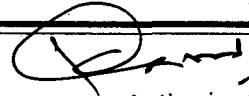


For BRAND REALTY SERVICES LTD.



Authorised Signatory

*15th*  
*Annual Report*  
*2008-09*

**BRAND REALTY**

**BRAND REALTY SERVICES LIMITED**

(FORMERLY SAHIL FINANCIAL SERVICES LIMITED)

REGD. OFFICE : S-8 & S-2, DDA Shopping Complex, Opp. Pocket-1, Mayur Vihar Phase-I, Delhi-110 091  
CORP. OFFICE : G-10 & 11, Sector-18, NOIDA-201301 (U.P.)

**BOARD OF DIRECTORS**

Mr. K.L Manchanda	Whole Time Director
Mr. Kamal Manchanda	Director
Mrs. Aruna Manchanda	Chairman
Mr. Yogesh Kumar	Director
Mr. Surendra Kancheti	Director

**AUDITORS**

M/S. R. Rastogi & Co.  
207-208, Vakil Chambers,  
A-115, Vikas Marg, Shakarpur  
Delhi-110092

**BANKERS**

HDFC Bank Ltd  
State Bank of Bikaner and Jaipur

**REGISTERED OFFICE**

S-8 & S-2, DDA Shopping Complex,  
Opp. Pocket-1, Mayur Vihar Phase-I  
Delhi-110091

**CORPORATE OFFICE**

G- 10 & 11, Sector-18, Noida- 201301,  
(U.P)

**REGISTRAR & SHARE TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
A-40, 2<sup>nd</sup>Floor, Naraina Industrial Area, Phase-II, New Delhi-110028

CONTENTS	PAGE
Notice .....	2
Director's Report .....	3
Auditor's Report .....	8
Balance Sheet .....	10
Profit & Loss Account .....	11
Notes to the Accounts .....	15
Cash Flow Statement .....	18
Subsidiary Company Accounts .....	20
Consolidated Final Accounts .....	30
Proxy & Attendance Slip .....	42

# BRAND REALTY SERVICES LIMITED

## NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of BRAND REALTY SERVICES LIMITED will be held on Wednesday, 30<sup>th</sup> day of September, 2009 at 9.00 A.M. at the Registered office of the Company situated at S 8 & S2, DDA SHOPPING COMPLEX, OPP POCKET 1, MAYUR VIHAR, PHASE-I, DELHI -110091 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit & Loss account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kamal Manchanda who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Smt. Aruna Manchanda who retires by rotation and being eligible, offers herself for re-appointment.
4. To re-appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.

By order of Board of Directors  
FOR BRAND REALTY SERVICES LTD

Place: Delhi  
Date : 20/08/2009

(Director)

### NOTES:

- I) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting.
- II) Register of Members and Share Transfer Book shall remain close from 27<sup>th</sup> September 2009 to 30<sup>th</sup> September 2009 (both days inclusive).
- III) (a) Members are requested to notify immediately any change of address:
  - (i) to their Depository Participants (DPs) in respect of their electronic share accounts; and
  - (ii) to the Company to its Share Transfer Agents in respect of their physical share folios, if any.
- (b) In case the mailing address on this Annual Report is without the PINCODE, Members are requested to kindly inform their PINCODE immediately.
- IV) Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
  - (a) the change in the residential status on return to India for permanent Settlement.
  - (b) the particulars of NRE Account with Bank in India, if not furnished earlier.
- V) All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on all working days, except Saturdays between 11.00 a.m. to 1.00 p.m.
- VI) Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
- VII) The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their depository account. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agent.
- VIII) As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down loaded from the website of the Department of Corporate Affairs.
- IX) Pursuant to the Clause No. 49 of the Listing Agreement, profile of the directors proposed for appointment/re-appointment being given below.
- X) A brief profile of Shri Kamal Manchanda and Smt Aruna Manchanda proposed to be reappointed as director is given below.
- XI) BRIEF RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE AGM
  - A) SHRI KAMAL MANCHANDA  
Shri Kamal Manchanda is very experienced professional and has been involved in all aspect of the Capital Markets for over 20 years and Real Estate business for over 6 years.
  - B) SMT ARUNA MANCHANDA  
Smt. Aruna Manchanda has wide ranging experience for over 15 years in Education Sector and her presence in the board will greatly help the company.

By order of Board of Directors  
FOR BRAND REALTY SERVICES LTD

Place: Delhi  
Date : 20/08/2009

(Director)

**DIRECTORS' REPORT**

To

The Members.

Your Directors take pleasure in presenting the Fifteenth Annual Report together with Audited Statements of Accounts for the year ended 31<sup>ST</sup> March 2009.

	Amount in lakhs	
<b>FINANCIAL RESULTS</b>	<b>2008-2009</b>	<b>2007-2008</b>
Income/(Loss) from Operation	146.18	38.01
Expenditure	34.60	20.42
Gross Profit/(Loss) after Interest but before Depreciation and Tax	111.58	17.59
Depreciation	3.20	2.20
Profit/(Loss) after Depreciation	108.38	15.39
Provision for Tax (Including Fringe Benefit Tax, Wealth Tax, Deferred Tax & Sec. Tran. Tax)	29.89	6.77
Less/ Add -Income Tax paid/W Back	0.73	0.00
Profit available for appropriation	77.76	8.62
Transfer to General Reserve	0.00	0.00
Balance retained in Profit & Loss Account	77.76	8.62

**REVIEW OF OPERATIONS AND FUTURE OUTLOOK**

The Company has made a profit during the year. The Company is hopeful of maintaining and improving its positions in the future.

**DIRECTORS**

In accordance with the Articles of Association of the Company, Shri Kamal Manchanda and Smt. Aruna Manchanda, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

**AUDITORS**

Members are requested to re-appoint M/s R. Rastogi & Co., Chartered Accountants, as Auditors of the Company for the financial year 2009-10 and to fix their remuneration.

**OUTLOOK ON OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

The average eight percent growth in the last three years has made the country one of the fastest growing economies in the world. The corporate which were paranoid about the approaching competition in the initial days of globalization are now beating their global rivals. The Company continues its focus on the introduction of new services, building brands and tapping new markets to enhance business opportunities. Growth in Real Estate Sector has been phenomenal and company wishes to enter into this segment in this year.

**DIVIDEND**

Your directors do not recommend any dividend at this stage.

**STATUTORY STATEMENT**

The statements, pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, with respect to the conservation of energy, technology absorption, foreign exchange earnings and outgo, and pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, with respect to the employee(s) of the Company drawing remuneration exceeding the sum prescribed therein, are not applicable to your Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm:

- (i) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 ended 31st March 2009, and of the profit of the Company for that year.
- (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; and

# BRAND REALTY SERVICES LIMITED

(iv) That the Directors have prepared the Annual Accounts on a going concern basis.

## CORPORATE GOVERNANCE

Reports on Corporate Governance in accordance with Clause 49 of the Listing Agreements with Stock Exchanges, along with a certificate from Auditors are given separately in this Annual Report.

## RISK AND INTERNAL ADEQUACY

The Company has adequate internal control procedures commensurate with its size and nature of business. The Board of Directors periodically reviews the audit plans, internal audit reports, adequacy of internal controls and risks management.

## PUBLIC DEPOSITS

The Company has not accepted deposits pursuant to Section 58-A of the Companies Act, 1956. Hence no information is required to be appended to this report in terms of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank of India Directions, 1998).

## MANAGEMENT DISCUSSION AND ANALYSIS

The year under review was eventful for Indian markets with activity picking up in Capital market and Real Estate apart from other sectors of the economy.

Barring unforeseen circumstances, your Company is expected to maintain and improve its working in the current year.

The internal control systems and procedures adopted by the Company are adequate and commensurate with the size of operations of the company. These systems and procedures are fine tuned from time to time to meet the requirements.

Statements made in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. However, these statements would be subject to conditions of the stock market, changes in the policies of the government, economic development, reforms and various other factors.

## SUBSIDIARY COMPANY

The audited annual accounts of Brand Realty Private Limited being a 100% subsidiary company is also attached to this report.

The Total turnover for the year was Rs. 163.05 lakhs as compared to previous year of Rs. 184.08 lakhs, the net profit for the year was Rs. 2.30 lakhs as compared to previous year of Rs. 28.19 lakhs.

## STATUS OF LISTING

The company's shares are listed at The Hyderabad Stock Exchange Ltd and The Stock Exchange, Mumbai. The company has paid the only listing fees to The Stock Exchange, Mumbai for the year 2008-2009. Company has filed an application for delisting of its shares in Hyderabad Stock Exchange and is pending. The Hyderabad Stock Exchange is no longer a recognized stock exchange by SEBI effective 29-08-2007.

The Company's shares are currently trading in compulsory DMAT Segment in BSE.

## NON-BANKING FINANCIAL COMPANIES (RESERVE BANK OF INDIA) DIRECTIONS

As on date the Company is not a NBFC Co. & it has surrendered the certificate to RBI effective 18-03-2008 vide their letter dated 2<sup>nd</sup> April, 2008.

## ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance, co-operation and trust reposed in your Company by the Investors, Banks, Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and other Government Authorities during the financial year under review. Your Directors wish to place on record their deep sense of appreciation for its clients and for the devoted services of the young team of professionals of the Company for its success.

Your Directors also wish to place on record their sincere appreciation of the contribution made by the employees of the Company and are thankful to the Shareholders for their continued patronage and support.

FOR AND ON BEHALF OF THE BOARD

Place: Delhi  
Date: 20/08/2009

Kamal Manchanda  
Director

## CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the following report:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to good Corporate Governance and has complied in all material respects with the requirements specified in the Listing Agreement with the Stock Exchanges.

### 2. BOARD OF DIRECTORS

During the Financial Year 2008-09, 10 Board Meetings were held on 1<sup>st</sup> April, 30<sup>th</sup> July, 28<sup>th</sup> Aug, 1<sup>st</sup> Oct, 31<sup>st</sup> Oct, 20<sup>th</sup> Dec, 1<sup>st</sup> January, 30<sup>th</sup> January, 6<sup>th</sup> Feb & 30<sup>th</sup> March.

Sr No.	Name	Category	No of BM attended	Attendance at last AGM	No of Directorships held as on 31st March 2009 in other companies*	No of committee Positions held in other companies	
						Memberships	Chairmanships
1	Mr. Kamal Manchanda	ED (P)	10	YES	9	2	NIL
2	Mr. K. L. Manchanda	ED(P)	10	YES	NIL	NIL	NIL
3	Mrs. Aruna Manchanda	NED(P)	10	YES	4	2	2
4	Mr. Yogesh Kumar	NED(I)	10	YES	1	1	NIL
5	Mr. Surendra Kancheti	NED(I)	10	YES	NIL	NIL	NIL

\* Including Directorships held in Private Limited Companies, alternate Directorships and Directorships in bodies incorporated outside India.

ED – Executive Director, ED (P) – Executive Director, Promoter, NED (P) – Non-executive Director, Promoter, NED (I) – Non-executive Director, Independent.

### 3. AUDIT COMMITTEE

The Audit committee of the company comprises of 3 directors i.e. Mr. Yogesh Kumar, Mr. Kamal Manchanda and Mr. Surendra Kancheti. Mr. Yogesh Kumar and Mr. Surendra Kancheti being non-executive directors and independent directors. Mr. Yogesh Kumar is heading the committee. The terms of reference of the Audit Committee is as contained in Corporate Governance clause of the Listing Agreement.

The Audit Committee met four times during the year. The attendance of the members of the committee during the financial year 2008-2009 is given as below:

Committee Member	Category	No. of meetings attended
Yogesh Kumar	Member, Chairperson	4
Kamal Manchanda	Member, Director	4
Surendra Kancheti	Member, Director	4

### 4. REMUNERATION COMMITTEE

#### REMUNERATION OF DIRECTORS

The Company has paid remuneration to Director Mr. K.L. Manchanda and no remuneration committee is constituted for this purpose.

### 5. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

The Company has an Investors Grievance Committee under the nomenclature 'Share Transfer and Investor Grievance Committee. The Committee looks after the redressal of Shareholders and Investors Grievances and approves transfer/transmission, sub-division and issue of duplicate share certificates etc.

During the year, seven meeting of the Committee was held. The following table shows the details of attendance of members of the committee in its meeting:

The Committee consists of two Directors namely Mr. Kamal Manchanda Executive Director and Mrs. Aruna Manchanda, Non Executive Director and acts as Chairperson of the Committee.	No. of meetings attended
Mr. Kamal Manchanda	7
Mrs. Aruna Manchanda	7

The Company did not receive any shareholders complaint during the year.

### 6. GENERAL BODY MEETINGS

The Annual General Meetings of the last three years of the Company have been held as under:

For the Year	Location	Day and Date	Time	No. of Resolutions passed for special business
2007-2008	S-8 & 2, DDA Shopping Complex, Mayur Vihar-I, Delhi- 91	Tuesday, 23rd August, 2008	11:00 A.M.	1
2006-2007	S-8 & 2, DDA Shopping Complex, Mayur Vihar-I, Delhi- 91	Tuesday, 25th September, 2007	11:00 A.M.	2
2005-2006	S-8, DDA Shopping Complex, Mayur Vihar-I, Delhi- 91	Thursday, 31st August, 2006	9:00 A.M.	2

# BRAND REALTY SERVICES LIMITED

## 7. DISCLOSURES

- There were no materially significant related party transactions which have potential conflict with the interest of the Company at large. The transactions with related parties are disclosed in Notes to account no 8 in the Annual Report.
- The Company has complied with all requirements of the Listing Agreements with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during the last 3 years.
- Company has complied with all applicable mandatory requirements of Clause 49 of the Listing Agreement.

## 8. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly un-audited/Audited financial results of the Company were published in leading newspapers viz. Pioneer (English), Vir Arjun (Hindi). Half yearly results were not sent to each shareholder's address.

## 9. INFORMATION RELATING TO DIRECTORS

Information relating to Directors seeking appointment / reappointment as required under clause 49(IV)G(i) of the Listing Agreement is given in the Notice of the Annual General Meeting.

## 10. DECLARATION BY THE BOARD OF DIRECTORS UNDER CLAUSE 49 (1) (D) (II)

Declaration by the Board of Directors of the Company under Clause 49 (1) (D) (ii) of the Listing Agreement with Stock Exchanges is given below:

"Pursuant to Clause 49 (1) (D) (ii) of the Listing Agreement with Stock Exchanges, we hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the period ended 31st March 2009".

## 11. COMPANY UNDER THE SAME GROUP

Company under the same Group with your company is  
TRADEWELL PORTFOLIOS PRIVATE LIMITED

All the transactions with the company are treated as inter group transactions and have been included in the Auditor's report as Related Party Transactions.

## 12. SUBSIDIARY COMPANY

Brand Realty Pvt. Ltd is a subsidiary company and the accounts are attached to this report.

## 13. GENERAL SHAREHOLDERS INFORMATION

- Annual General Meeting**
  - Day, Date and Time : Wednesday, 30th September, 2009 At 9.00 A.M.
  - Venue : S-8 & 2, DDA Shopping Complex, Mayur Vihar, Phase-I, Delhi-91
- Financial Calendar**
  - (a) Financial Year : April to March
  - (b) First quarter Results : July
  - (c) Second Quarter Results : October
  - (d) Third Quarter Results : January
  - (e) Fourth Quarter Results for the Year Ending : April
  - (f) AGM for the year ending March 31, 2008 : August
- Face Value of the Equity Share : Rs. 10 per share
- Date of Book Closure : 27th September, 2009 to 30th September, 2009 (both days inclusive)
- Dividend Payment Date : NA
- Listing on Stock Exchanges
  - i) The Stock Exchange, Mumbai : Rotunda Building, 1st Floor, New Trading ring, Dalal Street, Mumbai – 400 001
  - ii) The Hyderabad Stock Exchange Ltd : 3-6-275, Himayatnagar, Hyderabad – 500 029
- Market Price Data**

Bombay Stock Exchange Code 531203				
Month	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
April 08	21.40	21.40	19.50	19.50
May 08	19.50	21.95	20.00	21.95
June 08	21.95	21.95	19.20	19.20
July 08	19.20	19.20	17.50	17.50
August 08	17.50	18.35	16.65	17.45
September 08	17.45	17.45	16.60	16.70
October 08	16.70	16.70	16.60	16.70
November 08	16.70	16.10	14.40	15.00
December 08	15.00	15.00	13.25	13.25
January 09	13.25	13.90	12.50	12.50
February 09	12.50	12.50	12.00	12.00
March 09	12.00	12.00	11.50	11.87

# BRAND REALTY SERVICES LIMITED

## 8) Registrar & Share Transfer Agent

M/s Link Intime India Pvt. Ltd.,  
A-40, 2nd Floor, Naraina Industrial Area, Phase-II,  
New Delhi-110028

## 9) Share Transfer System

All valid transfer of shares is registered with the approval of the share transfer committee constituted by the Board of Directors. The Share Transfer Section of the Company looks after all the matters relating to the Transfer, Transmission, etc. of Equity shares of the Company.

## 10) Distribution of Shareholding as on 31st March 2009

SHAREHOLDING	NO.OF SHAREHOLDERS	%AGE	NO.OF SHARES	%AGE
Upto-5000	1110	92.16	200730	6.68
5001-10000	27	2.21	22235	.74
10001-20000	17	1.41	24229	.81
20001-30000	8	.64	20700	.70
30001-40000	10	.83	34307	1.14
40001-50000	6	.50	27610	.92
50001-100000	7	.58	51470	1.71
100001-Above	20	1.67	2623119	87.30
TOTAL	1203	100.00	3004400	100.00

## 11) Dematerialisation of Shares

The company's shares are Dematerized and are currently trading in compulsory DMAT Segment in BSE

## 12) Address for correspondence

Shareholders correspondence may be addressed to:

1. The Registrar & Transfer Agent- M/s Link Intime India Pvt Ltd, A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-II, New Delhi-110028 OR
2. Brand Realty Services Ltd, G-10 & 11, Sector-18, Noida

## CEO/CFO CERTIFICATION

A certificate from Mr. Kamal Manchanda, Executive director of the company as per the requirement of Paragraph V of the revised clause of the Listing Agreement was placed before the table.

FOR AND ON BEHALF OF THE BOARD

Place: Delhi  
Date: 20/08/2009

Kamal Manchanda  
Director

## Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance procedures implemented by Brand Realty Services Limited for the year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review and according to the information and explanation given to us, we certify that the company has complied with the mandatory conditions of corporate governance as stipulated in the above mentioned listing agreement.

On the basis of records maintained of the Investors'/ Shareholders' Grievance cum Share Transfer Committee of the Company information provided by the management, we state that no investor grievance(s) is/are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R Rastogi & Co.  
Chartered Accountants

Place: Delhi  
Date: 20/08/2009

Rajesh Rastogi  
Proprietor  
M.No.86270



**AUDITORS' REPORT**

To  
The Members,  
Brand Realty Services Limited

- (1) We have audited the attached Balance Sheet of Brand Realty Services Ltd., Regd. Office at: S-8 & S-2, DDA Shopping Complex, Opp.-Pkt-1, Mayur Vihar Phase I, Delhi-110091 as at 31st March, 2009, Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our report.
- (2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall the financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order of The Companies Act, 1956.
- (4) Further to our comments in the Annexure referred to above, 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 purposes 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, Profit and Loss Account and Cash Flow statement dealt with by the report of the company are in agreement with the books of account.
  - (d) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by report are, prepared in compliance of the applicable accounting standard referred to in Sub Section (3C) of Section 211 the Companies Act, 1956.
  - (e) Based on representations made by all the directors of the company, and the information and explanations as made available, directors of the company do not prima-facie have any disqualification as referred to in clause (g) of sub section (1) of Section 274 of the Companies Act 1956.
  - (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India :-
    - (i) In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2009 and
    - (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
    - (iii) In the case of cash flow statement, of cash flow for the year ended on that date.

Place : Delhi  
Date : 20/08/2009

**FOR R. RASTOGI & CO.**  
Chartered Accountants,

**RAJESH RASTOGI**  
(Proprietor)  
M.No. 86270

# BRAND REALTY SERVICES LIMITED

## ANNEXURE TO THE AUDITOR'S REPORT OF BRAND REALTY SERVICES LIMITED

- A) As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government in terms of Section (4A) of Section 227 of the Companies Act, 1956 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 as referred to in paragraph 3 of our report of even date, we report that:
- I. (a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.  
(b) All the assets have been physically verified by the management during the year and there is a regular program of periodical verification of all the fixed assets which in our opinion is reasonable having regard to the size of the company and nature of its fixed assets. No material discrepancies were noticed on such verification.  
(c) No substantial part of fixed assets has been disposed off during the year.
  - II. (a) According to the information & explanation given to us, physical verification of inventories of flats/shops has been conducted at reasonable intervals by the management during the year. In our opinion the frequency of verification is reasonable.  
(b) In our opinion the Company has maintained proper records of inventories of flats/shops and according to the information and explanation given to us no material discrepancies were noticed on the physical verification conducted by the management.
  - III. (a) According to the information and explanations given to us, the Company has, during the year, not granted any loan, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956, other than unsecured loans aggregating Rs 1,27,04442/- granted to a wholly subsidiary company i.e. Brand Realty Pvt. Ltd covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum balance involved during the year was Rs. 1,27,04,442/- and the year end balance was Rs. 994,619/-.  
(b) Loan granted to subsidiary company is a interest free loan and the terms & conditions on which the loan was granted by the company are prima facie not pre judicial to the interest of the company.  
(c) Since there is no schedule of repayment of loans granted to the subsidiary company, therefore other provisions of clause of the order are not applicable.  
(d) According to the information and explanations given to us, the Company has, during the year, not taken any loan, secured or unsecured from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956, but it has paid the opening outstanding loan of Rs. 42,36,083/- in full during the year.
  - IV. In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the company and the nature of its business, for the purchases of inventories and fixed assets and the sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
  - V. (a) In our opinion and according to the information and explanations given to us, there is no transaction that needs to be entered into the Register in pursuance of Section 301 of the Companies Act, 1956.  
(b) Other provision of this clause of the order is not applicable, hence not commented upon.
  - VI. The company has not accepted deposits from the public within the meaning of section 58A & 58AA or any other relevant provisions of the Act.
  - VII. In our opinion, the company has an internal audit system commensurate with size of the company and the nature of its business.
  - VIII. In the case of company the maintenance of cost record has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
  - IX. (a) According to the records of the company examined by us, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, and other material statutory dues applicable to it.  
(b) According to information and explanations given to us, there were no undisputed amounts payable in respect of Income tax, and other material statutory dues applicable to it, which have remained outstanding as at 31<sup>st</sup> March 2009 for a period of more than six months from the date they became payable.  
(c) According to information and explanations given to us, there were no dues of Income tax and other material statutory dues applicable to it, which has not been deposited on account of any dispute.
  - X. The Company has no accumulated losses at the end of the current financial year and has not incurred cash losses either during the year or during the immediately financial year.
  - XI. The Company has taken overdraft limit to the tune of rupees 21.50 lakhs against FDR for its working capital limit from HDFC bank.
  - XII. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  - XIII. The company is not a chit fund or a nidhi mutual benefit fund / society. Therefore this clause is not applicable to the company.
  - XIV. During the year, the Company has done the transactions on the derivative (shares) segment and earned a profit of Rs. 8,26,988.29, and since it is not dealing in/or trading in shares, securities, debentures and other investments in the delivery (shares) segment, therefore the provisions of Clause 4 (xiv) is not applicable.
  - XV. The company has given guarantee for loans taken by subsidiary company Brand Realty Private Limited to the tune of rupees 78 Lakhs ( seventy eight lakhs only).
  - XVI. The Company has not received any fresh term loan during the year.
  - XVII. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the nature of business is such that it is not possible to classify the deployment of funds into long term and short term.
  - XVIII. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
  - XIX. No debentures were issued by the company during the year.
  - XX. No money was raised by way of public issue during the year.
  - XXI. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

FOR R. RASTOGI & CO.  
Chartered Accountants,

Place : Delhi  
Date : 20/08/2009

RAJESH RASTOGI  
(Proprietor)  
M.No. 86270

**BRAND REALTY SERVICES LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2009**

PARTICULARS	SCHEDULE	31-03-2009 Rs.	31-03-2008 Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	A	30,044,000.00	30,044,000.00
Reserve & Surplus	B	25,804,395.08	18,027,895.06
<b>LOAN FUNDS</b>			
Secured Loans	C	251,842.53	2,039,349.69
Unsecured Loans	D	0.00	4,236,083.00
<b>TOTAL</b>		<b>56,100,237.61</b>	<b>54,347,327.75</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	E	14,573,845.09	3,763,380.09
Less: Accumulated Depreciation		<u>1,237,230.00</u>	<u>963,950.00</u>
Net Block		13,336,615.09	2,799,430.09
<b>INVESTMENTS</b>	F	15,236,055.00	26,099,355.00
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Stock-in-trade	G	14,966,942.97	4,870,987.00
Cash and Banks Balances		5,517,240.51	2,921,232.04
Loans and Advances		11,862,631.31	23,551,554.56
		<u>32,346,814.79</u>	<u>31,343,773.60</u>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	H	<u>4,886,804.27</u>	<u>5,985,634.94</u>
<b>NET CURRENT ASSETS</b>		27,460,010.52	25,358,138.66
<b>DEFERRED TAX ASSETS</b>	I	67,557.00	90,404.00
<b>TOTAL</b>		<b>56,100,237.61</b>	<b>54,347,327.75</b>
<b>ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>	O		
SCHEDULES A TO I AND O FORM AN INTEGRAL PART OF THE BALANCE SHEET.			

As per our Report of even date attached

for R. RASTOGI & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board  
FOR BRAND REALTY SERVICES LTD.

RAJESH RASTOGI  
(Proprietor)  
M.No. 86270

KAMAL MANCHANDA  
(Director)

K. L. MANCHANDA  
(Director)

Place : Delhi  
Date : 20.08.2009

# BRAND REALTY SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

PARTICULARS	SCHEDULE	2008-2009 Rs.	2007-2008 Rs.
<b>INCOME</b>			
Brokerage & Commission		825,900.00	0.00
Rent		1,415,624.00	3,459,840.00
Sales		0.00	5,567,602.17
Increase/(Decrease) in Stock in Trade	J	0.00	(5,653,762.00)
Capital Gains on Properties		10,974,016.80	272,000.00
Profit/(Loss) on Shares Trading		826,988.29	(700,045.37)
Other Income	K	575,509.55	855,490.40
<b>TOTAL</b>		<b>14,618,038.64</b>	<b>3,801,125.20</b>
<b>EXPENDITURE</b>			
Brokerage/Commission		331,250.00	325,312.00
Personnel Expenses	L	1,846,544.00	650,372.99
Administrative and General Expenses	M	1,248,285.91	623,595.58
Interest and Finance Charges	N	33,961.41	442,407.24
<b>TOTAL</b>		<b>3,460,041.32</b>	<b>2,041,687.81</b>
<b>PROFIT BEFORE DEPRECIATION</b>		<b>11,157,997.32</b>	<b>1,759,437.39</b>
Less : Depreciation		319,729.00	219,964.00
<b>PROFIT BEFORE TAXATION</b>		<b>10,838,268.32</b>	<b>1,539,473.39</b>
Less : TAX EXPENSE			
Current Tax			
Income Tax		2,944,656.00	232,359.00
Wealth Tax		0.00	151,086.00
Fringe Benefit Tax		20,963.00	20,178.00
Deferred Tax		22,847.00	267,045.00
Securities Transaction Tax		0.00	6,323.00
<b>PROFIT AFTER TAXATION</b>			
Less:- Taxes paid of previous year W/off		73,302.30	0.00
<b>PROFIT AFTER TAXATION CARRIED TO BALANCE SHEET</b>		<b>7,776,500.02</b>	<b>862,482.39</b>

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS      O

SCHEDULES J TO N AND O FORM AN INTEGRAL  
PART OF THE PROFIT AND LOSS ACCOUNT.

As per our Report of even date attached

for R.RASTOGI & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board  
FOR BRAND REALTY SERVICES LTD.

RAJESH RASTOGI  
(Proprietor)  
M.No. 86270

KAMAL MANCHANDA  
(Director)

K. L. MANCHANDA  
(Director)

Place : Delhi  
Date : 20.08.2009

# BRAND REALTY SERVICES LIMITED

	AS AT 31st MARCH, 2009 Rupees	AS AT 31st MARCH, 2008 Rupees
<b>SCHEDULE- A : SHARE CAPITAL</b>		
<b>Authorised</b>		
70,00,000 Equity shares of Rs. 10 each	70,000,000.00	70,000,000.00
<b>Issued, Subscribed and Paid Up</b>		
30,04,400 Shares of Rs. 10 each fully paid up	30,044,000.00	30,044,000.00
<b>SCHEDULE- B: RESERVES &amp; SURPLUS</b>		
<b>Reserve Fund (Under RBI Act)</b>		
Balance as per last Balance Sheet	3,433,083.00	3,433,083.00
	<u>3,433,083.00</u>	<u>3,433,083.00</u>
<b>Profit &amp; Loss Account</b>		
Balance as per last Balance Sheet	14,594,812.06	13,732,329.67
Add:- Profit for the year	7,776,500.02	862,482.39
Balance carried forward	<u>22,371,312.08</u>	<u>14,594,812.06</u>
<b>TOTAL RESERVES AND SURPLUS</b>	<u>25,804,395.08</u>	<u>18,027,895.06</u>
<b>SCHEDULE- C: SECURED LOANS</b>		
OD with HDFC Bank (Pledged FDR with bank)	251,842.53	2039349.69
	<u>251,842.53</u>	<u>2039349.69</u>
<b>SCHEDULE- D: UNSECURED LOANS</b>		
Intercorporate Loan received	0.00	4236083.00
	<u>0.00</u>	<u>4236083.00</u>

## SCHEDULE-E : FIXED ASSETS

(Amount in Rs.)

Fixed Assets	Gross Block (At Cost)				Depreciation				Net Block	
	As at 31.3.2008	Additions during yr.	Deductions during yr.	As at 31-03-2009	As at 31-03-2008	Additions during yr.	Deductions during yr.	As at 31-03-2009	As at 31-03-2009	As at 31-03-2008
Land	369079.00	0.00	0.00	369079.00	0.00	0.00	0.00	0.00	369079.00	369079.00
Car	1696209.00	0.00	0.00	1696209.00	581873.00	161140.00	0.00	743013.00	953196.00	1114336.00
Building	0.00	10310556.00	0.00	10310556.00	0.00	61503.00	0.00	61503.00	10249053.00	0.00
Office Equipments	592015.09	308387.00	350000.00	550402.09	69664.00	17510.00	29786.00	57388.00	493014.09	522351.09
Computers	383507.00	629152.00	0.00	1012659.00	254820.00	42187.00	0.00	297007.00	715652.00	128687.00
Furniture & Fixt.	722570.00	62370.00	150000.00	634940.00	57593.00	37389.00	16663.00	78319.00	556621.00	664977.00
<b>Current Year</b>	<b>3763380.09</b>	<b>11310465.00</b>	<b>500000.00</b>	<b>14573845.09</b>	<b>963950.00</b>	<b>319729.00</b>	<b>46449.00</b>	<b>1237230.00</b>	<b>13336615.09</b>	<b>2799430.09</b>
<b>Previous Year</b>	<b>3090063.00</b>	<b>717507.09</b>	<b>44190.00</b>	<b>3763380.09</b>	<b>760078.00</b>	<b>219964.00</b>	<b>16092.00</b>	<b>963950.00</b>	<b>2799430.09</b>	<b>2329985.00</b>

# BRAND REALTY SERVICES LIMITED

## SCHEDULE (F) : INVESTMENTS

NAME OF COMPANY	FACE VALUE	AS AT 31st MARCH 2009		AS AT 31st MARCH 2008	
		NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
<b>A) INVESTMENT IN SHARES(Unquoted):</b>					
<b>i) In Subsidiary company</b>					
Brand Realty Pvt.Ltd (inclusive of share transfer stamps Rs.20,055)	10.00	1,500,600	15,026,055.00	1,500,600	15,026,055.00
<b>ii) Others</b>					
Indura Finlease (P) Ltd	10.00	7,500	75,000.00	7,500	75,000.00
Tradexpan India(P) Ltd	10.00	5,000	50,000.00	5,000	50,000.00
Tradexpan India(P) Ltd	100.00	250	25,000.00	250	25,000.00
SRJAN Technologies Pvt.Ltd	10.00	1,000	10,000.00	1,000	10,000.00
Sugam Finvest (P) Ltd	10.00	5,000	50,000.00	5,000	50,000.00
United Masonary Pvt.Ltd	10.00	0	0.00	24,000	240,000.00
<b>Total</b>			<b>15,236,055.00</b>		<b>15,476,055.00</b>
<b>B) INVESTMENT IN PROPERTIES</b>					
<b>TOTAL (A+B)</b>			<b>15,236,055.00</b>		<b>10,623,300.00</b>
<b>SCHEDULE (G): CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
<b>STOCK IN TRADE</b>					
( Valued at lower of cost or net realisable value)			<b>14,966,942.97</b>		<b>4,870,987.00</b>
<b>CASH AND BANKS BALANCES</b>					
Cash in Hand			160,664.69		171,943.69
Balance with Scheduled Banks					
Current Accounts			2,489,487.00		100,762.58
Fixed Deposits(including interest accrued)			2,867,088.82		2,648,525.77
			<b>5,517,240.51</b>		<b>2,921,232.04</b>
<b>LOANS AND ADVANCES</b>					
(Unsecured and considered goods)					
Security Deposites			301,341.00		226,341.00
Advance Income Tax &TDS			2,981,783.54		929,536.20
Advance Fringe BenefitTax			14,225.00		8,170.00
Loan to subsidiary company			994,619.00		1,482,375.00
Advances recoverable in cash or in kind for value to be received & considered good			7,105,662.77		20,440,132.36
Application money in shares(pending for allotment)			465,000.00		465,000.00
			<b>11,862,631.31</b>		<b>23,551,554.56</b>
<b>SCHEDULE (H): CURRENT LIABILITIES &amp; PROVISIONS</b>					
<b>I. CURRENT LIABILITIES:</b>					
a) Sundry Creditors			75,444.00		0.00
b) Earnest Money & Security Deposits			1,659,889.00		5,412,549.00
<b>Total - I</b>			<b>1,735,333.00</b>		<b>5,412,549.00</b>
<b>II. PROVISIONS:</b>					
a) For Income Tax			2,944,656.00		232,359.00
b) For Wealth Tax			0.00		151,086.00
c) For Fringe Benefit Tax			20,963.00		20,178.00
d) Services Tax Payable			1,636.00		58,680.28
e) For Expenses			184,216.27		110,782.66
<b>Total - II</b>			<b>3,151,471.27</b>		<b>573,085.94</b>
<b>Total (I+II)</b>			<b>4,886,804.27</b>		<b>5,985,634.94</b>
<b>SCHEDULE (I): DEFERRED TAX ASSETS</b>					
<b>Deferred Tax Assets</b>					
Brought forward & current year Business Loss			576,682.00		216,314.00
<b>Deferred Tax Liability</b>					
Unabsorbed depreciation and current year depreciation			509,125.00		125,910.00
<b>Deferred Tax Assets/(Liabilities)</b>			<b>67,557.00</b>		<b>90,404.00</b>

# BRAND REALTY SERVICES LIMITED

	AS AT 31st MARCH, 2009 Rupees	AS AT 31st MARCH, 2008 Rupees
<b>SCHEDULE- A : SHARE CAPITAL</b>		
<b>Authorised</b>		
70,00,000 Equity shares of Rs. 10 each	70,000,000.00	70,000,000.00
<b>Issued, Subscribed and Paid Up</b>		
30,04,400 Shares of Rs. 10 each fully paid up	30,044,000.00	30,044,000.00
<b>SCHEDULE- B: RESERVES &amp; SURPLUS</b>		
<b>Reserve Fund (Under RBI Act)</b>		
Balance as per last Balance Sheet	3,433,083.00	3,433,083.00
	<u>3,433,083.00</u>	<u>3,433,083.00</u>
<b>Profit &amp; Loss Account</b>		
Balance as per last Balance Sheet	14,594,812.06	13,732,329.67
Add:- Profit for the year	7,776,500.02	862,482.39
Balance carried forward	22,371,312.08	14,594,812.06
<b>TOTAL RESERVES AND SURPLUS</b>	<u>25,804,395.08</u>	<u>18,027,895.06</u>
<b>SCHEDULE- C: SECURED LOANS</b>		
<b>OD with HDFC Bank</b>		
(Pledged FDR with bank)	251,842.53	2039349.69
	<u>251,842.53</u>	<u>2039349.69</u>
<b>SCHEDULE- D: UNSECURED LOANS</b>		
<b>Intercompany Loan received</b>		
	0.00	4236083.00
	<u>0.00</u>	<u>4236083.00</u>

## SCHEDULE-E : FIXED ASSETS

(Amount in Rs.)

Fixed Assets	Gross Block (At Cost)				Depreciation				Net Block	
	As at 31.3.2008	Additions during yr.	Deductions during yr.	As at 31-03-2009	As at 31-03-2008	Additions during yr.	Deductions during yr.	As at 31-03-2009	As at 31-03-2008	As at 31-03-2008
Land	369079.00	0.00	0.00	369079.00	0.00	0.00	0.00	0.00	369079.00	369079.00
Car	1696209.00	0.00	0.00	1696209.00	581873.00	161140.00	0.00	743013.00	953196.00	1114336.00
Building	0.00	10310556.00	0.00	10310556.00	0.00	61503.00	0.00	61503.00	10249053.00	0.00
Office Equipments	592015.09	308387.00	350000.00	550402.09	69664.00	17510.00	29786.00	57388.00	493014.09	522351.09
Computers	383507.00	629152.00	0.00	1012659.00	254820.00	42187.00	0.00	297007.00	715652.00	128687.00
Furniture & Fixt.	722570.00	62370.00	150000.00	634940.00	57593.00	37389.00	16663.00	78319.00	556621.00	664977.00
<b>Current Year</b>	<b>3763380.09</b>	<b>11310465.00</b>	<b>500000.00</b>	<b>14573845.09</b>	<b>963950.00</b>	<b>319729.00</b>	<b>46449.00</b>	<b>1237230.00</b>	<b>13336615.09</b>	<b>2799430.09</b>
<b>Previous Year</b>	<b>3090063.00</b>	<b>717507.09</b>	<b>44190.00</b>	<b>3763380.09</b>	<b>760078.00</b>	<b>219964.00</b>	<b>16092.00</b>	<b>963950.00</b>	<b>2799430.09</b>	<b>2329985.00</b>

# BRAND REALTY SERVICES LIMITED

	As at 31st March 2009	As at 31st March 2008
<b>SCHEDULE (J): INCREASE/(DECREASE)</b>		
Closing Stock	0.00	0.00
Less : Opening Stock	0.00	5,653,762.00
	0.00	(5,653,762.00)
<b>SCHEDULE (K) OTHER INCOME</b>		
Interest Recvd-on FDR from Bank	263,369.55	246,003.40
Dividend (non trade)	4,340.00	600,000.00
Dividend (tradable)	0.00	9,487.00
Licence fees	307,800.00	0.00
	575,509.55	855,490.40
<b>SCHEDULE (L) : PERSONNEL EXPENSES</b>		
Director Remuneration	144,000.00	144,000.00
Salaries -Others	1,252,771.00	377,522.00
Conveyance Allowance	60,400.00	15,200.00
House Rent Allowance	341,250.00	0.00
Medical Allowance	14,000.00	29,600.00
Gratuity	4,500.00	77,350.00
Staff Welfare Expenses(office)	18,268.00	6,700.99
Staff Welfare Expenses(others)	11,355.00	0.00
	1,846,544.00	650,372.99
<b>SCHEDULE (M) : ADMINISTRATIVE &amp; GENERAL EXPENSES</b>		
Conveyance Reimbursement	12,915.00	32,302.00
Printing and Stationery	68,689.00	29,986.97
Office Maintenance Expenses	372,765.52	296,231.00
Computer Maintenance	23,852.00	0.00
Vehicle Maintenance	4,798.00	27,588.00
Electricity/Diesel Exp	134,351.00	0.00
Advertisement	248,643.00	27,225.00
Loss on Sale of Assets	0.00	13,098.00
Insurance	26,292.00	27,699.00
Telephone,Telex etc.	105,387.39	21,123.81
Rent	42,000.00	42,000.00
Professional Charges	62,500.00	0.00
Share Transfer Agent	18,000.00	20,224.80
Business Promotion Exp.	12,700.00	8,840.00
Listing Fees	8,000.00	10,000.00
Rate & Taxes	10,489.00	2,500.00
Legal Exp	2,110.00	23,783.00
Annual Custodian Fees	35,350.00	8,989.00
Auditor's Fees	26,000.00	26,000.00
AGM Expenses	1,000.00	6,005.00
Software	16,707.00	0.00
STT on F&O	15,737.00	0.00
	1,248,285.91	623,595.58
<b>SCHEDULE (N): INTEREST &amp; FINANCE CHARGES</b>		
Interest paid -to banks	27,345.72	49,740.48
-to others	83.00	389,401.00
Bank charges	6,532.69	3,265.76
	33,961.41	442,407.24



# BRAND REALTY SERVICES LIMITED

## SCHEDULE "O": SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### I SIGNIFICANT ACCOUNTING POLICIES:

#### a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

- i) The financial statements have been prepared under the historical cost convention basis and generally accepted accounting principles and the Accounting Standards referred under section 211(3C) of Companies Act, 1956 and disclosures made in accordance with the requirements of schedule VI of the Companies Act, 1956.
- ii) The accounting policies not specifically referred to otherwise, are consistent with the generally accepted accounting policies.

#### b) FIXED ASSETS AND DEPRECIATION:

- i) Fixed assets are stated at cost less accumulated depreciation.
- ii) Depreciation on fixed assets has been charged on straight line basis as per the rates prescribed in Schedule XIV of the Companies Act, 1956.
- iii) **Land:** The company had purchased a residential plot in NOIDA. The matter is in dispute regarding ownership and allotment. The company is taking suitable legal action for this. The amount had been shown as fixed assets in the Balance Sheet.

#### c) FOREIGN EXCHANGE TRANSACTION: N. A.

#### d) BASIS OF ACCOUNTING:

Revenues/Incomes and Cost/Expenditures are being accounting on accrual basis, as they are earned or incurred, Expenditures have been disclosed net of Service Tax which are Modvatable.

- e) **EMPLOYEES RETIREMENT BENEFITS :** Liability on account of retirement benefits such as provident fund are not applicable, however the gratuity is accrued on actuarial valuation basis and charged to Profit and Loss account during the year.

#### f) PRELIMINARY EXPENSES AND PUBLIC ISSUE EXPENSES: N.A.

- g) **INVESTMENTS :** Investments in Shares are long term investments and valued at cost basis unless there is a permanent fall in the values thereof.

- h) **STOCK IN TRADE :** Closing stock of properties have been valued at lower of cost or net realisable value.

#### i) SEGMENT REPORTING

The segments of the company have been identified in line with the Accounting Standard on segment reporting (AS17) taking into account the organisation structure as well as the differential risks and returns of these segments.

The company's reportable operating segments consist of the following business group:

\* Shares sale purchase business

Segment revenues, results and capital employed include the respective amounts identifiable to each of the segments.

Other unallocable expenditure includes expenses incurred on common services provided to the segments which are not directly identifiable.

#### j) IMPAIRMENT OF FIXED ASSETS

An assets 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 assets 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.

#### k) EARNING PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### l) TAXATION :

Tax expense for the period, comprising current tax and deferred tax is included in determining the net Profit/(Loss) for the year. Current tax is determined on the basis of tax liability on the total income computed under the provision of Income Tax Act, 1961, or tax for the year. Deferred Tax is recognised as timing difference. Deferred Tax charges is recognised by using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to extent there is reasonable certainty of realisation of a such assets. Such assets are reviewed at each Balance Sheet to reassess realisation.

# BRAND REALTY SERVICES LIMITED

## II NOTES TO ACCOUNTS:

1. Contingent Liability not provided for:-
  - a) Bill discounted with the Bank Rs. - Nil
  - b) Bank guaranty outstanding as on 31-03-2009 Rs.- NIL
2. a) The balance of some accounts in Loan & Advances recoverable in cash or in kind, Share application money ( pending for allotment) Debtors, Creditors & Current Liabilities are subject to reconciliation/confirmation and have been shown as per values appearing in the books of accounts as good for recovery/payment unless specifically provided for.
  - b) In the opinion of the board the Current Asset and Loans & Advances would be, in the ordinary courses of business realize not less than the value stated in the balance sheet.
3. The company had invested Rs.465,000/- with Sahil and Elite Stock Broking Pvt.Ltd - for share allotment money in the year 1997-98 but the shares were not allotted till date and amount shown under the share application money (Pending for allotment). There has been no business done in the Company for last many years.
4. The Company has converted its properties of Sahara Mall, Gurgaon from Investment to Fixed Assets amount to Rs.56,48,300/- Similarly from Investment to Stock in Trade 44,19,187/- & from Loans & Advances to Stock in Trade Rs.80,37,596/-

	31-03-2009 (Rupees)	31-03-2008 (Rupees)
5. a) Auditors Remuneration:		
Statutory Audit Fee & Tax Audit Fees	9,000.00	9,000.00
Taxation Matters Fees	17,000.00	17,000.00
	<u>26,000.00</u>	<u>26,000.00</u>
b) Directors Remuneration : Salary	144,000.00	144,000.00

6. Previous year figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to current year.
7. Deferred Tax (Assets) / Liabilities
  - a) The company is liable to regular tax and the provision of income tax of Rs. 29,44,656/- has been made out of current profit. Provision has also been done for the Deferred Tax Liability net of Deferred Tax Assets amounting to a sum of Rs.22,847/- out of current year profit.
  - b) The Composition of timing difference of Deferred Tax Assets/(Liabilities) is as under :
 

- On account of brought forward losses	576,682.00
- On account of timing difference related to unabsorbed depreciation & Current Year depreciation	(509,125.00)
<b>Total Deferred Tax Assets</b>	<b>67,557.00</b>
8. As per Accounting Standard 18 issued by the ICAI the Companies/related parties and transaction with them are disclosed below:

### Related Parties

Key Management Personnel	Relative to Key Management Personnel	Enterprises over which (a) and (b) have significant influence (c)
(a)	(b)	
Sh Kamal Manchanda		Brand Realty Private Limited
Smt Aruna Manchanda		(Subsidiary Company)
Sh K L Manchanda		Tradewell Portfolios Private Limited

### Transactions with Related Parties

S.No.Name of Parties	Nature of Transaction	Volume of transaction	Amt.o/s as on 31-03-09
a. Sh.K.L.Manchanda	Advance received for shares Purchase	80,000.00	0.00
b. Brand Realty Pvt.Ltd	Inter Corporate Loan given	12,704,442.00	994,619.00
c. Brand Realty Pvt.Ltd	Rent Recived	765,000.00	0.00
d. Tradewell Portfolios Pvt.Ltd	dvance received against sale of property	12,236,083.00	0.00

9. There are no outstanding dues in respect of small scale industrial undertakings as defined under clause (j) of section 3 of Industrial (Development and Regulation ) Act, 1951 ( Previous year NIL).
10. The property number S-110 Sahara Mall, M.G. Road, Gurgaon is Mortgaged with SBBJ, Noida against the OD Limit sanctioned to Brand Realty Private Limited (Subsidiary company).

# BRAND REALTY SERVICES LIMITED

11. Earning per share: Calculation of basic & diluted earning (In rupees per share)			
		Current Year	Prev. Year
No. of Equity shares outstanding at the end of year		3,004,400	3,004,400
Weighted avrg. number of e.sh.outstanding during the year (In rupees per share)		3,004,400	3,004,400
Net Profit after tax available for eq.shareholder		7,776,500.02	862,482.39
Basic & diluted earning (in Rs.) per share		2.59	0.29

12. Segment Revenues, Results and Capital Employed			
Particulars	Real Estate Business	Others	Amount in Rupees Totals
<b>Segment Revenue</b>			
<b>Segment Results</b>			
Profit/(Loss) before Tax & Interest	9789460.89	1402497.84	11191958.73
Less: Interest Expense	33961.41	0.00	33961.41
Profit before Taxation	9755499.48	1402497.84	11157997.32
<b>Other Liabilities</b>			
Provision for Tax	0.00	0.00	2944656.00
Wealth Tax	0.00	0.00	0.00
Deferred Tax	0.00	0.00	22847.00
Fringe Benefit Tax	0.00	0.00	20963.00
Sec. Tran. Tax	0.00	0.00	0.00
Profit after Taxation	9755499.48	1402497.84	8169531.32
Segment Assets	60987041.88	0.00	60987041.88
Segment Liabilities	4886804.27	0.00	4886804.27
Loans	251842.53	0.00	251842.53
Depreciation	319729.00	0.00	319729.00

13. Additional information pursuant to clause 3 & 4 of part II of Schedule VI to the Companies Act, 1956:

i. Particulars of Trading Stocks	Current Year		Prev. Year	
	Quantity in Nos		Amount in Rs.	
Op. Stock	0	526926	0.00	5653762.00
Purchase/Adjustment	11	0	14966942.97	0.00
Sales	0	526926	0.00	5653762.00
Closing Stock	11	0	14966942.97	0.00
ii. CIF value of Imports	N.A	N.A	N.A	N.A
iii. Expenditure in foreign currency	N.A	N.A	N.A	N.A
iv. Income in foreign currency	N.A	N.A	N.A	N.A

As per our Report of even date attached

for R.RASTOGI & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board  
FOR BRAND REALTY SERVICES LTD.

RAJESH RASTOGI  
(Proprietor)  
M.No. 86270

KAMAL MANCHANDA  
(Director)

K. L. MANCHANDA  
(Director)

Place : Delhi  
Date : 20.08.2009

# BRAND REALTY SERVICES LIMITED

## II NOTES TO ACCOUNTS:

1. Contingent Liability not provided for:-
  - a) Bill discounted with the Bank Rs. - Nil
  - b) Bank guaranty outstanding as on 31-03-2009 Rs.- NIL
2. a) The balance of some accounts in Loan & Advances recoverable in cash or in kind, Share application money ( pending for allotment) Debtors, Creditors & Current Liabilities are subject to reconciliation/confirmation and have been shown as per values appearing in the books of accounts as good for recovery/payment unless specifically provided for.
  - b) In the opinion of the board the Current Asset and Loans & Advances would be, in the ordinary courses of business realize not less than the value stated in the balance sheet.
3. The company had invested Rs.465,000/- with Sahil and Elite Stock Broking Pvt.Ltd - for share allotment money in the year 1997-98 but the shares were not allotted till date and amount shown under the share application money (Pending for allotment). There has been no business done in the Company for last many years.
4. The Company has converted its properties of Sahara Mall, Gurgaon from Investment to Fixed Assets amount to Rs.56,48,300/-. Similarly from Investment to Stock in Trade 44,19,187/- & from Loans & Advances to Stock in Trade Rs.80,37,596/-

	31-03-2009 (Rupees)	31-03-2008 (Rupees)
a) Auditors Remuneration:		
Statutory Audit Fee & Tax Audit Fees	9,000.00	9,000.00
Taxation Matters Fees	17,000.00	17,000.00
	<u>26,000.00</u>	<u>26,000.00</u>
b) Directors Remuneration : Salary	144,000.00	144,000.00

6. Previous year figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to current year.
7. Deferred Tax (Assets) / Liabilities
  - a) The company is liable to regular tax and the provision of income tax of Rs. 29,44,656/- has been made out of current profit. Provision has also been done for the Deferred Tax Liability net of Deferred Tax Assets amounting to a sum of Rs.22,847/- out of current year profit.
  - b) The Composition of timing difference of Deferred Tax Assets/(Liabilities) is as under :
 

- On account of brought forward losses	576,682.00
- On account of timing difference related to unabsorbed depreciation & Current Year depreciation	(509,125.00)
<b>Total Deferred Tax Assets</b>	<u>67,557.00</u>
8. As per Accounting Standard 18 issued by the ICAI the Companies/related parties and transaction with them are disclosed below:

### Related Parties

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(a)	(b)	(c)
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### Transactions with Related Parties

S.No.Name of Parties	Nature of Transaction	Volume of transaction	Amt.o/s as on 31-03-09
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c. Brand Realty Pvt.Ltd	Rent Recived	765,000.00	0.00
d. Tradewell Portfolios Pvt.Ltd	dvance received against sale of property	12,236,083.00	0.00

9. There are no outstanding dues in respect of small scale industrial undertakings as defined under clause (j) of section 3 of Industrial (Development and Regulation ) Act, 1951 ( Previous year NIL).
10. The property number S-110 Sahara Mall, M.G. Road, Gurgaon is Mortgaged with SBBJ, Noida against the OD Limit sanctioned to Brand Realty Private Limited (Subsidiary company).

# BRAND REALTY SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Prepared Pursuant to Listing Agreement)	As at 31st March 2009 (Rupees)	As at 31st March 2008 (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) after Tax & Extraordinary Items	7,776,500.02	862,482.39
<b>Add:-Adjustment for:</b>		
a) Depreciation	319,729.00	219,964.00
b) Loss on sale of Office Equipment/Car	0.00	13,098.00
c) Deferred Tax Provision	22,847.00	267,045.00
d) Current Tax Provision	2,944,656.00	232,359.00
e) Wealth Tax	0.00	151,086.00
f) Fringe Benefit Tax	20,963.00	20,178.00
g) Security Transaction Tax	0.00	6,323.00
h) I.Tax for Previous Years W/Back	73,302.30	0.00
	<u>3,381,497.30</u>	<u>910,053.00</u>
<b>Less:- Adjustment For</b>	<u>11,157,997.32</u>	<u>1,772,535.39</u>
Interest received	263,369.55	246,003.40
Short Term Capital Gain on Sale of Properties	10,974,016.80	272,000.00
	<u>11,237,386.35</u>	<u>518,003.40</u>
<b>Operating Profit/(Loss) before working Capital changes</b>	<u>(79,389.03)</u>	<u>1,254,531.99</u>
<b>Adjustment for:</b>		
Trade & Other receivable	11,711,770.250	(1,562,759.82)
Inventories		5,653,762.00
Trade Payable	(4,087,296.67)	1,559,152.66
Secured Loan	(1,787,507.16)	1,786,179.69
Unsecured Loan	(4,236,083.00)	4,236,083.00
	<u>1,600,883.42</u>	<u>11,672,417.53</u>
<b>Cash Generated from Operation</b>	<u>1,521,494.39</u>	<u>12,926,949.52</u>
Less/Add: Income Tax/FBT paid of previous year	73,302.30	3,689,719.00
Security Transaction Tax		6,323.00
<b>Cash Generated from Operation after Tax (A)</b>	<u><u>1,448,192.09</u></u>	<u><u>9,230,907.52</u></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	11,310,465.00	717,507.09
Purchase of Investments	0.00	8,026,055.00
Purchase of Stock	10,095,955.97	
Purchase of Property	13,088,648.10	2,990,000.00
Sale of Fixed Assets	453,551.00	15,000.00
Sale of Properties	10,974,016.80	2,000,000.00
Sale of Investments	10,863,300.00	0.00
	<u>884,446.83</u>	<u>(9,718,562.09)</u>
<b>Net Cash Flow from Investing Activities (B)</b>	<u><u>884,446.83</u></u>	<u><u>(9,718,562.09)</u></u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Received (C)	<u>263,369.55</u>	<u>246,003.40</u>
<b>Cash &amp; Cash Equivalent (Op.Balance)</b>	<u>2,921,232.04</u>	<u>3,162,883.21</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<u>2,596,008.47</u>	<u>(241,651.17)</u>
<b>Cash &amp; Cash Equivalent (Closing Balance)</b>	<u><u>5,517,240.51</u></u>	<u><u>2,921,232.04</u></u>

For and on behalf of the Board

Place : Delhi  
Date : 20.08.2009

KAMAL MANCHANDA  
(Director)

K. L. MANCHANDA  
(Director)

### AUDITORS CERTIFICATE

We have verified the above statement with books maintained by Brand Realty Services Ltd and certify that in our opinion and according to the information and explanations given, the above statement is in accordance there with.

For R.RASTOGI & CO.  
CHARTERED ACCOUNTANTS

RAJESH RASTOGI  
(Proprietor)  
M.No. 86270

Place : Delhi  
Date : 20.08.2009

# BRAND REALTY SERVICES LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### Registration Details

Registration No.: 64237 State Code 55  
Balance Sheet Date 31-03-2009

### Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

### Position of Mobilisation and deployment of Funds (Amount in Rs. Thousand)

#### Source of Funds

Total Liability	30,044	Total Assets	30,044
Paid-up Capital	30,044	Reserve & Surplus	25,804
Secured Loan	252	Unsecured Loans	0
Deferred Tax Liability	0		

#### Application of funds

Net Fixed Assets	13,337	Investments	15,236
Net Current Assets	27,460	Miscl. Expenditure	0
		Accumulate Losses	0
		Deferred Tax Assets	68

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

Total Income	14,618	Total Expenditure	3,780
Profit/(Loss) before Tax	10,838	Profit/(Loss) after Tax	7,777
Earning per Share(Rs.)	2.59	Dividend rate %	NIL

### Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item No.:	N/A
Product/Service Description	1) Real Estate Service
Product	2) Properties Sale / Purchase
Description	3) Share Trading & Investment / Consultancy

As per our Audit Report of even date attached

for R.RASTOGI & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

RAJESH RASTOGI  
(Proprietor)  
M.No. 86270

KAMAL MANCHANDA  
(Director)

K. L. MANCHANDA  
(Director)

Place : Delhi  
Date : 20.08.2009

## AUDITOR'S REPORT

To

The Members,

- (1) We have audited the attached Balance Sheet of Brand Realty Private Limited, Registered Office at S- 8 & 2, DDA Shopping Complex, Opp. Pkt.-I, Mayur Vihar, Phase- I, Delhi, 110091 as at 31<sup>st</sup> March, 2009, Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit report.
- (2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub Section (4A) of section 227 of the Companies Act, 1956, as amended by the companies (Auditor's Report) / (Amendment) order, 2004. We enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order of the Companies Act.
- (4) Further to our comments in the Annexure referred to in paragraph (3) above, 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 purposes 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, Profit and Loss Account and also the Cash Flow Statement dealt with by this report of the company are in agreement with the books of account.
  - (d) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and also the Cash Flow Statement dealt with by this report are, prepared in compliance of the applicable accounting standard referred to in Sub Section (3C) of Section 211 the Companies Act, 1956.
  - (e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2009 and taken on record by the board of directors, none of the directors is disqualified as on 31<sup>st</sup> March 2009 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
  - (f) In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements read together with the other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India :-
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and
    - (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
    - (iii) In the case of cash flow statement, of cash flow for the year ended on that date.

For R. RASTOGI & CO.  
Chartered Accountants

Place: Delhi  
Date : 20/08/2009

RAJESH RASTOGI  
(Proprietor)  
M. No.86270

**ANNEXURE TO THE AUDITOR'S REPORT OF BRAND REALTY PRIVATE LIMITED**  
**FOR THE YEAR ENDED 31ST MARCH, 2009**

Referred to in paragraph 3 of our report of even date

- I. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.  
(b) The assets have been physically verified by the management during the year and there is a regular programme of periodical verification of all the fixed assets which in our opinion is reasonable having regard to the size of the company and nature of its fixed assets. No material discrepancies were noticed on such verification.
- II. (c) No substantial part of fixed assets has been disposed off during the year.  
(a) According to the information & explanation given to us, physical verification of inventories of flats/shops has been conducted at reasonable intervals by the management during the year. In our opinion the frequency of verification is reasonable.  
(b) In our opinion the Company has maintained proper records of inventories of flats/shops and according to the information and explanation given to us no material discrepancies were noticed on the physical verification conducted by the management.
- III. (a) According to the information and explanations given to us, the Company has, during the year, not granted any loan, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.  
(b) Since the company has not granted any loan secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the act, therefore other provisions of this clause of the order are not applicable.  
(c) According to the information and explanations given to us, the Company has, during the year, not taken any loan, secured or unsecured from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956, other than unsecured loan aggregating Rs 1,27,04442/- taken from a Holding company i.e. Brand Realty Services Limited covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum balance involved during the year was Rs. 1,27,04,442/- and the year end balance was Rs. 994,619/-.  
(d) No interest was paid on this loan taken and since there is no schedule of repayment of principal on the loan taken by the company from the Holding company i.e. Brand Realty Services Limited covered in the register maintained under Section 301 of the Companies Act, 1956 therefore other provisions of this clause of the order are not applicable.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of goods, we have not observed any continuing failure to correct major weaknesses in internal control system.
- V. (a) In our opinion and according to the information and explanations given to us, there is no transaction that need to be entered into the Register in Pursuance of Section 301 of the Companies Act, 1956.  
(b) Other provision of this Clause of the order is not applicable, hence not commented upon.
- VI. The Company has not accepted deposits from the public within the meaning of section 58A & 58AA of the Companies Act, 1956 and the rules framed there under.
- VII. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- VIII. In the case of company the maintenance of cost record has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- IX. (a) According to the records of the company examined by us, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, service tax and other material dues applicable to it.  
(b) According to information and explanations given to us, there were no undisputed amounts payable in respect of income tax, service tax and other material dues applicable to it which have remained outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.  
(c) According to information and explanations given to us, there were no dues of income tax, service tax and other material statutory dues applicable to it, which has not been deposited on account of any dispute.
- X. The company has no accumulated losses. The company has not incurred cash loss during the financial year covered by our audit and also not in the immediate preceding financial year.
- XI. The Company has taken overdraft limit to the tune of rupees 78 lakhs (seventy eight lakhs) from SBBJ, Bank against the property mortgaged of holding company Brand Realty Services Limited and there is no delay in the payment of principal and interest.
- XII. The company has not granted loans and advances, on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The company is not a chit fund, nidhi or mutual benefit funds / society. Therefore the provisions of this clause are not applicable to the company.
- XIV. In our opinion, the company is not dealing or trading in shares debentures, securities, and other investments, accordingly, the provision of clause 4(xiv) of the order are not applicable to the company.
- XV. The company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- XVI. The company has not taken a term loan during the year.
- XVII. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment.
- XVIII. The company has not made any allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 and the terms and conditions of allotment are not prejudicial to the interest of the company.
- XIX. The company has issued no debentures during the year.
- XX. The company has not raised money by way of public issue during the year.
- XXI. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For R. RASTOGI & CO.  
Chartered Accountants

Place: Delhi  
Date :20/08/2009

RAJESH RASTOGI  
(Proprietor)  
M. No.86270



Accounts of  
Subsidiary Company - **BRAND REALTY PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2009**

(Amount in Rupees)

PARTICULARS	SCHEDULE	CURRENT YEAR	PREV. YEAR
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	A	15,006,000.00	15,006,000.00
Reserve & Surplus	B	3,795,971.03	3,565,802.65
Deferred Tax Liability	C	199,310.00	216,793.00
<b>LOAN FUNDS</b>			
Secured Loans	D	2,634,473.20	4,684,195.29
Unsecured Loans		994,619.00	1,482,375.00
<b>TOTAL</b>		<b><u>22,630,373.23</u></b>	<b><u>24,955,165.94</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	E	1,464,881.00	2,710,232.00
Less: Accumulated Depreciation		<u>225,572.00</u>	<u>362,464.00</u>
Net Block		1,239,309.00	2,347,768.00
<b>INVESTMENTS</b>	F	651,000.00	3,046,087.50
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Sundry Debtors	G	6,962,861.00	3,642,157.76
Stock in Trade		2,446,087.50	0.00
Cash and Bank Balance		456,989.41	1,740,383.41
Loans and Advances		<u>12,334,538.37</u>	<u>16,606,484.74</u>
		22,200,476.28	21,989,025.91
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Liabilities	H	3,830.00	1,309,575.00
Provisions		<u>1,481,326.05</u>	<u>1,167,628.47</u>
<b>NET CURRENT ASSETS</b>		20,715,320.23	19,511,822.44
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)	I	24,744.00	49,488.00
<b>TOTAL</b>		<b><u>22,630,373.23</u></b>	<b><u>24,955,165.94</u></b>
<b>ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>			
	M		

**SCHEDULES A TO I AND M FORM AN INTEGRAL PART OF THE BALANCE SHEET.**

As per our Report of even date attached

for **R.RASTOGI & CO.**  
CHARTERED ACCOUNTANTS

For and on behalf of the Board  
BRAND REALTY PVT. LTD.

**RAJESH RASTOGI**  
(Proprietor)  
M. No.86270

**KAMAL MANCHANDA**  
(Director)

**ARUNA MANCHANDA**  
(Director)

Place : Delhi  
Date : 20.08.2009

Accounts of  
Subsidiary Company - **BRAND REALTY PRIVATE LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH, 2009**

(Amount in Rupees)

PARTICULARS	SCHEDULE	CURRENT YEAR	PREV. YEAR
<b>INCOME</b>			
Brokerage & Commission		16,108,507.98	14,995,206.00
Income/(Loss) from Sale of Properties		(167,163.00)	1,868,797.00
Income from Shares		0.00	1,350,000.00
Interest Received		15,290.00	194,007.00
Training Fees		348,094.00	0.00
		<u>16,304,728.98</u>	<u>18,408,010.00</u>
<b>EXPENDITURE</b>			
Brokerage & Commission		7,851,731.00	5,149,143.00
Personnel Expenses	J	2,445,136.22	3,025,242.00
Administrative and General Expenses	K	4,795,717.67	5,897,535.94
Interest and Finance charges	L	170,996.71	127,252.97
		<u>15,263,581.60</u>	<u>14,199,173.91</u>
<b>PROFIT BEFORE DEPRECIATION</b>		1,041,147.38	4,208,836.09
Less: Depreciation		208,420.00	220,928.00
<b>PROFIT BEFORE TAX</b>		832,727.38	3,987,908.09
<b>Less: TAX EXPENSES</b>			
<b>Current Tax</b>			
Income Tax		580,839.00	986,187.00
Deferred Tax		(17,483.00)	95,149.00
Fringe Benefit Tax		35,912.00	62,970.00
Wealth Tax		0.00	9,461.00
<b>PROFIT AFTER TAXATION</b>		233,459.38	2,834,141.09
Less:- Taxes paid of previous year W/off		3,291.00	14,991.00
<b>PROFIT AFTER TAXATION</b>		<u>230,168.38</u>	<u>2,819,150.09</u>

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS M

SCHEDULES J TO L AND M FORM AN INTEGRAL PART OF THE PROFIT AND LOSS ACCOUNT.

As per our Report of even date attached

for R.RASTOGI & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board  
BRAND REALTY PVT. LTD.

RAJESH RASTOGI  
(Proprietor)  
M. No.86270

KAMAL MANCHANDA  
(Director)

ARUNA MANCHANDA  
(Director)

Place : Delhi  
Date : 20.08.2009

**Accounts of  
Subsidiary Company - BRAND REALTY PRIVATE LIMITED**

**SCHEDULES**

SCHEDULE A: SHARE CAPITAL Authorised	CURRENT YEAR (Rupees)	PREV. YEAR (Rupees)
2000000 Equity shares of Rs. 10 each	20,000,000.00	20,000,000.00
<b>Issued Subscribed and Paid up</b> 1500600 Equity Shares of Rs. 10 each (Previous Year 1500600 equity shares of Rs.10/-each)	15,006,000.00	15,006,000.00

**SCHEDULE "B"-RESERVE & SURPLUS  
PROFIT & LOSS ACCOUNT**

Opening Balance	3,565,802.65	746,652.56	3,565,802.65
Add: Profit during the year	230,168.38	3,795,971.03	2,819,150.09
		3,795,971.03	3,565,802.65

**SCHEDULE "C" : DEFERRED TAX LIABILITIES**

On account of depreciation			
Opening Balance		216,793.00	121,644.00
Less: - During The Year		17,483.00	95,149.00
		199,310.00	216,793.00

**SCHEDULE "D"- SECURED LOAN**

Loan from SBBJ (overdraft against first charge over the bookdebts, receivable of the company and immovable properties of holding company )		2,634,473.20	4,684,195.29
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**UNSECURED LOAN**

Brand Realty Services Ltd ( A holding company)		994,619.00	1,482,375.00
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**SCHEDULE "E": FIXED ASSETS**

Fixed Assets	Gross Block (At Cost)				Depreciation				Net Block	
	Opening Balance	Additions/ (Adjustment) during the year	Deductions during the year	Balance As at 31-03-2009	Opening Balance	Additions/ (Adjustment) during the year	Deductions during the year	Balance As at 31-03-2009	Balance As at 31-03-2009	Balance As at 31-03-2008
Airconditioner	308,095.00	13,500.00	321,595.00	0.00	25,892.00	11,316.00	37,208.00	0.00	0.00	282,203.00
EPABX	180,480.00	0.00	0.00	180,480.00	14,094.00	8,572.00	0.00	22,666.00	157,814.00	166,386.00
Fire Extinguisher	35,682.00	0.00	0.00	35,682.00	3,498.00	1,695.00	0.00	5,193.00	30,489.00	32,184.00
Refrigerator	15,700.00	0.00	0.00	15,700.00	548.00	746.00	0.00	1,294.00	14,406.00	15,152.00
Projector Sys & TV	363,875.00	0.00	0.00	363,875.00	32,276.00	17,284.00	0.00	49,560.00	314,315.00	331,599.00
Water Filter	10,000.00	0.00	0.00	10,000.00	1,007.00	475.00	0.00	1,482.00	8,518.00	8,993.00
Furn. & Fixture	859,144.00	0.00	0.00	859,144.00	90,993.00	54,384.00	0.00	145,377.00	713,767.00	768,151.00
Computers & Software	937,256.00	0.00	937,256.00	0.00	194,156.00	113,948.00	308,104.00	0.00	0.00	743,100.00
<b>Current Year</b>	<b>2,710,232.00</b>	<b>13,500.00</b>	<b>1,258,851.00</b>	<b>1,464,881.00</b>	<b>362,464.00</b>	<b>208,420.00</b>	<b>345,312.00</b>	<b>225,572.00</b>	<b>1,239,309.00</b>	<b>2,347,768.00</b>
<b>Previous Year</b>	<b>1,801,588.00</b>	<b>908,644.00</b>	<b>0.00</b>	<b>2,710,232.00</b>	<b>141,536.00</b>	<b>220,928.00</b>	<b>0.00</b>	<b>362,464.00</b>	<b>2,347,768.00</b>	<b>1,660,052.00</b>

**SCHEDULE "F": INVESTMENTS**

<b>Investment in Property (A)</b> 7th Floor, Tradex Tower-II		0.00	2,446,087.50
<b>Investment in shares (B)</b> (Unquoted and valued at cost)	<b>Face Value</b>	<b>Current Year Qty</b>	<b>Prev. Year</b>
Brand Realty Chandigarh Pvt.Ltd	100.00	510	0.00
Centrepoint Hospitality Magt. Pvt.Ltd	10.00	60,000	60,000
		651,000.00	600,000.00
<b>A+B</b>		651,000.00	3,046,087.50

Accounts of  
Subsidiary Company - **BRAND REALTY PRIVATE LIMITED**

	CURRENT YEAR Rupees	PREV. YEAR Rupees
<b>SCHEDULE "G": CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Goods)		
Debts outstanding for a period exceeding six month	5,083,560.00	39,179.00
Others	1,879,301.00	3,602,978.76
	<u>6,962,861.00</u>	<u>3,642,157.76</u>
<b>STOCK IN TRADE</b>		
Offices at 7th Floor Tradex Tower (Valued at lower of cost or net relisable value)	<u>2,446,087.50</u>	<u>0.00</u>
<b>CASH AND BANK BALANCES</b>		
Cash in hand	210,947.00	345,926.84
Cash at Bank: HDFC Bank	246,042.41	920,518.35
SBBJ	0.00	473,938.22
	<u>456,989.41</u>	<u>1,740,383.41</u>
<b>LOANS AND ADVANCES</b>		
Security Deposits	750,011.50	909,721.50
Tax Deducted at Source	1,313,018.63	1,863,466.24
Advance Fringe Benefit tax	33,361.00	45,650.00
Advance Recoverable in cash or kind for value to be received (incl.pre.exp.)	10,238,147.24	13,787,647.00
	<u>12,334,538.37</u>	<u>16,606,484.74</u>
<b>SCHEDULE "H": CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES:</b>		
Sundry Creditors	0.00	45,600.00
Advance Against Properties	0.00	1,263,975.00
Service Tax Payable	3,830.00	0.00
	<u>3,830.00</u>	<u>1,309,575.00</u>
<b>PROVISIONS</b>		
Income Tax	580,839.00	986,187.00
Fringe Benefit Tax	35,912.00	62,970.00
Wealth Tax	0.00	9,461.00
Expenses Payable	864,575.05	109,010.47
	<u>1,481,326.05</u>	<u>1,167,628.47</u>
<b>SCHEDULE "I"-MISCELLAENEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary expenses	49,488.00	74,232.00
Less:- Amount written off during the year	<u>24,744.00</u>	<u>24,744.00</u>
	<u>24,744.00</u>	<u>49,488.00</u>
<b>SCHEDULE "J": PERSONNEL EXPENSES</b>		
Salaries	1,696,014.00	1,979,197.00
Conveyance Allowance	93,840.00	111,000.00
House Rent Allowance	542,010.00	709,700.00
Medical Allowance	54,000.00	141,600.00
Other Allowance	8,000.00	0.00
Staff Welfare Expenses(office)	49,100.00	83,745.00
Staff Welfare Expenses(others)	2,172.22	0.00
	<u>2,445,136.22</u>	<u>3,025,242.00</u>

Accounts of  
Subsidiary Company - **BRAND REALTY PRIVATE LIMITED**

SCHEDULE "K": ADMINISTRATIVE & GENERAL EXPENSES	CURRENT YEAR	PREV. YEAR
Advertisement	848,691.00	1,745,736.00
Books & Periodicals	16,046.81	6,545.00
Business Promotion Expenses	90,343.37	46,931.05
Computer Software & Maint. Exp	285,970.80	191,150.00
Conveyance Reimbursement	14,838.00	84,861.00
Course & Study	544.00	33,500.00
Diwali Exp	79,994.00	64,872.00
Electricity & DG Exp	313,349.00	388,663.00
Legal Expenses	24,279.00	42,118.00
Office Maint & Stamp Papers	543,368.00	615,219.70
Printing & Stationery	53,246.00	199,744.50
Postage & Courier Expenses	8,107.00	34,817.00
Recruitment Exp	10,520.00	16,000.00
Rent	1,572,200.00	1,800,000.00
Telephone Exp	281,171.69	417,596.69
Training Exp	538,762.00	0.00
Travelling Expenses	5,046.00	140,088.00
Uniform A/c	58,497.00	18,950.00
<b>Auditors Remuneration</b>		
Audit Fees	9,000.00	9,000.00
Taxation Matters	17,000.00	17,000.00
Miscellaneous expenditure written off during the year	24,744.00	24,744.00
	<b><u>4,795,717.67</u></b>	<b><u>5,897,535.94</u></b>
<b>SCHEDULE (L): INTEREST &amp; FINANCE CHARGES</b>		
Interest paid -to banks	108,329.00	37,538.00
-to others	5,015.00	993.00
Bank charges	57,652.71	88,721.97
	<b><u>170,996.71</u></b>	<b><u>127,252.97</u></b>

**Accounts of  
Subsidiary Company - BRAND REALTY PRIVATE LIMITED**

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**SCHEDULE M: ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**I. ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION ON FINANCIAL STATEMENTS:**

- i) The financial statements have been prepared under the historical cost convention basis and generally accepted accounting principles and the Accounting Standards referred under section 211(3C) of Companies Act, 1956 and disclosures made in accordance with the requirements of schedule VI of the Companies Act, 1956.
- ii) The accounting policies not specifically referred to otherwise, are consistent with the generally accepted accounting policies.

**2. FIXED ASSETS AND DEPRECIATION :**

- i) Fixed Assets are stated at cost less accumulated depreciation.
- ii) Depreciation on fixed assets has been charged on straight line basis as per the rates prescribed in Schedule XIV of the Companies Act, 1956.
- iii) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.

**3. FOREIGN EXCHANGE TRANSACTION : N.A.**

**4. BASIS OF ACCOUNTING :** All income and expenditure items having material bearing in the financial statements are recognised on accrual basis.

**5. EMPLOYEES RETIREMENT BENEFITS:** Not applicable

**6. PRELIMINARY EXPENSES :** The Company amortises Miscellaneous Expenditure representing Preliminary Expenditure over a period of 5 years.

**7. INVESTMENTS :** Investments in shares are Long Term Investments and valued at cost basis unless there is a permanent fall in the value thereof.

**8. STOCK IN TRADE :** There is a property in Stock-in Trade and the same is valued at lower of cost or net realisable value.

**9. SEGMENT REPORTING**

The segments of the company have been identified in line with the Accounting Standard on segment reporting (AS17) taking into account the organisation structure as well as the differential risks and returns of these segments. The company's reportable operating segments consist of the following business group :

\* Training Course

Segment revenues, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments which are not directly identifiable.

**10. IMPAIRMENT OF FIXED ASSETS**

An assets 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 assets 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.

**11. EARNING PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**12. TAXATION :**

Tax expense for the period, comprising current tax and deferred tax is included in determining the net Profit/(Loss) for the year. Current tax is determined on the basis of tax liability on the total income computed under the provision of Income Tax Act, 1961, or tax for the year. Deferred Tax is recognised as timing difference. Deferred Tax charges is recognised by using current tax rate. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to extent there is reasonable certainty of realisation of a such assets. Such assets are reviewed at each Balance Sheet to reassess realisation.

**II. NOTES TO ACCOUNTS**

**1. Contingent Liability not provided for:-**

- a) Bill discounted with the Bank Rs.: - Nil
- b) Bank guaranty outstanding as on 31-03-2009 Rs.- NIL

**2. a) The balance of some accounts in Loan & Advances recoverable in cash or in kind, Share Application Money (Pending Allotment) Debtors, Creditors & Current Liabilities are subject to reconciliation/confirmation and have been shown as per values appearing in the books of accounts as good for recovery/payment unless specifically provided for.**

- b) In the opinion of the board the Current Asset and Loans & Advances would be, in the ordinary courses of business realize not less than the value stated in the balance sheet.

**3. The company has converted the property at Tradex Tower, Greater Noida of Rs.24,46,087.50 from Investments to stock in trade.**

**Accounts of  
Subsidiary Company - BRAND REALTY PRIVATE LIMITED**

<b>4. Auditors Remuneration :</b>	<b>CURRT. YEAR</b>	<b>PREV. YEAR</b>
Statutory Audit Fee & Audit Fees	9,000.00	9,000.00
Taxation Matters Fees	<u>17,000.00</u>	<u>17,000.00</u>
Total	<u>26,000.00</u>	<u>26,000.00</u>
Director's Remuneration	N.A	N.A

5. Previous year figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to current year.

**6. Deferred Tax (Assets)/Liabilities**

- a) The company is liable to regular tax and the provision of income tax of Rs. 5,80,839/- has been made out of current profit. Provision has also been done for the Deferred Tax Assets net of Deferred Tax Liabilities amounting to a sum of Rs.17,483/- out of current year profit.
- b) The Composition of timing difference of Deferred Tax Assets/(Liabilities) is as under :

- On account of brought forward losses		
- On account of timing difference of current year depreciation		199,310.00
<b>Total Deferred Tax Assets / Liability</b>		<b>(199,310.00)</b>

<b>7. Earning per share: Calculation of basic &amp; diluted earning (In rupees per share)</b>	<b>Current Year</b>	<b>Prev. Year</b>
No. of Equity shares outstanding at the end of year	1,500,600	1500600
Weighted average number of equity shares outstanding during the year	1,500,600	1500600
Net Profit after tax available for eq. share holder	230,168.38	2819150
Basic & diluted earning (in Rs.) per share	0.15	1.88

8. As per Accounting Standard 18 issued by the ICAI the Companies/related parties and transaction with them are disclosed below:

**Transactions with Related Parties**

S.No.	Name of Parties	Relation	Nature of Transaction	Vol. of transaction	Amt.o/s as on 31-03-2009
a.	Sh.Kamal Manchanda	Director	Adv.recd.for purchase of properties	250,000.00	0.00
b.	Smt.Aruna Manchanda	Director	Adv.recd.for purchase of properties	250,000.00	0.00
c.	Brand Realty Services Ltd	Holding company	Int.Corporate loan taken	12,704,442.00	994,619.00
d.	Brand Realty Services Ltd	Holding company	Rent Paid	765,000.00	0.00
e.	Tradewell Portfolios Pvt.Ltd	Co.under same group	Adv.recd.for purchase of properties	14,441,500.00	0.00

9. Segment Revenues, Results and Capital Employed	Amount in Rupees		
Particulars	Real Estate Business	Others	Totals
<b>Segment Revenue</b>			
<b>Segment Results</b>			
Profit/(Loss)before Tax & Interest	1387522.09	(175378.00)	1212144.09
Less:Interest expense	170996.71	0.00	170996.71
Profit before Taxation	1216525.38	(175378.00)	1041147.38
<b>Other Liabilities</b>			
Provision for Tax			580839.00
Wealth Tax	0.00	0.00	0.00
Deferred Tax	0.00	0.00	(17483.00)
Fringe Benefit Tax	0.00	0.00	35912.00
Sec.Tran.Tax	0.00	0.00	0.00
Profit after Taxation	1216525.38	(175378.00)	441879.38
Segment Assets	24115529.28	0.00	24115529.28
Segment Liabilities	1485156.05	0.00	1485156.05
Loans	3629092.20	0.00	3629092.20
Depreciation	208420.00	0.00	208420.00

10. Additional information pursuant to the provisions of paragraphs 3 & 4 of part II of Schedule VI of the Companies Act, 1956 is not applicable.

for R.RASTOGI & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board  
BRAND REALTY PVT. LTD.

RAJESH RASTOGI  
(Proprietor)  
M. No.86270

KAMAL MANCHANDA  
(Director)

ARUNA MANCHANDA  
(Director)

Place : Delhi  
Date : 20.08.2009

Accounts of  
Subsidiary Company - **BRAND REALTY PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR YEAR ENDED 31/03/2009**

(Prepared Pursuant to Listing Agreement)

	As at 31st March 2009 (Rupees)	As at 31st March 2008 (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) after Tax & Extraordinary Items	230,168.38	2,819,150.09
<b>Add:-Adjustment for:</b>		
a) Depreciation	208,420.00	220,928.00
b) Deferred Tax Provision	(17,483.00)	95,149.00
c) Current Tax Provision	580,839.00	986,187.00
d) Wealth Tax	0.00	9,461.00
e) Fringe Benefit Tax	35,912.00	62,970.00
f) I.Tax for Previous Years W/Back	3,291.00	12,976.00
	<u>810,979.00</u>	<u>€ 1,387,671.00</u>
	<u>1,041,147.38</u>	<u>4,206,821.09</u>
<b>Less:- Adjustment For</b>		
Long term capital gain sale of shares	0.00	1,350,000.00
Interest received	15,290.00	194,007.00
Short Term Capital Gain on Sale of Properties	(167,163.00)	1,868,796.00
	<u>(151,873.00)</u>	<u>3,412,803.00</u>
<b>Operating Profit/(Loss) before working Capital changes</b>	<u>1,193,020.38</u>	<u>794,018.09</u>
<b>Adjustment for:</b>		
Trade & Other receivable	975,987.13	(2,215,950.13)
Trade Payable	(1,608,798.42)	(5,324,074.35)
Secured Loan	(2,049,722.09)	4,684,195.29
Unsecured Loan	(487,756.00)	1,482,375.00
	<u>(3,170,289.38)</u>	<u>(1,373,454.19)</u>
<b>Cash Generated from Operation</b>	<u>(1,977,269.00)</u>	<u>(579,436.10)</u>
Less: Income Tax/FBT paid of previous year	3,291.00	255,200.00
Security Transaction Tax		
<b>Cash Generated from Operation after Tax (A)</b>	<u>(1,980,560.00)</u>	<u>(834,636.10)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	13,500.00	908,644.00
Purchase of Investments	51,000.00	560,000.00
Purchase of Property	4,086,302.00	15,879,838.00
Purchase of Stock in Trade	2,446,087.50	0.00
Sale of Properties	3,919,139.00	17,748,635.00
Sale of Fixed Assets	913,539.00	0.00
Sale of Investments	2,446,087.50	1,500,000.00
	<u>681,876.00</u>	<u>1,900,153.00</u>
<b>Net Cash Flow from Investing Activities (B)</b>	<u>681,876.00</u>	<u>1,900,153.00</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Received (C)	<u>15,290.00</u>	<u>194,007.00</u>
<b>Cash &amp; Cash Equivalent (Op.Balance)</b>	<u>1,740,383.41</u>	<u>480,859.51</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<u>(1,283,394.00)</u>	<u>1,259,523.90</u>
<b>Cash &amp; Cash Equivalent (Closing Balance)</b>	<u>456,989.41</u>	<u>1,740,383.41</u>

For and on behalf of the Board

Place : Delhi  
Date : 20.08.2009

**KAMAL MANCHANDA**  
(Director)

**ARUNA MANCHANDA**  
(Director)

**AUDITORS CERTIFICATE**

We have verified the above statement with books maintained by Brand Realty Pvt. Ltd. and certify that in our opinion and according to the information and explanations given, the above statement is in accordance there with.

For **R.RASTOGI & CO.**  
CHARTERED ACCOUNTANTS

Place : Delhi  
Date : 20.08.2009

**RAJESH RASTOGI**  
(Proprietor)

M.No. 86270



**CONSOLIDATED FINANCIAL STATEMENTS OF  
BRAND REALTY SERVICES LIMITED AND ITS SUBSIDIARY BRAND REALTY PVT. LTD.**

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**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF  
BRAND REALTY SERVICES LIMITED ON THE CONSOLIDATED  
FINANCIAL STATEMENTS OF BRAND REALTY SERVICES LIMITED AND  
ITS SUBSIDIARY BRAND REALTY PVT. LTD.**

The Board of Directors  
Brand Realty Services Limited

1. We have audited the attached Consolidated Balance Sheet of Brand Realty Services Limited and its subsidiary Brand Realty Pvt. Ltd., as at 31st March 2009, and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Brand Realty Services Limited management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing by accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Brand Realty Services Limited management in accordance with the requirements of Accounting Standards(AS) 21 'Consolidated Financial Statements', and Accounting Standards (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
4. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of Brand Realty Services Limited and its subsidiary Brand Realty Pvt. Ltd.as at 31st March, 2009;
  - (b) in the case of the Consolidated Profit and Loss Account, of the profit of Brand Realty Services Limited and its subsidiary Brand Realty Pvt. Ltd.for the year ended on the date; and
  - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of Brand Realty Services Limited and its subsidiary Brand Realty Pvt. Ltd. for the year ended on that date.

**For R.Rastogi & Co.**  
Chartered Accountant

Place : Delhi  
Dated:20/08/2009

(Rajesh Rastogi)  
Proprietor  
(M.No.86270)

**CONSOLIDATED FINANCIAL STATEMENTS OF  
BRAND REALTY SERVICES LIMITED AND ITS SUBSIDIARY BRAND REALTY PVT. LTD.**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009**

(Amount in Rupees)

PARTICULARS	SCHEDULE	As at 31st March 2009	As at 31st March 2008
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	A	45,050,000.00	45,050,000.00
Reserve & Surplus	B	29,600,366.11	21,593,697.71
<b>LOAN FUNDS</b>			
Secured Loans	C	2,886,315.73	6,723,544.98
Unsecured Loans	D	0.00	5,718,458.00
DEFERRED TAX LIABILITIES	I	131,753.00	126,389.00
<b>TOTAL</b>		<b><u>77,668,434.84</u></b>	<b><u>79,212,089.69</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	E	16,038,726.09	6,473,612.09
Less: Accumulated Depreciation		<u>1,462,802.00</u>	<u>1,326,414.00</u>
Net Block		14,575,924.09	5,147,198.09
<b>INVESTMENTS</b>	F	15,887,055.00	34,016,429.50
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Stock-in-trade	G	17,413,030.47	0.00
Sundry Debtors		6,962,861.00	3,642,157.76
Cash and Banks Balances		5,974,229.92	4,661,615.45
Loans and Advances		<u>23,202,550.68</u>	<u>40,158,039.30</u>
		53,552,672.07	48,461,812.51
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	H	<u>6,371,960.32</u>	<u>8,462,838.41</u>
<b>NET CURRENT ASSETS</b>		47,180,711.75	39,998,974.10
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)		24,744.00	49,488.00
<b>TOTAL</b>		<b><u>77,668,434.84</u></b>	<b><u>79,212,089.69</u></b>
<b>ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>	O		
SCHEDULES A TO I AND O FORM AN INTEGRAL PART OF THE BALANCE SHEET.			

As per our Report of even date attached

for **R.RASTOGI & CO.**  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

**RAJESH RASTOGI**  
(Proprietor)  
(M.No.86270)

**KAMAL MANCHANDA**  
(Director)

**K. L. MANCHANDA**  
(Director)

Place : Delhi

Date : 20/08/2009

**CONSOLIDATED FINANCIAL STATEMENTS OF  
BRAND REALTY SERVICES LIMITED AND ITS SUBSIDIARY BRAND REALTY PVT. LTD.**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009**

(Amount in Rupees)

PARTICULARS	SCHEDULE	2008-2009	2007-2008
<b>INCOME</b>			
Brokerage Received		16,934,407.98	14,995,206.00
Rent Received		1,415,624.00	3,459,840.00
Sales of Shares		0.00	5,567,602.17
Increase/(Decrease) in Stock in Trade	J	0.00	(5,653,762.00)
Capital Gains on Properties		10,806,853.80	2,140,797.00
Profit/(Loss) on Shares Trading		826,988.29	(700,045.37)
Capital Gains on shares		0.00	1,350,000.00
Other Income	K	938,893.55	1,049,497.40
<b>TOTAL</b>		<b><u>30,922,767.62</u></b>	<b><u>22,209,135.20</u></b>
<b>EXPENDITURE</b>			
Purchases		0.00	0.00
Personnel Expenses	L	4,291,680.22	3,675,614.99
Administrative and General Expenses	M	14,226,984.58	11,995,586.52
Interest and Finance Charges	N	204,958.12	569,660.21
<b>TOTAL</b>		<b><u>18,723,622.92</u></b>	<b><u>16,240,861.72</u></b>
<b>PROFIT BEFORE DEPRECIATION</b>		<b>12,199,144.70</b>	<b>5,968,273.48</b>
Less : Depreciation		528,149.00	440,892.00
<b>PROFIT BEFORE TAX</b>		<b>11,670,995.70</b>	<b>5,527,381.48</b>
<b>Less : Tax Expenses</b>			
<b>Current Tax</b>			
Income Tax		3,525,495.00	1,218,546.00
Wealth Tax		0.00	160,547.00
Fringe Benefit Tax		56,875.00	83,148.00
Deferred Tax Charges		5,364.00	(362,194.00)
Less: Securities Transaction Tax		0.00	6,323.00
Less/Add:-Income Tax paid/W/back		76,593.30	14,991.00
<b>PROFIT AFTER TAXATION</b>		<b><u>8,006,668.40</u></b>	<b><u>3,681,632.48</u></b>
<b>APPROPRIATIONS</b>			
TRANSFERRED TO RESERVE FUND (RBI ACT)		0.00	0.00
<b>CARRIED TO BALANCE SHEET</b>		<b><u>8,006,668.40</u></b>	<b><u>3,681,632.48</u></b>

ACCOUNTING POLICIES AND NOTES  
TO ACCOUNTS

O

SCHEDULES J TO N AND O FORM AN INTEGRAL  
PART OF THE PROFIT AND LOSS ACCOUNT

As per our Report of even date attached

for R.RASTOGI & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

RAJESH RASTOGI  
(Proprietor)  
(M.No.86270)

KAMAL MANCHANDA  
(Director)

K. L. MANCHANDA  
(Director)

Place : Delhi  
Date : 20/08/2009

**CONSOLIDATED FINANCIAL STATEMENTS OF  
BRAND REALTY SERVICES LIMITED AND ITS SUBSIDIARY BRAND REALTY PVT. LTD.**

**CONSOLIDATED SCHEDULE TO THE ACCOUNTS**

	As at 31st March 2009 (Rupees)	As at 31st March 2008 (Rupees)
<b>SCHEDULE- A : SHARE CAPITAL</b>		
<b>Authorised</b>		
90,00,000 Equity shares of Rs. 10 each (Previous year 90,00,000 Equity Shares of Rs. 10 each)	90,000,000.00	90,000,000.00
<b>Issued, Subscribed and Paid Up</b>		
45,05,000 Shares of Rs. 10 each fully paid up (Previous year 45,04,400 Equity Shares of Rs. 10 each)	45,050,000.00	45,050,000.00
<b>SCHEDULE- B: RESERVES &amp; SURPLUS</b>		
<b>Reserve Fund (Under RBI Act)</b>		
Balance as per last Balance Sheet	3,433,083.00	889,798.00
Balance carried forward	3,433,083.00	3,433,083.00
<b>Profit &amp; Loss Account</b>		
Balance as per last Balance Sheet	18,160,614.71	14,478,982.23
Add: Balance Profit for the year	8,006,668.40	3,681,632.48
Balance carried forward	26,167,283.11	18,160,614.71
<b>TOTAL RESERVES AND SURPLUS</b>	<b>29,600,366.11</b>	<b>21,593,697.71</b>
<b>SCHEDULE- C: SECURED LOANS</b>		
OD with HDFC Bank/SBBJ	2,886,315.73	6,723,544.98
	<b>2,886,315.73</b>	<b>6,723,544.98</b>
<b>SCHEDULE- D: UNSECURED LOANS</b>		
Intercorporate Loan	0.00	5,718,458.00

**SCHEDULE- E: FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION BLOCK				NET BLOCK	
	As at 31.03.2008	Addition during yr.	Deduction during yr.	As at 31.03.2009	As at 31.03.2008	Addition during yr.	Deduction during yr.	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land	369079.00	0.00	0.00	369079.00	0.00	0.00	0.00	0.00	369079.00	369079.00
Building	0.00	10310556.00	0.00	10310556.00	0.00	61503.00	0.00	61503.00	10249053.00	0.00
Car	1696209.00	0.00	0.00	1696209.00	581873.00	161140.00	0.00	743013.00	953196.00	1114336.00
Office Equipments	592015.09	308387.00	350000.00	550402.09	69664.00	17510.00	29786.00	57388.00	493014.09	522351.09
Computers	1320763.00	629152.00	937256.00	1012659.00	448976.00	156135.00	308104.00	297007.00	715652.00	871787.00
AC	308095.00	13500.00	321595.00	0.00	25892.00	11316.00	37208.00	0.00	0.00	282203.00
EPBX	180480.00	0.00	0.00	180480.00	14094.00	8572.00	0.00	22666.00	157814.00	166386.00
Fire Extn	35682.00	0.00	0.00	35682.00	3498.00	1695.00	0.00	5193.00	30489.00	32184.00
Refrigrator	15700.00	0.00	0.00	15700.00	548.00	746.00	0.00	1294.00	14406.00	15152.00
Projector & TV	363875.00	0.00	0.00	363875.00	32276.00	17284.00	0.00	49560.00	314315.00	331599.00
Water Filter	10000.00	0.00	0.00	10000.00	1007.00	475.00	0.00	1482.00	8518.00	8993.00
Furniture & Fixt.	1581714.00	62370.00	150000.00	1494084.00	148586.00	91773.00	16663.00	223696.00	1270388.00	1433128.00
<b>Current Year</b>	<b>6473612.09</b>	<b>11323965.00</b>	<b>1758851.00</b>	<b>16038726.09</b>	<b>1326414.00</b>	<b>528149.00</b>	<b>391761.00</b>	<b>1462802.00</b>	<b>14575924.09</b>	<b>5147198.09</b>
Previous Year	4891651.00	1626151.09	44190.00	6473612.09	901614.00	440892.00	16092.00	1326414.00	5147198.09	3990037.00

**CONSOLIDATED FINANCIAL STATEMENTS OF  
BRAND REALTY SERVICES LIMITED AND ITS SUBSIDIARY BRAND REALTY PVT. LTD.**

SCHEDULE (F) : INVESTMENTS			(Amount in Rupees)	
LONG TERM INVESTMENTS			As at 31st March, 2009	As at 31st March, 2008
(Valud at Cost)				
Name of Company	Face Value	No. of Shares	Amount	Amount
<b>A) INVESTMENT IN SHARES(Unquoted):</b>				
i) <b>In Subsidiary company</b>				
Brand Realty Pvt.Ltd (inclusive of Share Transfer Stamps Rs. 20,055)	10.00	1,500,600	15,026,055.00	15,026,055.00
ii) <b>Others</b>				
Indura Finlease (P) Ltd	10.00	7,500	75,000.00	75,000.00
Tradexpan India(P) Ltd	10.00	5,000	50,000.00	50,000.00
Tradexpan India(P) Ltd	100.00	250	25,000.00	25,000.00
SRJAN Technologies Pvt.Ltd	10.00	1,000	10,000.00	10,000.00
Sugam Finvest (P) Ltd	10.00	5,000	50,000.00	50,000.00
Brand Realty Chandigarh P.Ltd	100.00	510	51,000.00	0.00
Centerpoint Hospitality Mang.P.Ltd	10.00	60,000	600,000.00	40,000.00
United Masonary Pvt.Ltd	10.00	24,000	0.00	240,000.00
Total			<u>15,887,055.00</u>	<u>16,076,055.00</u>
<b>B) INVESTMENT IN PROPERTIES</b>			0.00	<u>17,940,374.50</u>
<b>TOTAL (A+B)</b>			<u>15,887,055.00</u>	<u>34,016,429.50</u>
<b>SCHEDULE (G): CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
<b>STOCK IN TRADE</b>				
(Valued at lower of cost or net realisable value)			17413030.47	0.00
			<u>17,413,030.47</u>	<u>0.00</u>
<b>SUNDRY DEBTORS</b>				
(Unsecured, considered goods)				
Debts outstanding for a period exceeding six months			5,083,560.00	39,179.00
Others			1,879,301.00	3,602,978.76
			<u>6,962,861.00</u>	<u>3,642,157.76</u>
<b>CASH AND BANKS BALANCES</b>				
Cash in Hand			371,611.69	517,870.53
Balance with Scheduled Banks				
Current Accounts			2,735,529.41	1,495,219.15
Fixed Deposits(including interest accrued)			2,867,088.82	2,648,525.77
			<u>5,974,229.92</u>	<u>4,661,615.45</u>
<b>LOANS AND ADVANCES</b>				
(Unsecured and considered goods)				
Security Deposits			1,051,352.50	1,136,062.50
Advance Income Tax &TDS			4,294,802.17	2,793,002.44
Advance Fringe BenefitTax			47,586.00	53,820.00
Advances recoverable in cash or in kind for value to be received & considered good			17,343,810.01	35,710,154.36
Application money in shares(pending for allotment)			465,000.00	465,000.00
			<u>23,202,550.68</u>	<u>40,158,039.30</u>
<b>SCHEDULE (H): CURRENT LIABILITIES &amp; PROVISIONS</b>				
<b>I. CURRENT LIABILITIES:</b>				
a) Sundry Creditors			79,274.00	45,600.00
b) Earnest Money & security Deposits			1,659,889.00	6,676,524.00
Total - I			<u>1,739,163.00</u>	<u>6,722,124.00</u>
<b>II. PROVISIONS:</b>				
a) For Income Tax			3,525,495.00	1,218,546.00
b) For Wealth Tax			0.00	160,547.00
c) For Fringe Benefit Tax			56,875.00	83,148.00
d) Services Tax Payable			1,636.00	58,680.28
e) For Expenses			1,048,791.32	219,793.13
Total - II			<u>4,632,797.32</u>	<u>1,740,714.41</u>
Total (I+II)			<u>6,371,960.32</u>	<u>8,462,838.41</u>
<b>SCHEDULE (I): DEFERRED TAX ASSETS</b>				
<b>Deferred Tax Assets</b>				
Brought forward & current year Business Loss			576,682.00	216,314.00
<b>Deferred Tax Liability</b>				
Unabsorbed depreciation and current year deprciation			708,435.00	342,703.00
<b>Deferred Tax Assets/(Liability)(Net)</b>			<u>(131,753.00)</u>	<u>(126,389.00)</u>

**CONSOLIDATED FINANCIAL STATEMENTS OF  
BRAND REALTY SERVICES LIMITED AND ITS SUBSIDIARY BRAND REALTY PVT. LTD.**

	As at 31st March 2009	As at 31st March 2008
<b>SCHEDULE (J): INCREASE/(DECREASE)</b>		
Closing Stock	0.00	0.00
Less : Opening Stock	0.00	5,653,762.00
	<u>0.00</u>	<u>(5,653,762.00)</u>
<b>SCHEDULE (K) OTHER INCOME</b>		
Interest Recvd-on FDR from Bank	278,659.55	440,010.40
Dividend (non trade)	4,340.00	600,000.00
Dividend (tradable)	0.00	9,487.00
License Fees	307,800.00	0.00
Training Fees	348,094.00	0.00
	<u>938,893.55</u>	<u>1,049,497.40</u>
<b>SCHEDULE (L) : PERSONNEL EXPENSES</b>		
Salaries & Allowances	2,948,785.00	3,066,419.00
Directors Remuneration	144,000.00	144,000.00
Staff Welfare Exp	80,895.22	90,445.99
Gratuity	4,500.00	77,350.00
Medical Reimbursement	76,000.00	171,200.00
Conveyance Allowance	154,240.00	126,200.00
House Rent Allowance	883,260.00	0.00
	<u>4,291,680.22</u>	<u>3,675,614.99</u>
<b>SCHEDULE (M) : ADMINISTRATIVE &amp; GENERAL EXPENSES</b>		
Conv-Reimbursement	27,753.00	117,163.00
Printing & Stationery	121,935.00	229,731.47
Office Maintenance Expenses	916,133.52	911,450.70
Vehicle Maintenance	4,798.00	27,588.00
Advertisement	1,097,334.00	1,772,961.00
Travelling Exp	5,046.00	140,088.00
Brokerage/Commission paid	8,182,981.00	5,474,455.00
Loss on Sale of Assets	0.00	13,098.00
Insurance	26,292.00	27,699.00
Telephone, Telex etc.	386,559.08	438,720.50
Rent	1,614,200.00	1,842,000.00
Share Transfer Agent	18,000.00	20,224.80
Business Promotion Exp.	103,043.37	55,771.05
Listing Fees	8,000.00	10,000.00
ROC Filling Fees	10,489.00	13,500.00
Legal Exp	88,889.00	54,901.00
Annual Custodian Fees	35,350.00	8,989.00
Auditor's Fees	52,000.00	52,000.00
Book & Periodicals	16,046.81	6,545.00
Computer Repairs & Maint	309,822.80	98,520.00
Course & Study	544.00	33,500.00
Diwali Exp	79,994.00	64,872.00
Electricity & DG Exp	447,700.00	388,663.00
Postage & Courier Exp	8,107.00	34,817.00
Software Exp	16,707.00	92,630.00
STT on F/O	15,737.00	0.00
Training Expenses	538,762.00	0.00
Recruitment Exp	10,520.00	16,000.00
Uniform	58,497.00	18,950.00
Miscl Exp W/off	24,744.00	24,744.00
AGM Expenses	1,000.00	6,005.00
	<u>14,226,984.58</u>	<u>11,995,586.52</u>
<b>SCHEDULE (N): INTEREST &amp; FINANCE CHARGES</b>		
Interest paid -to banks	135,674.72	87,278.48
-to others	5,098.00	390,394.00
Bank charges	64,185.40	91,987.73
	<u>204,958.12</u>	<u>569,660.21</u>

**CONSOLIDATED FINANCIAL STATEMENTS OF  
BRAND REALTY SERVICES LIMITED AND ITS SUBSIDIARY BRAND REALTY PVT. LTD.**

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**SCHEDULE "O": CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**I SIGNIFICANT ACCOUNTING POLICIES:**

**a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

- i) The consolidated financial statement of the company & its subsidiary have been combined a line by line basis by adding together the book values of like items of assets, liabilities, income & expenditures, after fully eliminating intra group balances & intra group transactions resulting in unrealised profit or losses.
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company separate financial statement.

**b) FIXED ASSETS AND DEPRECIATION:**

- i) Fixed assets are stated at cost less accumulated depreciation.
- ii) Depreciation on fixed assets has been charged on straight line basis as per the rates prescribed in Schedule XIV of the Companies Act, 1956.
- iii) **Land:** The company had purchased a residential plot in NOIDA. The matter is in dispute regarding ownership and allotment. The company is taking suitable legal action for this. The amount had been shown as fixed assets in the Balance Sheet.

**c) FOREIGN EXCHANGE TRANSACTION: N. A.**

**d) BASIS OF ACCOUNTING:**

Revenues/Incomes and Cost/Expenditures are being accounting on accrual basis, as they are earned or incurred, Expenditures have been disclosed net of Service Tax which are Modvatable.

- e) EMPLOYEES RETIREMENT BENEFITS :** Liability on account of retirement benefits such as provident fund are not applicable, however the gratuity is accrued on actuarial valuation basis and charged to Profit and Loss account during the year.

**f) PRELIMINARY EXPENSES AND PUBLIC ISSUE EXPENSES: N.A.**

- g) INVESTMENTS :** Investments in Shares are long term investments and valued at cost basis unless there is a permanent fall in the values thereof.

- h) STOCK IN TRADE :** Closing stock of properties have been valued at lower of cost or net reliable value.

**i) SEGMENT REPORTING**

The segments of the company have been identified in line with the Accounting Standard on segment reporting(AS17) taking into account the organisation structure as well as the differential risks and returns of these segments.

The company's reportable operating segments consist of the following business group

\* Shares sale purchase business and Training course.

Segment revenues, results and capital employed include the respective amounts identifiable to each of the segments.

Other unallocable expenditure includes expenses incurred on common services provided to the segments which are not directly identifiable.

**j) IMPAIRMENT OF FIXED ASSETS**

An assets 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 assets 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.

**k) EARNING PER SHARE**

Basic earnings per share calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**l) TAXATION :**

Tax expense for the period, comprising current tax and deferred tax is included in determining the net Profit/(Loss) for the year. Current tax is determined on the basis of tax liability on the total income computed under the provision of Income Tax Act, 1961, or tax for the year. Deferred Tax is recognised as timing difference. Deferred Tax charges is recognised by using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to extent there is reasonable certainty of realisation of a such assets. Such assets are reviewed at each Balance Sheet to reassess realisation.

**CONSOLIDATED FINANCIAL STATEMENTS OF  
BRAND REALTY SERVICES LIMITED AND ITS SUBSIDIARY BRAND REALTY PVT. LTD.**

**II. NOTES TO ACCOUNTS:**

1. Contingent Liability not provided for:-
  - a) Bill discounted with the Bank Rs.: - Nil
  - b) Bank guaranty outstanding as on 31-03-2009 Rs.- NIL
2. a) The balance of some accounts in Loan & Advances recoverable in cash or in kind, Share application money (pending for allotment) Debtors, Creditors & Current Liabilities are subject to reconciliation/confirmation and have been shown as per values appearing in the books of accounts as good for recovery/payment unless specifically provided for.  
 b) In the opinion of the board the Current Asset and Loans & Advances would be, in the ordinary courses of business realize not less than the value stated in the balance sheet.
3. The company had invested Rs.465,000/- with Sahil and Elite Stock Broking Pvt.Ltd - for share allotment money in the year 1997-98 but the shares were not allotted till date and amount shown under the share application money (Pending for allotment). There has been no business done in the Company for last many years.
4. The Company has converted its properties of Sahara Mall, Gurgaon from Investment to Fixed Assets amount to Rs.56,48,300/-. Similarly from Investment to Stock in Trade Rs.6865274.50 & from Loans & Advances to Stock in Trade Rs.80,37,596/-

	31-03-2009 (Rupees)	31-03-2008 (Rupees)
5. a) Auditors Remuneration:		
Statutory Audit Fee & Tax Auditi Fees	18,000.00	18,000.00
Taxation Matters Fees	<u>34,000.00</u>	<u>34,000.00</u>
	<u>52,000.00</u>	<u>52,000.00</u>
b) Directors Remuneration : Salary	<u>144,000.00</u>	<u>144,000.00</u>

6. Previous year figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to current year.
7. Deferred Tax Liabilities / (Assets)
  - a) The company is liable to regular tax and the provision of income tax of Rs. 35,25,495/- has been made out of current profit. Provision has also been done for the Deferred Tax Liability net of Deferred Tax Assets amounting to a sum of Rs.5364/- out of current year profit.
  - b) The Composition of timing difference of Deferred Tax liabilities/(Assets) is as under :
 

- On account of brought forward losses	576,682.00
- On account of timing difference related to unabsorbed depreciation & Current Year depreciation	(708,435.00)
<b>Total Deferred Tax (Liability) Assets</b>	<b><u>(131,753.00)</u></b>
8. As per Accounting Standard 18 issued by the ICAI the Companies/related parties and transaction with them are disclosed below:

**Related Parties**

Key Management Personnel (a)	Relative to Key Management Personnel (b)	Enterprises over which (a) and (b) have significant influence (c)
Sh Kamal Manchanda		Brand Realty Private Limited
Smt Aruna Manchanda		(Subsidiary Company)
Sh K L Manchanda		Tradewell Portfolios Private Limited

**Transactions with Related Parties**

S.No.	Name of Parties	Nature of Transaction	Volume of transaction	Amt.o/s as on 31-03-09 (Amount (Rs.))
a.	Sh.Kamal Manchanda	Adv.recd.for purchase of properties	250,000.00	0.00
b.	Smt.Aruna Manchanda	Adv.recd.for purchase of properties	250,000.00	0.00
c.	Sh.K.L.Manchanda	Advance received for shares purchase	80,000.00	0.00
d.	Tradewell Portfolios Pvt.Ltd	Advance received against sale of property	26,677,583.00	0.00



**CONSOLIDATED FINANCIAL STATEMENTS OF  
BRAND REALTY SERVICES LIMITED AND ITS SUBSIDIARY BRAND REALTY PVT. LTD.**

9. There are no outstanding dues in respect of small scale industrial undertakings as defined under clause (j) of section 3 of Industrial (Development and Regulation) Act, 1951 ( Previous year NIL).
10. The property number S-110 Sahara Mall, M.G. Road, Gurgaon is Mortgaged with SBBJ, Noida against the OD Limit sanctioned to Brand Realty Private Limited (Subsidiary company).

11. Earning per share: Calculation of basic & diluted earning (In rupees per share)

	Current Year	Prev. Year
No. of Equity shares outstanding at the end of year	4,505,000	4,505,500
Weighted avg. number of e.sh. outstanding during the year (In rupees per share)	4,505,000	4,505,500
Net Profit after tax available for eq. shareholder	8,006,668.40	3,681,632.48
Basic & diluted earning (in Rs.) per share	1.78	0.82

12. Segment Revenues, Results and Capital Employed

Particulars	Share Trading	Others	Amount in Rupees Totals
<b>Segment Revenue</b>			
<b>Segment Results</b>			
Profit/(Loss) before Tax & Interest	10638220.98	1765881.84	12404102.82
Less: Interest expense	204958.12	0.00	204958.12
Profit before Taxation	10433262.86	1765881.84	12199144.70
<b>Other Liabilities</b>			
Provision for Tax	0.00	0.00	3525495.00
Wealth Tax	0.00	0.00	0.00
Deferred Tax	0.00	0.00	5364.00
Fringe Benefit Tax	0.00	0.00	56875.00
Sec. Tran. Tax	0.00	0.00	0.00
Profit after Taxation	10433262.86	1765881.84	8611410.70
Segment Assets	84040395.16	0.00	84040395.16
Segment Liabilities	6371960.32	0.00	6371960.32
Loans	2886315.73	0.00	2886315.73
Depreciation	528149.00	0.00	528149.00

13. Additional information pursuant to clause 3 & 4 of part II of Schedule VI to the Companies Act, 1956.

i. Particulars of Trading Stocks	Current Year	Prev. Year	Current Year	Prev. Year
	Quantity in Nos		Amount in Rs.	
Op. Stock	0	526926	0.00	5653762.00
Purchase/Adjustment	11	0	14966942.97	0.00
Sales	0	526926	0.00	5653762.00
Closing Stock	11	0	14966942.97	0.00
ii. CIF value of Imports	N.A	N.A	N.A	N.A
iii. Expenditure in foreign currency	N.A	N.A	N.A	N.A
iv. Income in foreign currency	N.A	N.A	N.A	N.A

for R.RASTOGI & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

RAJESH RASTOGI  
(Proprietor)  
M.No. 86270

KAMAL MANCHANDA  
(Director)

K. L. MANCHANDA  
(Director)

Place : Delhi  
Date : 20.08.2009

**CONSOLIDATED FINANCIAL STATEMENTS OF  
BRAND REALTY SERVICES LIMITED AND ITS SUBSIDIARY BRAND REALTY PVT. LTD.**

**CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31/03/2009**

(Prepared Pursuant to Listing Agreement)

	As at 31st March 2009 (Rupees)	As at 31st March 2008 (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) after Tax &		
Extraordinary Items	8,006,668.40	3,681,632.48
<b>Add:-Adjustment for:</b>		
a) Depreciation	528,149.00	440,892.00
b) Loss on sale of Office Equipment/Car	0.00	13,098.00
c) Deferred Tax Provision	5,364.00	362,194.00
d) Current Tax Provision	3,525,495.00	1,218,546.00
e) Wealth Tax	0.00	160,547.00
f) Fringe Benefit Tax	56,875.00	83,148.00
g) Security Transaction Tax	0.00	6,323.00
i) I.Tax for Previous Years W/Back	76,593.30	12,976.00
	<u>4,192,476.30</u>	<u>12,976.00</u>
	12,199,144.70	5,979,356.48
<b>Less:- Adjustment For</b>		
Long term capital gain sale of shares	0.00	1,350,000.00
Interest received	278,659.55	440,010.40
Short Term Capital Gain on Sale of Properties	10,806,853.80	2,140,796.00
	<u>11,085,513.35</u>	<u>3,930,806.40</u>
<b>Operating Profit/(Loss) before working Capital changes</b>	1,113,631.35	2,048,550.08
<b>Adjustment for:</b>		
Trade & Other receivable	13,664,893.38	(3,778,709.95)
Inventories	(17,413,030.47)	5,653,762.00
Trade Payable	(5,678,612.09)	(3,764,921.69)
Secured Loan	(3,837,229.25)	6,470,374.98
Unsecured Loan	(5,718,458.00)	5,718,458.00
	<u>(18,982,436.43)</u>	<u>10,298,963.34</u>
<b>Cash generated from operation</b>	(17,868,805.08)	12,347,513.42
Less: Income Tax/FBT paid of previous year	76,593.30	3,944,919.00
Security Transaction Tax	0.00	6,323.00
<b>Cash generated from operation after tax (A)</b>	<u>(17,945,398.38)</u>	<u>8,396,271.42</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	11,323,965.00	1,626,151.09
Purchase of Investments	0.00	8,586,055.00
Purchase of Property	17,174,950.10	18,869,838.00
Sale of Fixed Assets	1,367,090.00	15,000.00
Sale of Properties	27,981,803.90	19,748,635.00
Sale of Investments	18,129,374.50	1,500,000.00
	<u>18,979,353.30</u>	<u>(7,818,409.09)</u>
<b>Net Cash Flow from Investing Activities (B)</b>	<u>18,979,353.30</u>	<u>(7,818,409.09)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Received (C)	<u>278,659.55</u>	<u>440,010.40</u>
<b>Cash &amp; Cash Equivalent (Op.Balance)</b>	4,661,615.45	3,643,742.72
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	1,312,614.47	1,017,872.73
<b>Cash &amp; Cash Equivalent (Closing Balance)</b>	<u>5,974,229.92</u>	<u>4,661,615.45</u>

For and on behalf of the Board

Place : Delhi  
Date : 20.08.2009

**KAMAL MANCHANDA**  
(Director)

**K. L. MANCHANDA**  
(Director)

**AUDITORS CERTIFICATE**

We have verified the above consolidated statement with books maintained by Brand Realty Services Ltd and its subsidiary Brand Realty Pvt. Ltd and certify that in our opinion and according to the information and explanations given, the above statement is in accordance there with.

For **R.RASTOGI & CO.**  
CHARTERED ACCOUNTANTS

Place : Delhi  
Date : 20.08.2009

**RAJESH RASTOGI**  
(Proprietor)  
M.No.86270

# BRAND REALTY SERVICES LIMITED

## CONSOLIDATED BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### Registration Details

Registration No.: 64237 State Code 55  
Balance Sheet Date 31-03-2009

### Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

### Position of Mobilisation and deployment of Funds (Amount in Rs. Thousand)

#### Source of Funds

Total Liability	45,050	Total Assets	45,050
Paid-up Capital	45,050	Reserve & Surplus	29,600
Secured Loan	2,886	Unsecured Loans	0
Deferred Tax Liability	132		

#### Application of funds

Net Fixed Assets	14,576	Investments	15,887
Net Current Assets	47,181	Miscl. Expenditure	25
		Deferred Tax Assets	

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

Total Income	30,923	Total Expenditure	19,252
Profit/(Loss) before Tax	11,671	Profit/(Loss) after Tax	8,007
Earning per Share(Rs.)	1.78	Dividend rate %	NIL

### Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item No.:	N/A
Product/Service Description	1) Properties Sale / Purchase
Product	2) Investment
Description	3) Consultancy

As per our Audit Report of even date attached

for R.RASTOGI & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

RAJESH RASTOGI  
(Proprietor)  
M.No. 86270

KAMAL MANCHANDA  
(Director)

K. L. MANCHANDA  
(Director)

Place : Delhi  
Date : 20.08.2009

**BRAND REALTY SERVICES LIMITED**

(To be handed over at the entrance of the Registered Office)

**REGD. OFFICE : S-8 & S-2, DDA Shopping Complex, Opp. Pocket-1, Mayur Vihar Phase-I, Delhi-110 091**

I hereby record my presence at the Fifteenth Annual General Meeting of the BRAND REALTY SERVICES LIMITED to be held on on Wednesday, 30<sup>th</sup> day of September, 2009 at 9.00 A.M.at the Registered office of the Company : S 8 & S2, DDA Shopping Complex, Opp. Pocket 1, Mayur Vihar, Phase-I, Delhi-110091.

I am proxy for shareholders

Member's/Proxy Signature

(To be signed at the time of handling over the slip)

✂..... TEAR HERE .....✂

**BRAND REALTY SERVICES LIMITED**

(To be handed over at the entrance of the Registered Office)

**REGD. OFFICE : S-8 & S-2, DDA Shopping Complex, Opp. Pocket-1, Mayur Vihar Phase-I, Delhi-110 091**

**PROXY FORM**

I/We .....  
of .....  
..... being a member/members of above named Company hereby appoint  
..... of .....  
in the district of .....  
as my/our .....  
proxy to attend and vote for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held on on Wednesday, 30<sup>th</sup> day of September, 2009 at 9.00 A.M.at the Registered office of the Company : S 8 & S2, DDA Shopping Complex, Opp. Pocket 1, Mayur Vihar, Phase-I, Delhi-110091.

Name .....  
Folio No. ....  
Address .....  
.....  
.....

Affix a  
Re.1  
Revenue  
Stamp

**Note:**

- 1. The proxy need NOT be a member.
- 2. The Proxy Form, duly signed across a revenue stamp of One Rupee as indicated, should reach the Company's Registered Office at least 48 hours before the time of the meeting.
- 3. The Proxy form should be filled in completely including 'Folio No.' and 'Address'.

## **BOOK-POST BY UPC**

*If Undelivered please return to :*

**BRAND REALTY**

**BRAND REALTY SERVICES LIMITED**

(FORMERLY SAHIL FINANCIAL SERVICES LIMITED)

S-8 & S-2, DDA Shopping Complex, Opp. Pocket-1

Mayur Vihar, Phase-I, Delhi-110 091