

BHAGYANAGAR PROPERTIES PRIVATE LIMITED

5TH ANNUAL REPORT

2010-2011

BOARD OF DIRECTORS:

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

REGISTERED OFFICE:

5th 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 5th Annual General Meeting of the Members of **BHAGYANAGAR PROPERTIES PRIVATE LIMITED** will be held on Thursday, 19th May, 2011 at 10.30 A.M. at the Registered Office of the Company at 5th 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, 2011 and Profit and Loss Account for the year ended 31st March, 2011 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri Narender 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 : 14.04.2011

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 5th Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2011, together with the Auditors Report thereon.

FINANCIAL RESULTS:

Your company financial results for the year 2010-11 are given below in summarized format:

Particulars	For the Period ended on 31/03/2011 Rs.	For the Period ended on 31/03/2010 Rs.
INCOME		
a) Income from operations	-	-
	-----	-----
	-	-
	-----	-----
EXPENDITURE		
a) Administrative Expenses	199,703	427,772
b) Financial Expenses	-	-
c) Preliminary Expenses written off	5,413	5,414
	-----	-----
	205,116	433,186
	-----	-----
(Loss)/Profit before Taxation	(205,116)	(433,186)
	-----	-----
Deferred Tax Reverse	-	-
Fringe Benefit Tax	-	-
Tax on earlier years	-	150
Profit/(Loss) after taxation	(205,116)	(433,336)
Balance B/F from Previous year	(1,504,857)	(1,071,521)
	-----	-----
Balance C/F to Balance Sheet	(1,709,973)	(1,504,857)
	-----	-----

DIVIDEND:

Your Directors have not recommended for payment of dividend for the year ended 31.03.2011.

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 Narender 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, 2011 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, 2011, 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 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, 2011 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: 14.04.2011

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: 14.04.2011

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
5th 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 31st March, 2011 (i.e. from 1st April, 2010 to 31st March, 2011). 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 4 (Four) times on 18.05.2010, 02.08.2010, 29.10.2010, 17.01.2011. 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 31st March, 2010 was held on 30th June, 2010 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 held one extraordinary general meeting on 25.08.2010 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) 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.
 - (iv) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (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 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. The amount borrowed by the Company from directors, members, public, financial institutions banks and others during the financial year ending 31st March, 2011 is within the borrowing limits of the Company.
25. The Company has made loans, investments, advances, given guarantees, provided securities to other bodies corporate and has made necessary entries 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
Company Secretary in Practice

ACS: 19395

CP No:7813

Place: Secunderabad
Date: 14.04.2011

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: 14.04.2011

Annexure - II

Forms and Returns as filed by the Company with the Registrar of Companies, Andhra Pradesh, Hyderabad during the financial year ending 31st March, 2011

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.	Form 23	13.07.2010	Registration of special resolution passed for making inter Corporate Loans or investments or guarantee or security in excess of the prescribed limits.	No	Yes
2.	Form 66	06.09.2010	Compliance Certificate obtained from Syed Meera Mohiddin, Company Secretary in Practice for the financial year 2009-10.	No	Yes
3.	Forms 23AC, 23ACA	04.11.2010	Audited Balance Sheet, Profit and Loss Account, Auditors' Report and the Directors' Report, adopted in the 4 th Annual General Meeting, for the financial year ended on 31 st March 2010	No	Yes
4.	Form 20B	04.11.2010	Annual Return for the 4 th Annual General Meeting held on 30 th June, 2010.	No	Yes



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

Place: Secunderabad
Date: 14.04.2011



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)

Auditors Report to the Shareholders

1. We have audited the attached Balance Sheet of *Bhagyanagar Properties Private Limited* as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conduct our 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 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 the Companies (Auditor's Report) (Amendment) Order, 2004 (*Together 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'*) is given below.

A. Fixed Assets : Clause 4(i) of the Order

- i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- ii. We are informed that management at reasonable intervals has physically verified all the fixed assets of the company. As per the information and explanations given to us there were no material discrepancies during such verification.
- iii. In our opinion and according to the explanations given to us, a substantial part of the assets has not been disposed by the company during the year.

B. Inventories : Clause 4(ii) of the Order

- i. The Company has not held any inventory during the period covered by the audit hence we have not reported on the matters specified in this clause.

C. Loans and Advances & Loans against Pledge of Securities (Clauses 4(iii) of 4 (xii) of the Order.

- i. The Company has not granted any loans to companies / firms or such other parties covered under section 301 of the Act. Hence we have nothing to report on clauses (i) - (iv) 'Order'.



- ii. The Company has not taken any loans from Companies / Parties covered under section 301 of the Act during the year. However there is a amount of ₹s. 58,78,70,533 received from the holding company of which the company is a 100% subsidiary in the earlier years which is the maximum amount and the year end outstanding at the end of the year.
- iii. The loan does not carry any interest and the other terms of repayment are not *prejudicial* to the interest of the company.
- iv. In our opinion the company has not defaulted in repayment of principal, or interest as there are no specific period in which the principal is repayable and the loan is interest free.
- v. The company has not granted any loans on pledge of shares, debentures or other securities hence we have not reported on the clause 4(xii) of the 'Order'

D. Transactions with parties under section 301 of the Act. Clause 4(v) of the Order :

- i. There are no transactions that need to have been entered under this clause hence we have not reported on the matters specified under this clause.

E. Deposits –Clause 4(vi) of the Order.

During the year the company has not accepted any deposits within the meaning of section 58A and section 58AA of the 'Act'.

F. Internal Audit – Clause 4(vii) of the Order.

Keeping view the size and nature of operations of the company the provisions of this clause are not applicable to the company.

G. Cost Records - Clause 4(viii) of the Order

The maintenance of cost records are not applicable to the nature of operations of the company..

H. Statutory Payments – Clause 4(ix) of the Order.

- i. According to the records of the Company, apart from the certain instances of delays in depositing undisputed income tax deducted at source, Employee's State Insurance, Provident Fund and Sales tax, the company has been regular in depositing undisputed statutory dues including Provident fund, Employee State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues with appropriate authorities.
- ii. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of statutory dues which has remained outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.
- iii. According to the information and explanations given to us and records of the company there are no dues of sales tax / income tax / customs duty / wealth tax / service tax / excise duty / cess, which have not been deposited on account of any dispute.
Further, since the Central Government till date has 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.



I. Losses

The accumulated losses as at 31st March 2011 does not exceed Fifty Percent of its networth of the Company. However the Company has incurred cash loss of ₹.1,99,703 during the year and ₹.4,27,772 immediately preceding financial year.

J. Internal Control

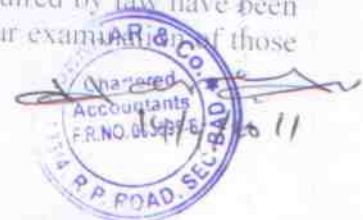
In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

K. Miscellaneous

- i. The Company is not a chit fund, nidhi / mutual benefit fund and therefore requirements to such class of companies are not applicable.
- ii. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the 'Act'
- iii. The company has not taken any loans from financial institution or bank or debenture holders and accordingly the question of default does not arise.
- iv. The company has not granted loans and advances on the basis of security by pledge of shares, debentures and other securities.
- v. As explained and verified, the company is not dealing or trading in shares, securities, debentures and other investments.
- vi. As explained, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- vii. The company has not obtained any loans, accordingly clause(xvi) and (xvii) of para 4 of the 'Order' is not applicable.
- viii. The Company has not issued any shares / debentures during the year. Accordingly compliance of clause (xviii) to (xx) of para 4 of 'Order' is not applicable.
- ix. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

4. Further to our comments above, we report that:

- i. We have obtained all the information and explanations, which to our best of our knowledge and belief, were necessary for the purposes of the audit.
- ii. In our opinion, proper books of accounts 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 Accounting Standards referred to in section 211(3C) of the 'Act'.
- v. On the basis of written representations received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2011 from being appointed as a Director in terms of Section 274(1)(g) of the 'Act'.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the Notes thereon and attached thereto, give in the prescribed manner, the information required by the 'Act', and also give a true and fair view in conformity with accounting principles generally accepted in India.
1. In the case of Balance Sheet, the state of affairs of the Company as at 31st March 2011.
 2. In the Case of Profit and Loss account the 'Loss' for the year ended on that date.
 3. In the case of cash flow statement the Cash flows for the year ended on that date.

For Sekhar & Co.,
Chartered Accountants,
Firm Regn No : 003695-S



Partner

Secunderabad, Andhra Pradesh
April 14, 2011

Bhagyanagar Properties Private Limited
Formerly Bhagyanagar Properties Limited
Balance Sheet as on 31 - March - 2011

	Sch.No.	As on 31-Mar - 2011 Rs.	As on 31-Mar - 2010 Rs.
Sources of Funds			
a) Share capital	1	40,000,000	40,000,000
Loan Funds			
a) Unsecured Loans	2	587,870,533	587,697,124
Total		627,870,533	627,697,124
Fixed Asset			
Free hold land	3	592,719,734	592,719,734
		592,719,734	592,719,734
Capital Work In Progress	4	429,250	429,250
Current Assets Loans and advances			
a) Loans and Advances		33,000,000	33,000,000
b) Cash & Bank Balances	5	17,311	46,451
		33,017,311	33,046,451
Less Current Liabilities			
a) Other Current Liabilities	6	5,735	8,581
		5,735	8,581
Net Current assets		33,011,576	33,037,870
Miscellaneous Expenses (to the extent not written off or adjusted)	7	0	5,413
Profit & Loss Account		1,709,973	1,504,857
Notes to Accounts	9		
Total		627,870,533	627,697,124

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 7 and 9 for and on behalf of the Board,

For and behalf of Sekhar & Co
Chartered Accountants
Firm No. 003695-S

G.Ganesh
Partner
M. No. 1704
Place : Sec
Date :



(Signature)
(Narender Surana) (Devendra Surana)
Director Director

Bhagyanagar Properties Private Limited
Formely Bhagyanagar Properties Limited
Profit & Loss Account for the year ended 31 - March - 2011

	Sch.No.	As on 31-Mar - 2011 Rs.	As on 31-Mar - 2010 Rs.
INCOME			
Income from operations		0	-
Total		0	
EXPENDITURE			
Administrative Expenses	8	199,703	427,772
Preliminary Expenses written Off		5,413	5,414
Total		205,116	433,186
(Loss) /Profit before Taxation.		(205,116)	(433,186)
Tax for earlier years			150
Profit/(Loss) after taxation		(205,116)	(433,336)
Balance B/F from previous Year		(1,504,857)	(1,071,521)
Balance C/F to Balance Sheet		(1,709,973)	(1,504,857)
Notes to Accounts	9		

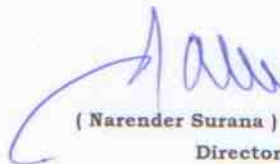
The Schedules referred to above form
an integral part of the Profit & Loss Account
As per our report of even date


Signatories of Profit & Loss account are
Schedules 8&9
for and on behalf of the Board,

For and behalf of Sekhar & Co
Chartered Accountants
Firm No. 1314/P/S

G. Ganesh
Partner
M. No. - 2194
Place : Secunderabad
Date :




(Narender Surana)
Director


(Devendra Surana)
Director

Schedule to the Profit & Loss Account

1. Share Capital	As on 31-Mar - 2011 Rs.	As on 31-Mar - 2010 Rs.
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

2. Unsecured Loans	As on 31-Mar - 2011 Rs.	As on 31-Mar - 2010 Rs.
a) Unsecured Loans from holding company	587,870,533	587,697,124
	587,870,533	587,697,124

3. Land	As on 31-Mar - 2011 Rs.	As on 31-Mar - 2010 Rs.
a) Cost of Land including registration	592,719,734	592,719,734
	592,719,734	592,719,734

4. Capital Work In Progress	As on 31-Mar - 2011 Rs.	As on 31-Mar - 2010 Rs.
a) Architect Fees	350,900	350,900
b) Site Expenses	78,350	78,350
	429,250	429,250



5. Cash and Bank Balances	As on 31-Mar - 2011 Rs.	As on 31-Mar - 2010 Rs.
a) Balance with scheduled Banks - In current account	16,301	40,956
b) Cash in Hand	1,010	5,495
	17,311	46,451

6. Current Liabilities	As on 31-Mar - 2011 Rs.	As on 31-Mar - 2010 Rs.
a) TDS Payable	220	3,066
b) Audit Fees Payable	5,515	5,515
	5,735	8,581

7. Preliminary Expenses	As on 31-Mar - 2011 Rs.	As on 31-Mar - 2010 Rs.
a) Opening Balance	5,413	10,827
Less: Preliminary expenses written off during the year	5,413	5,414
Balance as at close of the year	0	5,413

8. Administrative Expenses	As on 31-Mar - 2011 Rs.	As on 31-Mar - 2010 Rs.
a) Professional Fees	4,200	3,400
b) Conveyance	309	2,525
c) Filing Fee	7,295	1,640
d) Audit Fees	5,515	5,515
e) Watch and Ward	181,334	411,972
f) Rates & Taxes		220
g) Other Expenses	1,050	2,500
	199,703	427,772



Bhagyanagar Properties Private Limited
Formerly Bhagyanagar Properties Limited
Cash Flow Statement for the year ended March 31, 2011

	As on 31.03.2011	As on 31.03.2010
Cash Flow From Operating Activities		
Net Profit before Tax	(205,116)	(433,186)
Adjustment for :		
Add:		
Depreciation		
Preliminary Exp written off	5,413	5,414
Less: Incorporation Expenses		
Operating profit before working capital changes	(199,703)	(427,772)
Increase in Work in Progress	-	-
Decrease in Current Assets	-	-
Increase /Decrease in Current Liabilities	(2,846)	(37,437)
Net cash from operating activity	(202,549)	(465,209)
Cash flow from Investment activities		
Increase in fixed assets	-	-
Net cash from investing activity	-	-
Cash flow from Financing Activities		
Proceeds from Issue of Share Capital	-	-
Proceeds from Security Premium	-	-
Proceeds from Loans	173,409	421,079
Net cash generated from financing activity	173,409	421,079
Net cash generated	(29,140)	(44,130)
Opening Cash & Cash equivalent	46,451	90,581
Cash and Cash equivalents as at 31/03/2011	17,311	46,451
Increase & Decrease In Cash and Cash Equalants	(29,140)	(44,130)

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 :



For and on Behalf of the Board

(Narender Surana)
Director

(Devendra Surana)
Director

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

9 A. 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 assts 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**

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 depreciation 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. 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.

IX. 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.

X. Revenue Recognition in Case of Real Estate Transactions

Revenue in case of real estate transactions is made on the basis of concluded on contracts for sales and purchases.

XI. 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.

XII. Excise and Customs Duty

Excise and Customs Duty are accounted on accrual basis. CENVAT credit is accounted by crediting the amount to cost of purchases on receipt of goods and is utilized on dispatch of material by debiting excise duty account.



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.

XV. Earnings per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard-20 (AS-20) issued by the Institute of Chartered Accountants of India. Basic earnings per share are computed by dividing the net Profit or Loss for the year by the Weighted Average number of equity share outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the possible are anti-dilutive.



9B) Notes to Accounts

1) Related Party Disclosure

A: Relationship

<u>Entities in which directors are interested</u>	<u>Holding Company</u>	<u>Joint Venture & 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 Galvanishing Works				
Tranquil Avenues India Pvt Ltd				
Royal Skyscrapers India Pvt Ltd				
Innova Infrastructure Pvt Ltd				
Majestic logistics Pvt Ltd				
Innova Biotech India Pvt Ltd				
Entertainment				



Bhagyanagar Metals Ltd				
Scientia Infocom India Private Ltd				
Bhagyanagar Green Energy Limited				
Bhagyanagar Ventures Ltd				
Surana Ventures Limited				
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>
Unaudited	Nil (Nil)	1,73,409	Nil	Nil	Nil



2. Company was incorporated on 25 -April - 2006.
- 3 The Company has acquired Free Hold Land to an extent 18 Acres at Vattinagulapally Village , Rajendranagai 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.
10. Loan from Holding company is interest free and is repayable after realisation from profit.
11. Loans and Advances comprise of Share Application Money paid which is pending allotment in a unlisted public limited company.

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. -211784

Place : Secunderabad

Date :


(NARENDER SURANA)
Director


(DEVENDRA SURANA)
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Pursuant to Part IV of Schedule VI to the Companies Act, 1956)

I. Registration Details

a)	Registration No.	U70102AP2006PTC050010		
b)	State Code No	01		
c)	Balance Sheet Date	31	03	2011
		(Date)	(Month)	(Year)

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

a)	Public Issue	Nil
b)	Rights Issue	Nil
c)	Bonus Issue	Nil
d)	Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.) 31-03-11

a)	Total Liabilities	62,78,76,268
b)	Total Assets	62,78,76,268
	Sources of Funds	
i)	Paid up Capital	4,00,00,000
ii)	Reserves & Surplus	-
iii)	Secured Loans	-
iv)	Unsecured Loans	58,78,70,533
v)	Net deferred tax liability	-
d)	Application of Funds	
i)	Net Fixed Assets	59,27,19,734
ii)	Capital Work-in-progress	49,250
iii)	Investments	-
iv)	Net Current Assets	33,011,576

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

i)	Turnover	-
ii)	Total Expenditure	2,05,116
iii)	Profit/Loss for the Year	(2,05,116)
iv)	Profit/Loss Before Tax	(2,05,116)
v)	Profit After Tax	(2,05,116)
vi)	Face Value per share (Rs.)	10.00
vii)	Earnings per share (Rs.)	-0.05
viii)	Dividend (%)	-

V. Generic names of three Principal Products of Company

Item.Code.No.	Name
---------------	------

For and on behalf of the Board

Place	: Secunderabad	Sd/- (NARENDER SURANA) Director	Sd/- (DEVENDRA SURANA) Director
Date	: 14.04.2011		