 of the Act, have been so entered.
5. b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act, and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regards to prevailing market prices at the relevant time. However we are unable to comment on certain transaction for specialised items for which comparative prices are not available due to the peculiar nature of goods & transactions.
6. The Company has not accepted any deposits which fall under section 58A and 58AA and other relevant provisions of the Act, and the Companies (Acceptance of Deposit) Rules, 1975 with regard to the deposits from the public. Hence we have not reported on the reporting requirements of clause 6 of Paragraph 4 of the order.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost records under Section 209(1)(d) of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues applicable to it.
9. b. According to the information and explanation given to us and the records of the company produced before us and examined by us, there are no dues of

Name of statute	Nature of dues	Amount under dispute not yet deposited	Periods to which the amount relates	Forum where the dispute is pending
Andhra Pradesh General Sales Tax Act	APGST Tax	Rs. 3.81 Lacs	1994-95	Sales Tax Appellate Tribunal Hyderabad
	CST	Rs 1.85 Lacs	2004-05	Appellate Dy. Commsny Panjagutta
	Entry tax	Rs. 0.81 Lacs	2005-06	- do -
	AP- VAT	Rs 5.07 Lacs	2005-06	- do -
Central Excise and Customs Act	Levy of Duty on certain products	Rs. 240.07 Lacs Incl: Penalty and Interest	2004-05	Supreme Court of India



- wealth tax, service tax, excise duty, customs duty and Cess, which have not been deposited on account of any dispute. The particulars of Sales tax and Excise / Customs duty, as at 31st March 2009, which has not been deposited on account of dispute, are as follows.
10. The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.
  11. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
  12. We are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion, the company is not a Chit Fund or a Nidhi/Mutual benefit fund/ Society. Therefore the provisions of clause 4(xiii) of the order are not applicable to the company.
  14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of the clause 4(xiv) of the order are not applicable to the company.
  15. According to the information and explanation given to us, the company has not given guarantees for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are prima-facie prejudicial to the interest of the company.
  16. Based on information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
  17. According to the information and explanation given to us and 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.
  18. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
  19. The company has not issued any debentures during the year. Hence the question of creation of charge does not arise.
  20. The company has not raised any money by public issue during the period.
  21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to information and explanation given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the period nor have we been informed of such case by the management.
- IV. Further to our comments above we report that :**
- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the company as far as appears from examination of those books.
  - c. The Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report comply with the accounting standards referred to the sub-Section (3C) of Section 211 of the Act.
  - e. The notification for levy of deposit of Cess U/s. 441A of the Act has not yet been issued in the official Gazette; hence in our opinion this clause is not applicable to the company.
  - f. On the basis of written representations received from the Directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
  - g. Without qualifying, we invite the attention of stakeholders to



- i. Note No 3, Schedule 20B, Notes to Accounts - Unsecured Loans - Foreign Currency convertible bonds, wherein the management has stated that liability of payment of premium / interest on the bonds being contingent, the ultimate out come of that mater could not be determined and no provision for the interest liability has been made on that account. Similarly no Reserve for redemption of the bonds have been made in the accounts.
- ii. Note No 14 to 17 wherein the impact of adoption of the Notification of Ministry of Company Affairs with respect to Accounting Standard 11 - The effects of changes in Foreign Exchange Rates - (The Companies Accounting Standard Rules - 2006), issued on 31st day of March 2009.
- h. In our opinion and to the best of our information and according to the

explanations given to use, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of balance sheet, of the state of affairs of the company as at 31st March 2009;
- ii. in the case of profit and loss account, the profit for the year ended on that date; and
- iii. in the case of cash flow statements, of the cash flows for the year on that date.

For **Sekhar & Co**  
Chartered Accountants

**G. Ganesh**  
Partner  
M.No.211704

Place : Secunderabad  
Date : June 26, 2009





**Balance Sheet as at 31st March,2009**

(Amount in Rupees)

	Sch.No	As at 31.03.2009	As at 31.03.2008
<b>Sources of Funds</b>			
Share-Holders Funds		<b>2,210,445,343</b>	2,186,959,379
Share capital	1	<b>149,000,000</b>	149,000,000
Reserves and Surplus	2	<b>2,061,445,343</b>	2,037,959,379
<b>Share warrants (pending allotment)</b>		<b>86,810,000</b>	86,810,000
(1,55,00,000 optionally fully convertible warrants)			
Loan Funds			
Secured loans	3	<b>100,000,000</b>	392,401,249
Unsecured loans	4	<b>792,109,221</b>	779,659,221
<b>Total</b>		<b>3,189,364,564</b>	<b>3,445,829,849</b>
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
Gross Block	5	<b>1,268,333,931</b>	1,217,557,296
Less Depreciation		<b>525,066,727</b>	483,449,838
<b>Net Block</b>		<b>743,267,204</b>	734,107,458
Capital Work-In-Progress		<b>77,518,350</b>	53,779,351
<b>Investments</b>	6	<b>244,120,382</b>	269,691,221
<b>Current Assets,Loans and advances</b>			
Inventories	7	<b>140,935,621</b>	221,108,848
Sundry debtors	8	<b>251,938,389</b>	223,906,475
Cash & Bank Balances	9	<b>188,910,436</b>	286,522,834
Other Current Assets	10	<b>350,436,417</b>	556,861,908
Loans & Advances	11	<b>1,376,807,700</b>	1,400,599,769
		<b>2,309,028,563</b>	2,688,999,834
<b>less Current Liabilities &amp; Provisions</b>			
Current Liabilities	12	<b>183,509,536</b>	257,304,315
Provisions	13	<b>35,351,100</b>	52,796,765
		<b>218,860,636</b>	310,101,080
<b>Net Current Assets</b>		<b>2,090,167,927</b>	2,378,898,754
Net Deferred Tax Assets	14	<b>7,968,115</b>	9,353,065
Foreign Currency Monetary Items Translation	15	<b>26,322,586</b>	-
Difference Account			
<b>Total</b>		<b>3,189,364,564</b>	<b>3,445,829,849</b>
Notes to Accounts	21		

The Schedules referred to above form an integral part of Balance Sheet

This is the Balance Sheet referred to in our report of even date

**For Sekhar & Co**

Chartered Accountants

For and on behalf of Board of Directors

**G.Ganesh**

Partner

Membership No : 211704

**G.M.Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Managing Director

Place : Secunderabad

Date : June 26, 2009

**Surendra Bhutoria**  
Chief Financial Officer

**Sridevi Madati**  
Company secretary



**Profit & Loss account for the year ended 31st March, 2009**

(Amount in Rupees)

	Sch.No	For the year ended 31.03.2009	For the year ended 31.03.2008
<b>Income</b>			
Gross income from operations	16	2,141,602,821	2,284,515,221
Less: Excise duty		245,345,052	284,966,739
Net Income from Operations		1,896,257,769	1,999,548,482
Other Income	17	118,603,070	207,737,561
		<u>2,014,860,839</u>	<u>2,207,286,043</u>
<b>Expenditure</b>			
Materials	18	1,502,187,740	1,430,929,319
Expenses	19	264,455,016	243,176,839
Interest & Financial Charges	20	46,315,265	59,102,912
Depreciation	5	49,839,464	48,326,443
<b>Total</b>		<u>1,862,797,485</u>	<u>1,781,535,513</u>
Profit for the year		152,063,354	425,750,530
Prior Period Adjustment		283,661	-
Profit before Taxation		<u>152,347,015</u>	<u>425,750,530</u>
Provision for Taxation			
- Current year		40,000,000	48,000,000
- Deferred Tax		1,384,950	2,755,135
- Fringe Benefit Tax		575,000	865,000
<b>Profit after Taxation</b>		<u>110,387,065</u>	<u>374,130,395</u>
Balance Brought forward from Previous year		785,940,621	601,706,991
Amount Available for appropriation		<u>896,327,686</u>	<u>975,837,386</u>
Proposed Dividend		29,800,000	44,700,000
Tax on Dividend		5,051,100	7,596,765
Transfer to Foreign Exchange fluctuation reserve		-	87,600,000
Transfer to General Reserve		50,000,000	50,000,000
Surplus Carried to Balance Sheet		<u>811,476,586</u>	<u>785,940,621</u>

The Schedules referred to above form an integral part of Profit and Loss Account  
This is the Profit and Loss Account referred to in our report of even date

**For Sekhar & Co**

Chartered Accountants

For and on behalf of Board of Directors

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

**G.M.Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Managing Director

Place : Secunderabad  
Date : June 26, 2009

**Surendra Bhutoria**  
Chief Financial Officer

**Sridevi Madati**  
Company secretary



**Cash Flow Statement for the year ended March 31, 2009**

(Amount in Rupees)

	31.03.2009	31.03.2008
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax as per annexed profit and loss account	152,347,015	425,750,530
Adjustments for :		
Depreciation	49,839,464	48,326,443
FMITDA - Amortised in accordance to Revised AS- 11	13,161,293	
Unrealised gain of Foreign Exchange	-	(52,050,000)
Lease rents Amortised	512,630	512,630
Bad Debts Written Off & Provision for Bad Debts	9,301,689	1,861,105
Balances/Provisions no longer required written back	(660,574)	(202,735)
(Profit)/Loss on Sale of Investments (Net)	3,801,550	(7,957,054)
Profit on Sale of Assets	(45,690,222)	(134,167,751)
Interest Paid	46,315,265	59,102,912
Interest Received	(107,567,446)	(139,200,717)
Dividends Received	(10,307,325)	(6,257,201)
	<u>(41,293,676)</u>	<u>(230,032,368)</u>
Operating Profit before working Capital Changes	111,053,339	195,718,162
(Less)/ Add Adjustments for Working Capital Changes		
Inventories	80,173,227	(162,656,099)
Loans and Advances	2,435,674	(16,523,986)
Other Current Assets	201,425,491	(37,375,098)
Sundry Debtors	(32,333,603)	(48,797,999)
Trade Payables and other Liabilities	(58,617,209)	125,041,694
Advance from Customers	(14,721,851)	8,403,063
	<u>178,361,729</u>	<u>(131,908,425)</u>
Cash Generated from Operations	289,415,068	63,809,737
Income Tax & Fringe Benefit Tax Paid	(40,792,692)	(53,829,597)
	<u>(40,792,692)</u>	<u>(53,829,597)</u>
<b>Net Cash (used in)/from operating Activities (A)</b>	<u>248,622,376</u>	<u>9,980,140</u>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(13,093,717)	(34,679,608)
Sale of Fixed Assets	70,188,216	211,113,518
Purchase of Mutual Funds & Other Investments	(863,111,051)	(1,106,070,367)
Sale of Mutual Funds & Other Investments	884,880,343	951,498,340
Dividend Received	10,307,325	6,257,201
Interest Received	107,567,446	139,200,717
Changes in Capital Work in Progress	(23,738,999)	(24,108,703)
Loans to Joint Ventures and Subsidiaries	21,574,087	(246,138,713)
<b>Net Cash (used in)/from Investing Activities (B)</b>	<u>194,573,650</u>	<u>(102,927,615)</u>



**Cash Flow Statement for the year ended March 31, 2009**

(Amount in Rupees)

	31.03.2009	31.03.2008
C. Cash Flow From Financing Activities		
Proceeds from Issue of Share Capital	-	86,810,000
Proceeds form Short term Loans(Net)	<b>(292,401,249)</b>	188,425,500
Repayment of Long Term Loans	<b>(150,000,000)</b>	217,143
Interest Paid	<b>(46,315,265)</b>	(59,102,912)
Dividend Paid	<b>(52,091,910)</b>	(52,199,704)
<b>Net Cash (used in)/from Financing Activities (C)</b>	<b><u>(540,808,424)</u></b>	<u>164,150,027</u>
<b>Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b><u>(97,612,398)</u></b>	<u>71,202,552</u>
Cash and Cash Equivalents Opening Balance	<b><u>286,522,834</u></b>	215,320,282
Cash and Cash Equivalents Closing Balance	<b><u>188,910,436</u></b>	286,522,834
Net Increase /(Decrease) in Cash and Cash Equivalents	<b><u>(97,612,398)</u></b>	<u>71,202,552</u>

- Notes:
- The above cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India .
  - Previous Year Figures have been regrouped wherever necessary to conform to the current year's Classification.
  - Cash and Cash equivalents aggregating to Rs.1355.37 (Rs.1334.67 Lakhs) are not readily available for free use by the Company.It comprises of unpaid dividend Rs. 10.03 lakhs (Rs.7.99 Lakhs),Balance in Margin Accounts Rs.407.10 Lakhs (Rs.401.26Lakhs), Accrued interest in bank deposits Rs. 9.24 Lakhs (20.40 Lakhs), Balance in overseas Deposit Accounts and corresponding Indian Account usage of which is restricted by FEMA 1999 Rs. 929 Lakhs (915.01 Lakhs) - Figures in brackes indicate Previous Years Figures.
  - Notes to Accounts(Schedule 21) form an integral part of Cash Flow Statement.

In terms of our report of even date

**For Sekhar & Co**

Chartered Accountants

**G.Ganesh**

Partner

Membership No : 211704

Place : Secunderabad

Date : June 26, 2009

For and on behalf of Board of Directors

**G.M. Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Managing Director

**Surendra Bhutoria**

Chief Financial Officer

**Sridevi Madati**

Company secretary



## Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 1 Share Capital</b>		
<b>AUTHORISED</b>		
12,50,00,000 Equity shares of Rs.2 each <b>ISSUED, SUBSCRIBED AND PAID UP</b> 7,45,00,000 (Previous Year 7,45,00,000)	<b>250,000,000</b>	250,000,000
Equity shares of Rs 2 each fully paid-up	<b>149,000,000</b>	149,000,000
- Includes 4,72,49,560 Shares allotted as bonus in earlier years		
- Includes 62,390 Shares allotted for consideration other than cash on amalgamation in earlier years		
- Net of 1,66,73,210 Shares bought back in earlier years		
<b>Schedule - 2 Reserves And Surplus</b>		
<b>General Reserve</b>		
Balance as per last account	<b>1,050,000,000</b>	1,000,000,000
Add: Transferred from Profit & Loss Account	<b>50,000,000</b>	50,000,000
Balance at the year end	<b>1,100,000,000</b>	1,050,000,000
<b>Capital Reserve</b>		
Balance as per last account	<b>16,676,523</b>	16,676,523
Balance at the year end	<b>16,676,523</b>	16,676,523
<b>Foreign Exchange fluctuation Reserve</b>		
Balance as per last account	<b>87,600,000</b>	-
Add: Transfer from Profit & Loss Account	-	87,600,000
Less: Adjusted against previous years's gain on Forex fluctuation	52,050,000	-
Balance at the year end	<b>35,550,000</b>	87,600,000
<b>Share Premium account</b>		
Balance as per last account	<b>97,742,234</b>	97,742,234
Balance at the year end	<b>97,742,234</b>	97,742,234
<b>Profit &amp; Loss account</b>		
Surplus in the annexed Profit & Loss Account	<b>811,476,586</b>	785,940,622
	<b>2,061,445,343</b>	2,037,959,379
<b>Schedule - 3 Secured Loans</b>		
From Banks		
Cash Credit	-	42,349,249
Short Term Loan from Banks	<b>100,000,000</b>	350,052,000
	<b>100,000,000</b>	392,401,249
<b>Schedule - 4 Un Secured Loans</b>		
Deferred Sales Tax	<b>27,859,221</b>	27,859,221
Unsecured Term Loan from Bank	-	150,000,000
Foreign Currency Convertible Bonds (1,50,000 bonds of the face value of \$ 100 each valued at Rs 50.95 as on 31.03.2009)	<b>764,250,000</b>	601,800,000
	<b>792,109,221</b>	779,659,221
<b>Due within a year</b>		150,000,000



**Schedules Forming Part of the Balance Sheet**

**Schedule: 5 Fixed Assets**

(Amount in Rupees)

Particulars	Gross Block			Depreciation			Net Block			
	Cost as on 01.04.2008	Additions During the Period	Deletion/ Adjustments	Cost as on 31.03.2009	Upto 31.03.2008	For the Year	Deletion/ Adjustments	Upto 31.03.2009	As on 31.03.2008	As on 31.03.2009
1.a Free-Hold Land	178,906,895	-	-	178,906,895	-	-	-	-	178,906,895	178,906,895
1.b Lease-Hold Land	13,875,110	-	512,630	13,362,480	-	-	-	-	13,362,480	13,875,110
2.a Buildings	30,467,424	-	-	30,467,424	17,511,822	1,165,756	-	18,677,578	11,789,846	12,955,602
2.b Buildings (Infra)	32,015,000	-	32,015,000	-	7,136,008	621,975	7,757,983	-	-	24,878,992
3 Plant & Machinery	423,605,116	18,156,756	143,707	441,618,165	372,940,413	15,594,389	92,449	388,442,354	53,175,810	50,664,703
4 Wind Power Plant	463,496,535	64,068,107	-	527,564,642	31,116,117	27,269,743	-	58,385,860	469,178,782	432,380,418
5 Elec.Installation	25,203,754	-	7,866	25,195,888	23,332,050	481,104	5,414	23,807,741	1,388,147	1,871,704
6 Office Equipment	9,234,741	558,424	14,000	9,779,165	6,247,794	459,541	5,681	6,701,654	3,077,511	2,986,947
7 Vehicles	30,101,647	713,136	540,000	30,274,783	16,958,577	3,422,009	361,052	20,019,534	10,255,249	13,143,070
8 Furniture & Fixtures	5,388,060	-	-	5,388,060	3,984,496	254,045	-	4,238,541	1,149,520	1,403,564
9 Computer	5,261,004	513,415	-	5,774,419	4,220,552	570,902	-	4,791,454	982,965	1,040,452
10 Library	2,010	-	-	2,010	2,010	-	-	2,010	-	-
	1,217,557,296	84,009,838	33,233,203	1,268,333,931	483,449,838	49,839,464	8,222,579	525,066,727	743,267,204	734,107,458
Previous year	1,279,794,787	34,679,608	96,917,099	1,217,557,296	454,582,095	48,326,443	19,458,702	483,449,838	734,107,458	



**Schedules Forming Part of the Balance Sheet**

(Amount in Rupees)

	As at 31.03.2009		As at 31.03.2008	
	Nos	Amount	Nos	Amount
<b>Schedule - 6 Investment (Non-Trade, at cost)</b>				
<b>A) Unquoted securities</b>				
<b>1) In Government Securities</b>				
National Savings Certificates - 7 Years		-		500
Total Investment in government Securities		-		500
<b>2) In Shares of Joint Stock Companies</b>				
<b>A) Unquoted Investments</b>				
<b>a) In companies under the same management</b>				
Bhagyanagar Infrastructure Limited (Equity share of Rs 10 each fully paid up)	2,750,000	18,330,000	2,750,000	18,330,000
<b>Sub-Total</b>		<b>18,330,000</b>		<b>18,330,000</b>
<b>b) In Subsidiary Companies</b>				
Bhagyanagar Telecom Limited (Equity share of Rs 10 each fully paid up)	50,000	500,000	50,000	500,000
Bhagyanagar Properties Limited (Equity share of Rs 10 each fully paid up)	4,000,000	40,000,000	4,000,000	40,000,000
Bhagyanagar Metals Limited (Equity share of Rs 10 each fully paid up)	50,000	500,000	50,000	500,000
Scientia Infocom India Limited (Equity share of Rs 10 each fully paid up)	3,040,000	30,400,000	3,040,000	30,400,000
Metropolitan Ventures Limited (Equity share of Rs 10 each fully paid up)	370,000	3,700,000	370,000	3,700,000
<b>Sub Total</b>		<b>75,100,000</b>		<b>75,100,000</b>
<b>c) In Associate Companies</b>				
Bhagyanagar Entertainment and Infra Development Company (P) Ltd (Equity share of Rs 10 each fully paid up)	23,500	235,000	23,500	235,000
Surana Green Energy Ventures Private Limited (Equity share of Rs 10 each fully paid up)	4,000	40,000		
Globecom Infraventures India Private Ltd (Equity share of Rs 10 each fully paid up)	5,000	50,000		
Advantage Real Estate India Private Ltd (Equity share of Rs 10 each fully paid up)	12,500	125,000		
GMS Realtors Private Ltd (Equity share of Rs 10 each fully paid up)	5,000	50,000		
Savitrimata Relators Private Limited (Equity share of Rs 10 each fully paid up)	25,500	255,000	25,500	255,000
Surana Ventures Limited (Equity share of Rs 10 each fully paid up)	7,350,000	73,500,000	400,000	4,000,000
<b>Sub Total</b>		<b>74,255,000</b>		<b>4,490,000</b>



Schedules Forming Part of the Balance Sheet

(Amount in Rupees)				
	As at 31.03.2009		As at 31.03.2008	
	Nos	Amount	Nos	Amount
<b>d) In other companies</b>				
Arihant Optics Limited (Equity share of Rs 10 each fully paid up)	300,000	3,000,000	300,000	3,000,000
Sampre Nutrition Ltd (Equity share of Rs 10 each fully paid up)	26,650	266,500	26,650	266,500
<b>Sub Total</b>		<b>3,266,500</b>		<b>3,266,500</b>
<b>B) Quoted Securities</b>				
<b>a) In companies under same Management</b>				
Surana Telecom and Power Limited (Equity share of Rs 5 each fully paid up)	1,852,298	14,527,621	1,852,298	14,527,621
<b>Sub Total</b>	-	<b>14,527,621</b>	-	<b>14,527,621</b>
<b>b) In Other Companies</b>				
Akruti Nirman Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	211	107,477
Andhra Bank (Equity Shares of Rs 10 each Fully paid-up)	-	-	600	66,408
Axis Bank Limited (Formerly UTI Bank) (Equity Shares of Rs 10 each Fully paid-up)	-	-	34	27,494
Deccan Chronicle Holdings Limited (Equity Shares of Rs 2 each Fully paid-up)	7,377	1,505,759	7,037	1,453,855
Edelweiss Capital Limited (Equity Shares of Rs 5 each Fully paid-up)	-	-	23	32,172
Eicher Motors Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	350	150,154
Essar Oil Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	300	81,368
Finolex Cables Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	500	32,176
Future Capital Holdings Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	142,545
Gammon India Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	100	41,129
Gati Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	45	5,044
GMR Infrastructure Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	2,300	407,366
GSS America Infotech (Equity Shares of Rs 10 each Fully paid-up)	-	-	37	21,918
GVK Power & Infrastructure Limited (Equity Shares of Rs 1 each Fully paid-up)	-	-	2,500	101,375
GHCL limited (Formerly Gujrat Heavy Chemicals Limited) (Equity Shares of Rs 10 each Fully paid-up)	4,940	225,244	2,000	252,602





**Schedules Forming Part of the Balance Sheet**

(Amount in Rupees)

	As at 31.03.2009		As at 31.03.2008	
	Nos	Amount	Nos	Amount
Hindalco Industries Limited (Equity Shares of Rs 1 each Fully paid-up)	-	-	300	56,269
I F C I (Equity Shares of Rs 10 each Fully paid-up)	-	-	2,300	133,993
Indusind Bank Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	450	39,222
Infosys Technologies Limited (Equity Shares of Rs 5 each Fully paid-up)	-	-	100	153,441
Insecticides (India) Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	21	778
Ispat Industries Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	3,500	113,430
K S Oil Limited (Equity Shares of Rs 1 each Fully paid-up)	-	-	450	31,793
KNR Construction Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,934	328,780
Larsen & Tubro Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	50	150,978
Megasoft Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>2,550</b>	<b>121,354</b>	1,000	101,070
Moser-Baer India (Equity Shares of Rs 10 each Fully paid-up)	-	-	2,040	349,331
Nagarjuna Fertiliser & Chemicals Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,000	37,130
Paramount Communications Limited (Equity Shares of Rs 2 each Fully paid-up)	<b>1,000</b>	<b>26,030</b>	1,000	26,030
Parsvnath Developers Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>200</b>	<b>43,460</b>	200	43,460
Pokarna Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>1,060</b>	<b>100,700</b>	-	-
Reliance National Resources Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>500</b>	<b>43,474</b>	200	28,768
Reliance Communication Ventures Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>100</b>	<b>29,821</b>	-	-
Reliance Petroleum Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	39,861
Reliance Power Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	400	173,520
Rural Electrification Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,086	114,030
SAIL Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	3,960	941,240
Sesa Goa Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	10	33,779



Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009		As at 31.03.2008	
	Nos	Amount	Nos	Amount
Sobha Developers Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	30	28,406
Sree Sakthi Paper Mills Limited (Equity Shares of Rs 10 each Fully paid-up)	1,000	30,000	6,000	180,000
State Bank of India (Equity Shares of Rs 10 each Fully paid-up)	-	-	30	55,389
Sterlite Industries Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	100	80,184
Shree Vasavi Industries Ltd (Equity Shares of Rs 10 each Fully paid-up)	14,000	45,175	-	-
Tata Steel Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	300	239,277
Vaibhav Gems Limited (Equity Shares of Rs 10 each Fully paid-up)	300	48,623	300	48,623
Viceroy Hotels Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	12,678
Videocon Industries Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	100	51,738
Visaka Industries Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	2,056	131,393
XL Telecom & Energy Limited (formerly XL Telecom Ltd) (Equity Shares of Rs 10 each Fully paid-up)	2,500	417,871	848	325,176
<b>Sub Total</b>		<b>2,637,511</b>		<b>6,972,850</b>
<b>c) Investment in Debentures</b>				
Titan Industries Limited NCD (Debentures of Face value of Rs 250 each Fully paid-up)	15	3,750	15	3,750
<b>Sub Total</b>		<b>3,750</b>		<b>3,750</b>
<b>Total Investment in equity Shares and Debentures</b>		<b>188,120,382</b>		<b>122,690,721</b>
<b>3 ) Investment in Mutual Fund</b>				
DBS Chola Liquid Daily Dividend Re-Investment			6,000,000	60,000,000
SCMF G69 Liquidity Manager-Plus-Growth			1,500,000	15,000,000
DSP Merrill Lynch Cash Plus-Regular-Growth			11,676,268	12,000,000
Reliance Liquid Fund-Growth Option			2,467,673	30,000,000
Reliance Liquid Fund-Cash Plan- Growth Plan	2,100,000	21,000,000	2,182,771	30,000,000
Birla Sun Life Cash Plus	1,500,000	15,000,000		
GCDB IDFC Cash Fund	1,000,000	10,000,000		
JM Money Manager Fund Super Plan	1,000,000	10,000,000		
<b>Total Investments in Mutual Funds</b>		<b>56,000,000</b>		<b>147,000,000</b>
<b>Total Investments in Government Securities, Shares and Mutual Funds</b>		<b>244,120,382</b>		<b>269,691,221</b>
<b>Aggregate Market Value of Quoted Investments</b>		<b>35,000,672</b>		<b>51,143,080</b>
<b>Aggregate NAV of Mutual Funds</b>		<b>56,191,205</b>		<b>147,331,365</b>



## Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 7 Inventories</b>		
(As taken, valued and certified by the Management)		
Raw Materials (At Cost)	119,392,645	173,612,880
Work in process (At cost or net realisable value whichever is lower)	21,542,976	44,693,250
Finished Goods (At cost or net realisable value whichever is lower)	-	2,802,718
<b>Total</b>	<b>140,935,621</b>	<b>221,108,848</b>
<b>Schedule - 8 Sundry Debtors</b>		
(Unsecured, Considered Good unless otherwise stated)		
Debts outstanding for		
- More than six months	40,612,613	27,048,087
- Less: Provision for doubtful debts	-	2,500,000
- Debtors above six months, considered good	40,612,613	24,548,087
- Others, considered good	211,325,776	199,358,388
	<b>251,938,389</b>	<b>223,906,475</b>
<b>Schedule - 9 Cash and Bank Balances</b>		
Cash and cheques in hand	1,382,087	638,424
Balance with scheduled Banks		
- In current account	113,073,866	147,658,281
- In Dividend account	1,003,820	799,001
- In Fixed Deposit Account	31,815,629	95,260,344
- In deposit account - Kept under lien with banks towards margin money and other facilities	40,710,982	40,126,247
- Accrued interest on Fixed Deposits with Banks	924,052	2,040,537
	<b>188,910,436</b>	<b>286,522,834</b>
<b>Schedule - 10 Other Current Assets</b>		
(Secured, Considered Good unless otherwise stated)		
Loans against pledge of Securities	355,436,417	556,861,908
Less: Provision for Doubtful debts	5,000,000	-
	<b>350,436,417</b>	<b>556,861,908</b>
<b>Schedule - 11 Loans &amp; Advances</b>		
(Unsecured Considered Good unless otherwise stated )		
Loans & Advances	27,863,283	37,831,668
Loans to Associate & others	300,567,083	347,687,402
Advances to Subsidiary Companies	795,005,083	769,458,851
Sundry Advances-Infrastructure	142,550,000	92,064,139
Balances with Statutory bodies	41,743,357	38,634,722
Advance tax (Net of Provisions)	9,720,342	9,502,650
Deposits	37,496,288	36,749,084
Advances to Suppliers	21,862,264	68,671,253
	<b>1,376,807,700</b>	<b>1,400,599,769</b>



## Schedules Forming Part of the Balance Sheet

Cont.... Schedule - 7

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 12 Current Liabilities</b>		
Sundry Creditors	154,616,130	198,936,078
Lease deposits	8,451,879	8,472,879
Other Liabilities	13,289,908	28,226,743
Unclaimed Dividends	1,003,856	799,001
Advances from customers	6,147,763	20,869,614
	<u>183,509,536</u>	<u>257,304,315</u>
<b>Schedule - 13 Provision</b>		
Provision for taxation	-	-
Proposed Dividend	29,800,000	44,700,000
Tax on Dividend	5,051,100	7,596,765
Bonus	500,000	500,000
	<u>35,351,100</u>	<u>52,796,765</u>
<b>Schedule - 14 Deferred Tax Assets/(Liabilities) (net)</b>		
Deferred Tax Assets as at 1-04-2008	9,353,065	12,108,200
Deferred Tax assets/Liability for the year	(1,384,950)	(2,755,135)
Net deferred tax assets as on 31.03.2009	<u>7,968,115</u>	<u>9,353,065</u>
<b>Schedule - 15 Foreign Currency Monetary Items Translation</b>		
Difference Account		
Opening Balance		
Add: Created on account of Forex Fluctuation on non depreciable assets	39,483,879	-
Less: Amortised during the year	13,161,293	-
Balance to be carried forward to next year	<u>26,322,586</u>	<u>-</u>

## Schedules Forming Part of the Profit & Loss Account

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule - 16 Income from operations</b>		
Jelly Filled Telephone Cables	466,580,077	539,533,183
Copper Products	1,587,937,679	1,486,164,151
Infrastructure Leasing & Sales	38,770,119	111,092,882
Gain on Sale of other Assets / infrastructure rights	10,000,000	48,900,000
Income from disposal of Real Estate Joint Venture	-	40,118,400
Sale of Wind Power	67,101,959	68,635,124
Scrap & Misc Sales	4,793,414	1,953,072
	<u>2,175,183,248</u>	<u>2,296,396,812</u>
Less: Inter-Unit Sales	33,580,427	11,881,591
Gross Sales	<u>2,141,602,821</u>	<u>2,284,515,221</u>
Less : Excise duty	245,345,052	284,966,739
<b>Net Sales</b>	<u>1,896,257,769</u>	<u>1,999,548,482</u>



**Schedules Forming Part of the Profit & Loss Account**

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule - 17 Other Income</b>		
Interest on Loans, Deposits & Others	105,691,051	137,887,838
Interest from Trade Debtors and creditors	1,876,395	1,312,879
Profit on sale of Sundry Assets	6,189	68,910
Profit on sale of Investments (Net)	-	7,957,054
AMC Charges - CDMA	-	2,028,125
Dividend	10,307,325	6,257,201
Miscellaneous income	61,536	624,526
Balances no longer payable written back	660,574	202,735
Gain on foreign exchange fluctuation (Net of losses)	-	51,398,293
<b>TOTAL</b>	<b>118,603,070</b>	<b>207,737,561</b>
<b>Schedule - 18 Materials</b>		
<b>A. RAW MATERIALS CONSUMED</b>		
a) Opening Stock		
Raw Materials	173,612,880	41,821,174
b) Purchases net of Modvat	1,455,594,940	1,604,402,841
<b>Sub Total (i)</b>	<b>1,629,207,820</b>	<b>1,646,224,015</b>
c) Less Closing Stock		
Raw Materials	119,392,645	173,612,880
<b>Sub Total (ii)</b>	<b>119,392,645</b>	<b>173,612,880</b>
	<b>i - ii</b>	<b>1,509,815,175</b>
Less: Inter-Unit Purchases	33,580,427	11,881,591
Raw materials consumed (A)	<b>1,476,234,748</b>	<b>1,460,729,544</b>
<b>B. Purchases of Traded Goods (B)</b>	-	1,064,168
<b>C. INCREASE/ DECREASE IN STOCK</b>		
a) Opening Stock		
Work in Progress	44,693,250	13,437,090
Finished Goods	2,802,718	807,155
Stock-In-Trade- Real Estate	-	2,387,330
	<b>47,495,968</b>	<b>16,631,575</b>
b) Less Closing Stock		
Work in Progress	21,542,976	44,693,250
Finished Goods	-	2,802,718
	<b>21,542,976</b>	<b>47,495,968</b>
	<b>(C)</b>	<b>25,952,992</b>
<b>TOTAL (A) + (B) + ( C )</b>	<b>1,502,187,740</b>	<b>1,430,929,319</b>



**Schedules Forming Part of the Profit & Loss Account**

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule - 19 Expenses</b>		
Salary,Wages & Allowances	24,854,153	24,348,325
Contribution to PF and other funds	1,465,880	1,927,729
Staff Welfare expenses	1,140,028	967,136
Processing & conversion charges	18,987,817	14,726,826
Stores Consumed	15,527,819	15,396,818
Power & Fuel	36,703,004	37,052,473
Packing & Forwarding	10,903,964	7,737,884
Post.Tel.& Telephone	3,973,514	4,145,443
Insurance	1,411,998	1,637,840
Legal & Licence fees	198,519	1,387,321
Rates & Taxes	978,136	1,671,943
Repairs to		
- Building	1,285,560	872,409
- Machinery	10,834,902	6,710,191
- Others	2,934,127	1,608,724
Remuneration to Directors	11,446,050	27,492,861
Auditors remuneration		
- Statutory Audit fees	253,690	258,428
- Tax audit fees	55,150	56,180
- Other matters	55,150	56,180
- Out of Pocket expenses	27,575	28,090
Other Administrative expenses	6,181,942	7,171,291
Software development charges	741,635	903,978
Commission on Sales	3,763,872	2,908,863
Advertisement	4,525,090	3,312,546
Professional Charges	2,157,711	3,695,781
Travelling & Conveyance	5,972,604	7,210,026
Sitting fees	350,000	450,500
Loss on sale of Fixed Assets	58,950	-
Sundry Balances Written off	6,801,689	1,861,105
Provision for Doubtful debts	2,500,000	-
Loss on sale of investments	3,801,550	-
Loss on foreign exchange fluctuation(Net of Gains)	6,151,074	-
Foreign Currency Monetary Items Translation amortised	13,161,293	-
Lease Premium amortised	512,630	512,630
Service Tax Paid	587,281	3,906,370
Sales Tax Paid (Net)	63,246,643	62,021,902
Entry Tax	4,075	10,157
Sales promotion expenses	899,941	1,128,889
	<b>264,455,016</b>	<b>243,176,839</b>
<b>Schedule - 20 Interest and Financial charges</b>		
Interest on Cash Credit & others	1,175,317	3,066,313
Interest on Term Loan	34,325,161	46,661,838
Financial Charges	10,814,787	9,374,761
	<b>46,315,265</b>	<b>59,102,912</b>



**21. SIGNIFICANT ACCOUNTING Policies and Notes on Accounts Forming Part of Balance Sheet and Profit & Loss Account****21A. Significant Accounting Policies****i. Basis of Preparation of Financial Statements**

The financial statements are prepared under the Historical cost convention with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

**ii. Use of Estimates**

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

**iii. Own Fixed Assets**

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

**iv. Leased Assets**

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

**v. Depreciation**

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

**vi. Impairment of Assets**

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

**vii. Investments**

Current investments are carried at the lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.

**viii. Inventories**

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

**ix. Foreign Currency Transactions**

- Gains and Losses on account of exchange differences existing out of reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset can be added or deducted from the cost of asset



and shall be depreciated over the balance life of asset and in other cases it can be accumulated in a "foreign currency monetary item transaction. Difference Account" in the enterprises financial statements and amortized over the balance period of such long asset/liability but not beyond 31st March 2011.

- In respect of Purchases / Sales In normal course of business, the Gain / Loss is charged to Profit and Loss Account.

**x. Employee Retirement / Terminal Benefits**

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

**xi. Provision, Contingent Liabilities and Contingent Assets:**

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

**Schedule: 21 B**

**Notes on Accounts: -**

**1. Reserves & Surplus (Foreign Exchange Fluctuation Reserve):**

- In view of steep fluctuation in foreign exchange , the company had created a Foreign Exchange Fluctuation Reserve by appropriating unrealized gain amounting to Rs 876 lacs from the Profit & Loss Account during the year 2007-08. In view of The Companies (Accounting Standards) Rules,2009 issued by the Ministry of Corporate Affairs on 31.03.2009, which the Company has adopted, it has adjusted Rs 520.50 lacs arose due to capitalization of notional gain on foreign exchange fluctuation earned during the financial year 2007-08 leaving a balance of Rs 355.50 lacs in the aforesaid reserve as on 31.03.2009. Detailed working of the impact of revised AS-11 is given in Note no. 14 to 17

**2. Secured Loans:**

- Short-Term Loan of Rs 1000 lacs from Banks is earmarked from the Cash Credit limit of the company with State Bank of India and is secured by hypothecation of stocks, Debtors and first charge on pari-passu basis on specific fixed assets of the company.

**3. Unsecured Loans - Foreign Currency Convertible Bonds:**

- During the year 2006-07, the company issued at par, 5 years Zero Coupon US \$ denominated Foreign Currency Convertible Bonds (FCCB) aggregating to US \$ 15 millions (INR 6864 lacs as on the date of issue) comprising of 150 bonds of US \$ 1,00,000 each to finance capital expenditure. The bond-holders have an option of converting these bonds into equity shares at an initial conversion price of Rs 44 per share (Face value Rs 2 each) and the bond-holders are entitled to get 156.68 lacs shares at any time prior to close of business on 10th October, 2011 unless redeemed.
- The company has a commitment towards the FCCB bondholders to pay 8% half yearly compounded yield-to-maturity (YTM), in case the option of conversion is not exercised by them, within 5 years from the date of issue of the Bonds. As the liability on this account has not crystallized as on the date of Balance Sheet, no provision has been made in the books of accounts. Contingent liability on account of YTM is Rs 1812.93 lacs as on 31.03.2009.
- In compliance with the Companies (Accounting Standards) Rules,2009 issued the Ministry of Corporate Affairs, the exchange loss of Rs 1624.50 lacs incurred during the year due to depreciation in Rupee rate vis-à-vis US\$ amounting to Rs 10.83 per US\$ has been adjusted partly against cost of





Depreciable Fixed Assets in the ratio of FCCB proceeds utilized for acquiring those Assets and partly against cost of non-depreciable assets in the ratio of FCCB proceeds utilized for acquiring those assets. Detailed working of the impact of revised AS-11 is given in Note no. 14 to 17

- Liability on account of Foreign Currency Convertible Bonds as on 31.03.2009 is valued at the conversion price of that date which was Rs 50.95 = 1 US \$ as against conversion price of 31.03.2008 which was Rs 40.12 = 1 US\$
- The company is obliged to pay dividend even to those FCCB Holders who convert their bonds into equity after adoption of the financial statements and up to the book closure date for dividend purposes. Incremental dividend payable, if any, will be paid out of the balance available in the Profit & Loss Account. No provision for dividend payable to the FCCB bondholders has been made in the books of accounts.
- **Details of FCCB proceeds are as under:**

Particulars	2008-2009	2007-2008
<b>FCCB Liability</b>	<b>7624.50</b>	6018.00
Less : Investment In Wind Power Projects	<b>3756.20</b>	3756.20
Modernisation / Expansion of Copper Div	<b>422.20</b>	368.44
Investment in Infrastructural Segments		
including Hardware Parks and IT Parks	<b>1490.74</b>	1395.71
Payments to Lead Managers including fees to exchanges	<b>227.60</b>	224.07
Total Expenses	<b>5896.74</b>	5744.42
Add: Loss due to rupee depreciation	<b>943.76</b>	-
Less Interest on FDS in overseas Bank	<b>145.00</b>	129.56
Less Gains due to rupee appreciation	-	511.87
Net Amount Expended after Interest Earnings	<b>6693.74</b>	5102.99
<b>Balance with Banks</b>	<b>929.00</b>	915.01

**4. Unsecured Loans - Sales Tax deferment:**

The Total Sales Tax Deferment outstanding as on 01-04-2009 is Rs. 278.59 Lacs (Previous year Rs 278.59 lacs).

**5. Contingent Liability not provided for (As certified by the management):**

	31-03-2009	31-03-2008
	Rs.in lakhs	Rs. In lakhs
a) Counter guarantees given to the Banks against Guarantee Issued by them	<b>2537.20</b>	1766.14
b) Letters of Credit opened by Banks/Buyers' credit	<b>1352.59</b>	1578.63
c) YTM payable to the FCCB bond-holders	<b>1812.93</b>	751.43
d) Sales Tax matters under dispute	<b>11.28</b>	11.28
e) Custom duty on CDMA Phones	<b>264.07</b>	40.07
f) Capital Commitment (Net of Advances)	<b>Nil</b>	27.04

**6. Fixed Assets -**

- Increase in cost of Plant & Machinery amounting to Rs 181.56 lacs as shown in Schedule-5 to the Balance Sheet includes increase of Rs 68.48 lacs (net of decrease of Rs 29.07 lacs due to notional gain during the year 2007-08) due to notional loss during the year 2008-09 on foreign exchange fluctuation on account of FCCB liability.



## Annual Report 2008 - 2009

- Increase in cost of Windmill Plant amounting to Rs 640.68 lacs as shown in Schedule-5 to the Balance Sheet includes represents increase in cost (net of decrease of Rs 310.34 lacs due to notional gain during the year 2007-08) due to notional loss during the year 2008-09 on foreign exchange fluctuation on account of FCCB liability.

### 7. Capital Work-in-Progress:

Break-up of Capital Work-In-Process is given below:

• Advance for Land in Tada SEZ	Rs 250.00 lacs
• Construction in progress	Rs 401.73 lacs
• Purchase of Fixed Assets pending installation	Rs 123.45 lacs

### 8. Fixed Assets - Impairment:

In the view of the management, there is no impairment of the assets of the company and the management is fully confident of realizing the book value of the assets in cash or in kind. Hence, no provision for the same has been made in the books of accounts.

### 9. Investments - Subsidiaries:

Brief details of the subsidiaries are given below:

(Rs in lakhs)

Name of the Subsidiary Company	Year of Incorporation	Paid-up Capital	Co's Interest	Equity Investment	Advances
Bhagyanagar Properties Private Limited	2006-07	400	100%	400	5872.76
Scientia Infocom India Private Ltd	2005-06	400	76%	304	1663.25
Metropolitan Ventures India Limited	2007-08	50	74%	37	414.04
Bhagyanagar Metals Limited	2006-07	5	100%	5	Nil
Bhagyanagar Telecom Limited	2005-06	5	100%	5	Nil

### 10. Investments - Associates:

(Rs in lakhs)

Brief details of the Associates are given below:

Name of the Associate Company	Year of Incorporation	Paid-up Capital	Co's Interest	Equity Investment	Advances
Surana Ventures Limited	2006-07	1500	49%	735.00	-
Savitrimata Realtors Pvt Ltd	2004-05	5	26%	2.55	1230.88
Bhagyanagar Entertainment & Infra Development Co Pvt Ltd	2007-08	5	47%	2.35	-
Surana Green Energy Ventures Pvt Ltd	2007-08	1	40%	0.40	-
Advantage Real Estate India Pvt Ltd	2005-06	5	25%	1.25	549.17
Globecom Infra-Ventures Pvt Ltd	2007-08	1	50%	0.50	1
GMS Realtors Private Ltd	2005-06	1	50%	0.50	-

### 11. Cash & Bank Balance :

(Rs in lakhs)

- Balance in Current Account includes Rs 687 lacs parked in State Bank of India, Hyderabad out of the proceeds of FCCB issue.



- Balance in Current Account includes Rs 24 lacs parked as call money deposit in ICICI Bank, UK out of the proceeds of FCCB issue.
- Balance in Fixed Deposits includes Rs 218 lacs parked in ICICI Bank, UK out of the proceeds of FCCB issue.

**12. Deferred Taxes**

(Rs in lakhs)

Deferred Tax adjustments recognized in the financial statements are as under:

Particulars	As at 31-03-2008 Rs. Lakhs	Assets/Liability Arising during the Year	As at <b>31-03-2009</b> <b>Rs. Lakhs</b>
<b>Deferred Tax Assets/Liability</b>			
Depreciation - Timing difference	24.00	31.24	<b>55.24</b>
Adjustment on account of FCCB issue expenses	69.53	(45.09)	<b>24.44</b>
<b>Net Deferred Tax Assets</b>	93.53	13.85	<b>79.68</b>

**13. Earning Per Share**

(Rs in lakhs)

	<b>31.03.2009</b>	31.03.2008
Net Profit after tax	<b>1103.87</b>	3741.30
Net Profit available for Equity share-holders	<b>1103.87</b>	3741.30
Number of equity shares - Basic	<b>745.00</b>	745.00
Add: Undiluted effect of potential equity shares on conversion of FCCB	<b>156.68</b>	156.68
Add: Undiluted effect of potential equity shares on conversion Warrants	-	155.00
Number of equity shares - Dilutive	<b>901.68</b>	1056.68
Nominal value of each equity share (Rs)	<b>2.00</b>	2.00
Basic Earning Per Share	<b>1.48</b>	5.02
Diluted Earning Per Share (on conversion of FCCB and Warrants)	<b>1.22</b>	3.54

**14. Impact of increase in FCCB Liability and treatment thereof in accordance with revised AS-11 (The effect of changes in foreign exchange rates)**

(Rs in lakhs)

	<b>Debit</b>	<b>Credit</b>
Increase in FCCB Liability as compared to previous year		1624.50
Increase in cost of Plant & Machinery	1048.58	
Creation of Foreign Currency Monetary Items Translation Difference		
Account on increase in cost of non-depreciable assets	575.92	
<b>Total</b>	<b>1624.50</b>	<b>1624.50</b>



**15. Foreign Currency Monetary Items Translation Difference Account ("FCMITD Account")** (Rs in lakhs)

	<b>Increase</b>	<b>Decrease</b>
Increase in cost of assets other than depreciable assets in the year 2008-09	575.92	
Decrease in cost of assets other than depreciable assets in the year 2007-08		181.08
Amortised 1/3 of the net increase during the year 2008-09		131.61
<b>Balance as on 31.03.2009 to be amortised over a period of two years till 2011</b>		<b>263.23</b>

**16. Depreciation:** (Rs in lakhs)

Depreciation on fixed assets has increased by Rs 34.94 lacs due to adoption of The Companies (Accounting Standards) Rules, 2009 issued by the Ministry of Corporate Affairs on 31.03.2009.

**17. Impact on Profit & Loss Account due to revised AS-11** (Rs in lakhs)

Increase in Profit on non-recognition of exchange difference	748.50
Decrease in Profit due to amortization of "FCMITD Account"	131.61
Increase in Depreciation on capitalization of forex difference to respective assets	34.94
Net increase in Profit due to change in Accounting Policy	581.95



## 18. Related Party Disclosure

### A: Relationship

Entities in which directors are interested	Subsidiary companies	Joint venture & Associates	Key Management Personnel	Relatives of key management personnel
Surana Telecom and Power Limited	Metropolitan Ventures India Limited	Surana Ventures Limited	G M Surana	Namrata Surana
Innova Technologies Private Limited	Bhagyanagar Properties Private Ltd	Savitrimata Realtors Pvt Ltd	Narender Surana	Manish Surana.
Value Infrastructure& Properties Pvt Ltd	Scientia Infocom India Private Ltd	BEIDCPL	Devendra Surana	
Bhagyanagar Energy & Telecom Pvt Ltd	Bhagyanagar Telecom Ltd		Narender Munoth	
Bhagyanagar Infrastructure Ltd	Bhagyanagar Metals Ltd	Globecom Infra-ventures Pvt Ltd		
Bhagyanagar Entertainment Ltd		GMS Realtors Pvt Ltd		
Every Time Foods Industries Pvt Ltd				
Surana Infocom Private Ltd				
Advantage Real Estate India Pvt Ltd				
Tranquil Avenues India Pvt Ltd				
Royal Skyscrapers India Pvt Ltd				
Celestial Avenues Pvt Ltd				
Innova Infrastructure Pvt Ltd				
Majestic Logistics Pvt Ltd				
Innova Biotech India Pvt Ltd				
Epicentre Entertainment Private Ltd				
Bhagyanagar Ventures Ltd				



**B: Transactions**

Nature of Transaction	Entities in which directors are interested	Subsidiary companies	Associates	Key Management Personnel	Relatives of key management personnel
Sale of Goods	<b>700.46</b> (37.61)				
Purchase of Goods	<b>469.73</b> (663.045)				
Job Work-Sales	<b>7.28</b> (Nil)				
Job work -Purchase	<b>46.92</b> (43.86)				
Interest received			<b>288.95</b> (225.92)		
Share warrant Application money-Received	<b>176</b> (176)				
Share warrant Application money-Paid			<b>80</b> (70)		
Investments	<b>183.30</b> (183.30)	<b>751</b> (751)	<b>697.65</b> (44.90)		
Advances	<b>Nil</b> (752.12)	<b>7950.05</b> (7694.59)	<b>3005.67</b> (3546.87)		
Remuneration				<b>114.46</b> (284.70)	<b>6.00</b> (4.73)
Staff Development expenses					<b>3.94</b> (Nil)
Rent				<b>2.40</b> (1.52)	

Figures in brackets represent figures for the previous year

**19. Sundry Debtors & other balances:**

In case of balances in Sundry Debtors, Loans and Advances, other current assets and Sundry Creditors, letters seeking confirmation of year-end balances are sent to the concerned parties. The Balances are subject to confirmation and reconciliation.

Sundry creditors include Rs 1352.59 lacs secured by way of Letter of Credit/ Buyers' credit. Further, the Company does not owe any sum to Micro & small enterprises as at the end of the accounting year on account of principal and interest under the Micro, Small and Medium Enterprises Development Act, 2006 as per the information and records available with the company about their industrial status which has been relied upon by the auditors..



**20. Employees Benefits:**

- A) The company has adopted the revised Accounting Standard AS-15 - Employees Benefits with effect from 1st April,2007.
- B) Defined Benefit Plan Gratuity:  
The company makes annual contribution to the employees' group Gratuity Scheme of Life Insurance Corporation of India (LIC), a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible on separation /termination or death in terms of the provisions of The Payment of Gratuity (Amendment) Act,1997 or as per company's scheme whichever is more beneficial to the employees.
- C) **Basis used to determine Expected Rate of Return on Assets**  
The expected return on plan assets of 8% has been considered based on the information given by LIC which manages the funds.
- D) **Amounts recognized as expenses**  
Gratuity cost amounting to Rs 0.19 lacs has been included in Schedule- 18 under contribution to Provident and other Funds.
- E) The management is informed by the Insuring Company (LIC) that the balance in Gratuity fund will meet full liability as on 31.03.2009. Further, the benefits paid amounting to Rs 0.75 lacs were met by the LIC. Hence, they are not routed through Profit & Loss Account.

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

**(A) CAPACITY AND PRODUCTION**

Particulars	Unit	Installed Capacity		Production	
		2008-09	2007-08	2008-09	2007-08
i) Copper wire (b)	MT	<b>15000</b>	15000	<b>6629.263</b>	5270.405
ii) Jelly Filled Telephone cables	LCKM	<b>72.00</b>	72.00	<b>3.08</b>	4.52
iii) Bare Copper-Copper Bars, Rods and Profiles (c)	MT	<b>3000</b>	3000	<b>1871.085</b>	391.510
iv) Wind Power	MW	<b>9.00</b>	9.00	<b>2.38</b>	2.44

- Note:**
- The Installed Capacities and production are as certified by Management which has been relied upon by the Auditors.
  - Includes Job Work Done 2931.24 MTs ( Previous year 2396.326 MT)
  - Includes Job Work MTs 1356.57MTs (Previous year 169.866 MT)



**(B) TURNOVER:**

Particulars	Unit	Quantity		Value (Rs. in lakhs)	
		2008-09	2007-08	2008-09	2007-08
i) Copper Products (a)	MT	<b>8506.88</b>	5658.582	<b>15879.37</b>	14861.64
ii) Jelly Filled Telephone cables	Lac CKM	<b>3.08</b>	4.52	<b>4665.80</b>	5395.33
iii) Wind Power	Units	<b>209.69</b>	214.48	<b>671.02</b>	686.35
iv) Scrap & Miscellaneous items	-	-	-	<b>47.93</b>	19.53
v) Infrastructure/ Real estate Income				<b>487.70</b>	2001.11
<b>SUB-TOTAL</b>				<b>21751.83</b>	22963.97
Less: Inter-Unit sales				<b>335.80</b>	118.82
Less: Excise duty				<b>2453.45</b>	2849.67
<b>TOTAL</b>				<b>18962.58</b>	<b>19995.48</b>

**Note:** a) Includes Job Work of 4287.81 MT (Previous year 2566.192 MT)

**(C) OPENING & CLOSING STOCK OF FINISHED GOODS:**

Particulars	Opening Stock				Closing Stock			
	Quantity		Value (Rs.in lakhs)		Quantity		Value (Rs.in lakhs)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
i) Copper Wire Rods(MTs)	<b>6.532</b>	3.150	<b>28.03</b>	8.08	<b>Nil</b>	6.532	<b>Nil</b>	28.03*
ii) Cables (LacCKM)	<b>Nil</b>	Nil	<b>Nil</b>	Nil	<b>Nil</b>	Nil	<b>Nil</b>	Nil
<b>TOTAL</b>			<b>28.03</b>	8.08	<b>TOTAL</b>		<b>Nil</b>	28.03

\* Includes Excise duty provision of Rs 3.53 lacs





**(D) RAW MATERIALS CONSUMED:**

Particulars	Unit	Quantity		Value (Rs. in lakhs)	
		2008-09	2007-08	2008-09	2007-08
i) Copper	MTs	<b>3533.578</b>	3524.596	<b>10124.92</b>	12198.86
ii) Scrap	MTs	<b>1072.493</b>	514.691	<b>3144.10</b>	1207.84
iv) Polythene granules	MTs	<b>869.835</b>	1105.07	<b>522.98</b>	656.51
v) Poly Al.Tape	MTs	<b>122.943</b>	184.508	<b>195.77</b>	232.96
vi) Galvanised Steel Tape	MTs	<b>578.116</b>	488.697	<b>289.10</b>	217.71
vii) Others				<b>485.48</b>	93.41
viii) Inter Unit Transfers					
a) Copper Rods/Wire	MTs	<b>83.78</b>	28.048	<b>249.57</b>	97.62
c) Others				<b>86.23</b>	21.20
<b>Sub-Total</b>				<b>15098.15</b>	14726.11
Less: Inter-Unit Purchases				<b>335.80</b>	118.82
<b>Total</b>				<b>14762.35</b>	14607.29

**(E) VALUE OF RAW MATERIALS, STORES & SPARE PARTS CONSUMED:**

Particulars	2008-2009		2007-2008	
	Rs. In lakhs	Value Percentage	Rs. in lakhs	Value Percentage
Raw Materials & Components				
(a) Imported	<b>3838.66</b>	<b>26.00</b>	7009.23	47.59
(b) Indigenous	<b>11259.49</b>	<b>74.00</b>	7716.88	52.41
<b>TOTAL</b>	<b>15098.15</b>	<b>100.00</b>	14726.11	100.00
Stores & Spare Parts				
(a) Imported	<b>35.14</b>	<b>22.63</b>	16.64	10.80
(b) Indigenous	<b>120.13</b>	<b>77.37</b>	137.33	89.20
<b>TOTAL</b>	<b>155.27</b>	<b>100.00</b>	153.97	100.00

**(F) TRANSACTIONS IN FOREIGN EXCHANGE:**

Particulars	2008-09 Rs. In lakhs	2007-2008 Rs. In lakhs
i) Imports (on CIF Basis)		
a) Raw Materials/Traded Goods	<b>3448.97</b>	5697.34
b) Stores & Spares	<b>27.03</b>	12.16
c) Capital Goods	-	173.41
ii) Expenditure in Foreign Currency (Traveling)	<b>9.69</b>	31.42
iii) Earning in Foreign currency (Export sales)	<b>236.43</b>	341.22

- Previous years figures have been regrouped/ rearranged wherever necessary.



## Annual Report 2008 - 2009

### Segmental Reporting

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

SI No	Particulars	Telecom Products	Copper Products	Wind power	Infra Structure	Total
<b>1</b>	<b>REVENUE</b>					
	External Sales (Net of Excise)	4,001.15	13,802.71	671.02	487.70	18,962.58
	<b>Total Revenue</b>	<b>4,001.15</b>	<b>13,802.71</b>	<b>671.02</b>	<b>487.70</b>	<b>18,962.58</b>
<b>2</b>	<b>RESULTS</b>					
	Segment results	262.91	384.72	411.08	452.74	1,511.45
	Unallocable income/Expenses					475.17
	Operating Profit					1,986.62
	Interest Expenses					463.15
	Interest Income					-
	Income taxes					419.60
	Profit from Ordinary Activities					1,103.87
	Extra-ordinary loss/Profit					-
	<b>Net Profit</b>					<b>1,103.87</b>
<b>3</b>	<b>Other Information</b>					
	Segment Assets	2,080.47	3562.66	4855.33	15,661.36	26,159.82
	Unallocable Assets					7,658.62
	<b>Total Assets</b>					<b>33,818.44</b>
	Segment Liabilities	671.82	757.04	152.91	187.38	1769.17
	Unallocable Liabilities					1,419.44
	<b>Total Liabilities</b>					<b>3188.61</b>
	Capital Expenditure	4.62	115.03	-	-	119.65
	Unallocable Capital Expenditure					11.29
	<b>Total Capital Expenditure</b>					<b>130.94</b>
	Depreciation	26.00	141.22	272.70	26.74	466.66
	Unallocable Depreciation					31.74
	<b>Total Depreciation</b>					<b>498.39</b>
	Non Cash expenses - other than depreciation	55.45	12.74	3.60	-	71.79
	Unallocable non cash expenses					157.21



Reconciliation of reportable segments with the Financial Statements (Rs in Lacs)

	Revenues		Results/Net profit		Assets		Liabilities	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Total of reportable segments	18,962.58	19995.48	1,511.45	3,437.97	26,159.82	25,648.05	1769.17	2,605.39
Corporate - unallocable (Net)	938.33	2077.38	475.17	1,410.56	7,658.62	11,911.26	1,419.44	6,198.22
Interest expenses			463.15	591.03				
Taxes			419.60	516.20				
As per financial Statements	19,900.90	22,072.86	1,103.87	3,741.30	33,818.44	37,559.31	3,188.61	8,803.61

This is the notes referred to in our report of even date Signatory to Schedule 1 to 24

**For Sekhar & Co**  
Chartered Accountants

For and on behalf of Board of Directors

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

**G.M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Managing Director

Place : Secunderabad  
Date : June 26, 2009

**Surendra Bhutoria**  
Chief Financial Officer

**Sridevi Madati**  
Company secretary



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

S.No	Name of subsidiary Company	Bhagyanagar Metals Limited	Bhagyanagar Properties Private Limited	Bhagyanagar Telecom Limited	Scientia infocom India Private Limited	Metropolitan Ventures India Limited
1	Financial Year ending of the Subsidiary	31.03.09	31.03.09	31.03.09	31.03.09	31.03.09
2	Shares of the subsidiary held by Holding Company on the above date					
	a. Number and Face Value.	50,000 Equity shares of Rs. 10/- each	40,00,000 Equity shares of Rs. 10/- each	50,000 Equity shares of Rs. 10/- each	30,40,000 Equity shares of Rs. 10/- each	3,70,000 Equity shares of Rs. 10/- each
	b. Extent of Holding	100.00%	100.00%	100.00%	76.00%	74.00%
3	Profit/losses of the subsidiary company for its financial year so far as it concerns the members of the holding company which have not been dealt within the accounts of holding company					
	a. For the financial year or the years of the subsidiary aforesaid	(12,280.00)	(446,672.00)	(7,389.00)	(58,056.00)	2,113,637.00
	b. For the previous financial years of the subsidiary since it became the holding company's subsidiary	(6,958.00)	(624,849.00)	(13,350.00)	(409,384.00)	(6,146.00)
4	Net aggregate amount of the profits/losses of the subsidiary so far as the profits are dealt in the accounts of holding company.					
	a. For the financial year or the years of the subsidiary aforesaid	nil	nil	nil	nil	nil
	b. For the previous financial years of the subsidiary since it became the holding company's subsidiary	nil	nil	nil	nil	nil

For and on behalf of the Board

Place : Secunderabad. **G.M. Surana** Chairman **Narender Surana** Managing Director **Devendra Surana** Managing Director **Surendra Bhutoria** Chief Financial Officer **Sridevi Madati** Company Secretary  
 Date : 28.07.2009



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(as required under part IV of the amended schedule VI of the Companies Act 1956)

### I. Registration Details

- a) Company Identification No. (CIN) L27201AP1991PLC012449
- b) State Code No 01
- c) Balance Sheet Date 31 03 2009  
 (Date) (Month) (Year)

### II. Capital Raised during the year (Amount in Rs.Thousands)

- a) Public Issue NiI
- b) Rights Issue NiI
- c) Bonus Issue NiI
- d) Private Placement NiI

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands) 31-03-09

- a) Total Liabilities 3189364.56
- b) Total Assets 3189364.56
- c) Sources of Funds
- i) Paid up Capital 149000.00
- ii) Reserves & Surplus 2061445.34
- iii) Secured Loans 100000.00
- iv) Unsecured Loans 792109.22
- d) Application of Funds
- i) Net Fixed Assets 743267.20
- ii) Investments 244120.38
- iii) Net Current Assets 2090167.93
- iv) Deferred Tax Asset 7968.12

### IV. Performance of Company (Amount in Rs.Thousands)

- i) Sales and other Income 2014860.84
- ii) Total Expenditure 1862797.49
- iii) Profit Before Tax 152347.02
- iv) Profit After Tax 110387.07
- v) Earnings per share (Rs.) 1.48
- vi) Dividend (%) 20.00

### V. Generic names of three Principal Products of Company

Item.Code.No.	Name
(ITC Code)	
85, 442, 029	Jelly Filled Telecommunication Cable
74, 031, 200	Copper Rods
74, 099, 000	Super Enamelled Copper Wires



## CONSOLIDATED FINANCIAL STATEMENTS

Bhagyanagar India Limited and its Subsidiary Companies

### AUDITORS' REPORT

To  
The Board of Director  
Bhagyanagar India Limited

1. We have audited the attached Consolidated Balance Sheet of Bhagyanagar India Limited and its Subsidiaries (The Group) as at 31st March, 2009 and the related Profit and Loss Account and Consolidated Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. This Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted the audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard - 21 - Consolidated Financial Statements, Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27 - Financial

Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India.

4. Without qualifying, we invite your attention to Note No 8, Schedule 24B, Notes to Accounts - Unsecured Loans - Foreign Currency convertible bonds, wherein the management has stated that liability of payment of premium / interest on the bonds being contingent, the ultimate outcome of that matter could not be determined and no provision for the interest liability has been made on that account. Similarly no Reserve for redemption of the bonds have been made in the accounts.  
Note No 17 to 20 wherein the impact of adoption of the Notification of Ministry of Company Affairs with respect to Accounting Standard 11 - The Effects of Changes in Foreign Exchange Rates - (The Companies Accounting Standard Rules -2006), issued on 31st day of March 2009.
5. Based on our audit, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
  1. In the case of consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2009.
  2. In the case of consolidated Profit and Loss Account, of the profit for the year ended on that date; and
  3. In the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Sekhar & Co.**  
Chartered Accountants

**G.Ganesh**  
Partner

Place : Secunderabad  
Date : June 26,2009

Membership No: 211704



**Consolidated Balance Sheet as at 31st March,2009**

(Amount in Rupees)

	Sch.No	As at 31.03.2009	As at 31.03.2008
<b>Sources of Funds</b>			
Share-Holders Funds		<b>2,207,350,038</b>	2,185,849,784
Share capital	1	<b>149,000,000</b>	149,000,000
Reserves and Surplus	2	<b>2,058,350,038</b>	2,036,849,784
<b>Minority Interest</b>	3	<b>11,570,379</b>	10,846,083
<b>Share warrants (pending allotment) (1,55,00,000 optionally fully convertible warrants)</b>		<b>86,810,000</b>	86,810,000
<b>Loan Funds</b>			
Secured loans	4	<b>100,000,000</b>	392,401,249
Unsecured loans	5	<b>816,492,283</b>	828,425,345
<b>Total</b>		<b>3,222,222,700</b>	3,504,332,461
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
Gross Block	6	<b>2,141,421,265</b>	2,086,029,630
Less Depreciation		<b>525,066,723</b>	483,449,838
Net Block		<b>1,616,354,542</b>	1,602,579,792
Capital Work-In-Progress		<b>77,947,600</b>	53,779,351
Investments	7	<b>165,425,762</b>	194,591,221
Current Assets,Loans and advances			
Inventories	8	<b>140,935,621</b>	221,108,848
Sundry debtors	9	<b>252,319,639</b>	223,906,475
Cash & Bank Balances	10	<b>189,944,008</b>	287,704,004
Other Current Assets	11	<b>350,436,417</b>	556,861,908
Loans & Advances	12	<b>613,095,832</b>	664,140,918
		<b>1,546,731,517</b>	1,953,722,153
<b>less Current Liabilities &amp; Provision</b>			
Current Liabilities	13	<b>183,570,335</b>	257,323,176
Provisions	14	<b>35,351,100</b>	52,796,765
		<b>218,921,435</b>	310,119,941
Net Current Assets		<b>1,327,810,082</b>	1,643,602,212
Net Deferred Tax Assets	15	<b>7,968,115</b>	9,353,065
Foreign Currency Monetary Items Translation	16	<b>26,322,586</b>	-
Difference Account			
Misc expenditure (to the extent not written off or adjusted)			
Preliminary expenses	17	<b>354,035</b>	398,206
Pre-Operative Expenses	18	<b>39,977</b>	28,614
<b>Total</b>		<b>3,222,222,700</b>	3,504,332,461
Notes to Accounts	24		

The Schedules referred to above form an integral part of Balance Sheet

This is the Balance Sheet referred to in our report of even date

**For Sekhar & Co**

Chartered Accountants

For and on behalf of Board of Directors

**G. Ganesh**

Partner

Membership No : 211704

**G.M. Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Managing Director

Place : Secunderabad

Date : June 26, 2009

**Surendra Bhutoria**

Chief Financial Officer

**Sridevi Madati**

Company secretary



**Consolidated Profit & Loss account for the year ended 31st March,2009**

(Amount in Rupees)

	Sch.No	For the year ended 31.03.2009	For the year ended 31.03.2008
<b>Income</b>			
Gross income from operations	19	2,146,217,821	2,284,515,221
Less: Excise duty		245,345,052	284,966,739
Net Income from Operations		1,900,872,769	1,999,548,482
Other Income	20	118,604,900	207,737,561
		<b>2,019,477,669</b>	<b>2,207,286,043</b>
<b>Expenditure</b>			
Materials	21	1,502,187,740	1,430,929,319
Expenses	22	265,030,838	243,420,700
Interest & Financial Charges	23	46,315,433	59,103,192
Depreciation	6	49,839,465	48,326,443
<b>Total</b>		<b>1,863,373,476</b>	<b>1,781,779,654</b>
Profit for the year		156,104,193	425,506,389
Prior Period Adjustment		283,661	-
Profit before Taxation		156,387,854	425,506,389
Provision for Taxation			
- Current year		41,706,785	48,000,000
- Deferred Tax		1,384,950	3,066,067
- Fringe Benefit Tax		575,850	865,000
Profit after Taxation		112,720,269	373,575,322
Less: Minority Interest(current year's Profit/( loss)		724,296	(53,917)
Less: Share in net assets of associate companies		3,594,620	
<b>Net Profit after minority interest and share in net assets of the Associates</b>		<b>108,401,354</b>	<b>373,629,239</b>
Balance Brought forward from Previous year		784,831,027	601,098,553
Amount Available for appropriation		893,232,381	974,727,792
Proposed Dividend		29,800,000	44,700,000
Tax on Dividend		5,051,100	7,596,765
Transfer to Foreign Exchange fluctuation reserve		-	87,600,000
Transfer to General Reserve		50,000,000	50,000,000
Surplus Carried to Balance Sheet		808,381,281	784,831,027

The Schedules referred to above form an integral part of Profit and Loss Account  
This is the Profit and Loss Account referred to in our report of even date

**For Sekhar & Co**

Chartered Accountants

For and on behalf of Board of Directors

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

**G.M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Managing Director

Place : Secunderabad  
Date : June 26, 2009

**Surendra Bhutoria**  
Chief Financial Officer

**Sridevi Madati**  
Company secretary





**Consolidated Cash Flow Statement for the year ended March 31, 2009**

(Amount in Rupees)

	31.03.2009	31.03.2008
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax as per annexed profit and loss account	156,387,854	425,506,389
Adjustments for :		
Depreciation	49,839,465	48,326,443
FMITDA - Amortised in accordance to Revised AS- 11	13,161,293	
Unrealised (gain)/Loss of Foreign Exchange		(52,050,000)
Realised Gain of Foreign Exchange		-
Lease rents Amortised	512,630	512,630
Bad Debts Written Off & Provision for Bad Debts	9,301,689	1,861,105
Balances/Provisions no longer required written back	(662,404)	(202,735)
(Profit)/Loss on Sale of Investments(Net)	3,801,550	(7,957,054)
Profit on Sale of Assets	(50,305,222)	(134,167,751)
Interest Paid	46,315,433	59,102,912
Interest Received	(107,567,446)	(139,200,717)
Preliminary expenses written off	44,171	9,034
Preliminary expenses	-	(183,989)
Pre-operative Expenses written off	8,306	
Pre-operative Expenses	(19,669)	(9,707)
Dividends Received	(10,307,325)	(6,257,201)
Operating Profit before working Capital Changes	<b>110,510,325</b>	195,289,359
<b>(Less)/ Add Adjustments for Working Capital Changes</b>		
Inventories	80,173,227	(162,656,099)
Loans and Advances	2,435,674	(16,523,986)
Other Current Assets	201,425,491	(37,368,486)
Sundry Debtors	(32,714,853)	(48,797,999)
Trade Payables and other Liabilities	(58,573,441)	125,038,216
Advance from Customers	(14,721,851)	8,403,063
Cash Generated from Operations	<b>288,534,572</b>	(131,905,291)
Income Tax & Fringe Benefit Tax Paid	(40,793,542)	(53,829,597)
Net Cash (used in)/from operating Activities (A)	<b>247,741,030</b>	(53,829,597)
	<b>247,741,030</b>	9,554,471

cont..

**Consolidated Cash Flow Statement for the year ended March 31, 2009**

(Amount in Rupees)

	31.03.2009	31.03.2008
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(53,474,967)	(81,355,761)
Sale of Fixed Assets	110,569,466	211,113,518
Purchase of Mutual Funds & Other Investments	(863,111,051)	(1,106,070,367)
Sale of Mutual Funds & Other Investments	884,880,339	951,498,340
Dividend Received	10,307,325	6,257,201
Interest Received	107,567,446	139,200,717
Changes in Capital Work in Progress	(24,168,249)	(24,108,703)
Loans to Joint Ventures and Subsidiaries	47,120,319	(204,178,463)
<b>Net Cash (used in)/from Investing Activities (B)</b>	<b>219,690,628</b>	<b>(107,643,518)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from Issue of Share Capital	-	91,810,000
Proceeds from borrowings	(292,401,249)	188,425,500
(Repayment)/Receipt of borrowings	(174,383,062)	180,276
Interest Paid	(46,315,433)	(59,102,912)
Dividend Paid	(52,091,910)	(52,199,704)
Minority interest in share capital and reserves		
<b>Net Cash (used in)/from Financing Activities (C)</b>	<b>(565,191,654)</b>	<b>169,113,160</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	<b>(97,759,996)</b>	<b>71,024,113</b>
Cash and Cash Equivalents Opening Balance	<b>287,704,005</b>	<b>216,679,892</b>
Cash and Cash Equivalents Closing Balance	<b>189,944,008</b>	<b>287,704,005</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	<b>(97,759,997)</b>	<b>71,024,113</b>

- Notes:**
- The above cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
  - Previous Year Figures have been regrouped wherever necessary to conform to the current year's Classification.
  - Cash and Cash equivalents aggregating to Rs.1355.37 (Rs.1334.67 Lakhs) are not readily available for free use by the Company. It comprises of unpaid dividend Rs. 10.03 lakhs (Rs.7.99 Lakhs), Balance in Margin Accounts Rs.407.10 Lakhs (Rs.401.26Lakhs), Accrued interest in bank deposits Rs. 9.24 Lakhs (20.40 Lakhs), Balance in overseas Deposit Accounts and corresponding Indian Account usage of which is restricted by FEMA 1999 Rs. 929 Lakhs (915.01 Lakhs) - Figures in brackets indicate Previous Years Figures.
  - Notes to Accounts (Schedule 21) form an integral part of Cash Flow Statement

In terms of our report of even date

**For Sekhar & Co**

Chartered Accountants

For and on behalf of Board of Directors

**G. Ganesh**

Partner

Membership No : 211704

**G.M. Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Managing Director

Place : Secunderabad

Date : June 26, 2009

**Surendra Bhutoria**  
Chief Financial Officer

**Sridevi Madati**  
Company secretary



**Schedules Forming Part of the Consolidated Balance Sheet**

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 1 Share Capital</b>		
<b>AUTHORISED</b>		
12,50,00,000 Equity shares of Rs.2 each	<b>250,000,000</b>	250,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
7,45,00,000 (Previous Year 7,45,00,000) Equity shares of Rs 2 each fully paid-up	<b>149,000,000</b>	149,000,000
- Includes 4,72,49,560 Shares allotted as bonus in earlier years		
- Includes 62,390 Shares allotted for consideration other than cash on amalgamation in earlier years		
- Net of 1,66,73,210 Shares bought back in earlier years		
<b>Schedule - 2 Reserves And Surplus</b>		
<b>General Reserve</b>		
Balance as per last account	<b>1,050,000,000</b>	1,000,000,000
Add: Transferred from Capital Redemption Reserve	-	-
Add: Transferred from Profit & Loss Account	<b>50,000,000</b>	50,000,000
Balance at the year end	<b>1,100,000,000</b>	1,050,000,000
<b>Capital Reserve</b>		
Balance as per last account	<b>16,676,523</b>	16,676,523
Balance at the year end	<b>16,676,523</b>	16,676,523
<b>Capital Redemption Reserve</b>		
Balance as per last account		-
Less: Transferred to General Reserves		-
Balance at the year end		-
<b>Foreign Exchange fluctuation Reserve</b>		
Balance as per last account	<b>87,600,000</b>	-
Add: Transfer from Profit & Loss Account	-	87,600,000
Less: Adjusted against previous years's gain on Forex fluctuation on translation of FCCB Liability	<b>52,050,000</b>	
Balance at the year end	<b>35,550,000</b>	87,600,000
<b>Share Premium account</b>		
Balance as per last account	<b>97,742,234</b>	229,312,234
Less: Change in share holding pattern of Subsidiaries/Joint venture	-	131,570,000
Add: Received on preferential issue		-
Less: Utilised for Issue of Bonus Shares		-
Less: Utilised for Expenses for Issue of FCCB (net of taxes)		-
Balance at the year end	<b>97,742,234</b>	97,742,234
<b>Profit &amp; Loss account</b>		
Surplus in the annexed Profit & Loss Account	<b>808,381,281</b>	784,831,027
	<b>2,058,350,038</b>	2,036,849,784



**Schedules Forming Part of the Consolidated Balance Sheet**

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 3 Minority Interest</b>		
Opening Balance	<b>10,846,083</b>	10,900,000
Current year's Profit & Loss Account	<b>724,296</b>	(53,917)
Balance Carried to Balance Sheet	<b>11,570,379</b>	10,846,083
<b>Schedule - 4 Secured Loans</b>		
From Banks		
Cash Credit	-	42,349,249
Short Term Loan from Banks	<b>100,000,000</b>	350,052,000
	<b>100,000,000</b>	392,401,249
<b>Schedule - 5 Unsecured Loans</b>		
Deferred Sales Tax	<b>27,859,221</b>	27,859,221
Unsecured Term Loan from Bank	-	150,000,000
Foreign Currency Convertible Bonds (1,50,000 bonds of the face value of \$ 100 each valued at Rs 50.95 as on 31.03.2009)	<b>764,250,000</b>	601,800,000
Loan from other share holders	<b>24,383,062</b>	48,766,124
	<b>816,492,283</b>	828,425,345
Due within a year		150,000,000



**Schedules Forming Part of the Consolidated Balance Sheet**

**Schedule: 6 Fixed Assets**

(Amount in Rupees)

Particulars	Gross Block				Depreciation			Net Block		
	Cost as on 01.04.2008	Additions During the Period	Deletion/ Adjustments	Cost as on 31.03.2009	Upto 31.03.2008	For the Year	Deletion/ Adjustments	Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
1.a Free-Hold Land	1,047,379,229	40,381,250	35,766,250	1,051,994,229	-	-	-	-	1,051,994,229	1,047,379,229
1.b Lease-Hold Land	13,875,110	-	512,630	13,362,480	-	-	-	-	13,362,480	13,875,110
2.a Buildings	30,467,424	-	-	30,467,424	17,511,822	1,165,756	-	18,677,578	11,789,846	12,955,602
2.b Buildings (Infra)	32,015,000	-	32,015,000	-	7,136,008	621,975	7,757,983	-	-	24,878,992
3 Plant & Machinery	423,605,116	18,156,756	143,707	441,618,165	372,972,455	15,594,389	92,449	388,474,395	53,143,770	50,632,661
4 Wind Power Plant	463,496,535	64,068,107	-	527,564,642	31,116,117	27,269,743	-	58,385,860	469,178,782	432,380,418
5 Elec.Installation	25,203,756	-	7,866	25,195,890	23,332,050	481,104	5,414	23,807,740	1,388,150	1,871,706
6 Office Equipment	9,234,740	558,424	14,000	9,779,164	6,215,750	459,541	5,681	6,669,610	3,109,554	3,018,990
7 Vehicles	30,101,647	713,136	540,000	30,274,783	16,958,577	3,422,009	361,052	20,019,534	10,255,249	13,143,070
8 Furniture & Fixtures	5,388,061	-	-	5,388,061	3,984,496	254,045	-	4,238,541	1,149,520	1,403,565
9 Computer	5,261,002	513,415	-	5,774,417	4,220,552	570,902	-	4,791,454	982,963	1,040,450
10 Library	2,010	-	-	2,010	2,010	-	-	2,010	-	-
	2,086,029,630	124,391,088	68,999,453	2,141,421,265	483,449,837	49,839,465	8,222,579	525,066,723	1,616,354,542	1,602,579,792
Previous year	2,101,590,968	81,355,761	96,917,099	2,086,029,630	454,582,095	48,326,443	19,458,700	483,449,837	1,602,579,792	-



Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	As at 31.03.2009		As at 31.03.2008	
	Nos	Amount	Nos	Amount
<b>Schedule - 7 Investment (Non-Trade, at cost)</b>				
<b>A) Unquoted securities</b>				
<b>1) In Government Securities</b>				
National Savings Certificates - 7 Years		-		500
Total Investment in government Securities		-		500
<b>2) In Shares of Joint Stock Companies</b>				
<b>A) Unquoted Investments</b>				
<b>a) In companies under the same management</b>				
Bhagyanagar Infrastructure Limited (Equity share of Rs 10 each fully paid up)	2,750,000	18,330,000	2,750,000	18,330,000
<b>Sub-Total</b>		<b>18,330,000</b>		<b>18,330,000</b>
<b>b) In Associate Companies</b>				
Bhagyangar Entertainment and Infra Development Company (P) Ltd (Equity share of Rs 10 each fully paid up)	23,500	535,189	23,500	235,000
Surana Green Energy Ventures Private Limited (Equity share of Rs 10 each fully paid up)	4,000	25,013	-	-
Globecom Infraventures India Private Ltd (Equity share of Rs 10 each fully paid up)	5,000	50,000	-	-
Advantage Real Estate India Private Ltd (Equity share of Rs 10 each fully paid up)	12,500	107,362	-	-
GMS Realtors Private Ltd (Equity share of Rs 10 each fully paid up)	5,000	38,486	-	-
Savitrimata Relators Private Limited (Equity share of Rs 10 each fully paid up)	25,500	255,000	25,500	255,000
Surana Ventures Limited (Equity share of Rs 10 each fully paid up)	7,350,000	69,649,331	400,000	4,000,000
<b>Sub Total</b>		<b>70,660,380</b>		<b>4,490,000</b>
<b>c) In other companies</b>				
Arihant Optics Limited (Equity share of Rs 10 each fully paid up)	300,000	3,000,000	300,000	3,000,000
Sampre Nutrition Ltd (Equity share of Rs 10 each fully paid up)	26,650	266,500	26650	266,500
<b>Sub Total</b>		<b>3,266,500</b>		<b>3,266,500</b>
<b>B) Quoted Securities</b>				
<b>a) In companies under same Management</b>				
Surana Telecom and Power Limited (Equity share of Rs 5 each fully paid up)	1,852,298	14,527,621	1,852,298	14,527,621
<b>Sub Total</b>		<b>14,527,621</b>		<b>14,527,621</b>



**Schedules Forming Part of the Consolidated Balance Sheet**

(Amount in Rupees)

	As at 31.03.2009		As at 31.03.2008	
	Nos	Amount	Nos	Amount
<b>b) In Other Companies</b>				
Akruti Nirman Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	211	107,477
Andhra Bank (Equity Shares of Rs 10 each Fully paid-up)	-	-	600	66,408
Axis Bank Limited (Formerly UTI Bank) (Equity Shares of Rs 10 each Fully paid-up)	-	-	34	27,494
Deccan Chronicle Holdings Limited (Equity Shares of Rs 2 each Fully paid-up)	<b>7,377</b>	<b>1,505,759</b>	7037	1,453,855
Edelweiss Capital Limited (Equity Shares of Rs 5 each Fully paid-up)	-	-	23	32,172
Eicher Motors Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	350	150,154
Essar Oil Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	300	81,368
Finolex Cables Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	500	32,176
Future Capital Holdings Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	142,545
Gammon India Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	100	41,129
Gati Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	45	5,044
GMR Infrastructure Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	2300	407,366
GSS America Infotech (Equity Shares of Rs 10 each Fully paid-up)	-	-	37	21,918
GVK Power & Infrastructure Limited (Equity Shares of Rs 1 each Fully paid-up)	-	-	2500	101,375
GHCL limited (Formerly Gujrat Heavy Chemicals Limited) (Equity Shares of Rs 10 each Fully paid-up)	<b>4,940</b>	<b>225,244</b>	2000	252,602
Hindalco Industries Limited (Equity Shares of Rs 1 each Fully paid-up)	-	-	300	56,269
I F C I (Equity Shares of Rs 10 each Fully paid-up)	-	-	2300	133,993
Indusind Bank Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	450	39,222



Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	As at 31.03.2009		As at 31.03.2008	
	Nos	Amount	Nos	Amount
Infosys Technologies Limited (Equity Shares of Rs 5 each Fully paid-up)	-	-	100	153,441
Insecticides (India) Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	21	778
Ispat Industries Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	3500	113,430
K S Oil Limited (Equity Shares of Rs 1 each Fully paid-up)	-	-	450	31,793
KNR Construction Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1934	328,780
Larsen & Tubro Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	50	150,978
Megasoft Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>2,550</b>	<b>121,354</b>	1000	101,070
Moser-Baer India (Equity Shares of Rs 10 each Fully paid-up)	-	-	2040	349,331
Nagarjuna Fertiliser & Chemicals Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1000	37,130
Paramount Communications Limited (Equity Shares of Rs 2 each Fully paid-up)	<b>1,000</b>	<b>26,030</b>	1000	26,030
Parsvnath Developers Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>200</b>	<b>43,460</b>	200	43,460
Pokarna Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>1,060</b>	<b>100,700</b>	-	-
Reliance National Resources Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>500</b>	<b>43,474</b>	200	28,768
Reliance Communication Ventures Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>100</b>	<b>29,821</b>	-	-
Reliance Petroleum Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	39,861
Reliance Power Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	400	173,520
Rural Electrification Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1086	114,030
SAIL Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	3960	941,240
Sesa Goa Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	10	33,779





**Schedules Forming Part of the Consolidated Balance Sheet**

(Amount in Rupees)

	As at 31.03.2009		As at 31.03.2008	
	Nos	Amount	Nos	Amount
Sobha Developers Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	30	28,406
Sree Sakthi Paper Mills Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>1,000</b>	<b>30,000</b>	6000	180,000
State Bank of India (Equity Shares of Rs 10 each Fully paid-up)	-	-	30	55,389
Sterlite Industries Limited (Equity Shares of Rs 2 each Fully paid-up)	-	-	100	80,184
Shree Vasavi Industries Ltd (Equity Shares of Rs 10 each Fully paid-up)	<b>14,000</b>	<b>45,175</b>	-	-
Tata Steel Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	300	239,277
Vaibhav Gems Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>300</b>	<b>48,623</b>	300	48,623
Viceroy Hotels Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	12,678
Videocon Industries Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	100	51,738
Visaka Industries Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	2056	131,393
XL Telecom & Energy Limited (formerly XL Telecom Ltd) (Equity Shares of Rs 10 each Fully paid-up)	<b>2,500</b>	<b>417,871</b>	848	325,176
<b>Sub Total</b>		<b>2,637,511</b>		<b>6,972,850</b>
<b>c) Investment in Debentures</b>				
Titan Industries Limited NCD (Debentures of Face value of Rs 250 each Fully paid-up)	<b>15</b>	<b>3,750</b>	15	3750
<b>Sub Total</b>		<b>3,750</b>		<b>3,750</b>
Total Investment in equity Shares and Debentures		<b>109,425,762</b>		<b>47,590,721</b>
<b>3) Investment in Mutual Fund</b>				
DBS Chola Liquid Daily Dividend Re-Investment			6,000,000	60,000,000
SCMF G69 Liquidity Manager-Plus-Growth			1,500,000	15,000,000
DSP Merrill Lynch Cash Plus-Regular-Growth			11,676,268	12,000,000
Reliance Liquid Fund-Growth Option			2,467,673	30,000,000
Reliance Liquid Fund-Cash Plan- Growth Plan	<b>2,100,000</b>	<b>21,000,000</b>	2,182,771	30,000,000
Birla Sun Life Cash Plus	<b>1,500,000</b>	<b>15,000,000</b>		
GCDB IDFC Cash Fund	<b>1,000,000</b>	<b>10,000,000</b>		



**Schedules Forming Part of the Consolidated Balance Sheet**

Cont.... Schedule - 7

(Amount in Rupees)

	As at 31.03.2009		As at 31.03.2008	
	Nos	Amount	Nos	Amount
JM Money Manager Fund Super Plan	1,000,000	10,000,000		
<b>Total Investments in Mutual Funds</b>		<b>56,000,000</b>		147,000,000
<b>Total Investments in Government Securities, Shares and Mutual Funds</b>		<b>165,425,762</b>		194,591,221
<b>Aggregate Market Value of Quoted Investments</b>		<b>35,000,672</b>		51,143,080
<b>Aggregate NAV of Mutual Funds</b>		<b>56,191,205</b>		147,331,365

	As at 31.03.2009	As at 31.03.2008
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**Schedule - 8 Inventories**

(As taken, valued and certified by the Management)

Raw Materials (At Cost)	119,392,645	173,612,880
Work in process (At cost or net realisable value whichever is lower)	21,542,976	44,693,250
Finished Goods (At cost or net realisable value whichever is lower)	-	2,802,718
<b>Total</b>	<b>140,935,621</b>	221,108,848

**Schedule - 9 Sundry Debtors**

(Unsecured, Considered Good unless otherwise stated)

Debts outstanding for		
- More than six months	40,612,613	27,048,087
- Less: Provision for doubtful debts	-	2,500,000
- Debtors above six months, considered good	40,612,613	24,548,087
- Others, considered good	211,707,026	199,358,388
	<b>252,319,639</b>	223,906,475

**Schedule - 10 Cash and Bank Balances**

Cash and cheques in hand	1,422,693	670,157
Balance with scheduled Banks		
- In current account	114,066,832	148,807,718
- In Dividend account	1,003,820	799,001
- In Fixed Deposit Account	31,815,629	95,260,344
- In deposit account - Kept under lien with banks towards margin money and other facilities	40,710,982	40,126,247
- Accrued interest on Fixed Deposits with Banks	924,052	2,040,537
	<b>189,944,008</b>	287,704,004



## Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 11 Other Current Assets</b>		
(Secured, Considered Good unless otherwise stated)		
Loans against pledge of Securities	355,436,417	556,861,908
Less: Provision for Doubtful loans	5,000,000	
	<u>350,436,417</u>	<u>556,861,908</u>
<b>Schedule - 12 Loans &amp; Advances</b>		
(Unsecured Considered Good unless otherwise stated )		
Loans & Advances	60,863,283	70,831,668
Loans to Associates & others	300,567,083	347,687,402
Sundry Advances-Infrastructure	142,550,000	92,064,139
Balances with Statutory bodies	41,743,357	38,634,722
Advance tax (net of provisions)	8,013,557	9,502,650
Deposits	37,496,288	36,749,084
Advances to Suppliers	21,862,264	68,671,253
	<u>613,095,832</u>	<u>664,140,918</u>
<b>Schedule - 13 Current Liabilities</b>		
Sundry Creditors	154,616,130	198,936,078
Lease deposits	8,451,879	8,472,879
Other Liabilities	13,350,707	28,245,604
Unclaimed Dividends	1,003,856	799,001
Advances from customers	6,147,763	20,869,614
	<u>183,570,335</u>	<u>257,323,176</u>
<b>Schedule - 14 Provision</b>		
Proposed Dividend	29,800,000	44,700,000
Tax on Dividend	5,051,100	7,596,765
Bonus	500,000	500,000
	<u>35,351,100</u>	<u>52,796,765</u>
<b>Schedule - 15 Deferred Tax Assets/(Liabilities) (net)</b>		
Deferred Tax Assets as at 1-04-2008	9,353,065	12,884,057
Less: Change in share holding pattern of Subsidiaries/Joint venture	-	(464,925)
Deferred Tax Asset/Liability for the year	(1,384,950)	(3,066,067)
Net deferred tax assets as on 31.03.2009	<u>7,968,115</u>	<u>9,353,065</u>



## Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 16 Foreign Currency Monetary Items Translation</b>		
Difference Account		
Opening Balance	-	-
Add: Created on account of Forex Fluctuation on non depreciable assets	39,483,879	-
Less: Amortised during the year	13,161,293	
Balance carried forward to next year	<u>26,322,586</u>	<u>-</u>
<b>Schedule - 17 Preliminary expenses</b>		
Balance as per Last Account	398,206	378,693
Less: Change in share holding pattern of Subsidiaries/Joint venture	-	147,136
Add: Additions during the year	-	175,683
Less: Written off during the year	44,171	9,034
Balance as at the close of the year	<u>354,035</u>	<u>398,206</u>
<b>Schedule - 18 Pre-Operative expenses</b>		
Balance as per Last Account	28,614	10,601
Add: Additions during the year	19,669	18,013
Less: Written off during the year	8,306	
Balance as at the close of the year	<u>39,977</u>	<u>28,614</u>

## Schedules Forming Part of the Consolidated Profit & Loss Account

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule - 19 Income from operations</b>		
Jelly Filled Telephone Cables	466,580,077	539,533,183
Copper Products	1,587,937,679	1,486,164,151
Infrastructure Leasing & Sales	43,385,119	111,092,882
Gain on Sale of other Assets / infrastructure rights	10,000,000	48,900,000
Income from disposal of Real Estate Joint Venture	-	40,118,400
Sale of Wind Power	67,101,959	68,635,124
Scrap & Misc Sales	4,793,414	1,953,072
	<u>2,179,798,248</u>	<u>2,296,396,812</u>
Less: Inter-Unit Sales	33,580,427	11,881,591
Gross Sales	2,146,217,821	2,284,515,221
Less : Excise duty	245,345,052	284,966,739
Net Sales	<u>1,900,872,769</u>	<u>1,999,548,482</u>



**Schedules Forming Part of the Consolidated Profit & Loss Account**

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule - 20 Other Income</b>		
Interest on Loans, Deposits & Others	105,691,051	137,887,838
Interest from Trade Debtors and creditors	1,876,395	1,312,879
Profit on sale of Sundry Assets	6,189	68,910
Profit on sale of Investments (Net)	-	7,957,054
AMC Charges - CDMA	-	2,028,125
Dividend	10,307,325	6,257,201
Miscellaneous income	61,536	624,526
Balances no longer payable written back	662,404	202,735
Gain on foreign exchange fluctuation	-	51,398,293
<b>TOTAL</b>	<b>118,604,900</b>	<b>207,737,561</b>
<b>Schedule - 21 Materials</b>		
<b>A. RAW MATERIALS CONSUMED</b>		
a) Opening Stock		
Raw Materials	173,612,880	41,821,174
b) Purchases net of Modvat	1,455,594,940	1,604,402,841
<b>Sub Total (i)</b>	<b>1,629,207,820</b>	<b>1,646,224,015</b>
c) Less Closing Stock		
Raw Materials	119,392,645	173,612,880
<b>Sub Total (ii)</b>	<b>119,392,645</b>	<b>1,472,611,135</b>
<b>i - ii</b>	<b>1,509,815,175</b>	<b>1,472,611,135</b>
Less: Inter-Unit Purchases	33,580,427	11,881,591
Raw materials consumed (A)	1,476,234,748	1,460,729,544
<b>B. Purchases of Traded Goods (B)</b>	-	1,064,168
<b>C. INCREASE/ DECREASE IN STOCK</b>		
a) Opening Stock		
Work in Progress	44,693,250	13,437,090
Finished Goods	2,802,718	807,155
Stock-In-Trade- Real Estate	-	2,387,330
<b>47,495,968</b>	<b>47,495,968</b>	<b>16,631,575</b>
b) Less Closing Stock		
Work in Progress	21,542,976	44,693,250
Finished Goods	-	2,802,718
<b>21,542,976</b>	<b>21,542,976</b>	<b>47,495,968</b>
<b>(C)</b>	<b>25,952,992</b>	<b>(30,864,393)</b>
<b>TOTAL (A) + (B) + (C )</b>	<b>1,502,187,740</b>	<b>1,430,929,319</b>



**Schedules Forming Part of the Consolidated Profit & Loss Account**

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule - 22 Expenses</b>		
Salary,Wages & Allowances	24,854,153	24,348,325
Contribution to PF and other funds	1,465,880	1,927,729
Staff Welfare expenses	1,140,028	967,136
Processing & Conversion charges	18,987,817	14,726,826
Stores Consumed	15,527,819	15,396,818
Power & Fuel	36,719,494	37,058,815
Packing & Forwarding	10,903,964	7,737,884
Postage & Telephone	3,974,454	4,145,443
Insurance	1,411,998	1,637,840
Legal & Licence fees	221,273	1,411,736
Rates & Taxes	1,019,253	1,673,963
Repairs to	-	
- Building	1,285,560	872,409
- Machinery	10,834,902	6,710,191
- Others	2,934,127	1,608,724
Remuneration to Directors	11,446,050	27,492,861
Statutory Auditors remuneration	-	
- Statutory Audit fees	266,926	269,664
- Tax audit fees	55,150	56,180
- Other matters	55,150	56,180
- Out of Pocket expenses	27,575	28,090
Other Administrative expenses	6,546,994	7,327,970
Software development charges	741,635	903,978
Commission on Sales	3,763,872	2,908,863
Advertisement	4,527,842	3,312,546
Professional Charges	2,207,710	3,726,243
Travelling & Conveyance	5,983,609	7,213,699
Sitting fees	350,000	450,500
Loss on sale of Fixed Assets	58,950	
Sundry Balances Written off	6,801,689	1,861,105
Provision for Doubtful debts	2,500,000	
Loss on sale of investments	3,801,550	-
Loss on foreign exchange fluctuation(Net of Gains)	6,151,074	-
Foreign Currency Monetary Items Translation amortised	13,161,293	
Lease Premium amortised	512,630	512,630
Service Tax Paid	587,281	3,906,370
Sales Tax Paid (Net)	63,246,643	62,021,902
Entry Tax	4,075	10,157
Sales promotion expnses	899,941	1,128,889
Preliminary expenses written off	44,171	9,034
Pre-operative expenses written off	8,306	
	<b>265,030,838</b>	<b>243,420,700</b>
<b>Schedule - 23 Interest and Financial charges</b>		
Interest on Cash Credit & others	1,175,317	3,066,313
Interest on Term Loan	34,325,161	46,661,838
Financial Charges	10,814,955	9,375,041
	<b>46,315,433</b>	<b>59,103,192</b>



**24. Significant Accounting Policies and Notes on Accounts Forming Part of Balance Sheet and Profit & Loss Account**

**24 A. Significant Accounting Policies to the consolidated Financial Statement**

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

**24B. Notes to Accounts (Consolidated):**

**1. List of Subsidiary Companies Considered for consolidation:**

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

SI No	Name of the company	Year of Incorporation	Paid up Capital (Rs in Lacs)	Extent of Holding As at 31st March, 2009 (%)	Equity Investment (Rs in Lacs)	Loans & Advances
1	Bhagyanagar Properties Private Limited	2006-07	400	100	400	5872.76
2.	Scientia Infocom India Private Limited	2005-06	400	76	304	1663.25
3	Metropolitan Ventures India Limited	2007-08	50	74	37	414.04
4.	Bhagyanagar Metals Limited	2006-07	5	100	5	Nil
5.	Bhagyanagar Telecom Limited	2005-06	5	100	5	Nil



2. Details of Associate companies :

Name of the company	Year of Incorporation	Paid up Capital	Co's Interest	Equity Investment	Advances
Surana Ventures Limited	2006-07	1500	49%	735.00	-
Savitrimata Realtors Pvt Ltd	2004-05	5	26%	2.55	1230.88
Bhagyanagar Entertainment & Infra Development Co Pvt Ltd	2007-08	5	47%	2.35	-
Surana Green Energy Ventures Pvt Ltd	2007-08	1	40%	0.40	-
Advantage Real Estate India Pvt Ltd	2005-06	5	25%	1.25	549.17
Globecom Infra-Ventures Pvt Ltd	2007-08	1	50%	0.50	1
GMS Realtors Private Ltd	2005-06	1	50%	0.50	-

3. Minority Interest:

Particulars	Scientia Infocom India Private Limited	Metropolitan Ventures India Limited	Total
Extent of Holding (%)	76	74	74
Minority Interest (%)	24	26	
Minority Interest:			
In Shareholders Funds:			
In Share Capital	96,00,000	13,00,000	1,09,00,000
In current years' Profit(Loss)	(18,333)	7,42,629	7,24,296
In earlier years' Profit/(Loss)			(53,917)
Balance as at close of the year			1,15,70,379





#### 4. Investments in Associate Companies considered for consolidation:

Name of the company	Initial Investment As on 01.04.2008 year	Additional Investment During the During the	Share in Net assets	Value of Investments As on 31.03.2009
Surana Ventures Limited	40	695	(38.51)	<b>696.49</b>
Bhagyanagar Entertainment & Infra Development Co Pvt Ltd	2.35	-	3.00	<b>5.35</b>
Surana Green Energy Ventures Pvt Ltd	-	0.40	(0.15)	<b>0.25</b>
Advantage Real Estate India Pvt Ltd	-	1.25	(0.18)	<b>1.07</b>
Globecom Infra-Ventures Pvt Ltd	-	0.50	-	<b>0.50</b>
GMS Realtors Private Ltd	-	0.50	(0.11)	<b>0.39</b>

#### 5. Earnings Per Share:

(Figures in lacs)

Particulars	31.03.2009	31.03.2008
Net Profit after tax	<b>1127.20</b>	3735.75
Net Profit available for Equity share-holders	<b>1084.01</b>	3736.29
Number of equity shares - Basic	<b>745.00</b>	745.00
Add: Undiluted effect of potential equity shares on conversion of FCCB	<b>156.68</b>	156.68
Add: Undiluted effect of potential equity shares on conversion Warrants		155.00
Number of equity shares - Dilutive	<b>901.68</b>	1056.68
Nominal value of each equity share (Rs)	<b>2.00</b>	2.00
Basic Earning Per Share	<b>1.46</b>	5.01
Diluted Earning Per Share (on conversion of FCCB and Warrants)	<b>1.20</b>	3.53

#### 6. Reserves & Surplus (Foreign Exchange Fluctuation Reserve):

- In view of steep fluctuation in foreign exchange, the company had created a Foreign Exchange Fluctuation Reserve by appropriating unrealized gain amounting to Rs 876 lacs from the Profit & Loss Account during the year 2007-08. In view of The Companies (Accounting Standards) amendment Rules, 2009 issued by the Ministry of Corporate Affairs on 31.03.2009, which the Company has adopted, it has adjusted Rs 520.50 lacs arose due to capitalization of notional gain on foreign exchange fluctuation earned during the financial year 2007-08 leaving a balance of Rs 355.50 lacs in the aforesaid reserve as on 31.03.2009. Detailed working of the impact of revised AS-11 is given in Note no. 14 to 17



## 7. Secured Loans:

- Short-Term Loan of Rs 1000 lacs from Banks is earmarked from the Cash Credit limit of the company with State Bank of India and is secured by hypothecation of stocks, Debtors and first charge on pari-passu basis on specific fixed assets of the company.

## 8. Unsecured Loans - Foreign Currency Convertible Bonds:

- During the year 2006-07, the company issued at par, 5 years Zero Coupon US \$ denominated Foreign Currency Convertible Bonds (FCCB) aggregating to US \$ 15 millions (INR 6864 lacs as on the date of issue) comprising of 150 bonds of US \$ 1,00,000 each to finance capital expenditure. The bond-holders have an option of converting these bonds into equity shares at an initial conversion price of Rs 44 per share (Face value Rs 2 each) and the Bond-holders are entitled to get 156.68 lacs equity shares at any time prior to close of business on 10th October, 2011 unless redeemed.
- The company has a commitment towards the FCCB bondholders to pay 8% half yearly compounded yield-to-maturity (YTM), in case the option of conversion is not exercised by them, within 5 years from the date of issue of the Bonds. As the liability on this account has not crystallized as on the date of Balance Sheet, no provision has been made in the books of accounts. Contingent liability on account of YTM is Rs 1812.93 lacs as on 31.03.2009.
- In compliance with the Companies (Accounting Standards) amendment Rules, 2009 issued on 31st March, 2009, the Ministry of Corporate Affairs, the exchange loss of Rs 1624.50 lacs incurred during the year due to depreciation in Rupee rate vis-à-vis US\$ amounting to Rs 10.83 per US\$ has been adjusted partly against cost of Depreciable Fixed Assets in the ratio of FCCB proceeds utilized for acquiring those Assets and partly against cost of non-depreciable assets in the ratio of FCCB proceeds utilized for acquiring those assets. Detailed working of the impact of revised AS-11 is given in Note no. 14 to 17
- Liability on account of Foreign Currency Convertible Bonds as on 31.03.2009 is valued at the conversion price of that date which was Rs 50.95 = 1 US \$ as against conversion price of 31.03.2008 which was Rs 40.12 = 1 US\$
- The company is obliged to pay dividend even to those FCCB Holders who convert their bonds into equity after adoption of the financial statements and up to the book closure date for dividend purposes. Incremental dividend payable, if any, will be paid out of the balance available in the Profit & Loss Account. No provision for dividend payable to the FCCB bondholders has been made in the books of accounts.

## 9. Details of FCCB proceeds are as under:

Particulars	2008-09	2007-2008
FCCB Liability	<b>7624.50</b>	6018.00
Less : Investment In Wind Power Projects	<b>3756.20</b>	3756.20
Modernisation / Expansion of Copper Division	<b>422.20</b>	368.44
Investment in Infrastructural Segments	<b>1490.74</b>	1395.71
including Hardware Parks and IT Parks		
Payments to Lead Managers including fees to exchanges	<b>227.60</b>	224.07
<b>Total Expenses</b>	<b>5896.74</b>	5744.42
Add: Loss due to rupee depreciation	<b>943.76</b>	-
Less Interest on FDS in overseas Bank	<b>145.00</b>	129.56
Less Gains due to rupee appreciation	-	511.87
Net Amount Expended after Interest Earnings	<b>6693.74</b>	5102.99
Balance with Banks	<b>929.00</b>	915.01



**10. Unsecured Loans - Sales Tax deferment:**

The Total Sales Tax Deferment outstanding as on 01-04-2009 is Rs. 278.59 Lacs (Previous year Rs 278.59 lacs).

**11. Contingent Liability not provided for (As certified by the management):**

Particulars	31-03-2009 Rs. In lakhs	31-03-2008 Rs.in lakhs
a) Counter guarantees given to the Banks against Guarantee Issued by them	<b>2537.20</b>	1766.14
b) Letters of Credit opened by Banks/Buyers' credit	<b>1352.59</b>	1578.63
c) YTM payable to the FCCB bond-holders	<b>1812.93</b>	751.43
d) Sales Tax matters under dispute	<b>11.28</b>	11.28
e) Excise and Customs matters under appeal	<b>264.07</b>	40.07
f) Capital Commitment (Net of Advances)	<b>Nil</b>	27.04

**12. Fixed Assets -**

- Increase in cost of Plant & Machinery amounting to Rs 181.56 lacs as shown in Schedule-5 to the Balance Sheet includes increase of Rs 68.48 lacs (net of decrease of Rs 29.07 lacs due to notional gain during the year 2007-08) due to notional loss during the year 2008-09 on foreign exchange fluctuation on translation of FCCB liability.
- Increase in cost of Windmill Plant amounting to Rs 640.68 lacs as shown in Schedule-5 to the Balance Sheet represents increase in cost (net of decrease of Rs 310.34 lacs due to notional gain during the year 2007-08) due to notional loss during the year 2008-09 on foreign exchange fluctuation on translation of FCCB liability.

**13. Capital Work-in-Progress:**

Break-up of Capital Work-In-Process is given below:

a. Advance for Land in Tada SEZ	Rs 250.00 lacs
b. Construction in progress	Rs 401.73 lacs
c. Purchase of Fixed Assets pending installation	Rs 123.45 lacs

**14. Fixed Assets - Impairment:**

In the view of the management, there is no impairment of the assets of the company and the management is fully confident of realizing the book value of the assets in cash or in kind. Hence, no provision for the same has been made in the books of accounts.

**15. Cash & Bank Balance :**

- Balance in Current Account includes Rs 687 lacs parked in State Bank of India, Hyderabad out of the proceeds of FCCB issue.
- Balance in Current Account includes Rs 24 lacs parked as call money deposit in ICICI Bank, UK out of the proceeds of FCCB issue.
- Balance in Fixed Deposits includes Rs 218 lacs parked in ICICI Bank, UK out of the proceeds of FCCB issue.



**16. Deferred Taxes**

Deferred Tax adjustments recognized in the financial statements are as under:

Particulars	As at 31-03-2008 Rs. Lakhs	Assets/Liability Arising during the Year	As at 31-03-2009 Rs. Lakhs
Deferred Tax Assets/Liability			
Depreciation - Timing difference	24.00	31.24	<b>55.24</b>
Adjustment on account of FCCB issue expenses	69.53	(45.09)	<b>24.44</b>
Net Deferred Tax Assets	93.53	13.85	<b>79.68</b>

**17. Impact of increase in FCCB Liability and treatment thereof in accordance with revised AS-11 (The effect of changes in foreign exchange rates)** (Rs in lakhs)

Particulars	Debit	Credit
Increase in FCCB Liability as compared to previous year		1624.50
Increase in cost of Plant & Machinery	1048.58	
Creation of Foreign Currency Monetary Items Translation Difference		
Account on increase in cost of non-depreciable assets	575.92	
Total	1624.50	1624.50

**18. Foreign Currency Monetary Items Translation Difference Account ("FCMITD Account")**

(Rs in lakhs)

Particulars	Increase	Decrease
Increase in cost of assets other than depreciable assets in the year 2008-09	575.92	
Decrease in cost of assets other than depreciable assets in the year 2007-08		181.08
Amortised 1/3 of the net increase during the year 2008-09		131.61
Balance as on 31.03.2009 to amortised over a period of two years till 2011		263.23

**19. Depreciation:**

Depreciation on fixed assets has increased by Rs 34.94 lacs due to adoption of The Companies (Accounting Standards) amendment Rules,2009 issued by the Ministry of Corporate Affairs on 31.03.2009.

**20. Impact on Profit & Loss Account due to revised AS-11**

(Rs in lacs)

Increase in Profit on non-recognition of exchange difference	748.50
Decrease in Profit due to amortization of "FCMITD Account"	131.61
Increase in Depreciation on capitalization of forex difference to respective assets	34.94
Net increase in Profit due to change in Accounting Policy	581.95



## 21. Related Party Disclosure

### A: Relationship

Entities in which directors are interested	Subsidiary companies	Joint venture & Associates	Key Management Personnel	Relatives of key management personnel
Surana Telecom and Power Limited	Metropolitan Ventures India Limited	Surana Ventures Limited	G M Surana	Namrata Surana
Innova Technologies Private Limited	Bhagyanagar Properties Private Ltd	Savitrimata Realtors Pvt Ltd	Narender Surana	Manish Surana.
Value Infrastructure& Properties Pvt Ltd	Scientia Infocom India Private Ltd	BEIDCPL	Devendra Surana	
Bhagyanagar Energy & Telecom Pvt Ltd	Bhagyanagar Telecom Ltd		Narender Munoth	
Bhagyanagar Infrastructure Ltd	Bhagyanagar Metals Ltd	Globecom Infra-ventures Pvt Ltd		
Bhagyanagar Entertainment Ltd		GMS Realtors Pvt Ltd		
Every Time Foods Industries Pvt Ltd				
Surana Infocom Private Ltd				
Advantage Real Estate India Pvt Ltd				
Tranquil Avenues India Pvt Ltd				
Royal Skyscrapers India Pvt Ltd				
Celestial Avenues Pvt Ltd				
Innova Infrastructure Pvt Ltd				
Majestic Logistics Pvt Ltd				
Innova Biotech India Pvt Ltd				
Epicentre Entertainment Private Ltd				
Bhagyanagar Ventures Ltd				



**B: Relationship**

Nature of Transaction	Entities in which directors are interested	Subsidiary companies	Associates	Key Management Personnel	Relatives of key management personnel
Sale of Goods	<b>700.46</b> (37.61)				
Purchase of Goods	<b>469.73</b> (663.045)				
Job Work-Sales	<b>7.28</b> (Nil)				
Job work -Purchase	<b>46.92</b> (43.86)				
Interest received			<b>288.95</b> (225.92)		
Share warrant Application money-Received	<b>176</b> (176)				
Share warrant Application money-Paid			<b>80</b> (70)		
Investments	<b>183.30</b> (183.30)	<b>751</b> (751)	<b>697.65</b> (44.90)		
Advances	<b>Nil</b> (752.12)	<b>7950.05</b> (7694.59)	<b>3005.67</b> (3546.87)		
Remuneration				<b>114.46</b> (284.70)	<b>6.00</b> (4.73)
Staff Development expenses					<b>3.94</b> (Nil)
Rent				<b>2.40</b> (1.52)	

Figures in brackets represent figures for the previous year

**22. Sundry Debtors & other balances:**

In case of balances in Sundry Debtors, Loans and Advances, other current assets and Sundry Creditors, letters seeking confirmation of year-end balances are sent to the concerned parties. The Balances are subject to confirmation and reconciliation.

Sundry creditors include Rs 1352.59 lacs secured by way of Letter of Credit/ Buyers' credit. Further, the Company does not owe any sum to Micro & small enterprises as at the end of the accounting year on account of principal and interest under the Micro, Small and Medium Enterprises Development Act, 2006 as per the information and records available with the company about their industrial status which has been relied upon by the auditors..



**23. Employees Benefits:**

**A) The company has adopted the revised Accounting Standard AS-15 - Employees Benefits with effect from 1st April,2007.**

**B) Defined Benefit Plan**

**Gratuity:**

The company makes annual contribution to the employees' group Gratuity Scheme of Life Insurance Corporation of India (LIC), a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible on separation /termination or death in terms of the provisions of The Payment of Gratuity (Amendment) Act,1997 or as per company's scheme whichever is more beneficial to the employees.

**C) Basis used to determine Expected Rate of Return on Assets**

The expected return on plan assets of 8% has been considered based on the information given by LIC which manages the funds.

**D) Amounts recognized as expenses**

Gratuity cost amounting to Rs 0.19 lacs has been included in Schedule- 18 under contribution to Provident and other Funds.

**E)** The management is informed by the Insuring Company (LIC) that the balance in Gratuity fund will meet full liability as on 31.03.2009. Further, the benefits paid amounting to Rs 0.75 lacs were met by the LIC. Hence, they are not routed through Profit & Loss Account.

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

**(A) CAPACITY AND PRODUCTION**

Particulars	Unit	Installed Capacity		Production	
		2008-09	2007-08	2008-09	2007-08
i) Copper wire (b)	MT	15000	15000	6629.263	5270.405
ii) Jelly Filled Telephone cables	LCKM	72.00	72.00	3.08	4.52
iii) Bare Copper-Copper Bars, Rods and Profiles (c)	MT	3000	3000	1871.085	391.510
iv) Wind Power	MW	9.00	9.00	2.38	2.44

- Note:**
- The Installed Capacities and production are as certified by Management which has been relied upon by the Auditors.
  - Includes Job Work Done 2931.24 MTs (Previous year 2396.326 MT)
  - Includes Job Work MTs 1356.57MTs (Previous year 169.866 MT)
  - Includes Job Work of 4287.81 MT (Previous year 2566.192 MT)



**(B) TURNOVER:**

Particulars	Unit	Quantity		Value (Rs. in lakhs)	
		2008-09	2007-08	2008-09	2007-08
i) Copper Products (a)	MT	<b>8506.88</b>	5658.582	15879.37	14861.64
ii) Jelly Filled Telephone cables	Lac CKM	<b>3.08</b>	4.52	4665.80	5395.33
iii) Wind Power	Units	<b>209.69</b>	214.48S	671.02	686.35
iv) Scrap & Miscellaneous items	-	-	-	47.93	19.53
vi) Infrastructure/ Real estate Income				533.85	2001.11
<b>SUB-TOTAL</b>				21797.98	22963.97
<b>Less: Inter-Unit sales</b>				335.80	118.82
<b>Less: Excise duty</b>				2453.45	2849.67
<b>TOTAL</b>				<b>19008.73</b>	<b>19995.48</b>

**Note:** a) Includes Job Work of 4287.81 MT (Previous year 2566.192 MT)

**(C) OPENING & CLOSING STOCK OF FINISHED GOODS:**

Particulars	Opening Stock				Closing Stock			
	Quantity		Value (Rs.in lakhs)		Quantity		Value (Rs.in lakhs)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
i) Copper Wire Rods(MTs)	<b>6.532</b>	3.150	<b>28.03</b>	8.08	<b>Nil</b>	6.532	<b>Nil</b>	28.03*
ii) Cables (LacCKM)	<b>Nil</b>	Nil	<b>Nil</b>	Nil	<b>Nil</b>	Nil	<b>Nil</b>	Nil
<b>TOTAL</b>			<b>28.03</b>	8.08	<b>TOTAL</b>		<b>Nil</b>	28.03

\* Includes Excise duty provision of Rs 3.53 lacs





**(D) RAW MATERIALS CONSUMED:**

Particulars	Unit	Quantity		Value (Rs. in lakhs)	
		2009-08	2007-08	2008-09	2007-08
i) Copper	MTs	3533.578	3524.596	<b>10124.92</b>	12198.86
ii) Scrap	MTs	1072.493	514.691	<b>3144.10</b>	1207.84
iv) Polythene granules	MTs	869.835	1105.070	<b>522.98</b>	656.51
v) Poly Al.Tape	MTs	122.943	184.508	<b>195.77</b>	232.96
vi) Galvanised Steel Tape	MTs	578.116	488.697	<b>289.10</b>	217.71
vii) Others				<b>485.48</b>	93.41
x) Inter Unit Transfers					
a) Copper Rods/Wire	MTs	83.78	28.048	<b>249.57</b>	97.62
c) Others				<b>86.23</b>	21.20
<b>Sub-Total</b>				<b>15098.15</b>	14726.11
Less: Inter-Unit Purchases				<b>335.80</b>	118.82
<b>Total</b>				<b>14762.35</b>	14607.29

**(E) VALUE OF RAW MATERIALS, STORES & SPARE PARTS CONSUMED:**

Particulars	2008-2009		2007-2008	
	Rs. In lakhs	Value Percentage	Rs. in lakhs	Value Percentage
Raw Materials & Components				
(a) Imported	<b>3838.66</b>	<b>26.00</b>	7009.23	47.59
(b) Indigenous	<b>11259.49</b>	<b>74.00</b>	7716.88	52.41
<b>TOTAL</b>	<b>15098.15</b>	<b>100.00</b>	14726.11	100.00
Stores & Spare Parts				
(a) Imported	<b>35.14</b>	<b>22.63</b>	16.64	10.80
(b) Indigenous	<b>120.13</b>	<b>77.37</b>	137.33	89.20
<b>TOTAL</b>	<b>155.27</b>	<b>100.00</b>	153.97	100.00

**(F) TRANSACTIONS IN FOREIGN EXCHANGE:**

Particulars	2008-09 Rs. In lakhs	2007-2008 Rs. In lakhs
i) Imports (on CIF Basis)		
a) Raw Materials/Traded Goods	<b>3448.97</b>	5697.34
b) Stores & Spares	<b>27.03</b>	12.16
c) Capital Goods	-	173.41
ii) Expenditure in Foreign Currency (Traveling)	<b>9.69</b>	31.42
iii) Earning in Foreign currency (Export sales)	<b>236.43</b>	341.22

- Previous years figures have been regrouped/ rearranged wherever necessary.



## Annual Report 2008 - 2009

### SEGMENTAL REPORTING - CONSOLIDATED

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

Sl No	Particulars	Telecom Products	Copper Products	Wind power	Infra Structure	Total
<b>1</b>	<b>REVENUE</b>					
	External Sales (Net of Excise)	4,001.15	13,802.71	671.02	533.85	19,008.73
	<b>Total Revenue</b>	<b>4,001.15</b>	<b>13,802.71</b>	<b>671.02</b>	<b>533.85</b>	<b>19,008.73</b>
<b>2</b>	<b>RESULTS</b>					
	Segment results	262.91	384.72	411.08	493.14	1,551.85
	Unallocable income/Expenses					475.17
	Operating Profit					2,027.02
	Interest Expenses					463.15
	Interest Income					-
	Income taxes					436.68
	Profit from Ordinary Activities					1,127.19
	Extra-ordinary loss/Profit					-
	<b>Net Profit</b>					<b>1,127.19</b>
<b>3</b>	<b>Other Information</b>					
	Segment Assets	2,079.31	3,502.31	4,242.62	15,661.36	25,485.60
	Unallocable Assets					7,658.62
	<b>Total Assets</b>					<b>33,144.21</b>
	Segment Liabilities	671.82	757.04	152.91	187.38	1,769.17
	Unallocable Liabilities					1,070.93
	<b>Total Liabilities</b>					<b>2,840.10</b>
	Capital Expenditure	4.62	115.03	-	-	119.65
	Unallocable Capital Expenditure					11.29
	<b>Total Capital Expenditure</b>					<b>130.94</b>
	Depreciation	26.00	141.22	272.70	26.74	466.66
	Unallocable Depreciation					31.74
	<b>Total Depreciation</b>					<b>498.39</b>
	Non Cash expenses - other than depreciation	55.45	12.74	3.60	-	71.79
	Unallocable non cash expenses					156.61



Reconciliation of reportable segments with the Financial Statements (Rs in Lacs)

Particulars	Revenues		Results/Net profit		Assets		Liabilities	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Total of reportable segments	<b>19,008.73</b>	19995.48	<b>1,551.85</b>	3,437.97	<b>25,485.60</b>	25,648.05	<b>1769.17</b>	2,605.39
Corporate - unallocable (Net)	<b>475.17</b>	2077.38	<b>475.17</b>	1,410.56	<b>7,658.62</b>	11,911.26	<b>1,070.93</b>	6,198.22
Interest expenses			<b>463.15</b>	591.03				
Taxes			<b>436.68</b>	516.20				
As per financial Statements	<b>19,483.90</b>	22,072.86	<b>1,127.19</b>	3,741.30	<b>33,144.21</b>	37,559.31	<b>2,840.10</b>	8,803.61

This is the notes referred to in our report of even date Signatory to Schedule 1 to 24

**For Sekhar & Co**  
Chartered Accountants

For and on behalf of Board of Directors

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

**G.M. Surana**  
Chairman

**Narendra Surana**  
Managing Director

**Devendra Surana**  
Managing Director

Place : Secunderabad  
Date : June 26, 2009

**Sridevi Madati**  
Company secretary

**Surendra Bhutoria**  
Chief Financial Officer



**Brief financial particulars of Subsidiaries in compliance of the condition (iii) of letter of approval of Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956 (Forming part of Consolidated Financial Statements)**

(Figures in lacs)

Name of the company	Capital	Reserves	Total Assets	Total Liabilities	Investment	Turnover	Profit Before Tax	Deferred Tax & Fringe Benefit Tax	Profit after tax
Bhagyanagar Properties Ltd.	400	(10.71)	6262.50	5873.22	-	-	(4.46)	0.01	(4.47)
Bhagyanagar Metals Ltd.	5	-	5.02	0.02	-	-	-	-	-
Bhagyanagar Telecom Ltd.	5	-	5.03	0.03	-	-	-	-	-
Scientia Infocom India Ltd.	400	(6.15)	2301	1907.15	-	-	(0.76)	-	(0.76)
Metropolitan Ventures India Ltd.	50	28.56	509.69	431.13	-	46.15	45.63	17.07	28.56



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

To,  
KARVY COMPUTERSHARE PVT. LTD.  
Unit : Bhagyanagar India Limited.  
Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081  
Phone: 040-23420818-824, Fax: 040-23420814

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

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

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

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

Place : .....

Date : .....

Signature of First Holder

**Note:**

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







# BHAGYANAGAR INDIA LIMITED

(Formerly Bhagyanagar Metals Limited)

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

## ATTENDANCE SLIP

24th Annual General Meeting 29th September, 2009.

DP.Id*
Client Id*

Reg. Folio No.
----------------

Name and Address of the Shareholder: \_\_\_\_\_

No. of Share(s) held : \_\_\_\_\_

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at the 24th Annual General Meeting of the Company, Tuesday 29th day of September, 2009 at 12.00 noon at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016,

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

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

Note : 1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.

2. NO GIFTS WILL BE GIVEN

\* Applicable for Investors holding shares in electronic form.

\*\* Strike out whichever is not applicable.

**NO GIFTS WILL BE GIVEN**



# BHAGYANAGAR INDIA LIMITED

(Formerly Bhagyanagar Metals Limited)

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

## PROXY FORM

DP.Id*
Client Id*

Reg. Folio No.
----------------

I/We .....  
of .....  
being member/members of M/s. BHAGYANAGAR INDIA LIMITED, hereby appoint .....  
of .....  
or failing him .....  
of .....  
as my / our proxy to vote for me/us on my/our behalf at the 24th Annual General Meeting of the Company to be held at Tuesday 29th day of September, 2009 at 12.00 noon at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016 and at every adjournment thereof.

Signed this ..... day of ....., 2009.

Note : 1. Proxy need not be a member.

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

Please Affix Re.1/- Revenue Stamp
--

Signature

\* Applicable for Investors holding shares in electronic form.

**NO GIFTS WILL BE GIVEN**

