

**METROPOLITAN VENTURES INDIA LIMITED**

**2<sup>ND</sup> ANNUAL REPORT**

**2008-2009**

**BOARD OF DIRECTORS:**

DEVENDRA SURANA - DIRECTOR  
MANISH SURANA - DIRECTOR  
S.BALASUBRAMANIAN - DIRECTOR

**REGISTERED OFFICE:**

3<sup>RD</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 2<sup>nd</sup> Annual General Meeting of the Members of **METROPOLITAN VENTURES INDIA LIMITED** will be held on Tuesday, 30<sup>th</sup> June, 2009 at 11.00 a.m. at the Registered Office of the Company at 3<sup>rd</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, 2009 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri. S.Balasubramanian 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 **METROPOLITAN VENTURES INDIA LIMITED**

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

Place: Secunderabad  
Date: 04.06.2009

### **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.

## DIRECTORS REPORT

To  
The Members,

Your Directors have pleasure in presenting the 2<sup>nd</sup> Annual Report and the Audited Statement of Accounts for the financial year ended 31st March 2009, together with the Auditors Report thereon.

### FINANCIAL RESULTS:

During the year under review, the Company has commenced its business operations in the Real Estate Sector. The performance of the Company during the year has been as under:

Particulars	For the Period ended on 31/03/2009 Rs.
<b>INCOME</b>	
a) Profit on sale of land	46,15,000
	-----
	46,15,000
	-----
<b>EXPENDITURE</b>	
a) Audit fees	2,206
b) Filing Fees	2,550
c) Professional and consultancy fee	3,750
d) Preliminary Expenses written off	35,137
e) Pre-operative expenses written off	8,306
	-----
	51,949
	-----
Profit before Taxation	45,63,051
	-----
Provision for taxation	17,06,785
	-----
<b>Profit after taxation</b>	<b>28,56,266</b>
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<b>Balance C/F to Balance Sheet</b>	<b>28,56,266</b>
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### DIVIDEND:

The Directors do not recommend any dividend for the financial year 2008-09.

### 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 S.Balasubramanian, Director of the Company, will retire by rotation at this Annual General Meeting and being eligible, offers himself for reappointment

**COMPLIANCE CERTIFICATE:**

In accordance with requirement of Section 383A of the Companies Act, 1956, Certificate from Shri Syed Meera Mohiddin, Practicing Company Secretary, is enclosed certifying that all legal requirements, in respect of the Company for the year ended 31st March, 2009 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, 2009, 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, 2009 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 **METROPOLITAN VENTURES INDIA LIMITED**

Sd/-

Sd/-

Place: Secunderabad  
Date: 04.06.2009

**DEVENDRA SURANA**  
**DIRECTOR**

**MANISH SURANA**  
**DIRECTOR**

CIN: U45200AP2007PLC053036

Nominal Capital: Rs. 1,00,00,000

**Compliance Certificate**

To  
The Members  
M/s. Metropolitan Ventures India Limited  
Block "A" 3<sup>rd</sup> Floor, Surya Towers,  
S.D. Road,  
Secunderabad – 500 003.

We have examined the registers, records, books, and papers of M/s. Metropolitan Ventures India 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, 2009 (i.e. from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009). 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 a public limited company, the restriction clauses as provided in Section 3(1)(iii) of the Companies Act, 1956 is not applicable.
4. The Board of Directors duly met 5 (Five) times on 02.04.2008, 02.06.2008, 14.07.2008, 30.10.2008, and 30.03.2008. 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, 2008 was held on 23<sup>rd</sup> August, 2008 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 not deposited any amount in a Separate Bank Account as no dividend was declared during the financial year.
  - (iii) The Company has not deposited any amount in a Separate Bank Account 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 duly 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 was not required to obtain 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 does not have any Preference Shares / Debentures.
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. Amount borrowed by the Company from directors, members, public, financial institutions banks and others during the financial year ending 31<sup>st</sup> March, 2009 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.
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 Mohiddin.*

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

Place: Secunderabad  
Date: 03.06.2009

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



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

Place: Secunderabad  
Date: 03.06.2009

**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, 2009

S. No.	Form No./Return	Filed on	Under Section	Event	Whether filed within the prescribed time (Yes/No)	If delay in filing whether requisite fee paid (Yes/No)
1.	Forms 23AC, 23ACA	25.09.2008	220	Audited Balance Sheet, Profit and Loss Account, Auditors' Report and the Directors' Report, adopted in the 1 <sup>st</sup> Annual General Meeting, for the financial year ended on 31 <sup>st</sup> March 2008	No	Yes
2.	Form 66	25.09.2008	383A	Compliance Certificate obtained from P. Jyothirmayee, Company Secretary in Practice for the financial year 2007-08.	No	Yes
3.	Form 20 B	25.09.2008	159	Annual Return for the 1 <sup>st</sup> Annual General Meeting held on 23 <sup>rd</sup> August, 2008	Yes	N.A



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

Place: Secunderabad  
Date: 03.06.2009



# 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  
Metropolitan Ventures India Limited

1. We have audited the attached Balance Sheet of Metropolitan Ventures India Limited as at March 31, 2009, Statement of Profit and Loss account for year ended March 31, 2009 and Cash Flow Statement 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 by Companies (Auditor's Report) Order, 2004 (together henceforth called as the 'Order') issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the 'Act'), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give below, a statement on the matters specified in paragraphs 4 & 5 of the said order.
  - a. Keeping in view nature and volume of activities carried on by the company during the year and due to absence of conditions pre requisite to reporting requirements to the clauses (ii) & (iv) to (xx) of paragraph 4 of the order we have nothing to comment on the same.



- b. i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed Assets
- ii) The fixed assets have been physically verified by the management during the year and no material discrepancies were notified on such verification.
- iii) The company has not disposed off substantial portion of the fixed assets during the year.
- c. i) As the company has not granted any loans whether secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act, hence we are not required to report on sub clauses a,b,c &d of Clause iii of the Order.
- ii) The company has taken an loan from 1 company covered under section 301 of the Act. The maximum amount involved during the year and the year end balance was Rs. 414.04 Lacs
- iii) in our opinion, the rate of interest and other terms and conditions on which loans have been taken from company listed in register maintained under section 301 of the Companies Act, 1956 are not, *prima facie* prejudicial to the interest of the company.
- iv) the company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest
- d. During the course of our examination of the Books of Account carried out in accordance with the generally accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on c or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.



4. Further to our comments 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 accounts of the Company.
- 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- vi. The Notification for levy and 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.
- vii. 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:
  - a. in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2009;
  - b. in the case of the Profit and Loss Account, the profit of year ended March 31, 2009;
  - c. in the case of cash flow statement, the cash flows for the year ended on that date;

For SEKHAR & CO.  
CHARTERED ACCOUNTANTS

G.Ganesh  
Partner

Membership No: 211704

Place: Secunderabad

Date: 4/6/09.



**METROPOLITAN VENTURES INDIA LIMITED**  
**Balance Sheet as on 31st March 2009**

	Schedule No.	As on 31.03.09	As on 31.03.08
<b><u>Sources of Funds</u></b>			
<b><u>Share holders funds</u></b>			
i) Share Capital	1	5,000,000	5,000,000
ii) Reserve & Surplus (Balance of Profit and Loss Account)		2,856,266	-
<b><u>Loan Funds</u></b>			
c) Unsecured Loans from Holding Company		41,404,000	41,000,250
Total		<b>49,260,266</b>	<b>46,000,250</b>
<b><u>Application of Funds</u></b>			
<b><u>A) Fixed Assets</u></b>			
a) Gross Block	2	50,417,500	45,802,500
less: Depreciation		-	-
Net Block		<b>50,417,500</b>	<b>45,802,500</b>
<b><u>B) Current assets loans and advances</u></b>			
Cash and Bank balances	3	29,961	15,447
Sundry debtors	4	381,250	-
		<b>411,211</b>	<b>15,447</b>
less: Current Liabilities and provisions	5	1,708,991	1,686
Net current assets		<b>(1,297,780)</b>	<b>13,761</b>
c) Miscellaneous Expenses (to the extent not written off or adjusted) pre-operative expenses	6	140,546	175,683 8,306
Significant Account Polices and Notes to Account	7		
Total		<b>49,260,266</b>	<b>46,000,250</b>

The Schedules referred to above from an integral part of the Balance sheet

Signatories to Balance Sheet and Schedules 1 to 6 for and 7 on behalf of the board

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

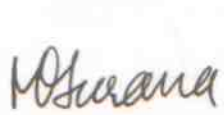

For Sekhar & co  
Chartered Accountants

G. Ganesh 4/6/09  
(Partner)

Membership No 211704

Place: Secunderabad

Date: 4/6/09

  
 (Devendra Surana) Director  
  
 (Manish Surana) Director

**METROPOLITAN VENTURES INDIA LIMITED**

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

S.no	Particulars	Sche.No	For the year ended 31.03.09
I	<b><u>Income</u></b>		
	Profit on Sale of land		4,615,000
			<b>4,615,000</b>
II	<b><u>Expenditure</u></b>		
	Audit fees		2,206
	Filing fees		2,550
	Professional and consultancy fees		3,750
	Preliminary expenses written off		35,137
	Pre-operative expenses written off		8,306
			<b>51,949</b>
	Profit Before taxation		4,563,051
	<b>Provision for taxation</b>		<b>1,706,785</b>
	Profit after Taxation		2,856,266
	<b>Balance Carried to Balance sheet</b>		<b>2,856,266</b>
	Significant Account Polices and Notes to Account	7	

The Schedules referred to above from an integral part of the Profit & Loss Account

Signatories to P & L Account and Schedules 7 on behalf of the Board

This is the Profit & Loss Account referred to in our report on even date

For Sekhar & Co  
Chartered Accountants  
  
G. Ganesh  
(partner)  
Membership No 211704  
Place : Secunderabad  
Date : 4/6/09

  
(Devendra Surana)  
Director

  
(Manish Surana)  
Director



**Metropolitan Ventures India Limited**  
**Cash flow Statement for the year ended 31st March 2009**

(Amount in Rupees)

PARTICULARS	2008-09	2007-08
<b>A. Cash flow from Operating Activities</b>		
Net profit before tax as per annexed Profit and loss account	4,563,051	-
Add: Adjustments for:		
Depreciation	-	-
Preliminary Expenses Written off	35,137	(183,989)
Pre- operative Expenses	8,306	-
Unrealised gain of Foreign Exchange	-	-
Lease rents Amortised	-	-
Bad debts Written off & Provision for bad debts	-	-
Balances/Provisions no longer required written back	-	-
Profit on sale of investments(Net)	-	-
Profit on Sale of Assets	(4,615,000)	-
Interest paid	-	-
Interest Received	-	-
Dividends Received	-	-
<b>Operating profit before working Capital Changes</b>	<b>(8,506)</b>	<b>(183,989)</b>
inventories	-	-
Loans and Advances	-	-
Other current Assets	(381,250)	-
Sundry Debtors	-	-
Trade payables and other Current liabilities	520	1,686
Advance from Customers	-	-
<b>Cash generated from Operations</b>	<b>(389,236)</b>	<b>(182,303)</b>
Income tax and Fringe Benefit Tax paid	-	-
Taxes of Earlier years	-	-
<b>Net cash (used in)/from operating activities(A)</b>	<b>(389,236)</b>	<b>(182,303)</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(40,381,250)	(45,802,500)
Sale of Fixed Assets	40,381,250	-
Purchase of Mutual Fund & Other investment	-	-
Sale of Mutual Funds & Other investments	-	-
Dividend Received on Shares and Mutual Funds	-	-
Interest Received	-	-
Changes in Capital Work in Progress	-	-
Loans to Joint Ventures and Subsidiaries	-	-
<b>Net Cash (used in)/from Investing Activities (B)</b>	<b>-</b>	<b>(45,802,500)</b>

*Handwritten signature*

<b>C Cash flow from Financing Activities</b>		
proceeds from issue of share capital	-	5,000,000
Proceeds from FCCB(net realised)	-	-
FCCB Issue Expenses Charged to Securities Premium Account	-	-
Proceeds from Short term Loans(Net)	-	-
Repayment/(Receipt) of Long Term Loans	403,750	41,000,250
Intrest paid	-	-
Dividend Paid	-	-
<b>Net Cash (used in)/from Investing Activities ©</b>	<b>403,750</b>	<b>46,000,250</b>
<b>Net Increase / Decrease in cash and Cash Equivalents (A+B+C)</b>	<b>14,514</b>	<b>15,447</b>
Cash and Cash Equivalents Opening Balance	15,447	-
Cash and Cash Equivalents Closing Balance	29,961	15,447
<b>Change in Cash and Cash Equivalents</b>	<b>14,514</b>	<b>-</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.

In terms of our report of even date

For and on behalf of Board of Directors

For Sekhar & Co  
Chartered Accountants

G.Ganesh  
Partner  
(M.No.211704)

Place: Secundrabad  
Date: 4/6/09

  
(Devendra Surana)  
Director

  
(Manish Surana)  
Director

## Schedules to the Balance Sheet

<b>1 Share Capital</b>	<b>AS on 31.03.2009</b>	<b>As on 31.03.2008</b>
AUTHORISED 1000000 Equity Shares of Rs. 10/- each	10000000	10000000
Issued and Subscribed 500000 Equity Shares of Rs.10/- each fully paid up ( The above 3,70,000 shares are held by M/S Bhagyanagar India Limited-The holding Co.)	5000000	5000000
<b>Total:</b>	<b>5000000</b>	<b>5000000</b>

<b>3 Cash and Bank balances</b>	<b>AS on 31.03.2009</b>	<b>As on 31.03.2008</b>
Balance with schedule banks- in current account	29961	15447
<b>Total:</b>	<b>29961</b>	<b>15447</b>

<b>4 Sundry Debtors (Unsecured Consider good)</b>	<b>AS on 31.03.2009</b>	<b>As on 31.03.2008</b>
Others-Lotus Propriorities Developers p ltd	381250	-
<b>Total:</b>	<b>381250</b>	<b>-</b>

<b>5 Current Liabilities</b>	<b>AS on 31.03.2009</b>	<b>As on 31.03.2008</b>
Provision for taxation	1706785	-
Audit fees	2206	-
<b>Total:</b>	<b>1708991</b>	<b>-</b>

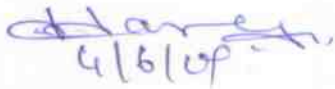
<b>6 Miscllanecous Expenditure (to the extent not writen off or adjusted)</b>	<b>AS on 31.03.2009</b>	<b>As on 31.03.2008</b>
opening balance	175683	175683
Less: Written off during the period	35137	-
<b>Balance to be carried forward to the B/s</b>	<b>140546</b>	<b>175683</b>



**METROPOLITAN VENTURES INDIA LIMITED**  
Statement of Pre-Operative Expenses

Sl.no	Particulars	As on 31.03.09	As on 31.03.08
	Audit fees	-	1686
	Filing fees	-	4570
	Printing and stationery	-	1400
	Professional and consultancy fees	-	650
	Total:	-	8306

As per our report of even date  
For Sekhar & Co.  
Chartered Accountants

  
(G Ganesh)  
Partner  
(M No 211704)  
Place: Secunderabad  
Date: 4/6/09

Signatories to Pre-operative statement  
for and on behalf of the Board,

  
(Devendra Surana)  
Director  
  
(Manish Surana)  
Director

METROPOLITAN VENTURES LIMITED

Schedule No 2 Fixed Assets

Sl.no	Name of The Asset	Gross Block				Depreciation				Net Block	
		As on 01.04.08	Additions During the Year	Deletions During the Year	As on 31.03.09	upto 31.03.08	For the year	Del/Adj During the Year	upto 31.03.09	As on 31.03.09	As on 31.03.08
1	Land Free hold	45802500	40381250	35766250	50417500	-	-	-	50417500	45802500	
		45802500	40381250	35766250	50417500	-	-	-	50417500	45802500	

# Metropolitan Ventures India Limited

2008-2009

## Schedule-7A

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

#### 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.
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**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.





## 7B. Notes to Accounts


- i. Company was Incorporated on 6 th March, 2007.
- ii. Unsecured Loan is taken from Bhagyanagar India Limited. Which is having 74% Holding in the equity shares of the Company. Interest Accrues shall be payable to the Bhagyanagar India Limited from the date of execution of the project or from the date of 17<sup>th</sup> April 2012 which ever is earlier.
- iii. Estimated Contractual Liability on account Capital Commitments as on 31.03.2009 is Nil.
- iv. Contingent Liability - Nil.
- v. This is being the first year of Preparation of Profit and Loss Account, previous year's figures have not been given.

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

As per our report of even date

For SEKHAR & CO.,

Chartered Accountants,

  
G. Ganesh 4/6/09

(Partner)

Membership No. 211704

Place: Secunderabad

Date: 4/6/09

Signatories to Balance Sheet and Schedules 1 to 6 and 7 for and on behalf of the Board,

  
(DEVENDRA SURANA)

Director

  
(MANISH SURANA)

Director