

## **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, 2015 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, 2015;

### **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 dealt with by this Report is in agreement with the books of account.
  - d) In our opinion the Balance Sheet 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: 21.05.2015**



## SHRIRAM ELECTRICITY LLP

Statement of Profit & Loss For the Year ended on 31<sup>st</sup> March 2015

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>I Other Income</b>		-	-
Interest Income	10	1166942.00	-
<b>II Total Revenue</b>		<b>1166942.00</b>	
<b>III Expenses :</b>			
Employee Benefit Cost		-	-
Other Expenses	11	6,197,570.00	-
<b>IV Total Expenses</b>		<b>6,197,570.00</b>	
<b>V Profit (Loss) Before Tax (II-IV)</b>		<b>(5,030,628.00)</b>	
<b>VI Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>VII Profit (Loss) For the Period (V-VI)</b>		<b>(5,030,628.00)</b>	
<b>VIII Earning Per Equity Share:</b>			
Basic & Diluted			

1 &amp; 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 : 15.05.2015

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

(Saurabh Rathi)  
Nominee  
Mosh Varaya Infrastructure Ltd  
Designated Partner

<b>SHRIRAM ELECTRICITY LLP</b>			
<b>NOTES "3" TO "11" FORMING PART OF THE BALANCE SHEET</b>			
Note No.	Particulars	As at 31-March-2015	As at 31-March-2014
		Amount (Rs.)	Amount (Rs.)
<b>3</b>	<b>Partner's Fund</b>		
	Sarda Energy and Minerals Ltd.	35,100,698	34,955,050
	<b>Total</b>	<b>35,100,698</b>	<b>34,955,050</b>
<b>4</b>	<b>Other Current Liabilities</b>		
	Duties & Taxes		
	Audit Fee Payable	8,427	8,427
	Payable to SECL for BG Invocation	6,412,500	-
	<b>Total</b>	<b>6,420,927</b>	<b>8,427</b>
<b>5</b>	<b>Tangible Assets</b>		
	Freehold Land	20,612,640	20,612,640
	Capital work-in-progress		
	Pre-operative Expenses	5,030,628	(341,425)
	<b>Total</b>	<b>25,643,268</b>	<b>20,271,215</b>
<b>6</b>	<b>Long Term Loans and Advances</b>		
	Capital Advances	236,594	236,594
	<b>Total</b>	<b>236,594</b>	<b>236,594</b>
<b>7</b>	<b>Non-current Assets</b>		
	Preliminary Expenditure	12,451	12,451
	<b>Total</b>	<b>12,451</b>	<b>12,451</b>
<b>8</b>	<b>Cash and cash equivalents</b>		
	Balances with banks in Current Accounts	21,142	1,989
	Fixed Deposit with Bank	15,201,775	14,024,627
	(FDR is lien as margin against Bank		
	Guarantee of Rs. 1,28,25,000/-)		
	Interest accrued on FDR	-	126,900
	<b>Total</b>	<b>15,222,917</b>	<b>14,153,516</b>
<b>9</b>	<b>Other Current Assets</b>		
	Income Tax deducted at source	406,395	289,701
	<b>Total</b>	<b>406,395</b>	<b>289,701</b>
<b>10</b>	<b>Other Income</b>		
	Interest Income	1,166,942	-
	<b>Total</b>	<b>1,166,942</b>	<b>-</b>
<b>11</b>	<b>Other Expenses</b>		
	Office & General Exp:	4,780	-
	Retainership & Consultancy	22,000	-
	Audit Fee	8,427	-
	Bank Commission & Charge	90,840	-
	Filing Fee	448	-
	Provision for BG Invocation	6,412,500	-
	Pre-operative Exp	(341,425)	-
	<b>Total</b>	<b>6,197,570</b>	<b>-</b>

## **SHRIRAM ELECTRICITY LLP: RAIPUR (C.G.)**

### **Notes to Financial Statement for the year ended 31<sup>st</sup> March 2015**

#### **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 Chharrisgarh 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. During the year the firm has provided for the liability of Rs 64,12,500 in the books of accounts against Bank Guarantee of Rs. 1,28,25,000/- given to SECL.The Bank Guarantee had been invoked by SECL and the Firm had moved to the Hon'ble High Court of Chhattisgarh and the Hon'ble High Court had stayed the invocation of BG on written petition filed by the firm. The Hon'ble High Court of Chhattisgarh vide its order dated 17.03.2015 has decided that 50% of the BG amount is definitely payable and for balance 50% amount the Hon'ble High Court has directed to examine the request of the firm and then decide. The BG can be encashed only after the request examined afresh. Hence, we provided for the firm liability to the extent of 50% of BG amount .
2. Value of imports on CIF Basis is Rs. Nil (Previous Year: Rs. Nil)
3. Expenditure in foreign currency is Rs. Nil (Previous Year: Rs. Nil)
4. Earnings in foreign currency is Rs. Nil (Previous Year: Rs. Nil)
5. As there is no timing difference, deferred tax asset/liability has not been provided for in the books of account. (Previous Year: Rs. Nil)
6. 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.  
7. 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**  
**Sarda Energy & Minerals Ltd**

**(Saurabh Rathi)**  
**Designated Partner**  
**Nominee**  
**Mosh Varaya Infrastructure Pvt. Ltd.**

**PLACE: RAIPUR**  
**DATED: 21/05/2015**