

**BHAGYANAGAR PROPERTIES PRIVATE LIMITED**

**4<sup>TH</sup> ANNUAL REPORT**

**2009-2010**

**BOARD OF DIRECTORS:**

NARENDER SURANA - DIRECTOR  
DEVENDRA SURANA - DIRECTOR  
MANISH SURANA - DIRECTOR

**REGISTERED OFFICE:**

5<sup>th</sup> Floor, Surya Towers,  
Sardar Patel Road,  
Secunderabad - 500 003.

**AUDITORS:**

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

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 4<sup>th</sup> Annual General Meeting of the Members of **BHAGYANAGAR PROPERTIES PRIVATE LIMITED** will be held on Wednesday, 30<sup>th</sup> June, 2010 at 11.00 A.M. at the Registered Office of the Company at 5<sup>th</sup> Floor, Surya Towers, S P Road, Secunderabad - 500 003 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri Manish Surana who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Sekhar & Co., Chartered Accountants, 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.

By Order of the Board  
for **BHAGYANAGAR PROPERTIES PRIVATE LIMITED**

Place : Secunderabad  
Date : 18.05.2010

Sd/-  
**NARENDER SURANA**  
**DIRECTOR**

### **NOTES :**

1. A member entitled to attend and vote 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.
2. The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

## DIRECTOR'S REPORT

To  
The Members,

Your Directors have pleasure in presenting the 4<sup>th</sup> Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2010, together with the Auditors Report thereon.

### FINANCIAL RESULTS:

Your company financial results for the year 2009-10 are given below in summarized format:

Particulars	For the Period ended on 31/03/2010 Rs.	For the Period ended on 31/03/2009 Rs.
<b>INCOME</b>		
a) Income from operations	-	-
b) Sundry Balance Written Off	-	1,830
	-----	-----
	-	<b>1,830</b>
	-----	-----
<b>EXPENDITURE</b>		
a) Administrative Expenses	427,772	442,070
b) Financial Expenses	-	168
c) Preliminary Expenses written off	5,414	5,414
	-----	-----
	<b>433,186</b>	<b>447,652</b>
	-----	-----
<b>(Loss)/Profit before Taxation</b>	<b>(433,186)</b>	<b>(445,822)</b>
	-----	-----
Deferred Tax Reverse	-	-
Fringe Benefit Tax	-	850
Tax on earlier years	150	-
Profit/(Loss) after taxation	(433,336)	(446,672)
Balance B/F from Previous year	(1,071,521)	(624,849)
	-----	-----
<b>Balance C/F to Balance Sheet</b>	<b>(1,504,857)</b>	<b>(1,071,521)</b>
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### DIVIDEND:

Your Directors have not recommended for payment of dividend for the year ended 31.03.2010.

### FIXED DEPOSITS:

The Company has not accepted any deposits from the public for the year under review within the meaning of Section 58A of the Companies Act, 1956.

**DIRECTORS:**

Shri Manish Surana, Director of the Company, will retire by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

**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.

**COMPLIANCE CERTIFICATE:**

In accordance with requirement of Section 383A of the Companies Act, 1956, Certificate from a practicing Company Secretary, is enclosed certifying that all legal requirements, in respect of the Company for the year ended 31st March, 2010 have been complied with marked as Annexure-1.

**DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:**

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

- i. That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. 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 of the Company for the year under review;
- iii. 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;
- iv. That the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

**PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors ) Rules, 1988, forms part of this Report and is annexed herewith.

**PARTICULARS OF EMPLOYEES:**

During the period under review, there are no employees covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules, 1975.

**ACKNOWLEDGEMENTS:**

The Board desires to place on record its sincere appreciation for the support and co-operation received from the Company's Bankers and Officials of the concerned Government Departments, employees and the members for the confidence reposed by them in the management.

By Order of the Board  
for **BHAGYANAGAR PROPERTIES PRIVATE LIMITED**

Place : Secunderabad

Date : 18.05.2010

Sd/-  
**NARENDER SURANA**  
**DIRECTOR**

Sd/-  
**DEVENDRA SURANA**  
**DIRECTOR**

## ANNEXURE TO THE DIRECTORS REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors ) Rules, 1988, and forming part of the Directors Report:

### 1. CONSERVATION OF ENERGY:

Energy conservation measures taken: The Company is very careful in using the power to reduce the cost of maintenance and conserve the resources.

Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

Impact of the clause (1) and (2) above for reduction of energy consumption and consequent impact on the production of goods : N.A

### 2. TECHNOLOGY ABSORPTION:

#### FORM B:

(Disclosure of particulars with respect to technology absorption)

#### A. RESEARCH AND DEVELOPMENT (R&D)

Specific areas in which R& D carried out by the Company	:	Nil
Benefits derived as a result of the above R& D	:	Nil
Future plan of action	:	Nil
Expenditure on R & D		

#### B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The Company is making all efforts for improving productivity, product quality and reducing consumption of scarce raw material and fuels.

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

Foreign Exchange inflow	:	NIL
Foreign Exchange Outgo	:	NIL

By Order of the Board  
for **BHAGYANAGAR PROPERTIES PRIVATE LIMITED**

Place : Secunderabad  
Date : 18.05.2010

Sd/-  
**NARENDER SURANA**  
DIRECTOR

Sd/-  
**DEVENDRA SURANA**  
DIRECTOR

CIN: U70102AP2006PTC050010

Authorised Capital: Rs. 5,00,00,000

Compliance Certificate

To  
The Members  
M/s. Bhagyanagar Properties Private Limited  
5<sup>th</sup> Floor, Surya Towers, S.P. Road,  
Secunderabad – 500 003.

We have examined the registers, records, books, and papers of M/s. Bhagyanagar Properties Private Limited ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act") and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31<sup>st</sup> March, 2010 (i.e. from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in *Annexure I* to this Certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in *Annexure II* to this Certificate, with the Registrar of Companies as required under the Act and the rules made there under.
3. The Company being private limited company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year were 7 and none of the members are employees, both present and past, and the Company during the year under scrutiny:
  - (i) has not invited public to subscribe for its shares or debentures; and
  - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 5 (Five) times on 13.04.2009, 06.06.2009, 17.08.2009, 05.10.2009 and 04.01.2010. In respect of each meeting proper notices were given, the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.





5. The Company was not required to close its register of members during the financial year.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2009 was held on 30<sup>th</sup> June, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. The Company has not held any extraordinary general meetings during the financial year.
8. The Company has not advanced any loans to its directors and/or persons or firms or companies referred in section 295 of the Companies Act, 1956.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there are no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
  - (i) There was no allotment/ transfer / transmission of securities during the financial year.
  - (ii) The Company has not deposited any amount in a Separate Bank Account as no dividend was declared during the financial year.
  - (iii) Was not required to post warrants to any member of the company as no dividend was declared during the financial year.
  - (iv) The Company has not effected any transfer of the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have been remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there were no such cases.
  - (v) The Company has complied with the requirement of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. During the financial year there was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.



15. The Company's paid up capital being less than the prescribed Rs. 5.00 crores, it is not required to appoint a Managing Director/Whole-time Director/Manager and accordingly the provisions of section 269 of the Companies Act, 1956 to that extent, are not applicable.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company has obtained any approvals from the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities under the various provisions of the act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares/debentures does not arise during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions banks and others during the financial year ending 31<sup>st</sup> March, 2010 is within the borrowing limits of the Company.
25. The Company has not made any loans, investments or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to Objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the financial year under scrutiny.



30. The Company has not altered its Articles of Association during the financial year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate Provident Fund Trust for its employees and as such, Section 418 of the Act is not applicable to the Company.



*Syed Meera Mohiddin.*  
**Syed Meera Mohiddin**  
**Company Secretary in Practice**  
**ACS: 19395**  
**CP No:7813**

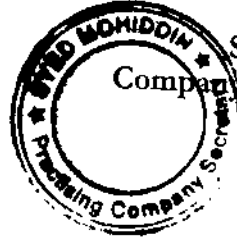
Place: Secunderabad  
Date: 18.05.2010

Annexure - I

Registers as maintained by the Company:

1. Register of Members u/s 150.
2. Minutes Book of Meeting of Directors u/s 193.
3. Minutes Book of proceedings of General Meetings u/s 193.
4. Register of Particulars in which Directors are interested under Section 301.
5. Register of Directors, Managing Director u/s. 303.
6. Register of Directors' Shareholdings u/s. 307.
7. Register of Applications for allotment of shares

Place: Secunderabad  
Date: 18.05.2010



*Syed Meera Mohiddin*

Syed Meera Mohiddin  
Company Secretary in Practice  
ACS: 19395  
CP No: 7813

Annexure - II

Forms and Returns as filed by the Company with the Registrar of Companies, Andhra Pradesh, Hyderabad during the financial year ending 31<sup>st</sup> March, 2010

S. No.	Form No./ Return	Filed on	Event	Whether filed within the prescribed time (Yes/No)	If delay in filing whether requisite fee paid (Yes/No)
1.	Forms 23AC, 23ACA	27.07.2009	Audited Balance Sheet, Profit and Loss Account, Auditors' Report and the Directors' Report, adopted in the 3 <sup>rd</sup> Annual General Meeting, for the financial year ended on 31 <sup>st</sup> March 2009	Yes	N.A
2.	Form 66	15.07.2009	Compliance Certificate obtained from Syed Meera Mohiddin, Company Secretary in Practice for the financial year 2008-09.	Yes	N.A
3.	Form 20B	27.07.2009	Annual Return for the 3 <sup>rd</sup> Annual General Meeting held on 30 <sup>th</sup> June, 2009.	Yes	N.A

Place: Secunderabad  
Date: 18.05.2010



*Syed Meera Mohiddin.*  
Syed Meera Mohiddin  
Company Secretary in Practice  
ACS: 19395  
CP No:7813

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# SEKHAR & CO.

CHARTERED ACCOUNTANTS

**PARTNERS :**

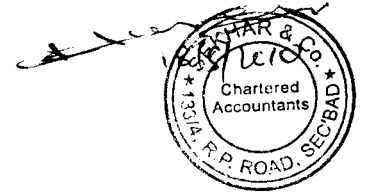
**K.C. Devdas**, B.Com., F.C.A.

**C. Amarnath**, B.Com., L.L.B., F.C.A., DISA (ICA)

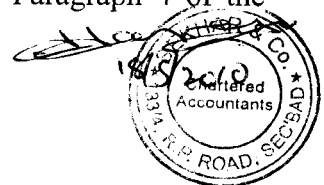
**G. Ganesh**, B.Com., F.C.A., DISA (ICA)

To  
The Members of  
Bhagyanagar Properties Private Limited  
(Formerly Bhagyanagar Properties Limited)

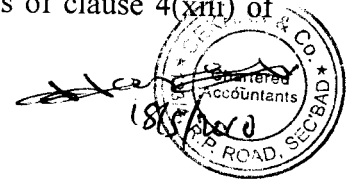
1. We have audited the attached Balance Sheet of Bhagyanagar Properties Private Limited (Formerly Bhagyanagar Properties Limited) as at March 31, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies(Auditor's Report)Order,2003 (as amended) (henceforth referred to as 'The Order') issued by the Central Government of India in terms of sub-section (4A)of section 227 of the Companies Act,1956 (henceforth referred to as 'The Act' ). We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
  - i. a) The company is having Free Hold Land as on the date of balance sheet. The company has maintained adequate information about the same.
  - b) The Asset held by the company has been physically verified during the year.
  - c) The company has not disposed any of the fixed assets during the year.



- ii. The Company did not hold any inventory at any time during the year hence we have not reported on sub-clause b & c of this clause of the Order.
- iii. a) The company has not given loans from the parties covered in the registered maintained under section 301 of the "Act". Hence we are not required to comment on the sub clauses b, c & d of this clause of the order.
- e) The company has taken a loan of Rs. 4.21 Lakhs from the Holding company during the year in addition to the opening balance. The Maximum and year end balance is Rs. 58.76 Crores.
- f) The Company is liable to refund the money with interest of 12% on commencement of commercial activity or 5 years which ever is earlier and the interest accrues on the date. Hence we are of the opinion the terms and conditions are not prejudicial to the interest of the company..
- g) The event of accrual of interest or date of payment of principal not having occurred we are of the opinion the company has not defaulted on payment of principal or interest.
- iv. In our opinion and according to the information and explanations given to use, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure of correct major weaknesses in internal control system of the company.
- v. a) According to the information and explanation 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 section 301 of the Act, have been so entered.
- 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 vale of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The company has not accepted any deposits 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.



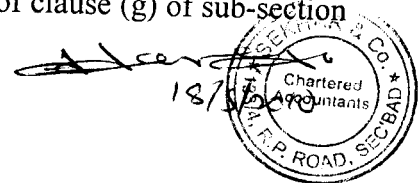
- vii. The provisions of internal audit are not applicable to the company keeping in view the size of the company and nature of its business.
- viii. The provisions regarding maintenance of cost records under section 209 (1) (d) of the Act are not applicable to the company as the company has not carried out any business during the year.
- ix. 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, custom duty, excise duty and other material statutory dues applicable to it.  
Further, since the Central Government has till date not prescribed the amount of Cess payable under section 441A of the Act, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- b) According to the information and given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears, as at 31.03.2010 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.
- x. The company has been in existence for a period less than five years hence the provisions regarding accumulated losses being more than 50% of net worth and cash losses are not applicable to the company.
- xi. The company has not taken any loans from financial institutions hence the question of default does not apply to the company.
- xii. The company has not given any loans against shares and securities hence the maintenance of relevant records does not apply to the company.
- xiii. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.





- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) Order is not applicable to the company.
- xv. The company has not given any guarantees for loans taken by others from banks or financial institutions hence we have not commented on this clause of the order.
- xvi. The company has not availed any term loans hence the question of application of the same does not arise.
- xvii. There being no short term loans availed by the company the question of application of the same for long term purpose does not arise.
- xviii. The company has not made nay allotment of shares to parties and companies covered under the act. Hence we have not commented on this clause of the order.
- xix. The company has not raised any money by debentures or like securities during the year. Hence we have not commented on this clause of the order on creation of security on loans raised.
- xx. The company has not raised any money by way of public issue during the year. Hence we have not commented on this clause of the order.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

4. Further to our comments in the Annexure referred to above, we report that:
- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by Law have been kept by the company so far as appears from our examination of those books.
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - iv. 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 sub-section (3C) of section 211 of the Act.
  - v. On the basis of written representation received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.



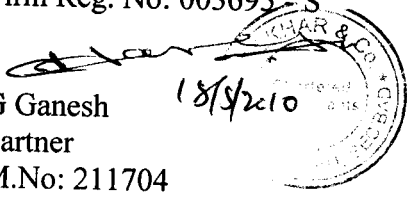
- vi. In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2010;
  - In the case of profit and loss account, of the *loss* for the year ended on that date; and
  - in the case of the cash flow statement, of the cash flows for the year ended on that date.

For SEKHAR & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg. No: 003695 - S

G Ganesh  
Partner  
M.No: 211704

Place: Secunderabad

Date: 18/5/2010



**Bhagyanagar Properties Private Limited**  
**Formerly Bhagyanagar Properties Limited**  
**Balance Sheet as on 31 - March - 2010**

	Sch.No.	As on 31-Mar - 2010 Rs.	As on 31-Mar - 2009 Rs.
<b>Sources of Funds</b>			
a) Share capital	1	40,000,000	40,000,000
<b>Loan Funds</b>			
a) Unsecured Loans	2	587,697,124	587,276,045
<b>Total</b>		<b>627,697,124</b>	<b>627,276,045</b>
<b>Fixed Asset</b>			
Free hold land	3	592,719,734	592,719,734
		592,719,734	592,719,734
<b>Capital Work In Progress</b>	4	429,250	429,250
<b>Current Assets Loans and advances</b>			
a) Loans and Advances	5	33,000,000	33,000,000
b) Cash & Bank Balances	6	46,451	90,581
		33,046,451	33,090,581
<b>Less Current Liabilities</b>			
a) Other Current Liabilities	7	8,581	45,868
		8,581	45,868
<b>Net Current assets</b>		33,037,870	33,044,713
Miscellaneous Expenses ( to the extent not written off or adjusted )	8	5,413	10,827
Profit & Loss Account		1,504,857	1,071,521
Notes to Accounts	10		
<b>Total</b>		<b>627,697,124</b>	<b>627,276,045</b>

The Schedules referred to above form  
an integral part of the Balance Sheet  
As per our report of even date

Signatories to Balance Sheet  
and Schedules 1 to 8 and 10  
for and on behalf of the Board,

For and behalf of Sekhar & Co

Chartered Accountants

Firm No. 003695-S

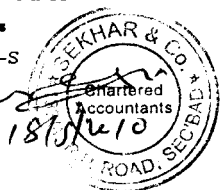
G Ganesh

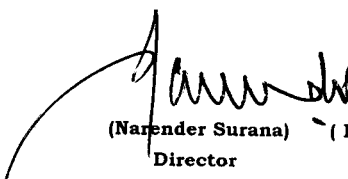

Partner

M.No. -211704

Place : Secunderabad

Date: 18/3/2010




  
(Narender Surana) ( Devendra Surana)  
Director Director

**Bhagyanagar Properties Private Limited**  
**Formely Bhagyanagar Properties Limited**  
**Profit & Loss Account for the year ended on 31 - March - 2010**

	Sch.No.	for the Year Ended 31.03.10 Rs.	for the Year Ended 31.03.09 Rs.
<b>INCOME</b>			
Income from operations		-	-
Sundry Balance Written Off			1,830
			-----
			<b>1,830</b>
<b>EXPENDITURE</b>			
Administrative Expenses	9	427,772	442,070
Financial Expenses		-	168
Preliminary Expenses written Off		5,414	5,414
			-----
		<b>433,186</b>	<b>447,652</b>
(Loss) /Profit before Taxation		<b>(433,186)</b>	<b>(445,822)</b>
			-----
Frindge Benefit Tax			850
Tax for earlier years		150	
Profit/(Loss) after taxation		<b>(433,336)</b>	<b>(446,672)</b>
Balance B/F from previous Year		<b>(1,071,521)</b>	<b>(624,849)</b>
			-----
Balance C/F to Balance Sheet		<b>(1,504,857)</b>	<b>(1,071,521)</b>
Notes to Accounts	10		

The Schedules referred to above form  
an integral part of the Profit & Loss Account  
As per our report of even date

Signatories of Profit & Loss account  
Schedules 9 and 10  
for and on behalf of the Board,

For and behalf of Sekhar & Co

Chartered Accountants

Firm No. 003695-S

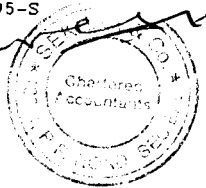
**G Ganesh**

Partner

M. No. -211704

Place : Secunderabad

Date : 18/5/2010



( Narender Surana )

Director

(Devendra Surana)

Director

**Bhagyanagar Properties Private Limited**  
**Formerly Bhagyanagar Properties Limited**  
**Cash Flow Statement for the year ended March 31, 2010**

	As on 31.03.2010	As on 31.03.2009
<b>Cash Flow From Operating Activities</b>		
Net Profit before Tax	(433,186)	(445,822)
Adjustment for :		
Add:		
Depreciation		
Prel Exp written off	5,414	5,414
Less: Incorporation Expenses		
<b>Operating profit before working capital changes</b>	<b>(427,772)</b>	<b>(440,408)</b>
Increase in Work in Progress	-	(429,250)
Decrease in Current Assets	-	-
Increase /Decrease in Current Liabilities	(37,437)	(37,952)
<b>Net cash from operating activity</b>	<b>(37,437)</b>	<b>(391,298)</b>
<b>Cash flow from Investment activities</b>		
Increase in fixed assets	-	-
<b>Net cash from investing activity</b>	<b>(465,209)</b>	<b>(831,706)</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from Issue of Share Capital	-	-
Proceeds from Security Premium	-	-
Proceeds from Loans	421,079	759,420
<b>Net cash generated from financing activity</b>		
Net cash generated	(44,130)	(72,286)
Opening Cash & Cash equivalent	90,581	162,867
Cash and Cash equivalents as at 31/03/2010	<b>46,451</b>	<b>90,581</b>
Increase & Decrease In Cash and Cash Equalants	(44,130)	(72,286)

As per our report of even date

For and behalf of Sekhar & Co  
Chartered Accountants

Firm No. 003695-S

G Ganesh

Partner

M. No. -211704

Place : Secunderabad

Date : 18/5/2010



For and on Behalf of the Board

*(Signature)*  
(Narender Surana)  
Director

*(Signature)*  
( Devendra Surana)  
Director

**Schedule to the Profit & Loss Account**

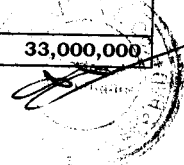
<b>1. Share Capital</b>	<b>As on 31-Mar - 2010 Rs.</b>	<b>As on 31-Mar - 2009 Rs.</b>
AUTHORIZED 5000000 equity shares of Rs.10/- each	50,000,000	50,000,000
ISSUED SUBSCRIBED AND PAID UP 4000000 equity shares of Rs.10/- each fully paid up	40,000,000	40,000,000
	40,000,000	40,000,000

<b>2. Unsecured Loans</b>	<b>As on 31-Mar - 2010 Rs.</b>	<b>As on 31-Mar - 2009 Rs.</b>
a ) Unsecured Loans from holding company	587,697,124	587,276,045
	587,697,124	587,276,045

<b>3. Land</b>	<b>As on 31-Mar - 2010 Rs.</b>	<b>As on 31-Mar - 2009 Rs.</b>
a) Cost of Land including registration	592,719,734	591,300,000
b) Cost of developing the land	-	1,419,734
	592,719,734	592,719,734

<b>4. Capital Work In Progress</b>	<b>As on 31-Mar - 2010 Rs.</b>	<b>As on 31-Mar - 2009 Rs.</b>
a) Architect Fees	350,900	350,900
b) Site Expenses	78,350	78,350
	429,250	429,250

<b>5. Loans and Advances</b> (Unsecured Considered good realisable in cash or kind)	<b>As on 31-Mar - 2010 Rs.</b>	<b>As on 31-Mar - 2009 Rs.</b>
a) Sundry Advances	33,000,000	33,000,000
	33,000,000	33,000,000

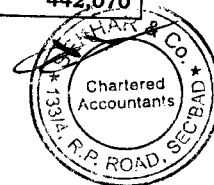


<b>6. Cash and Bank Balances</b>	<b>As on 31-Mar - 2010 Rs.</b>	<b>As on 31-Mar - 2009 Rs.</b>
a) Balance with scheduled Banks - In current account	40,956	85,450
b) Cash in Hand	5,495	5,131
	<b>46,451</b>	<b>90,581</b>

<b>7. Current Liabilities</b>	<b>As on 31-Mar - 2010 Rs.</b>	<b>As on 31-Mar - 2009 Rs.</b>
a) TDS Payable	3,066	39,503
b) Audit Fees Payable	5,515	5,515
c) F.B.T Payable		850
	<b>8,581</b>	<b>45,868</b>

<b>8. Preliminary Expenses</b>	<b>As on 31-Mar - 2010 Rs.</b>	<b>As on 31-Mar - 2009 Rs.</b>
a) Opening Balance	10,827	16,241
Less: Preliminary expenses written off during the year	5,414	5,414
<b>Balance as at close of the year</b>	<b>5,413</b>	<b>10,827</b>

<b>9. Administrative Expenses</b>	<b>For the period Ended 31.3.10 Rs.</b>	<b>For the period Ended 31.3.09 Rs.</b>
a) Professional Fees	3,400	25,750
b) Conveyance	2,525	11,005
c) Filing Fee	1,640	3,264
d) Audit Fees	5,515	5,515
e) Watch and Ward	411,972	324,980
f) Printing & Stationery	-	6,264
g) Electricity Expenses	-	16,490
h) Office Expenses	-	-
i) Rates & Taxes	220	21,050
j) Advertisements	-	1,384
k) Approval Fees	-	11,670
l) Legal And License Fees	-	170
m) Telephone Expenses	-	940
o) Other Expenses	2,500	13,588
	<b>427,772</b>	<b>442,070</b>



## Schedule-10

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

#### **10. 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 effect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

##### **iii. Own Fixed Assets**

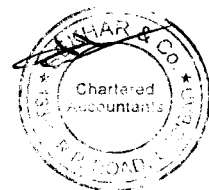
Fixed Assets are stated at cost net of modvat / cenvat / value added tax , less accumulated depreciation and impairment loss, if any. Any costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations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

##### **iv. Depreciation**

Depreciation is provided on written down value method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

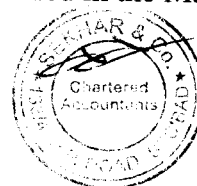
##### **v. Impairment of Assets**

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.





- vi. Investments**  
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.
- vii. Inventories**  
Items of Inventories are measured at lower of cost or net realizable value, after providing for obsolescence, if any. Cost of inventories comprises of all cost of purchase including duties and taxes other than credits under CENVAT and is arrived on First in First out basis. Semi Finished goods are valued at cost or net realizable value whichever is lower. Finished goods are valued at cost including excise duty payable or Net realizable value whichever is lower. Cost includes Direct Material, Labour cost and appropriate overheads.
- viii. Foreign Currency Transactions**  
Transactions in foreign currency are recorded at the exchange rate, prevailing on the date of transaction or at the exchange rates under the related forward exchange contracts. Profit/Loss on outstanding Foreign Currency contracts have been accounted for at the exchange rates, prevailing at the year end rates as per FEDAI/RBI.
- ix. 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 employees at the end of the year.
- x. 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.
- xi. Turnover**  
Turnover includes sale of goods, services, sales tax, service tax and adjusted for discounts (net), excise duty. Inter-Unit sales are excluded in the Main Profit and Loss account.



**xii. Provision for Taxation**

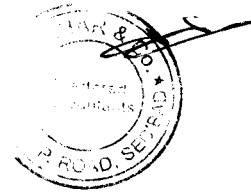
Provision is made for Income Tax, estimated to arise on the results for the year, at the current rate of tax, in accordance with the Income Tax Act, 1961. Taxation deferred as a result of timing difference, between the accounting & taxable profits, is accounted for on the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax asset is recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets are reviewed, as at each Balance Sheet date to re-assess realization.

**xiii. Prior Period Expenses / Income :**

Prior period items, if material are separately disclosed in Profit & Loss Account together with the nature and amount. Extraordinary items & changes in Accounting Policies having material impact on the financial affairs of the company are disclosed.

**xiv. Sundry Debtors, Loans and Advances**

Doubtful Debts/Advances are written off in the year in which those are considered to be irrecoverable.

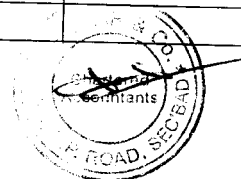


## 10 . Notes to Accounts

### 1. Related Party Disclosure

#### A: Relationship

<u>Entities in which directors are interested</u>	<u>Holding Company</u>	<u>Joint venture &amp; Associates</u>	<u>Key Management Personnel</u>	<u>Relatives of key management personnel</u>
Surana Telecom and Power Limited	Bhagyanagar India Limited		Narender Surana	Namrata Surana
Innova Technologies Private Limited			Devendra Surana	Manish Surana
Value Infrastructure & Properties Pvt Ltd				Nivriti Surana
Bhagyanagar Energy & Telecom Pvt Ltd				G M Surana
Bhagyanagar Infrastructure Ltd				
Bhagyanagar Entertainment Ltd				
Every Time Foods Industries Pvt Ltd				
Surana Infocom Private Ltd				
Andhra Electro Galvanising Works				
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				



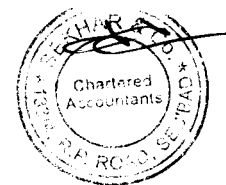
Private Ltd				
Metropolitan Ventures India Limited				
Scientia Infocom India Private Ltd				
Bhagyanagar Telecom Ltd				
Bhagyanagar Metals Ltd				
Bhagyanagar Ventures Ltd				
Surana Ventures Limited				
Savitrimata Realtors Pvt Ltd				
BEIDCPL				
Advantage Real Estate India Pvt Ltd				
Globecom Infra-ventures Pvt Ltd				
GMS Realtors Pvt Ltd				

**B : Transactions**

<u>Nature of Transaction</u>	<u>Entities in which directors are interested</u>	<u>Holding Company</u>		<u>Associates</u>	<u>Key Management Personnel</u>	<u>Relatives of key management personnel</u>
		<u>Loan Availed</u>	<u>Maximum Outstanding</u>			
Unsecured Loan availed	Nil (Nil)	4.21 (17.19)	5876.97 (5872.76)	Nil	Nil	Nil

(Rs in lacs)

\* Figures In brackets indicates previous year figures



2. Company was incorporated on 25 -April - 2006.
- 3 The Company has acquired Free Hold Land to an extent 18 Acres at Vattinagulapally Village , Rajendranagar Mandal , Ranga Reddy District from M/s i Labs Information Technology and Life Sciences Parks ( P ) Ltd. for a total sale consideration of Rs 59,13,00,000 including Registration charges, stamp duty and other expenses.
4. Since the company is still in the process of land development no Revenue is recognized
5. Capital work in progress includes cost of land of development
6. Contingent Liabilities which can crystalise at a later date having major impact over the financial performance of the company in near future are NIL as on date of Balance Sheet.
7. The Company is a wholly owned subsidiary of Bhagyanagar India Limited.
8. Capital commitment as on date of balance sheet are NIL.
9. In accordance of provisions of "accounting Standard 22 accounting for taxes on income , the company would have deferred assets ,primarily comprising of accumulated tax losses & unamortized issue expenses. However ,as the Management is not virtually certain of subsequent realization of the asset ,no deferred tax asset has been computed in these financial statement.

As per our report of even date

For and on Behalf of the Board,

For and behalf of Sekhar & Co  
Chartered Accountants

Firm No. 003695-S

G.Ganesh  
Partner

M.No.-211704

Place : Secunderabad

Date : 18/5/2010.



  
(NARENDER SURANA)  
Director

  
(DEVENDRA SURANA)  
Director