

**BHAGYANAGAR PROPERTIES PRIVATE LIMITED**

**8TH ANNUAL REPORT**

**2013-2014**

For BHAGYANAGAR PROPERTIES PVT. LTD.

NS

X

*[Handwritten Signature]*  
DIRECTOR

**BOARD OF DIRECTORS:**

NARENDER SURANA - DIRECTOR

DEVENDRA SURANA - DIRECTOR

MANISH SURANA - DIRECTOR

**REGISTERED OFFICE:**

5<sup>th</sup> Floor, Surya Towers,  
Sardar Patel Road,  
Secunderabad – 500 003.

**AUDITORS:**

M/s. Sekhar & Co.  
Chartered Accountants  
133/4, R P Road,  
Secunderabad – 500 003.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 8<sup>th</sup> Annual General Meeting of the Members of **BHAGYANAGAR PROPERTIES PRIVATE LIMITED** will be held on Friday, 18<sup>th</sup> July, 2014 at 11.30 A.M. at the Registered Office of the Company at 5<sup>th</sup> Floor, Surya Towers, S P Road, Secunderabad – 500 003 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2014 along with Auditors' Report & Directors' Report thereon
2. To appoint a Director in place of Shri. Narender Surana who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Sekhar & Co., Chartered Accountants, Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

### **SPECIAL BUSINESS:**

4. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to Section 180(1) (c ) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 100 Crores (Rupees Hundred Crores only).”

5. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'the Board', which term shall include its Committee(s) constituted for the purpose) to create mortgages/charges on all or any of the movable and/or immovable properties and assets both present and future or on the whole or

substantially whole of the undertaking or undertakings of the Company exclusively or ranking pari-passu with or second or subordinate to the mortgages/charges. if any, already created or to be created in future by the Company, for any loans and/or advances and/or issue of debentures/ bonds and/or guarantees and/or any financial assistance obligations obtained/undertaken/made or that may be obtained/undertaken/made by the Company and/or any one or of its subsidiary/ group companies both present and that which may be established or acquired by the Company in India or abroad, with power to take over the management, business and undertaking of the Company in certain events of default, on such terms and conditions and at such times and in such form and manner as the Board may deem fit, So that the total outstanding amount at any time so secured shall not exceed the amounts consented by the Company by the Resolution passed at this meeting pursuant to Section 180(1)(c) of the Companies Act, 2013 or upto the higher amount/s as may be so consented by the Company from time to time in future, together with interest thereon, and further interest, costs, charges, expenses, remuneration and other moneys payable in connection therewith and that this consent shall also be the consent of the members under and as contemplated by Section 180(1)(a) and other applicable provisions if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable rules made thereunder;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to and cause to prepare, finalise, approve and execute on behalf of the Company, all documents, deeds, agreements, declarations, undertakings and writings as may be necessary and/or expedient for giving effect to the foregoing resolution and to vary and /or alter the terms and conditions of the security created/to be created as aforesaid as it may deem fit and generally to do and/or cause to do all acts, deeds matters and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

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

  
**NARENDER SURANA**  
**DIRECTOR**

Place : Secunderabad  
Date : 25.06.2014

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend, and, on a poll, to vote instead of himself and such proxy need not be a member.
2. The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES  
ACT, 2013**

Item No. 4

The members of the Company at their Extra-ordinary General Meeting held on 14.06.2006 had approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 100 Crores (Rupees Hundered Crores) and for creation of mortgages/charge/hypothecation on all present and future properties of the Company in favour of lenders upto a limit of Rs. 100 Crores (Rupees Hundered Crores). Section 180 of the Companies Act, 2013 effective from September 12, 2013 requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the company's paid up share capital and free reserves. Further, as per the clarification issued by the Ministry of Corporate Affairs approval granted by the shareholders by way of an ordinary resolution shall be valid for one year from the date Section 180 became effective.


It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 of the Notice. The Board recommends these resolution for approval by the members of the Company. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Item No. 5

In order to secure the borrowings/ financial assistance, the Company may be required to create security by way of mortgage/charge and/or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company. As per section 180(1) (a) of the Act consent of the Company by Special Resolution is required to be obtained by the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. Since mortgaging or charging the movable and/or movable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of section 180(1) (a) of the Act, it is proposed to seek approval of the shareholders for creating such mortgages and/or charges on the assets and properties of the Company both present and future. Hence the resolution at item no. 5 of the accompanying Notice which your Board recommends for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

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

  
**NARENDER SURANA**  
**DIRECTOR**

Place : Secunderabad  
Date : 25.06.2014

## DIRECTOR'S REPORT

To  
The Members

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report and the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2014 together with the Auditors Report thereon.

### FINANCIAL RESULTS:

Your company financial results for the year 2013-14 are given below in summarized format:

| Particulars                          | 2013-14<br>(Rs.)   | 2012-13<br>(Rs.)   |
|--------------------------------------|--------------------|--------------------|
| <b>INCOME</b>                        | -                  | -                  |
| <b>EXPENDITURE</b>                   | 35,548             | 446,468            |
| <b>(Loss)/Profit before Taxation</b> | <b>(35,548)</b>    | <b>(446,468)</b>   |
| Provision for Tax                    | -                  | -                  |
| Profit/(Loss) after taxation         | (35,548)           | (446,468)          |
| Balance B/F from Previous year       | (2,397,262)        | (1,950,794)        |
| <b>Balance C/F to Balance Sheet</b>  | <b>(2,432,810)</b> | <b>(2,397,262)</b> |
| <b>EPS-BASIC &amp; DILUTED</b>       | <b>(0.01)</b>      | <b>(0.11)</b>      |

### OPERATIONS

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

### DIVIDEND:

Your Directors have not recommended for payment of dividend for the financial year 2013-14.

### FIXED DEPOSITS:

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

### DIRECTORS:

Shri Narender Surana, Director of the Company, will retire by rotation at this Annual General Meeting and being eligible, offers himself for reappointment. Further there were no other changes in the Composition of the Board during the year under review

## **AUDITORS:**

M/s. Sekhar & Co., Chartered Accountants, Auditors of the Company retires at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Company is in receipt of confirmation from M/s Sekhar & Co., that in the event of their re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting, such re-appointment will be in accordance with the Section 139 of the Companies Act, 2013.

## **AUDITORS OBSERVATIONS:**

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

## **COMPLIANCE CERTIFICATE:**

In accordance with requirement of Section 383A of the Companies Act, 1956, Certificate from a practicing Company Secretary, certifying that all legal requirements, in respect of the Company for the year ended 31<sup>st</sup> March, 2014 have been complied with.

## **DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:**

In Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i. That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2014 on a 'going concern' basis.

## **PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors ) Rules, 1988, forms part of this Report and is annexed herewith.

**PARTICULARS OF EMPLOYEES:**

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

**ACKNOWLEDGEMENTS:**

The Board desires to place on record its sincere appreciation for the support and co-operation received from the Company's Bankers and Officials of the concerned Government Departments, employees and the members for the confidence reposed by them in the management.

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

Place : Secunderabad  
Date : 28.04.2014

  
**NARENDER SURANA**  
**CHAIRMAN**



## ANNEXURE TO THE DIRECTORS REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors ) Rules, 1988, and forming part of the Directors Report:

### 1. CONSERVATION OF ENERGY:

Energy conservation measures taken: The Company is very careful in using the power to reduce the cost of maintenance and conserve the resources.

Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

Impact of the clause (1) and (2) above for reduction of energy consumption and consequent impact on the production of goods : N.A

### 2. TECHNOLOGY ABSORPTION:

#### FORM B:

(Disclosure of particulars with respect to technology absorption)

#### A. RESEARCH AND DEVELOPMENT (R&D)

|   |   |     |
|---|---|-----|
| Specific areas in which R& D carried out by the Company | : | Nil |
| Benefits derived as a result of the above R& D          | : | Nil |
| Future plan of action                                   | : | Nil |
| Expenditure on R & D                                    | : | Nil |

#### B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION


The Company is making all efforts for improving productivity, product quality and reducing consumption of scarce raw material and fuels.

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

|                         |   |     |
|-------------------------|---|-----|
| Foreign Exchange inflow | : | NIL |
| Foreign Exchange Outgo  | : | NIL |

By Order of the Board  
For BHAGYANAGAR PROPERTIES PRIVATE LIMITED

  
NARENDER SURANA  
CHAIRMAN

Place: Secunderabad  
Date: 28.04.2014



# SEKHAR & CO.

CHARTERED ACCOUNTANTS

**PARTNERS :**

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

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

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

## INDEPENDENT AUDITOR'S REPORT

To The Members of  
Bhagyanagar Properties Private Limited

### Report on the Financial Statements

We have audited the accompanying Financial Statements of **Bhagyanagar Properties Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to

fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.


### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014
- b) in the case of Statement of Profit and Loss, the **LOSS** for the year ended on that date; and
- c) in the case of the Cash Flow Statement the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the 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

  
28/4/2014

- c. the Balance sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Company Affairs in respect of Section 133 of the Companies Act 2013; and
- e. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.



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



*G. Ganesh*  
28/4/2014  
G.GANESH  
PARTNER  
M.NO.211704

Secunderabad  
28<sup>th</sup> April 2014



# SEKHAR & CO.

CHARTERED ACCOUNTANTS

**PARTNERS :**

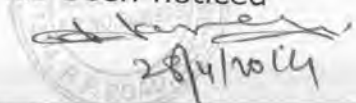
K.C. Devdas, B.Com., F.C.A.

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


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

Annexure referred to in paragraph 1 of our report of even date  
Re: Bhagyanagar Properties Private Limited

- i. a) The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies have been reported on such verification.
- c) No Fixed Assets was disposed of during the year.
- ii. a) The company did not deal with any inventory during the year. Hence we have nothing to report on this clause relating to inventory of the company.
- iii. a) No loans were granted by the Company, to nay of the parties covered in the register maintained under 301 of the Act. Hence we have not reported on the related matters of this clause and sub-clauses b, c and d.
- b) The Company has taken loan from one company covered in the register maintained under section 301 of the Act. The Maximum amount involved is ₹.58,54,14,048 and year end outstanding is ₹. 56,39,24,048.
- c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the company listed in the register maintained under section 301 of the Act, are not, *prima facie*, prejudicial to the interest of the company.
- d) The loan does not carry any interest, there being no specific terms of repayment of principal, we are of the opinion that the company has not defaulted in repayment of principal.
- iv. The Company does not have inventory or has dealt with any goods. Accordingly, clause 4(iv) of the Order with respect to purchase to inventories and sales of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the company and nature of its business for purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the aforesaid internal control system.

  
28/4/2014

- v. a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, there have been no transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year other than unsecured loans taken dealt with in paragraphs 3(b) to 3(d) above.
- vi. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and rules framed thereunder.
- vii. There is no internal audit system. However, the Company has adequate internal control procedure involving checking of its financial records.
- viii. The Central Government of India has not prescribed the of cost records under Section 209(1) (d) of the Act for any of the products of the company.
- ix. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and any other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears as at 31<sup>st</sup> March 2014 for a period more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax custom duty and excise duty which have not been deposited on account of any dispute.
- x. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has incurred a cash loss of ₹.11,213 during the financial year covered by the audit and ₹.4,46,468 in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the Balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

  
28/4/2014

- xiii. The company is not a Chit Fund or a Nidhi Mutual benefit Fund / Society. Therefore the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us the Company is not a Dealer / Trader in Securities.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from banks or financial institutions.
- xvi. The Company has not taken any term loans and therefor the clause 4(xvi) is not applicable to the company.
- xvii. The Company has not raised any funds on short term basis hence the clause 4(xvii) is not applicable to the Company.
- xviii. The Company has not made preferential allotment of shares to companies / firms parties covered in the register maintained under Section 301 of the Act.
- xix. The Company has not issued any debentures or securities on which charge is to be created during the year.
- xx. The Company has not raised any money by through public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Accounting Practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor we have been informed of such case by the management.

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



G.Ganesh  
Partner  
M.No.211704

Secunderabad  
28<sup>th</sup> April 2014

**BHAGYANAGAR PROPERTIES PRIVATE LIMITED**  
BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in Rs.)

| Particulars |   | Note No. | As at 31.03.2014   | As at 31.03.2013   |
|-------------|---|----------|--------------------|--------------------|
| <b>I</b>    | <b>EQUITY AND LIABILITIES</b>                         |          |                    |                    |
|             | <b>1. SHAREHOLDERS' FUNDS</b>                         |          |                    |                    |
|             | a. Share Capital                                      | B        | 40,000,000         | 40,000,000         |
|             | b. Reserves and Surplus                               | C        | (2,432,810)        | (2,397,262)        |
|             | <b>2. NON-CURRENT LIABILITIES</b>                     |          | 37,567,190         | 37,602,738         |
|             | a. Long-Term Borrowings                               | D        | 563,924,048        | 585,414,048        |
|             | <b>3. CURRENT LIABILITIES</b>                         |          |                    |                    |
|             | a. Other Current Liabilities                          | E        | 5,616              | 5,618              |
|             | <b>TOTAL</b>  |          | <b>601,496,854</b> | <b>623,022,404</b> |
| <b>II</b>   | <b>ASSETS</b>   |          |                    |                    |
|             | <b>1. NON-CURRENT ASSETS</b>                          |          |                    |                    |
|             | a. Fixed Assets                                       |          |                    |                    |
|             | (1) Tangible Assets                                   | F        | 592,938,749        | 592,963,084        |
|             | b. Long-Term Loans and Advances                       | G        | 8,500,000          | 30,000,000         |
|             | <b>2. CURRENT ASSETS</b>                              |          |                    |                    |
|             | a. Cash and Cash Equivalents                          | H        | 58,104             | 59,320             |
|             | <b>TOTAL</b>  |          | <b>601,496,854</b> | <b>623,022,404</b> |
|             | Significant Accounting Policies and Notes to Accounts | A        |                    |                    |

As per our report of even date attached  
For Sekhar & Co.,  
Chartered Accountants,  
Firm Reg No.003695-S

for and on behalf of the Board,

G. Ganesh,  
Partner  
M. No. 211704



Narender Surana  
Director

Devendra Surana  
Director

Place: Secunderabad,  
Date : 28th April, 2014



**BHAGYANAGAR PROPERTIES PRIVATE LIMITED**  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

*(Amount in Rs.)*

|   | Note No. | For the Year<br>31.03.2014 | For the Year<br>31.03.2013 |
|---|----------|----------------------------|----------------------------|
| <b>I. REVENUE FROM OPERATIONS</b>                                   |          | -                          | -                          |
| <b>II. OTHER INCOME</b>   |          | -                          | -                          |
| <b>III. TOTAL REVENUE</b>   |          | -                          | -                          |
| <b>IV. EXPENSES</b>   |          |                            |                            |
| Finance Costs   | 1        | -                          | 393                        |
| Other Expenses  | 2        | 11,213                     | 446,075                    |
| Depreciation  |          | 24,335                     | -                          |
| <b>TOTAL EXPENSES</b>   |          | <b>35,548</b>              | <b>446,468</b>             |
| <b>V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b> |          | (35,548)                   | (446,468)                  |
| <b>VI. PRIOR PERIOD ADJUSTMENT</b>                                  |          | -                          | -                          |
| <b>VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>               |          | (35,548)                   | (446,468)                  |
| <b>VIII. PROFIT BEFORE TAX</b>                                      |          | <b>(35,548)</b>            | <b>(446,468)</b>           |
| <b>IX. TAX EXPENSE:</b>   |          |                            |                            |
| 1. Current Tax  |          | -                          | -                          |
| <b>X. PROFIT AFTER TAX</b>  |          | <b>(35,548)</b>            | <b>(446,468)</b>           |
| <b>EPS-BASIC &amp; DILUTED</b>                                      |          | <b>(0.01)</b>              | <b>(0.11)</b>              |
| Significant Accounting Policies and Notes to Accounts               | A        |                            |                            |

As per our report of even date attached  
For Sekhar & Co.,  
Chartered Accountants,  
Firm Reg No.003695-S

G. Ganesh,  
Partner  
M. No. 211704



for and on behalf of the Board,

Narender Surana      Devendra Surana  
Director                      Director

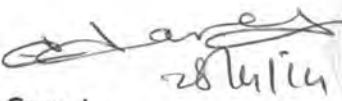
Place: Secunderabad,  
Date : 28th April, 2014

# BHAGYANAGAR PROPERTIES PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

|          |   | (Amount in Rs.)     |                    |
|----------|---|---------------------|--------------------|
|          | Particulars   | 2013-14             | 2012-13            |
| <b>A</b> | <b>Cash Flow From Operating Activities</b>                          |                     |                    |
|          | Net Profit before Tax   | (35,548)            | (446,468)          |
|          | Add: Adjustment for:<br>Depreciation                                | 24,335              |                    |
|          | <b>Operating profit before working capital changes</b>              | <b>(11,213)</b>     | <b>(446,468)</b>   |
|          | Increase/(Decrease) in Work in Progress                             |                     | 594,250            |
|          | Increase/(Decrease) in Loans & Advances                             | 21,500,000          | 3,000,000          |
|          | Increase /Decrease in Current Liabilities                           | (2)                 | (512)              |
|          | <b>Net cash (used in)/from Operating Activities(A)</b>              | <b>21,488,785</b>   | <b>3,147,270</b>   |
| <b>B</b> | <b>Cash flow from Investment Activities</b>                         |                     |                    |
|          | Increase in fixed assets  |                     | (243,350)          |
|          | <b>Net Cash (used in)/from Investing Activities (B)</b>             | -                   | <b>(243,350)</b>   |
| <b>C</b> | <b>Cash flow from Financing Activities</b>                          |                     |                    |
|          | Proceeds from Issue of Share Capital                                | -                   | -                  |
|          | Repayment of Loans  | (21,490,000)        | (2,857,417)        |
|          | <b>Net Cash (used in)/from Financing Activities (C)</b>             | <b>(21,490,000)</b> | <b>(2,857,417)</b> |
|          | <b>Net Increase / Decrease in cash and Cash Equivalents (A+B+C)</b> | <b>(1,215)</b>      | <b>46,503</b>      |
|          | Cash and Cash Equivalents Opening Balance                           | 59,320              | 12,817             |
|          | Cash and Cash Equivalents Closing Balance                           | <b>58,104</b>       | <b>59,320</b>      |
|          | <b>Change in Cash and Cash Equivalents</b>                          | <b>(1,215)</b>      | <b>46,503</b>      |

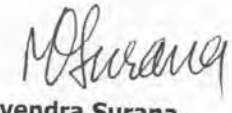
As per our report of even date attached  
For Sekhar & Co.,  
Chartered Accountants,  
Firm Reg No.003695-S

  
G. Ganesh,  
Partner  
M. No. 211704



for and on behalf of the Board,

  
Narender Surana  
Director

  
Devendra Surana  
Director

Place: Secunderabad,  
Date : 28th April, 2014

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

**A-1. Significant Accounting Policies**

**I. Basis of Preparation of Financial Statements.**

The financial statements are prepared under the Historical cost convention on accrual basis with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 read with General Circular 15/2013 dated 13.09.2013 of Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013.

**II. Use of Estimates**

The Preparation of Financial Statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**III. Fixed Assets**

Fixed Assets are stated at cost net of modvat / cenvat / value added tax, less accumulated depreciation and impairment loss, if any. Any costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations to the fixed assets are capitalized.

**IV. Depreciation**

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

**V. Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**VI. Provision, Contingent Liabilities and Contingent Assets :**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognized are disclosed in notes. Contingent Assets are neither recognized nor disclosed in Statements.

**VII. Revenue Recognition**

Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**VIII. Earnings per Share**

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

## Bhagyanagar Properties Private Limited 2013-14

### A-2 Notes to Accounts

- I. Estimated Contractual liability on account of Capital Commitment & Contingent Liability- NIL.
- II. The Company is exploring various opportunities in the field of Infrastructure & hence accounts are prepared on going concern.

### III. **Related party disclosures**

#### a. **Names of Related Parties**

- i. Holding Company : Bhagyanagar India Limited
- ii. Fellow Subsidiaries :

|                                     |  |
|-------------------------------------|--|
| Bhagyanagar Metals Limited          | Solar Dynamics Private Limited         |
| Metropolitan Ventures India Limited | Scientia Infocom India Private Limited |
- iii. Key Management Personnel  
Narender Surana  
Devendra Surana  
Manish Surana
- iv. Relatives of key Management Personnel  
G.M. Surana  
Chandkanwar Surana  
Vinita Surana  
Shresha Surana
- v. Entities in which Key Managerial Personnel have significant influence :

|   |  |
|---|--|
| Bhagyanagar Foods and Beverages Private Limited | Bhagyanagar Energy and Telecom Private Limited |
| Bhagyanagar Industrial Park                     | Surana Telecom & Power Limited                 |
| Bhagyanagar Ventures Private Limited            | Bhayganagar Entertainment Limited              |
| Bhagyanagar Securities Private Limited          | Celestial Solar Solutions Private Limited      |
| Corpmedia Publications India Private Limited    | Epicenter Entertainment Private Limited        |
| Everytime Foods Industries Private Limited      | Globecom Infotech Private Limited              |
| Globecom Infra Ventures Private Limited         | GMS Realtors Private Limited                   |
| Green Energy Systems Private Limited            | Innova Technologies Private Limited            |
| Majestic Logistic Private Limited               | Solar World Exchange Private Limited           |
| Shahsons Private Limited                        | Stealth Energy Private Limited                 |
| Surana Biochemicals Private Limited             | Surana Solar Systems Private Limited           |
| Surana Technopark Private Limited               | Surana Ventures Limited                        |

## Bhagyanagar Properties Private Limited 2013-14

Bhagyanagar Infrastructure Limited  
Innova Biotech India Private Limited  
AP Golden Apparels Private Limited  
Surana Infocom Private Limited  
Value Infrastructure And Properties Private Limited

Blossom Residency Private Limited  
Innova Infrastructure Private Limited  
Sitetonic Web Solutions Private Limited  
Bhagyanagar Green Energy Limited  
(formerly Bhagyanagar Telecom)

### b. Related party transactions during the period ended

| Particulars  | 31.03.2014   | 31.03.2013 |
|--|--------------|------------|
|  | Amount (Rs.) |            |
| Repayment of Long Term Loan taken from Holding Company | 2,14,90,000  | -Nil-      |

## Notes to Balance Sheet

| Note : B<br>Share Capital |   | As at<br>31.03.2014<br>Rs. | As at<br>31.03.2013<br>Rs. |
|---------------------------|---|----------------------------|----------------------------|
| a                         | Authorized Capital :50,00,000 equity shares of Rs.10 each   | 50,000,000                 | 50,000,000                 |
| b                         | Issued, Subscribed and Paid Up 40,00,000 equity shares of Rs.10 each at par fully paid carrying equal rights and obligations<br>(Options, contracts and commitments outstanding -Nil) | 40,000,000                 | 40,000,000                 |
| c                         | Particulars of Shareholders holding more than 5% of issued Share Capital  |                            |                            |
|                           | Name of Shareholder   | No.of shares               | No.of shares               |
|                           | Bhagyanagar India Limited   | 3,999,940                  | 3,999,940                  |

| Note : C<br>Reserves and Surplus |  | As at<br>31.03.2014<br>Rs. | As at<br>31.03.2013<br>Rs. |
|----------------------------------|--|----------------------------|----------------------------|
| a                                | Surplus  |                            |                            |
|                                  | Balance of Profit & Loss account available for appropriation | (2,397,262)                | (1,950,794)                |
|                                  | Add: Profit during the year/period                           | (35,548)                   | (446,468)                  |
|                                  | Balance at the year end                                      | (2,432,810)                | (2,397,262)                |

| Note : D<br>Long-Term Borrowings |                           | As at<br>31.03.2014<br>Rs. | As at<br>31.03.2013<br>Rs. |
|----------------------------------|---------------------------|----------------------------|----------------------------|
| a                                | Loan from Holding Company | 563,924,048                | 585,414,048                |
|                                  | <b>TOTAL</b>              | <b>563,924,048</b>         | <b>585,414,048</b>         |

The loan from Holding Company is interest free and is repayable after completion of the project

| Note: E<br>Other Current Liabilities |                    | As at<br>31.03.2014<br>Rs. | As at<br>31.03.2013<br>Rs. |
|--------------------------------------|--------------------|----------------------------|----------------------------|
| a                                    | Audit Fees Payable | 5,616                      | 5,618                      |
|                                      | <b>TOTAL</b>       | <b>5,616</b>               | <b>5,618</b>               |

# BHAGYANAGAR PROPERTIES PRIVATE LIMITED

## Annexure: F - Fixed Assets

| Particulars                 | Land               | Building       | Grand Total        |
|-----------------------------|--------------------|----------------|--------------------|
| <b>Rate of Depreciation</b> |                    |                |                    |
|                             | 10.00%             |                |                    |
| <b>A. Gross Block</b>       |                    |                |                    |
| At 1st April, 2012          | 592,719,734        | -              | 592,719,734        |
| Additions                   | -                  | 243,350        | 243,350            |
| Disposals                   | -                  | -              | -                  |
| At 31st March, 2013         | 592,719,734        | 243,350        | 592,963,084        |
| Additions                   | -                  | -              | -                  |
| Disposals                   | -                  | -              | -                  |
| <b>At 31st March, 2014</b>  | <b>592,719,734</b> | <b>243,350</b> | <b>592,963,084</b> |
| <b>B. Depreciation</b>      |                    |                |                    |
| At 1st April, 2012          | -                  | -              | -                  |
| Charge for the Year         | -                  | -              | -                  |
| Disposals                   | -                  | -              | -                  |
| At 31st March, 2013         | -                  | -              | -                  |
| Charge for the Year         | -                  | 24,335         | 24,335             |
| Disposals                   | -                  | -              | -                  |
| <b>At 31st March, 2014</b>  | <b>-</b>           | <b>24,335</b>  | <b>24,335</b>      |
| <b>C. Net Block (A-B)</b>   |                    |                |                    |
| At 31st March, 2013         | 592,719,734        | 243,350        | 592,963,084        |
| <b>At 31st March, 2014</b>  | <b>592,719,734</b> | <b>219,015</b> | <b>592,938,749</b> |



**ASSETS**

| <b>Note: G</b>                      |                                     |                                     |
|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Long-Term Loans and Advances</b> | <b>As at<br/>31.03.2014<br/>Rs.</b> | <b>As at<br/>31.03.2013<br/>Rs.</b> |
| Loans and Advances                  | 8,500,000                           | 30,000,000                          |
| <b>TOTAL</b>                        | <b>8,500,000</b>                    | <b>30,000,000</b>                   |

| <b>Note: H</b>                               |                                     |                                     |
|--|-------------------------------------|-------------------------------------|
| <b>Cash and Cash Equivalents</b>             | <b>As at<br/>31.03.2014<br/>Rs.</b> | <b>As at<br/>31.03.2013<br/>Rs.</b> |
| (a) Balance with Banks<br>In Current Account | 14,863                              | 13,543                              |
| (b) Cash in Hand                             | 43,241                              | 45,776                              |
| <b>TOTAL</b>                                 | <b>58,104</b>                       | <b>59,320</b>                       |

**Notes to Profit & Loss Account**

| <b>Note: 1</b>       |  |  |
|----------------------|--|--|
| <b>Finance Costs</b> | <b>For the Period<br/>31.03.2014<br/>Rs.</b> | <b>For the Period<br/>31.03.2013<br/>Rs.</b> |
| Bank Charges         | -  | 393  |
| <b>TOTAL</b>         | <b>-</b>                                     | <b>393</b>                                   |

| <b>Note: 2</b>                  |  |  |
|---------------------------------|--|--|
| <b>Other Expenses</b>           | <b>For the Period<br/>31.03.2014<br/>Rs.</b> | <b>For the Period<br/>31.03.2013<br/>Rs.</b> |
| Statutory Audit Fees            |  |  |
| Filing Fees                     | 5,618  | 5,618  |
| Professional & Consultancy Fees | 3,060  | 2,550  |
| Conveyance                      | -  | 23,500                                       |
| Watch and Ward                  | 2,435  | 3,063  |
| Other Expenses                  | -  | 52,438                                       |
| Printing & Stationery           | 100  | 3,832  |
| Arcitect Fees                   | -  | 4,174  |
|                                 | -  | 350,900                                      |
| <b>TOTAL</b>                    | <b>11,213</b>                                | <b>446,075</b>                               |

As per our report of even date attached  
For Sekhar & Co.,  
Chartered Accountants,  
Firm Reg No.003695-S

*G. Ganesh*  
28/4/14  
**G. Ganesh,**  
Partner  
M. No. 211704



for and on behalf of the Board,

*Narender Surana*  
**Narender Surana**  
Director

*Devendra Surana*  
**Devendra Surana**  
Director

Place: Secunderabad,  
Date : 28th April, 2014