

## **AUDITORS' REPORT**

**To,  
The Partners of Shri Ram Electricity LLP**

1. We have audited the attached Balance Sheet of Shri Ram Electricity LLP for the year ended as at 31<sup>st</sup> March, 2011. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on this financial statement based on our audit.
  
2. We have 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. We further 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 dealt with by this report comply with the accounting standards to the extent applicable;
- e) 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 Significant Accounting Policies and notes thereon give the information required by the Limited Liability Partnership Act, 2008 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 2011.

**FOR, BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
(FRN:010779C)**

**(SANDHYA RAJESH BEGANI)  
PARTNER  
M.No. : 048107**

**PLACE : RAIPUR  
DATE : 14.05.2011**

**SHRIRAM ELECTRICITY LLP**  
**BALANCE SHEET AS AT 31ST MARCH 2011**

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31.03.2011
<b>I) CONTRIBUTION &amp; LIABILITIES</b>		
1) Partner's Fund		
(a) Contribution	"A"	6,900,000.00
(b) Reserves & Surplus		-
		6,900,000.00
2) Liabilities		
(a) Secured Loan		-
(b) Unsecured Loan	"B"	18,478,695.00
3) DEFERRED TAX LIABILITY		-
<b>TOTAL</b>		<b>25,378,695.00</b>
<b>II) APPLICATION OF FUNDS</b>		
1) FIXED ASSETS	"C"	20,625,387.69
2) INVESTMENTS		
3) CURRENT ASSETS, LOANS AND ADVANCES		
Cash and Bank Balance	"D"	4,398,407.51
Loans, Advances & Other Current Assets	"E"	354,773.80
		4,753,181.31
Less: CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities	"F"	8,273.00
Provisions		-
		8,273.00
Net Current Assets		4,744,908.31
4) Preliminary Expenses to the extent not written off		8,399.00
Contingent Liabilities and Notes to Accounts	"G"	
<b>TOTAL</b>		<b>25,378,695.00</b>

AS PER OUR REPORT OF EVEN DATED  
**FOR BEGANI & BEGANI**  
CHARTERED ACCOUNTANTS

**For Shri Ram Electricity LLP**

SANDHYA RAJESH BEGANI  
PARTNER

(G.K.Chhanghani)  
Ex. Director  
Sarda Energy & Minerals Ltd.  
Designated Partner

(Ankit Jindal)  
Director  
Akshay Ispat Udyog Pvt. Ltd.  
Designated Partner

PLACE:-Raipur  
DATE 14.05.2011

PLACE: Raipur  
DATE : 14.05.2011

**SHRIRAM ELECTRICITY LLP**  
**SCHEDULES "A" TO "C" FORMING PART OF THE BALANCE SHEET**

*(Amount in Rs.)*

Particulars	As at 31.03.2011
<b>SCHEDULE "A"</b>	
<b>Partner's Capital Account</b>	
Sarda Energy & Mineral Ltd	6,900,000.00
Total Rs.	6,900,000.00
<b>SCHEDULE "B"</b>	
<b>Unsecured Loan</b>	
Sarda Energy & Mineral Ltd	18,478,695.00
Total Rs.	18,478,695.00
<b>SCHEDULE "C"</b>	
<b>Fixed Assets</b>	
Freehold Land at Cost	20,612,640.00
Pre-operative Expenses	12,747.69
Total Rs.	20,625,387.69
<b>SCHEDULE "D"</b>	
<b>Cash and Bank Balance</b>	
In current account with Union Bank of India	75,124.31
In Fixed Deposit a/c with Union Bank of India	4,252,500.00
Accrued Interest on FDR	70,783.20
Total Rs.	4,398,407.51
<b>SCHEDULE "E"</b>	
<b>Loans &amp; Advances &amp; Other Current Assets</b>	
TDS Receivable Asst Year 11-12	17,695.80
Mr Rajesh Vora	484.00
PVM Consultancy	100,000.00
Bhagwati Anna Labs Ltd.	236,594.00
Total Rs.	354,773.80
<b>SCHEDULE "F"</b>	
<b>Current Liabilities</b>	
Audit Fees Payable	8,273.00
Total Rs.	8,273.00

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

### **SCHEDULE B: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

#### **I. SIGNIFICANT ACCOUNTING POLICIES**

##### **1. 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. 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.

##### **3. 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.

##### **4. 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.

#### **II. NOTES TO THE ACCOUNTS**

1. Contingent liability not provided for is  
Bank Guarantee Given to Various Companies: Rs. 42,52,500/-
2. Value of imports on CIF Basis is Rs. Nil
3. Expenditure in foreign currency is Rs. Nil
4. Earnings in foreign currency is Rs. Nil
5. As there is no timing difference, deferred tax asset/liability has not been provided for in the books of account.

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,2011 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.

**As per our report of even dated**

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

**On Behalf of Shri Ram Electricity LLP,**

**(Sandhya Rajesh Begani)**  
**Partner**  
M.No. 048107

**(G.K. Chhanghani)**  
**Designated Partner**  
Executive Director  
Sarda Energy & Minerals Ltd

**(Ankit Jindal)**  
**Designated Partner**  
Director  
Akshay Ispat Udyog Pvt. Ltd.

**PLACE: RAIPUR**  
**DATE: 14.05.2011**

**PLACE: RAIPUR**  
**DATE: 14.05.2011**