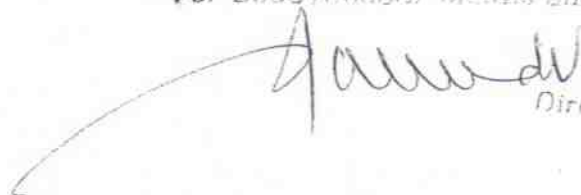


# **BHAGYANAGAR METALS LIMITED**

## **6<sup>TH</sup> ANNUAL REPORT**

**2011-2012**

*For Bhagyanagar Metals Limited*

  
Director

## **BOARD OF DIRECTORS**

G M SURANA	-	DIRECTOR
NARENDER 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

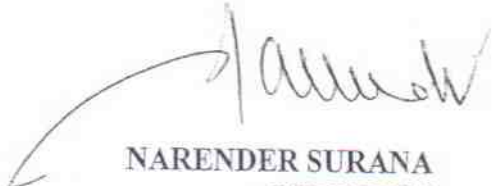
## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 6<sup>th</sup> Annual General Meeting of the Members of **BHAGYANAGAR METALS LIMITED** will be held on Friday 15<sup>th</sup> June, 2012 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 31.03.2012 and Profit and Loss account for the period ended 31.03.2012 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri G M 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 METALS LIMITED**



**NARENDER SURANA**  
DIRECTOR

Place : Secunderabad  
Date : 17.04.2012

### 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 6<sup>th</sup> Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2012, together with the Auditors Report thereon.

### FINANCIAL RESULTS:

Your company financial results for the year 2011-12 are given below in summarized format:

Particulars	For the Period ended on 31/03/2012 Rs.	For the Period ended on 31/03/2011 Rs.
<b>INCOME</b>		
a) Income from Operations	-	-
	-----	-----
	-	-
	-----	-----
<b>EXPENDITURE</b>		
a) Materials	-	-
b) Expenses	11,010	8,021
c) Financial Charges	331	-
	-----	-----
	11,341	8,021
	-----	-----
Profit before Taxation	(11,341)	(8,021)
	-----	-----
<b>Profit after taxation</b>	(11,341)	(8,021)
<b>Balance B/F from Previous Year</b>	(35,274)	-
	-----	-----
<b>Balance C/F to Balance Sheet</b>	(46,615)	(35,274)
	-----	-----

### OPERATIONS

The Company was incorporated with a specific purpose of restructuring the business of its Holding Company i.e., Bhagyanagar India Ltd; the proposal of restructuring has been deferred by the management of M/s. Bhagyanagar India Ltd. The company is yet to commence full-fledged commercial operations.

**DIVIDEND:**

The Directors do not recommend any dividend for the Financial Year 2011-12.

**PURCHASE OF LAND PROPERTY:**

During the year under review, the Company purchased a Land property admeasuring Ac 10.39 gts at Chinnashivanoor Village of Chegunta Mandal, Medak Dist.

**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:**

During the year under review, there is no change in the Composition of the Board. Shri G. M. Surana, Director of the Company, retires 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.

**AUDITORS OBSERVATIONS:**

The observation reported as per requirements of Companies (Auditor's Report) Order, 2003 (CARO) by Auditors in Para 10 of the Annexure to Auditors Report regarding the Cash Losses is a reporting requirement of the said Order and is self explanatory.

**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 2012, 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, 2012 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:**

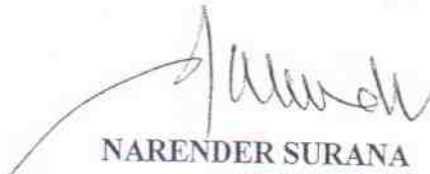
During the period under review, there are no employees covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules, 1975.

**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 METALS LIMITED**

Place : Secunderabad  
Date: 17.04.2012

  
**NARENDER SURANA**  
**CHAIRMAN**

## 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 :	Nil

#### 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 METALS LIMITED

Place : Secunderabad  
Date: 17.04.2012

  
NARENDER SURANA  
CHAIRMAN



# SEKHAR & CO.

CHARTERED ACCOUNTANTS

**PARTNERS :**

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

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

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

## Independent Auditors' Report

### **The Members of Bhagyanagar Metals Limited Hyderabad**

We have audited the accompanying financial statements of **Bhagyanagar Metals Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2012, the Statement of Profit and Loss and Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The management is responsible for preparation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards in Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Audit Report For the Financial year 2011-12  
Company Name: BML 11-12

Sekhar & Co Chartered Accountants FRN 003695-S





An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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, 2012;
- (b) In the case of the Profit and Loss Account, of the profit/ loss for the year on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by by section 227(3) of the Act we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. 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.
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Hyderabad  
Date: 17<sup>th</sup> April 2012

For Sekhar & Co  
Chartered Accountants  
Firm Registration No: 003695-S



G.Ganesh  
(Partner)  
Membership No: 211704



# SEKHAR & CO.

CHARTERED ACCOUNTANTS

**PARTNERS:**

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

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

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

## Annexure to the Independent Auditors' Report

The Annexure referred to in the Independent auditors' report to the members of **Bhagyanagar Metals Limited** ("the Company"), on the financial statements for the period ended 31<sup>st</sup> March 2012, we report that:

**1) Fixed Assets**

- a) The Company has no assets as on the date of Balance Sheet, or the period covered by the Profit and Loss Account. Hence we have not reported on Clauses 4(1) (b) and (c) of the Order.

**2) Inventories**

- a) There Company did not hold any inventory during the period covered by this report hence we have not reported on the clause 4(2)(b) &(c) of the Order.

**3) Loans to and from Parties (Companies, firms or such other parties) listed in the register maintained under section 301 of the Act, hence forth referred to as parties, amounts in Lakhs of Rupees.**

- a) The company has ~~granted~~ not granted any loans to any of the parties covered under section 301 of the Act, during the year. The maximum amount outstanding during the year was ₹.3.94 Lakhs and the amount receivable at the end of the year is Nil.
- b) In our opinion, the rate of interest and other terms and conditions of such loan are not, *prima facie*, prejudicial to the interest of the Company, as the loan has been given to Parent company of which the company is wholly owned subsidiary.
- c) There is no stipulation of payment of interest and hence the question of default does not arise. The Principal has been repaid in full.
- d) The Loan being repaid in full, The question of overdue amount in excess of ₹.1 Lakh in respect of loans granted to parties listed in the register maintained under the Section 301 of the Act, does not arise.
- e) The company has taken any loans from parties covered under section 301 of the Act during the year. Hence we have not reported on Clauses 4(iii) (f) & (g) of the Order.



Audit Report For the Financial year 2011-12

Company Name: BML 11-12

Sekhar & Co Chartered Accountants FRN 003695-S



4) **Internal Control:-** In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of audit.

5) **Arrangement &/ Transactions with parties covered under Section 301 of the Act.**

a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to maintained under that section.

b) There are no transactions with any of the parties covered under section 301 of the order, in excess of the specified limit hence we do not have anything to report thereon.

6) **Deposits from Public:** In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits covered under Section 58A and 58AA of the Act.

7) **Internal Audit:** The provisions of this clause are not applicable to the company.

8) **Cost Records:** The Provisions of this clause are not applicable to the company.

9) **Statutory Dues :**

a) According to the information and explanations given to us and on the basis of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise duty, Investor Education and Protection Fund, Service tax, Cess and material statutory dues have been deposited regularly but for some minor delays during the year by the company with the appropriate authorities.

There were no dues on account of Cess under Section 441A of the Act since the aforesaid Section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, Investor Education and Protection Fund, Service Tax, Cess and other material statutory dues which were in arrears as at March 31, 2012 for a period more than six months from the date they became payable.

b) According to the information and explanations give to us, there are no dues in respect of Income Tax, Sales Tax, Service Tax, Excise Duty and such other





taxes as detailed have not been deposited with appropriate authorities on account of disputes. According to the information and explanations given to us there are no other amounts not deposited with appropriate authorities on account of dispute.

- 10) **Accumulated Losses & Cash Loss:** The Company has incurred a **Cash Loss of ₹.7138** during the year and ₹.3718 in the immediately preceding financial year. However the accumulated losses are less than 50% of the net worth.
- 11) **Dues to Banks and Financial Institutions:** In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures at the end of the year.
- 12) **Loans on Security of Shares, debentures and other Securities:** The Company has not granted any loans and advances on the basis of security of shares and properties.
- 13) **Nidhi chit fund Companies:** In our opinion and according to the information and explanations given to us the company is not a nidhi / mutual benefit fund / society.
- 14) **Dealing in / Trading in Securities:** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- 15) **Guarantees on behalf of others:** In our opinion, the terms and conditions on which the company has given guarantee for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- 16) **Usage of Term Loans:** The Company has not availed any term loans during the year; hence the question of reporting on usage does not arise.
- 17) **Usage of Short Term Funds:** The Company has not availed any short term loans during the year and hence the question of reporting on usage does not arise.
- 18) **Preferential allotments:** The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under Section 301 of the Act.
- 19) **Debentures:** The Company did not have any outstanding debentures during the year.



- 20) **Public Issue:** The Company has not raised any money by public issues during the year.
- 21) **Fraud:** According to the information and explanations given to us, no material fraud on the Company has been noticed or reported during the course of the Audit.

Hyderabad  
Date: 17<sup>th</sup> April 2012

For Sekhar & Co  
Chartered Accountants  
Firm Registration No: 003695-S



G.Ganesh  
(Partner)  
Membership No: 211704

**Bhagyanagar Metals Limited**  
**Balance Sheet as at 31st March, 2012**

(Amount in Rs.)

	Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
	1	2	3	4
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
	1. Shareholders' funds			
	a. Share Capital	A	500,000	500,000
	b. Reserves and surplus	B	(46,615)	(35,274)
			453,385	464,726
	2. Current liabilities			
	a. Other current liabilities	C	2,247	2,206
	<b>TOTAL</b>		<b>455,632</b>	<b>466,932</b>
<b>II</b>	<b>ASSETS</b>			
	1. Non-current assets			
	a. Long-term loans and advances	D	-	392,444
	2. Current assets			
	a. Cash and cash equivalents	E	447,024	61,577
	b. Other current assets	F	8,608	12,911
	<b>TOTAL</b>		<b>455,632</b>	<b>466,932</b>
Significant Accounting Policies and notes to accounts		3		

Signatories to Balance Sheet and Notes A to F & 3  
The Notes referred to above form an integral part of the Balance Sheet  
This is the Balance Sheet referred to in our report of even date

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

G.GANESH  
Partner  
M No 211704  
Place: Secunderabad.  
Date :

for and on behalf of the Board,

Narender Surana  
Director

Manish Surana  
Director

**Bhagyanagar Metals Limited**  
**Profit and Loss Account for the period ended 31st March 2012**

(Amount in Rs.)

	Note No.	For the Period 31.03.2012	For the Period 31.03.2011
I. REVENUE FROM OPERATIONS			
II. OTHER INCOME			
III. TOTAL REVENUE		-	-
IV. EXPENSES			
Finance costs	1	331	0
Other expenses	2	11,010	8,021
Total expenses		11,341	8,021
V. Profit before exceptional and extraordinary items and tax		(11,341)	(8,021)
VI. PRIOR PERIOD ADJUSTMENT		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		(11,341)	(8,021)
VIII. PROFIT BEFORE TAX		(11,341)	(8,021)
IX. TAX EXPENSE:			
1. Current tax		-	-
2. Deferred tax		-	-
3. Taxes of earlier years		-	-
X. PROFIT AFTER TAX		(11,341)	(8,021)
EPS-Basic & Diluted		(0.23)	(0.16)
Significant Accounting Policies and notes to accounts	3		

Signatories to Profit & Loss Account and Notes 1 to 3

The Notes referred to above form an integral part of the Profit & Loss Account

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

for Sekhar & Co

Chartered Accountants,

Firm Regn No: 003695-S

G. GANESH

Partner

M No 211704

Place: Secunderabad.

Date :

for and on behalf of the Board,

Narender Surana  
Director

Manish Surana  
Director



## Notes to Balance Sheet

Note : A Share Capital	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(a) Authorized Capital : 50,000 equity shares of Rs.10 each	500,000	500,000
(b) Issued, Subscribed and Paid Up 50,000 equity shares of Rs.10 each at par fully paid carrying equal rights and obligations (Options, contracts and commitments outstanding -Nil)	500,000	500,000
(c) Particulars of Shareholders holding more than 5% of issued sharecapital		
<b>Name of Shareholder</b>	<b>No.of shares</b>	<b>No.of shares</b>
Bhagyanagar India Limited	49,940	49,940
The shares are issued at the time of incorporation in 2006, and there is no change and no further issues since 2006		

Note : B Reserves and surplus	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>Surplus</b>		
Balance of Profit & Loss account available for appropriation	(35,274)	(27,253)
Add: Profit during the year/period	(11,341)	(8,021)
Amount available for appropriation	-	-
<b>Balance at the year end</b>	<b>(46,615)</b>	<b>(35,274)</b>

Note: C Other Current liabilities	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(a) Audit Fess Payable	2,247	2,206
<b>Total</b>	<b>2,247</b>	<b>2,206</b>



**ASSETS :**

Note: D Long-term loans and advances	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(a) Loans and advances to related parties (i) Loans to Holding Company	-	392,444
<b>Total</b>	<b>-</b>	<b>392,444</b>

Note: E Cash and cash equivalents	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(a) Balance with banks - In current account	419,130	32,123
(b) Cash in hand	27,894	29,454
<b>Total</b>	<b>447,024</b>	<b>61,577</b>

Note: F Other current assets:	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Preliminary Exp (Op Bal)	12,911	17,214
Less : Preliminary Exp written off	4,303	4,303
<b>Total</b>	<b>8,608</b>	<b>12,911</b>

**Notes to Profit & Loss Account**

Note: 1 Finance Costs	For the Period 31.03.2012 Rs.	For the year 31.03.2011 Rs.
Bank charges	331	-
<b>TOTAL</b>	<b>331</b>	<b>-</b>

Note: 2 Other Expenses	For the Period 31.03.2012 Rs.	For the year 31.03.2011 Rs.
Statutory audit fees	2,247	2,206
Filing fees	2,160	612
Professional & Consultancy fees	1,300	900
Preliminary Exp written off	4,303	4,303
Service charges	1,000	-
<b>Total other expenses</b>	<b>11,010</b>	<b>8,021</b>



**Bhagyanagar Metals Limited**

**Cash flow Statement for the year ended 31st March 2012**

(Amount in Rupees)

PARTICULARS	2011-2012	2010-2011
<b>A Cash flow from Operating Activities</b>		
Net profit before tax as per annexed Profit and loss account	(11,341)	(8,021)
Add: Adjustments for Preliminary Expenses Written off	4,303	4,303
<b>Operating profit before working Capital Changes</b>	<b>(7038)</b>	<b>(3718)</b>
Inventories	-	-
Loans and Advances	-	-
Other current Assets	-	-
Sundry Debtors	-	-
Trade payables and other Current liabilities	41	-
Advance from Customers	-	-
<b>Cash generated from Operations</b>	<b>(6997)</b>	<b>(3718)</b>
Income tax and Fringe Benefit Tax paid	-	-
Taxes of Earlier years	-	-
<b>Net cash (used in)/from operating activities(A)</b>	<b>(6997)</b>	<b>(3718)</b>
<b>B Cash flow from Investing Activities</b>		
<b>Net Cash (used in)/from Investing Activities (B)</b>	<b>-</b>	<b>-</b>
<b>C Cash flow from Financing Activities</b>		
Loans to Holding Company	392,444	(392,444)
Interest paid	-	-
Dividend Paid	-	-
<b>Net Cash (used in)/from Financing Activities (C)</b>	<b>392,444</b>	<b>(392,444)</b>
<b>Net Increase / Decrease in cash and Cash Equivalents (A+B+C)</b>	<b>385447</b>	<b>(396162)</b>
Cash and Cash Equivalents Opening Balance	61577	457739
Cash and Cash Equivalents Closing Balance	447024	61577
<b>Change in Cash and Cash Equivalents</b>	<b>385447</b>	<b>(396162)</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 Sekhar & Co  
Chartered Accountants  
Firm No. 003695-S

For and on behalf of Board of Directors

G. GANESH  
Partner  
M.No.-211704  
Place: Secunderabad  
Date:

(Narender Surana)  
Director

(Manish Surana)  
Director

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

#### 3A. 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 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. 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**

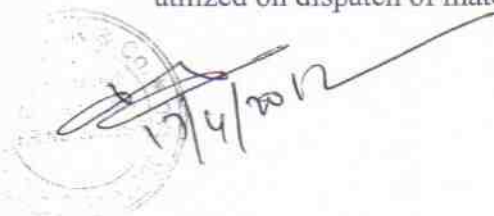
Revenue in case of real estate transactions is made on the basis of concluded on contracts for sales and purchases.

**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 results are anti-dilutive.

17/4/2012

**3- B Notes to Accounts****1. Related Party Disclosures****a. Relationship****Entities in which Directors are Interested**

Surana Telecom and Power Limited

Surana Ventures Limited.

Corpmedia Publications India Pvt.Ltd.

Bhagyanagar Properties Pvt. Limited

Metropolitan Ventures India Limited

Bhagyanagar Entertainment Limited

Bhagyanagar Green Energy Limited

Scientia Infocom India Pvt.Limited

Globecom Infotech Private Ltd

Surana Infocom Pvt. Limited

Blossom Residency Private Ltd

Sitetonic web solutions Pvt Limited

Epicenter Entertainment Pvt Limited

Innova Biotech India Pvt Limited

Innova Infrastructure Pvt Limited

Innova Technologies Pvt. Limited

Bhagyanagar Energy &amp; Telecom Pvt. Ltd.

Bhagyanagar Capital Private Limited.

Globecom Infraventures Pvt.Ltd.

**Holding Company**

Bhagyanagar India Limited

Surana Biochemicals Pvt Limited

Surana Technopark Private Limited

Tranquil Avenues India Private Limited

Value Infrastructure and Properties Pvt Ltd

Majestic Logistics Private Limited

Royal skyscrapers India Pvt Limited

A.P. Golden apparels Pvt Ltd

Shahsons Pvt.Ltd

Genten Infra Projects Pvt.Ltd.

Bhagyanagar Foods and Beverages P Ltd

Stealth Energy Pvt.Ltd

Bhagyanagar Infrastructure Limited

Bhagyanagar Ventures Limited

GMS Realtors Private Ltd

Green Energy Systems Pvt. Ltd.

Every Time Foods Industries Pvt Limited

Bhagyanagar Entertainment &amp; Infra development Pvt.Ltd.

**Key Management Personnel**

G.M.Surana

Narender Surana

Manish Surana

**b.Transactions (Rs.in lakhs)**

Nature of Transaction	Entities in which Directors are Interested	Holding Company
Unsecured Loans given	NIL	NIL (3.92)
Unsecured Loans received back	NIL	3.92 (NIL)

Associates	Key Management Personnel	Relatives of key Management Personnel
NIL	NIL	NIL
NIL	NIL	NIL

17/4/2012

ii) The company was incorporated on 25-09-2006.

iii) The Management is exploring the business opportunities pending which the accounts are prepared on going concern basis

iv) The Holding Company Bhagyanagar India Ltd is holding 100% shares in the company.

v) Contingent Liabilities which can crystallise 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.

vi) Capital commitment as on date of balance sheet are NIL.

As per our report of even date  
For Sekhar & Co.,  
Chartered Accountant,  
Firm Regn No: 003695-S

for and on behalf of the board

G.Ganesh  
Partner

Membership No: 211704

Place: Secunderabad

Date:

Narender Surana  
Director

Manish Surana  
Director