

BHAGYANAGAR PROPERTIES PRIVATE LIMITED

6TH ANNUAL REPORT

2011-2012

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.

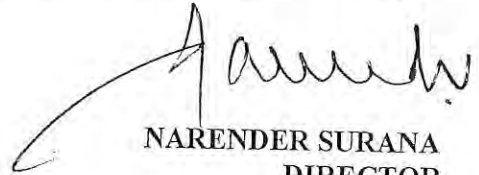
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 6th Annual General Meeting of the Members of **BHAGYANAGAR PROPERTIES PRIVATE LIMITED** will be held on Tuesday, 17th July, 2012 at 11.00 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, 2012 and Profit and Loss Account for the year ended 31st March, 2012 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri Devendra 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**



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.

DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting the 6th 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.
INCOME		
a) Income from operations	-	-
	-----	-----
	-	-
	-----	-----
EXPENDITURE		
a) Administrative Expenses	240,325	199,703
b) Financial Expenses	496	-
c) Preliminary Expenses written off	-	5,413
	-----	-----
	240,821	205,116
	-----	-----
(Loss)/Profit before Taxation	(240,821)	(205,116)
	-----	-----
Deferred Tax Reverse	-	-
Fringe Benefit Tax	-	-
Tax on earlier years	-	-
Profit/(Loss) after taxation	(240,821)	(205,116)
Balance B/F from Previous year	(1,709,973)	(1,504,857)
	-----	-----
Balance C/F to Balance Sheet	(1,950,794)	(1,709,973)
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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 stands pending till date.

The Company obtained the following two reports under Right to Information Act, 2005 which clarifies that the Company's property is not covered in the downstream of Himayatsagar and Osmansagar Lakes.

1. Report prepared by Nine plus consortium (EPTRI, IICT, NGRI and NRSA) on "Possibilities of Establishing Non Polluting Industries within 10 Kms Radius of Himayatsagar and Osmansagar"
2. Report titled "Ecology of Himayatsagar and Osmansagar lakes for evaluation of permissible developmental activities in the catchment areas.

DIVIDEND:

Your Directors have not recommended for payment of dividend for the year ended 31.03.2012.

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 Devendra 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.

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, is enclosed certifying that all legal requirements, in respect of the Company for the year ended 31st March, 2012 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, 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 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 PROPERTIES PRIVATE LIMITED**


NARENDER SURANA
CHAIRMAN

Place: Secunderabad
Date: 17.04.2012

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 PROPERTIES PRIVATE LIMITED


NARENDER SURANA
CHAIRMAN

Place: Secunderabad
Date: 17.04.2012

CIN: U70102AP2006PTC050010

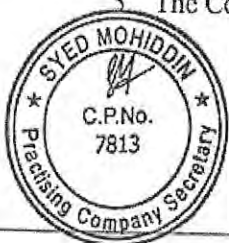
Authorised Capital: Rs. 5, 00,00,000

Compliance Certificate

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

I 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, 2012 (i.e. from 1st April, 2011 to 31st March, 2012). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I 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 14-04-2011, 29-07-2011, 12-12-2011, 29-03-2012. 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 has not closed its register of members during the financial year.



6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 19th May, 2011 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. No extraordinary general meeting was held 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 was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - (iv) The Company has not effected any transfer of the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have been remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there were no such cases
 - (v) The Company has complied with the requirement of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. During the financial year there was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.



15. The Company's paid up capital being less than the prescribed Rs. 5.00 crores, it is not required to appoint a Managing Director/Whole-time Director/Manager and accordingly the provisions of section 269 of the Companies Act, 1956 to that extent, are not applicable.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company 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. Any amount borrowed by the Company from directors, members, public, financial institutions banks and others during the financial year ending 31st March, 2012 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 consequently entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to Objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the financial year under scrutiny.



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



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

Place: Secunderabad
Date: 17.04.2012

Annexure - I

Registers as maintained by the Company:

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

Place: Secunderabad
Date: 17.04.2012



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

Annexure - II

Forms and Returns as filed by the Company with the Registrar of Companies, Andhra Pradesh, Hyderabad during the financial year ending 31st March, 2012

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 66	21.05.2011	Compliance Certificate for the financial year 2010-11.	Yes	NA
2.	Forms 23AC, 23ACA	26.11.2011	Audited Balance Sheet, Profit and Loss Account, Auditors' Report and the Directors' Report, for the financial year ended on 19 th May 2011.	Yes	NA
3.	Form 20B	09.08.2011	Annual Return for the 5 th Annual General Meeting held on 19 th May 2011.	No	Yes
4.	Form 23	06.05.2011	Registration of special resolution passed in EGM held on 25.08.2010 for Inter corporate loans and investments or guarantee or security in excess of the prescribed limits.	No	Yes



Syed Meera Mohiddin
Syed Meera Mohiddin
Practising Company Secretary
ACS: 19395
CP No: 7813

Place: Secunderabad
Date: 17.04.2012



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, 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: Bhagyanagar Properties Pvt Ltd

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:

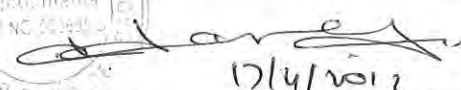
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (b) in the case of the Profit and Loss Account, of the profit/ loss for the year on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
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 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.



17/4/2012

- 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: 17th 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., LLB., 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 **Bhayanagar Properties Private Limited** ("the Company"), on the financial statements for the period ended 31st March 2012, 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 fixed 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, the Company has discarded certain items of its fixed assets. In our opinion and according to the information and explanations given to us, the aforesaid disposal has not affected 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 of any nature to parties during the year. Hence we have not reported on clauses 4(3) (b) to (d) of the Order.
- b) The company has taken loan from "**1**" **Company being the holding Company**. The Maximum amount involved and the year end outstanding is ₹.5,882.71 Lacs.
- c) The Loan does not carry any Interest, hence we are of the opinion terms of interest and other terms and conditions on which the loan has been taken from such parties are not *prima facie* prejudicial to the interest of the Company.
- d) There are no specific terms of repayment of Principal and the Loan does not carry any interest hence the question of default in repayment of principal amounts as stipulated or regularity in payment of interest, does not arise.

Audit Report For the Financial year 2011-12

Company Name: Bhayanagar Properties Pvt Ltd

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 be 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:** In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

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, they 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 ₹.2,40,821** during the year and ₹.2,05,116 in the immediately preceeding 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 maintained adequate records for the loans granted 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.
- 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: 17th April 2012



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


G. Ganesh
(Partner)
Membership No: 211704

BHAGYANAGAR PROPERTIES PRIVATE LIMITED

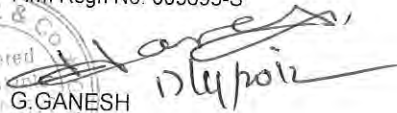
Balance Sheet as at 31st March,2012

(Amount in Rs.)


	Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
	1	2	3	4
I	EQUITY AND LIABILITIES			
	1. Shareholders' funds			
	a. Share Capital	A	40,000,000	40,000,000
	b. Reserves and surplus	B	(1,950,794)	(1,709,973)
			38,049,206	38,290,027
	2. Non-current liabilities			
	a. Long-term borrowings	C	588,271,465	587,870,533
	3. Current liabilities			
	a. Other current liabilities	D	6,130	5,735
	TOTAL		626,326,801	626,166,295
II	ASSETS			
	1. Non-current assets			
	a. Fixed assets			
	(1) Tangible assets	E	592,719,734	592,719,734
	(2) Capital work-in-progress		594,250	429,250
	b. Long-term loans and advances	F	33,000,000	33,000,000
	2. Current assets			
	a. Cash and cash equivalents	G	12,817	17,311
	b. Other current assets	H	-	-
	TOTAL		626,326,801	626,166,295
	Significant Accounting Policies and notes to accounts	3		


Signatories to Balance Sheet and Notes A to H & 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


 Devendra Surana
 Director



BHAGYANAGAR PROPERTIES PRIVATE 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	496	0
Other expenses	2	240,325	205,116
Total expenses		240,821	205,116
V. Profit before exceptional and extraordinary items and tax		-240,821	-205,116
VI. PRIOR PERIOD ADJUSTMENT		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		-240,821	-205,116
VIII. PROFIT BEFORE TAX		-240,821	-205,116
IX. TAX EXPENSE:			
1. Current tax		-	-
2. Deferred tax		-	-
3. Taxes of earlier years		-	-
X. PROFIT AFTER TAX		-240,821	-205,116
EPS-Basic & Diluted		(0.06)	(0.05)
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 Devendra Surana
Director Director

Notes to Balance Sheet

Note : A Share Capital	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
a Authorized Capital :50,00,000 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 : B Reserves and surplus	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
a Surplus		
Balance of Profit & Loss account available for appropriation	(1,709,973)	(1,504,857)
Add: Profit during the year/period	(240,821)	(205,116)
Balance at the year end	(1,950,794)	(1,709,973)

Note : C Long-Term Borrowings	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Loan from Holding company	588,271,465	587,870,533
Total	588,271,465	587,870,533

Loans from holding company is interest free and is repayable after realization of profit.

Note: D Other Current laibilities	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Audit fees payable	5,618	5,515
TDS Payable	512	220
Total	6,130	5,735

17/4/2012

ASSETS

Note: E Tangible assets	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
a Free-Hold Assets		
(a) Land	592,719,734	592,719,734
Total	592,719,734	592,719,734

Note: .F Long-term loans and advances	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(a) Loans and advances	33,000,000	33,000,000
Total	33,000,000	33,000,000

Note: G Cash and cash equivalents	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(a) Balance with banks In current account	5,975	16,301
(b) Cash in hand	6,842	1,010
Total	12,817	17,311

Note: H Other current assets:	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Preliminary Exp (Op Bal)	-	5,413
Less : Preliminary Exp written off	-	5,413
Total	-	-

17/4/2012

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	496	-
TOTAL	496	-

Note: 2 Other Expenses	For the Period 31.03.2012 Rs.	For the year 31.03.2011 Rs.
Statutory audit fees	5,618	5,515
Filing fees	7,690	7,295
Professional & Consultancy fees	9,500	4,200
Preliminary Exp written off	-	5,413
Conveyance	7,782	309
Watch and Ward	161,039	181,334
Other Expenses	12,000	1,050
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	600	-
Total other expenses	240,325	205,116



Bhagyanagar Properties Private Limited
Cash Flow Statement for the year ended March 31, 2012

	As on 31.03.2012	As on 31.03.2011
Cash Flow From Operating Activities		
Net Profit before Tax	-240,821	-205,116
Adjustment for :		
Add:		
Preli Exp written off	-	5,413
Operating profit before working capital changes	(240,821)	(199,703)
Increase in Work in Progress	(165,000)	-
Increase /Decrease in Current Liabilities	395	(2,846)
Net cash from operating activity	(405,426)	(202,549)
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	400,932	173,409
Net cash generated from financing activity	400,932	173,409
Net cash generated	(4,494)	(29,140)
Opening Cash & Cash equivalent	17,311	46,451
Cash and Cash equivalents as at 31/03/2012	12817	17,311
Increase & Decrease In Cash and Cash Equivalents	(4,494)	(29,140)

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 :

Ganesh
17/4/2012

For and on Behalf of the Board

Narender Surana
(Narender Surana)
Director

Devendra Surana
(Devendra 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

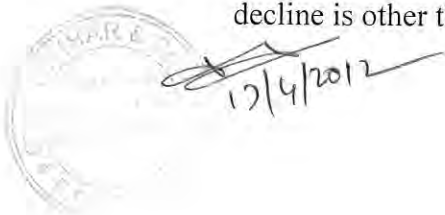
Depreciation is provided on written down value method, at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

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.



12/4/2012

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.



3- B 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 Infracventures 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 & Infra development Pvt.Ltd.
 Bhagyanagar Securities Pvt. Ltd.
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	4.00 (1.73)
Maximum loan Outstanding	NIL	5882.71 (5878.71)

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



- ii)** The company was incorporated on 25 - April - 2006 .
- iii)** The Company has acquired Free Hold Land to an extent 18 Acres at Vattinagulapally Village , Rajendranagar Mandal Ranga Reddy District from M/s i Labs Information Technology and Life Sciences Parks (P) Limited for a total sale consideration of 59,13,00,000.00 including Registration charges, stamp duty and other expenses.
- iv)** The Management is exploring the business opportunities pending which the accounts are prepared on going concern basis
- 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.
- vii)** The Holding Company Bhagyanagar India Ltd is holding 100% shares in the company.

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

Devendra Surana
Director