

BHAGYANAGAR PROPERTIES PRIVATE LIMITED

7th ANNUAL REPORT

2012-2013

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 7th Annual General Meeting of the Members of **BHAGYANAGAR PROPERTIES PRIVATE LIMITED** will be held on Thursday, 27th June, 2013 at 09.30 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, 2013 and Profit and Loss Account for the year ended 31st March, 2013 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri. Manish Surana who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Sekhar & Co., Chartered Accountants, Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

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

Place: Secunderabad
Date: 04.06.2013

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 7th Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2013 together with the Auditors Report thereon.

FINANCIAL RESULTS:

Your company financial results for the year 2012-13 are given below in summarized format:

Particulars	2012-13	2011-12
INCOME	-	-
EXPENDITURE	446,468	240,821
(Loss)/Profit before Taxation	(446,468)	(240,821)
Provision for Tax	-	-
Profit/(Loss) after taxation	(446,468)	(240,821)
Balance B/F from Previous year	(1,950,794)	(1,709,973)
Balance C/F to Balance Sheet	(2,397,262)	(1,950,794)
EPS-BASIC & DILUTED	(0.11)	(0.06)

OPERATIONS

The Company's land admeasuring 16.62 Acres at Vattinagulapally village, Rajendranagar Mandal, R.R. District was covered under G.O. Ms No. 111 of M.A. 1996. Therefore, the Company based upon reports from a Central Govt. Agency i.e., Environment Protection Training and Research Institute (EPTRI), filed Writ Petitions in year 2010 & 2012 respectively before the Hon'ble High Court of A.P. seeking the relief of vacating the operation the G.O. Ms No. 111 of M.A. 1996 on the property of the Company and also to declare the land as residential zone as per G.O. Ms. No 257 of M.A. 2000. The matter is pending with Hon'ble High Court, AP.

DIVIDEND:

Your Directors have not recommended for payment of dividend for the Financial year 2012-13.

FIXED DEPOSITS:

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

DIRECTORS:

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

AUDITORS:

M/s. Sekhar & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Company is in receipt of confirmation from M/s Sekhar & Co., 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.

COMPLIANCE CERTIFICATE:

In accordance with requirement of Section 383A of the Companies Act, 1956, Certificate from a practicing Company Secretary, certifying that all legal requirements, in respect of the Company for the year ended 31st March, 2013 have been complied with.

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, 2013, 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, 2013 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: 04.06.2013

Sd/-
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		

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: 04.06.2013

Sd/-
NARENDER SURANA
CHAIRMAN



SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :

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

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

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

Independent Auditors' Report

The Members of Bhagyanagar Properties Private Limited Hyderabad

We have audited the accompanying financial statements of **Bhagyanagar Properties Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2013, 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.


2/5/13


Audit Report For the Financial year 2012-13
Company Name: Bhagyanagar Properties P Ltd 12-13

Sekhar & Co Chartered Accountants FRN 003695-S
Signed by G.Ganesh m.No.211704 dt 02/5/13

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


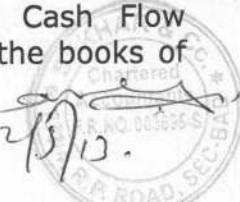
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013;
- (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.

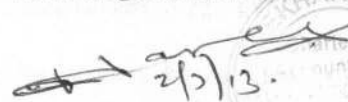
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) 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;


2/5/13.


- 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, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Hyderabad
Date: 2nd May 2013

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 Properties Private Limited** ("the Company"), on the financial statements for the period ended 31st March 2013, we report that:

1) Fixed Assets

- a) The Company has maintained proper records showing full particulars, including quantitative details of Fixed Assets.
- b) The Company has conducted physical verification of assets during the year. In our opinion, this physical verification is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- c) During the period, that Company has not disposed any of its fixed assets, affecting the going concern assumption.

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 not granted any loans to any of the parties covered under section 301 of the Act, during the year. Hence we have not reported on sub clauses (a) to (e) clause 3 of the "Order".
- b) The company has taken loans from its Holding Company (One Party) during the year. The Maximum amount involved and the year end outstanding is ₹.58,82,71,465 and ₹s.58,54,14,048.
- c) In our opinion, the rate of Interest and other terms and conditions on which loans have been taken from the parties are not *prima facie* prejudicial to the interest of the Company.
- d) The Loan does not carry any interest, there being no specific terms of repayment of Principal, we are of the opinion that there are no defaults in service of the loan.



Audit Report For the Financial year 2012-13

Company Name: Bhagyanagar Properties P Ltd 12-13

Sekhar & Co Chartered Accountants FRN 003695-S

Signed by G.Ganesh m.No.211704 dt 02/5/13

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, 2013 for a period more than six months from the date they became payable.



25/13


- 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 ₹.1,06,331** during the year and ₹.1,54,077 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: 2nd May 2013

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


25/13
G. Ganesh
(Partner)
Membership No: 211704



BHAGYANAGAR PROPERTIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

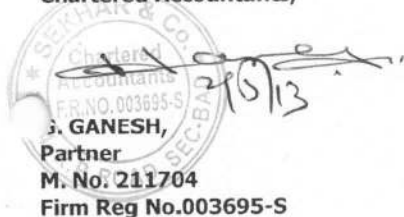
	Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I	EQUITY AND LIABILITIES			
	1. SHAREHOLDERS' FUNDS			
	a. Share Capital	B	40,000,000	40,000,000
	b. Reserves and surplus	C	(2,397,262)	(1,950,794)
			37,602,738	38,049,206
	2. NON-CURRENT LIABILITIES			
	a. Long-Term Borrowings	D	585,414,048	588,271,465
	3. CURRENT LIABILITIES			
	a. Other Current Liabilities	E	5,618	6,130
	TOTAL		<u>623,022,404</u>	<u>626,326,801</u>
II	ASSETS			
	1. NON-CURRENT ASSETS			
	a. Fixed Assets			
	(1) Tangible Assets	F	592,963,084	592,719,734
	(2) Capital Work-in-Progress		-	594,250
	b. Long-Term Loans and Advances	G	30,000,000	33,000,000
	2. CURRENT ASSETS			
	a. Cash and Cash Equivalents	H	59,320	12,817
	TOTAL		<u>623,022,404</u>	<u>626,326,801</u>
	Significant Accounting Policies and Notes to Accounts	A		

Signatories to Balance Sheet and Notes A to H

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,**

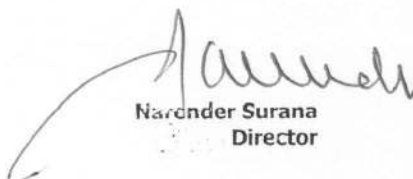



**S. GANESH,
Partner
M. No. 211704
Firm Reg No. 003695-S**

Place: Secunderabad,

Date: 29/3/13

for and on behalf of the Board,


Narendar Surana
Director


Devendra Surana
Director

BHAGYANAGAR PROPERTIES PRIVATE LIMITED

Profit and Loss Account for the period ended 31st March, 2013

(Amount in Rs.)

		Note No.	For the Period 31.03.2013	For the Period 31.03.2012
I.	REVENUE FROM OPERATIONS		-	-
II.	OTHER INCOME		-	-
III.	TOTAL REVENUE		-	-
IV.	EXPENSES			
	Finance costs	1	393	496
	Other expenses	2	446,075	240,325
	TOTAL EXPENSES		446,468	240,821
V.	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		(446,468)	(240,821)
VI.	PRIOR PERIOD ADJUSTMENT		-	-
VII.	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		(446,468)	(240,821)
VIII.	PROFIT BEFORE TAX		(446,468)	(240,821)
IX.	TAX EXPENSE:			
	1. Current tax		-	-
X.	PROFIT AFTER TAX		(446,468)	(240,821)
	EPS-BASIC & DILUTED		(0.11)	(0.06)
	Significant Accounting Policies and Notes to Accounts	A		

Signatories to Profit & Loss Account and Notes 1,2 & A
 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,



G. GANESH,
Partner
M. No. 211704
Firm Reg No.003695-S

Place: Secunderabad,
Date: 2/5/13

for and on behalf of the Board,

Narender Surana
Director

Devendra Surana
Director

BHAGYANAGAR PROPERTIES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	Particulars	2012-13	2011-12
A	Cash Flow From Operating Activities		
	Net Profit before Tax	(446,468)	(240,821)
	Add: Adjustment for: Preli Exp written off	-	-
	Operating profit before working capital changes	(446,468)	(240,821)
	Increase/(Decrease) in Work in Progress	594,250	(165,000)
	Increase/(Decrease) in Loans & Advances	3,000,000	-
	Increase /Decrease in Current Liabilities	(512)	395
	Net cash (used in)/from operating activities(A)	3,147,270	(405,426)
B	Cash flow from Investment Activities		
	Increase in fixed assets	(243,350)	-
	Net Cash (used in)/from Investing Activities (B)	(243,350)	-
C	Cash flow from Financing Activities		
	Proceeds from Issue of Share Capital	-	-
	Proceeds from Security Premium	-	-
	Repayment of Loans	(2,857,417)	400,932
	Net Cash (used in)/from Financing Activities (C)	(2,857,417)	400,932
	Net Increase / Decrease in cash and Cash Equivalents (A+B+C)	46,503	(4,494)
	Cash and Cash Equivalents Opening Balance	12,817	17,311
	Cash and Cash Equivalents Closing Balance	59,320	12,817
	Change in Cash and Cash Equivalents	46,503	(4,494)

In terms of our report of even date

For Sekhar & Co.,
Chartered Accountants,

for and on behalf of the Board,



G. GANESH,
Partner
M. No. 211704
Firm Reg No.003695-S

Narender Surana
Narender Surana
Director

Devendra Surana
Devendra Surana
Director

Place: Secunderabad,

Date : 29/3/13

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

A-1. 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, except, 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. 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.

VII. Revenue Recognition in Case of Real Estate Transaction

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

VIII. 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.

A-2 Notes to Accounts

**I. Related Party Disclosures
a. Relationship**

Entities in which Directors are Interested

Surana Telecom and Power Limited

Surana Ventures Limited.

Corpmedia Publications India Pvt.Ltd.

Scientia Infocom India Pvt. Limited

Metropolitan Ventures India Limited

Bhagyanagar Entertainment Limited

Bhagyanagar Green Energy Limited

Bhagyanagar Metals 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 & Telecom Pvt. Ltd.

Bhagyanagar Capital Private Limited.

Globecom Infraventures Pvt.Ltd.

Surana Solar Systems Pvt. Ltd

Celestial Solar Solutions Pvt. Ltd.

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 & Infra development Co.

Pvt.Ltd.

Bhagyanagar Securities Pvt. Ltd.

Holding Company

Bhagyanagar India Limited

Key Management Personnel

Narender Surana

Devendra Surana

b.Transactions (Rs.in lakhs)

Nature of Transaction	Entities in which Directors are Interested	Holding Company
Unsecured Loans availed	NIL	1.69 (4.00)
Loans Repaid	NIL	30.26 (NIL)
Maximum loan Outstanding	NIL	5854.14 (5882.71)

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

Notes to Balance Sheet

Note : B Share Capital	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
a Authorized Capital :50,00,000 equity shares of Rs.10 each	50,000,000	50,000,000
b Issued, Subscribed and Paid Up 40,00,000 equity shares of Rs.10 each at par fully paid carrying equal rights and obligations (Options, contracts and commitments outstanding -Nil)	40,000,000	40,000,000
c Particulars of Shareholders holding more than 5% of issued sharecapital		
Name of Shareholder	No.of shares	No.of shares
Bhagyanagar India Limited	3,999,940	3,999,940

Note : C Reserves and Surplus	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
a Surplus		
Balance of Profit & Loss account available for appropriation	(1,950,794)	(1,709,973)
Add: Profit during the year/period	(446,468)	(240,821)
Balance at the year end	(2,397,262)	(1,950,794)

Note : D Long-Term Borrowings	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
Loan from Holding company	585,414,048	588,271,465
TOTAL	585,414,048	588,271,465

The loan from holding company is interest free and is Repayable after realisation of profit.

Note: E Other Current Laibilities	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
Audit fees payable	5,618	5,618
TDS Payable	-	512
TOTAL	5,618	6,130

ASSETS

Note: F Tangible Assets	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
a Free-Hold Assets		
(a) Land	592,719,734	592,719,734
(b) Buildings	243,350	-
TOTAL	592,963,084	592,719,734

Buildings has been capitalised on 31.03.2103, hence no depreciation provided for in the books of accounts.

Note: G Long-Term Loans and Advances	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
(a) Loans and advances	30,000,000	33,000,000
TOTAL	30,000,000	33,000,000

Note: H Cash and Cash Equivalents	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
(a) Balance with banks In current account	13,543	5,975
(b) Cash in hand	45,776	6,842
TOTAL	59,320	12,817

Notes to Profit & Loss Account

Note: 1 Finance Costs	For the Period 31.03.2013 Rs.	For the Period 31.03.2012 Rs.
Bank charges	393	496
TOTAL	393	496

Note: 2 Other Expenses	For the Period 31.03.2013 Rs.	For the Period 31.03.2012 Rs.
Statutory audit fees	5,618	5,618
Filing fees	2,550	7,690
Professional & Consultancy fees	23,500	9,500
Conveyance	3,063	7,782
Watch and Ward	52,438	161,039
Other Expenses	3,832	12,000
Advertisement	-	1,600
Legal and License Fees	-	2,000
Electricity Expenses	-	16,356
Freight and Cartage	-	600
Repairs and Maintenance to Electricals	-	14,000
Repairs and Maintenance to Others	-	1,540
Printing & stationery	4,174	600
Arcitect Fees	350,900	-
TOTAL	446,075	240,325

In terms of our report of even date

For Sekhar & Co.,
Chartered Accountants,



G.Ganesh
Partner
M. No. 211704
Firm Reg No.003695-S

Place: Secunderabad,
Date : 28/3/13 .

for and on behalf of the Board,

(Signature)
Narender Surana
Director

(Signature)
Devendra Surana
Director