

Auditor's Report

To
The Partners
SHRIRAM ELECTRICITY LLP

Report on the Financial Statements

We have audited the accompanying financial statements of **Shriram Electricity LLP** which comprise the Balance Sheet as at March 31, 2016, the statement of Profit & Loss for the year ended on March 31, 2016 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 of the LLP in accordance with the Accounting Standards. 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 LLP'S preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the LLP as at March 31, 2016; and
- b) in the case of the statement of profit and loss, of the profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. We report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the LLP so far as appears from our examination of those books.
 - c) The Balance Sheet and the statement profit & loss dealt with by this Report is in agreement with the books of account.
 - d) In our opinion the Balance Sheet and the statement of profit & loss comply with the Accounting Standards to the extent applicable.

**For BEGANI & BEGANI
CHARTERED
ACCOUNTANTS
(FRN: 010779C)**

**VIVEK BEGANI
(PARTNER)
M. No.:403743**

**Place: Raipur (C.G.)
Date: 26.05.2016**

SHRIRAM ELECTRICITY LLP

Statement of Profit & Loss For the Year ended on 31st March 2016

(Amount in Rs.)

Particulars	Note No.	2015-16	2014-15
I Other Income		-	-
Interest Income	10	1,072,993	1,166,942
II Total Revenue		1,072,993	1,166,942
III Expenses :			
Employee Benefit Cost		-	-
Other Expenses	11	86,997	6,197,570
IV Total Expenses		86,997	6,197,570
V Profit (Loss) Before Tax (II-IV)		985,996	(5,030,628)
VI Tax Expenses			
Current Tax		187,882	-
Deferred Tax		-	-
VII Profit (Loss) For the Period (V-VI)		798,114	(5,030,628)
VIII Earning Per Equity Share:			
Basic & Diluted			

1 & 2

Significant accounting Policies

The accompanying Notes are an integral part of the financial statements.

As per our Report of even date

For, **BEGANI & BEGANI**

Chartered Accountants

FRN: 010779C

For Shriram Electricity LLP

(VIVEK BEGANI)
PARTNER
M. No. 403743
PLACE : RAIPUR (C.G.)
DATE : 26.05.2016

(G.K. Chhanghani)
Authorised Signatory
Sarda Energy & Minerals Ltd
Designated Partner

(Sourabh Rathi)
Nominee
Mosh Varaya Infrastructure Ltd
Designated Partner

SHRIRAM ELECTRICITY LLP
NOTES "3" TO "11" FORMING PART OF THE BALANCE SHEET

Note No.	Particulars	As at 31-March-2016	As at 31-March-2015
		Amount (Rs.)	Amount (Rs.)
2	Partner's Fund		
	Sarda Energy and Minerals Ltd.	35,179,740	35,100,698
	Total	35,179,740	35,100,698
3	Reserves and Surplus		
	Reserves and Surplus	(4,232,514)	(5,030,628)
	Total	(4,232,514)	(5,030,628)
4	Other Current Liabilities		
	Duties & Taxes	7,000	
	Audit Fee Payable	8,588	8,427
	Payable to SECL for BG Invocation	6,412,500	6,412,500
	Total	6,428,088	6,420,927
5	Tangible Assets		
	Freehold Land	20,612,640	20,612,640
	Capital work-in-progress		
	Total	20,612,640	20,612,640
6	Long Term Loans and Advances		
	Capital Advances	236,594	236,594
	Total	236,594	236,594
7	Non-current Assets		
	Preliminary Expenditure	12,451	12,451
	Total	12,451	12,451
8	Cash and cash equivalents		
	Balances with banks in Current Accounts	20,348	21,142
	Fixed Deposit with Bank (FDR is lien as margin against Bank Guarantee of Rs. 1,28,25,000/-)	16,167,469	15,201,775
	Interest accrued on FDR	-	-
	Total	16,187,817	15,222,917
9	Other Current Assets		
	Balance with Tax authorities	325,812	406,395
	Total	325,812	406,395
10	Other Income		
	Interest Income	1,072,993	1,166,942
	Total	1,072,993	1,166,942
11	Other Expenses		
	Office & General Exp:		4,780
	Retainership & Consultancy	70,000	22,000
	Audit Fee	8,749	8,427
	Bank Commission & Charge	113	90,840
	Filling Fee		448
	Travelling Exp:	5,642	
	Printing & Stationaries	593	
	LEGAL EXP	1,900	
	Provision for BG Invocation		6,412,500
	Pre-operative Exp		(341,425)
	Total	86,997	6,197,570

SHRIRAM ELECTRICITY LLP: RAIPUR (C.G.)

Notes to Financial Statement for the year ended 31st March 2016

1. Nature of Operation

Shri Ram Electricity has been formed by Sarda Energy & Minerals Ltd. (51%), Akshay Ispat Udyog Pvt. Ltd. (26%) and Mosh Varya Infrastructure Pvt Ltd.(23%) (earlier known as Chhattisgarh Construction Company Private Limited) as a Special Purpose Vehicle to put up the captive thermal power plant.

2. Basis of Preparation of Financial Statements

The accounts of the LLP are prepared under the historical cost convention using the accrual method of accounting in accordance with the generally accepted accounting principles in India.

2.1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

a) Use of Estimates

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles, requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as at the date of financial statement and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b)Revenue Recognition

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

c) Fixed Assets

Tangible

Tangible assets are stated at cost, net of recoverable taxes less accumulated depreciation / amortization and impairment losses if any. Cost comprises purchase price and any attributable costs of bringing the asset to its working condition for its intended use.

All costs, including administrative, financing and general overhead expenses, as are specifically attributable to construction of a project or to the acquisition of a fixed asset or bringing it to its working condition, is included as part of the cost of construction of project or as a part of the cost of fixed asset, till commencement of commercial production.

Subsequent expenditure related to an item of tangible assets is added to its book value only, if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible

Intangible assets are carried at its cost, less accumulated amortization and impairment losses, if any. All costs, including financing costs relating to development of intangible assets which takes substantial period of time to get ready for its intended use are also included to the extent they are incurred, till commencement of commercial production.

d)Preliminary Expenses :

Preliminary Expenses will be amortized over a period of 5 years starting from the Financial Year from which commencement of commercial operations of the LLP will begin.

e)Notes To The Accounts

1. Value of imports on CIF Basis is Rs. Nil (Previous Year: Rs. Nil)
2. Expenditure in foreign currency is Rs. Nil (Previous Year: Rs. Nil)
3. Earnings in foreign currency is Rs. Nil (Previous Year: Rs. Nil)
4. In View of Uncertainty in Future Profits, No Provision for Deferred tax asset on Unabsorbed Losses as per Income Tax Act has been provided for in the books of account. (Previous Year: Rs. Nil)
5. The LLP has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small

and Medium Enterprises development Act, 2006) claiming their status as on 31st March,2015 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.

6. Previous year figures are regrouped and rearranged wherever necessary.

As per our report of even dated

**For, Begani & Begani
Chartered Accountants,**

On Behalf of Shri Ram Electricity LLP,

**(Vivek Begani)
Partner
M.No. 403743**

**(G.K. Chhanghani)
Designated Partner
Authorised Signatory**

**(Sourabh Rathi)
Designated Partner
Nominee**

Sarda Energy & Minerals Ltd Mosh Varaya Infrastructure LTD.

PLACE: RAIPUR

DATED: 26.05.2016