

**AUDTIORS' REPORT**  
**ON**  
**CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECOTRS OF TIRUPATI SARJAN LTD.**

1. We have audited the attached Consolidated Balance Sheet of Tirupati Sarjan Ltd ("the Company") and its subsidiaries as at **March 31, 2009**, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report (together comprising the "Consolidated Financial statements"). These Consolidated financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India: These standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from any material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the Consolidated financial statements. An audit also includes, assessing the accounting principal 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 have not audited the financial statements of subsidiary, whose financial statements reflect total assets of **Rs.1365.47** lacs as at December 31, 2008 and total revenues of **Rs.1373.57** lacs for the 18 months ended on that date as considered in the Consolidated financial statements. We have based our opinion in so far as it relates to amounts included in respect of the subsidiary on the basis of audited financial statements furnished to us by the Management of the Company.
4. We report that the Consolidated Financial statements have been prepared by the Company in accordance with the requirements of Accounting standard 21, Consolidated Financial statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Tirupati sarjan Ltd and audited financial statements of its subsidiary Tirupati Development (U) Ltd included in the Consolidated financial statements.
5. On the basis of information and according to the explanations given to us and on consideration of separate audit report of Tirupati Sarjan Ltd and audited financial statements of its subsidiary, in our opinion, the Consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of Tirupati Sarjan Ltd are as at March 31, 2009 and its subsidiary for the period ended on December 31,2008 and
  - (b) in case of the Consolidated Profit and Loss account, of the consolidated results of operations of Tirupati Sarjan Ltd for the year ended on March 31,2009 and its subsidiary for the period ended on December 31,2008 and
  - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Tirupati Sarjan Ltd for the year ended on March 31,2009 and its subsidiary for the period ended on December 31,2008

*Interest Disclosure : Mrs. Alka R. Shah an Independent director of the company is wife of Mr. Rajesh J. Shah, one of the partner of the auditor's firm.*

For **RAJESH J. SHAH & ASSOCIATES**

CHARTERED ACCOUNTANTS  
**CA RAJESH J. SHAH**  
PARTNER

PLACE : AHMEDABAD

DATE : 7<sup>th</sup> July, 2009

## TIRUPATI SARJAN LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2009

PARTICULARS	SCH	AS ON 31-03-2009	AS ON 31-03-2008
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS FUND</b>			
a) Share Capital	1	59,412,000.00	59,412,000.00
b) Reserves & Surplus		91,160,298.48	59,937,810.72
<b>LOANS FUNDS</b>			
a) Secured Loan		76,231,015.11	42,509,531.18
b) Minority Interest	3	1,829,198.85	229,067.94
b) Unsecured Loan	4	75,435,068.99	103,068,203.56
<b>TOTAL FUND EMPLOYED</b>		<b>304,067,581.43</b>	<b>265,156,613.40</b>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
a) Gross Block	5	31,365,390.35	33,144,101.90
b) Depreciation		7,410,523.66	5,997,289.57
c) Net Block		<b>23,954,866.69</b>	<b>27,146,812.33</b>
<b>INVESTMENTS</b>	6	<b>30,048,526.00</b>	<b>38,186,258.00</b>
Foreign Currency translation difference		<b>1,810,578.08</b>	-
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	7		
a) Inventories		266,579,528.49	319,846,747.41
c) Loans & Advances		92,902,214.15	94,220,324.04
d) Cash and Bank Balance		14,510,561.04	21,605,157.53
e) Sundry Debtors		64,740,357.27	78,834,185.20
		<b>438,732,660.95</b>	<b>514,506,414.17</b>
<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>	8	<b>190,479,050.28</b>	<b>14,682,871.11</b>
<b>NET CURRENT ASSETS</b>		<b>248,253,610.66</b>	<b>199,823,543.07</b>
<b>TOTAL FUNDS UTILISED</b>		<b>304,067,581.43</b>	<b>265,156,613.40</b>
ACCOUNTING POLICIES & NOTES ON ACCOUNTS	14		
<b>As per our Report of even date attached</b>			

FOR RAJESH J. SHAH & ASSOCIATES  
CHARTERED ACCOUNTANTS

CA RAJESH J. SHAH  
PARTNER

PLACE : AHMEDABAD  
DATE : 7th July, 2009

FOR & ON BEHALF OF THE BOARD

BHAILAL B. SHAH  
CHAIRMAN

CHANDRAKANT T. PATEL  
MANAGING DIRECTOR

JASWANTBHAI K. PATEL  
MANAGING DIRECTOR

JITENDRA I. PATEL  
MANAGING DIRECTOR

NATUBHAI K. PATEL  
MANAGING DIRECTOR

SOMBHAI J. PRAJAPATI  
MANAGING DIRECTOR

PLACE : VISNAGAR  
DATE : 7th July, 2009

## TIRUPATI SARJAN LIMITED

## CONSOLIDATED PROFIT &amp; LOSS ACCOUNTS FOR THE PERIOD ENDED ON 31st MARCH 2009

PARTICULARS		SCH	AS ON 31-03-2009	AS ON 31-03-2008
<b>INCOME</b>				
A	Turnover	9	445,406,982.76	378,254,810.32
	Other Income	10	5,181,426.33	4,601,119.34
	Increase / Decrease in Stock	11	3,156,187.73	106,783,719.53
<b>TOTAL A</b>			<b>453,744,596.82</b>	<b>489,639,649.19</b>
<b>EXPENDITURE</b>				
<b>DIRECT EXPENDITURE</b>				
	Construction / Raw / Packing Material		212,576,077.82	198,074,433.42
	Land for Development		49,229,334.94	18,076,614.04
	Land Development Expenses		4,135,215.43	6,604,718.81
	Labour / Sublet Contract Expenses		73,277,839.90	148,461,109.73
	Freight & Octroi		9,13,67,68.62	18,560,113.50
	Import Duty		36,282.39	40,067.11
	Other		6818602.23	38,732.39
	Vat / Sales Tax Expenses		1,096,866.92	17,304,564.60
	Project Expenses On Site		18,648,861.67	20,120,696.10
<b>OTHER EXPENDITURE</b>				
	Administrative and Other Expenses	12	25,811,035.81	19,842,841.61
	Financial Expenses	13	13,493,610.63	11,744,348.12
	Depreciation	5	2,702,736.45	1,847,721.01
<b>TOTAL B</b>			<b>416,963,232.81</b>	<b>460,715,960.45</b>
C	PROFIT BEFORE TAXATION		36,781,364.02	28,923,688.74
D	PROVISION FOR TAXATION		5,651,819.52	3,354,895.00
E	DEFERRED TAX LIABILITY		538,266.36	66,587.00
	PROVISION FOR FRINGE BENEFIT TAX		231,952.00	208,509.00
	SERVICE TAX PROVISION WRITTEN BACK		-	15,096.00
F	PROFIT AFTER TAXATION		30,359,535.14	25,308,793.74
G	PREVIOUS YEAR BALANCE		41,897,169.93	15,672,633.03
H	BALANCE CARRIED TO BALANCE SHEET		<b>72,256,705.07</b>	<b>40,981,426.77</b>

FOR RAJESH J. SHAH & ASSOCIATES  
CHARTERED ACCOUNTANTS

CA RAJESH J. SHAH  
PARTNER

PLACE : AHMEDABAD  
DATE : 7th July, 2009

FOR & ON BEHALF OF THE BOARD

BHAILAL B. SHAH  
CHAIRMAN

JASWANTBHAI K. PATEL  
MANAGING DIRECTOR

NATUBHAI K. PATEL  
MANAGING DIRECTOR

CHANDRAKANT T. PATEL  
MANAGING DIRECTOR

JITENDRA I. PATEL  
MANAGING DIRECTOR

SOMBHAI J. PRAJAPATI  
MANAGING DIRECTOR

PLACE : VISNAGAR  
DATE : 7th July, 2009

PARTICULARS	AS ON 31-03-2009	AS ON 31-03-2008
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
Authorised: 70,00,000 Equity Shares of Rs. 10 each	70,000,000.00	70,000,000.00
Issued, Subscribed and Paid-up	60,010,000.00	60,010,000.00
60,01,000 Equity Shares of Rs. 10/- each		
Call in Arrears (Share Allotment Money)	598,000.00	598,000.00
<b>TOTAL</b>	<b>59,412,000.00</b>	<b>59,412,000.00</b>
<b>RESERVES &amp; SURPLUS</b>		
General Reserves	455,827.00	455,827.00
Capital Reserve	93,728.36	-
Profit and Loss Account :		
Opening Balance	61,005,772.98	34,781,236.08
Add : Net Profit during the year	30,359,535.14	25,455,312.64
Balance in Profit & Loss A/c	91,365,308.12	60,236,548.72
Less : Deferred Tax Adjustments	754,565.00	754,565.00
<b>TOTAL</b>	<b>91,160,298.48</b>	<b>59,937,810.72</b>
<b>SCHEDULE 2</b>		
<b>SECURED LOANS</b>		
a) The Mehsana Urban Co.Op. Bank Ltd, Radhanpur Road Br. (Secured by fixed deposits)	1,352,734.00	1,046,218.00
b) The Bank of Baroda loan facility (Secured against Legal Mortgage of Land in the name of Company, floating charge against all current and moveable assets of the company both present and future and Personal guarantee of, Jitendra Kumar Patel, Bhailal B. Shah, Bipin Patel and Harshad Barot)	54,792,030.11	13,261,450.77
c) Bank of Baroda - Working Capital (Secured against Equitable Mortgage of Land in the name of Wife of one of the Director's and Building and Hypo. Of Stock, Book Debts and Plant & Machinery)	-	927,143.00
d) ICICI Bank Ltd	1,803,594.00	1,779,124.41
e) Centurion Bank Ltd.	742,609.00	-
f) The Mehsana Urban Co.Op. Bank Ltd (d,e & f are Secured against Hypo. Of Vehicle)	345,000.00	1,531,401.00
g. The Mehsana Urban Co.Op. Bank Ltd, Gunj Bazar Branch (Secured against Land S. No. 309, 2735, 2734/2, 2734/3 jointly in the name of Mr. Natubhai K. Patel and Mr. Somabhai J. Prajapati directors of the company and S. No. 425 in the name of Guarantor)	17,195,048.00	23,964,194.00
<b>TOTAL</b>	<b>76,231,015.11</b>	<b>42,509,531.18</b>
<b>SCHEDULE 3</b>		
<b>MINORITY INTEREST</b>		
Share Capital	415,368.64	375,586.84
Reserves & Surplus :		
Profit & Loss Account	1,758,702.22	(146,518.90)
Foreign Currency translation reserve	(344,872.01)	-
<b>TOTAL</b>	<b>1,829,198.85</b>	<b>229,067.94</b>

PARTICULARS	AS ON 31-03-2009	AS ON 31-03-2008
<b>SCHEDULE 4</b>		
<b>UNSECURED LOANS</b>		
Loans from Directors and their relatives & Associates	47,417,675.31	40,663,571.77
Loans from Others	28,017,393.68	62,404,631.79
<b>TOTAL</b>	<b>75,435,068.99</b>	<b>103,068,203.56</b>
<b>SCHEDULE 6</b>		
<b>INVESTMENTS IN SHARES</b>		
Sardar Sarovar Narmada Nigam Ltd. (1 Bond of Rs. 1,000,000/- each)	4,036,134.00	9,617,786.00
Share of Mehsana urban co-operative bank (Unquoted 17,000/- Shares each of Rs. 25/-)	425,000.00	425,000.00
The Mehsana Urban Co.Op. Bank Ltd. (Unquoted 15,680/- Shares each of Rs. 25/-)	392,001.00	392,001.00
Rekvina Laboratories Ltd. (Quoted 2,01,400/- Equity Shares of Rs. 10/- each)	2,910,230.00	2,910,230.00
City Light Theater (Share Application Money)	2,580,139.00	2,858,279.00
<b>INVESTMENT AS CAPITAL WHEREIN COMPANY IS A PARTNER</b>		
Siddh Corporation	9,210,286.00	10,110,208.00
Bharat Pipe Industries	10,494,736.00	11,872,754.00
<b>TOTAL</b>	<b>30,048,526.00</b>	<b>38,186,258.00</b>
<b>SCHEDULE 7</b>		
<b>CURRENT ASSETS LOANS &amp; ADVANCES</b>		
<b>CURRENT ASSETS</b>		
A. Inventories (At cost unless otherwise stated & as verified, valued and certified by the Directors)		
Raw Material	1,450,209.00	1,838,332.50
Land/Plots	14,338,899.72	14,401,241.61
Finished Goods	4,870,400.00	1,720,000.00
B. Construction Work in Progress (Uncertified At cost)		
Construction Work in Progress (Certified At cost)	35,482,683.00	52,743,182.00
	210,437,336.77	249,143,991.30
<b>TOTAL</b>	<b>266,579,528.49</b>	<b>319,846,747.41</b>
<b>C. LOANS &amp; ADVANCES</b>		
(Unsecured and considered good)		
Recoverable in Cash or in kind for value to be received		
Advances to Suppliers	2,441,237.50	12,146,959.31
Deposits	27,329,571.22	35,217,859.00
I.T Refund receivable	102,015.34	102,015.34
TDS Receivables	1,255,237.83	6,132,879.81
Advance tax	908,618.90	-
Others Advances	59,593,207.29	40,620,610.59
Vat Receivable	1,272,326.06	-
<b>TOTAL</b>	<b>92,902,214.15</b>	<b>94,220,324.04</b>

## SCHEDULE : 5

### FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	1-Apr-08	ADDITION	SALE	31-Mar-09	1-Apr-08	ADDITION	WRITTEN BACK	31-Mar-09	31-Mar-09	31-Mar-08
LAND	-	327,414.33	-	327,414.33	-	-	-	-	327,414.33	-
BUILDING	91,982.79	-	91,982.79	-	5,705.12	-	5,705.12	-	-	86,277.67
OFFICE BUILDING	2,423,642.37	-	33,092.25	2,390,550.12	349,586.64	39,349.86	692.00	388,244.50	2,002,305.62	2,074,055.73
VEHICLES - CAR	11,744,334.26	6,084,178.10	2,719,075.00	15,109,437.36	2,322,960.33	1,693,866.66	921,289.41	3,095,537.58	12,013,899.78	9,421,373.93
FURNITURE & FIXTURES	1,318,539.38	503,894.08	-	1,822,433.46	664,022.21	177,758.38	-	841,780.59	980,652.87	654,517.17
OFFICE EQUIPMENTS	493,248.50	938,858.21	-	1,432,106.71	229,440.12	221,878.78	-	451,318.90	980,787.80	263,808.38
COMPUTERS ETC.	1,141,614.54	400,449.09	-	1,542,063.63	877,550.57	292,066.95	-	1,169,617.52	372,446.11	264,063.97
CONSTRUCTION & MFG. MACHINERY	9,449,957.75	376,837.00	1,630,000.00	8,196,794.75	1,419,654.68	429,256.00	515,226.00	1,333,684.68	6,863,110.07	8,030,303.07
AIR CONTIONER MACHINE	544,590.00	-	-	544,590.00	128,369.90	1,970.00	-	130,339.90	414,250.10	416,220.10
<b>TOTAL</b>	<b>27,207,909.59</b>	<b>8,631,630.81</b>	<b>4,474,150.04</b>	<b>31,365,390.36</b>	<b>5,997,289.57</b>	<b>2,856,146.62</b>	<b>1,442,912.53</b>	<b>7,410,523.66</b>	<b>23,954,866.69</b>	<b>21,210,620.02</b>

PARTICULARS	AS ON 31-03-2009	AS ON 31-03-2008
<b>D. CASH &amp; BANK BALANCE</b>		
Cash on Hand	4,820,686.61	6,263,086.25
Balance with Scheduled Banks		
In Current Accounts (Books over drawn)	5,148,176.67	362,854.28
Balance with Non Scheduled Banks		
In Current Accounts	4,541,697.77	14,979,217.00
<b>TOTAL</b>	<b>14,510,561.04</b>	<b>21,605,157.53</b>
<b>E. SUNDRY DEBTORS</b>		
<b>SCHEDULE 8</b>		
<b>CURRENT LIABILITIES &amp; PROVISION</b>		
Sundry Creditors	73,592,208.50	68,411,341.66
Booking Advance (Net)	103,067,897.77	225,844,925.61
Deposits (Liability)	4,233,933.00	9,511,545.35
TDS Payable	920,096.95	1,129,482.14
Vat Payable	1,217,421.00	2,832,434.13
FBT Payable	231,952.00	209,122.00
Professional Tax Payable	28,580.00	11,440.00
Audit Fees Payable	90,861.89	-
Provison for Income Tax	3,414,849.43	-
Deferred Tax Liabilities	2,283,203.14	1,723,267.00
Expenditure Payable	1,398,046.61	5,009,313.22
<b>TOTAL</b>	<b>190,479,050.28</b>	<b>314,682,871.11</b>
<b>SCHEDULE 9</b>		
<b>SALES</b>		
Sales of Plots/Units/Land	191,601,785.83	22,865,752.00
Contracts Bills	146,748,738.00	69,770,411.00
Contracts Bills of Infrastructure Division	104,079,358.93	277,115,559.32
Sale of Cement Products	-	2,042,138.00
Development Income/Extra Work	2,977,100.00	6,460,950.00
<b>TOTAL</b>	<b>445,406,982.76</b>	<b>378,254,810.32</b>
<b>SCHEDULE 10</b>		
<b>OTHER INCOME</b>		
Interest Income	1,536,667.00	2,677,557.00
Interest from R. F. Firm	1,278,060.00	-
Kasar & Discount	477,266.23	99,251.65
Rent Income	1,039,633.00	1,756,346.00
Interest Received	492,190.00	-
Dividend Received	88,800.00	-
Sundry Credit Not Payable	234,802.00	-
Sublet Charge	-	30,406.00
Other income	34,008.10	-
<b>TOTAL</b>	<b>5,181,426.33</b>	<b>4,563,560.65</b>

PARTICULARS	AS ON 31-03-2009	AS ON 31-03-2008
<b>SCHEDULE 11</b>		
<b>INCREASE / DECREASE IN STOCK</b>		
<b>OPENING STOCK</b>		
Land and Plots	14,401,241.61	17,671,118.61
Certified Construction Work in Progress	213,937,247.00	133,959,611.50
Construction Work in Progress at Cost	12,357,232.00	32,460,641.80
Finished Goods Stocks	1,720,000.00	5,360,365.00
Building Materials	1,838,332.50	2,828,075.00
<b>TOTAL</b>	<b>244,254,053.11</b>	<b>192,279,811.91</b>
<b>CLOSING STOCK</b>		
Land and Plots	14,338,899.72	14,401,241.61
Certified Construction Work in Progress	216,862,036.12	213,937,247.00
Construction Work in Progress at Cost	9,888,696.00	12,357,232.00
Finished Goods Stocks	4,870,400.00	1,720,000.00
Building Materials	1,450,209.00	1,838,332.50
<b>TOTAL</b>	<b>247,410,240.84</b>	<b>244,254,053.11</b>
<b>INCREASE / DECREASE IN STOCK</b>	<b>3,156,187.73</b>	<b>51,974,241.20</b>
<b>SCHEDULE 12</b>		
<b>ADMINISTRATIVE EXPENDITURE</b>		
Architectural work	204,601.21	236,226.48
Salary & Wages	3,817,729.27	2,000,607.33
Bonus	94,190.08	15,400.00
Gifts & Articles	-	25,700.00
Directors Remuneration	584,514.17	3,982,491.20
Director Sitting Fees	-	156,555.16
Office Expenses	977,904.23	1,036,353.21
Travelling Expenses	1,072,867.22	1,012,533.06
Printing & Stationery Expenses	375,552.06	320,622.10
Advertisement Expenses	2,384,341.29	566,728.00
Electricity Expenses	401,441.06	307,138.01
Telephone Expenses	896,068.52	530,655.24
Vehicle Repairs Expenses	282,464.08	322,059.20
Rent, Rates & Taxes	568,901.29	457,189.38
Provident Fund Contribution	228,957.00	191,864.00
Key Man Insurance Expenses	32,611.30	918,824.10
Tender Fees	185,898.00	56,790.00
Legal & Professional Fees	2,940,537.37	1,479,490.05
Auditors Remuneration	270,020.24	178,091.00
Stock Exchange Listing Fees	105,000.00	45,000.00
Staff Welfare	188,058.58	205,170.34
Income Tax On Assessment	-	1,833.00
loss on Sale of Vehicle	1,038,861.59	178,236.00
Repairs & Maintainance	36,913.61	83,107.81
Other Expenses	9,123,603.61	5,534,176.93
<b>TOTAL</b>	<b>25,811,035.81</b>	<b>19,842,841.61</b>
<b>SCHEDULE 13</b>		
<b>FINANCIAL EXPENSES</b>		
Interest Expenses	11,382,824.32	10,598,652.62
Bank Charges	2,110,786.31	1,145,695.51
<b>TOTAL</b>	<b>13,493,610.63</b>	<b>11,744,348.12</b>

## TIRUPATI SARJAN LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2009

PARTICULARS	AS ON 31-03-2009 (18 months)	AS ON 31-03-2008 (12 months)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit after tax	30,359,535.14	25,308,793.74
Adjustment for :		
Interest Paid	11,996,516.62	10,598,652.62
Depreciation for the year	2,856,146.62	1,847,721.01
Dividend received	(88,800.00)	-
Interest received	(3,306,917.00)	-
Loss on sale of Assets	1,073,237.51	-
Depreciation Written Back	-	(166,949.00)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>42,889,718.90</b>	<b>37,588,218.36</b>
Adjustment for :		
Inventories	(22,325,475.38)	(127,566,935.50)
Loans and Advances	32,365,399.87	(115,867,647.04)
Trade Payables	(86,065,361.03)	165,155,320.93
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(76,025,436.53)</b>	<b>(40,691,043.25)</b>
Interest Paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(33,135,717.63)</b>	<b>(40,691,043.25)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8,631,630.80)	(9,623,151.31)
Dividend received	88,800.00	-
Interest received	3,306,917.00	-
Sale of fixed Assets	1,958,000.00	1,430,185.00
Investments Realised	10,224,689.00	(2,235,065.00)
<b>NET CASH USED FROM INVESTING ACTIVITIES : (B)</b>	<b>6,946,775.20</b>	<b>(10,428,031.31)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital	-	-
Minority Interest	(1,829,198.85)	(375,586.84)
Assets Acquired/Goodwill on acquisition fo Subsidiaries	(93,728.36)	(115,126.00)
Foreign Currency Translation Reserve	1,810,578.08	-
Increase/Decrease in Long Term Borrowings	(46,982,934.70)	(3,424,446.88)
Increase/Decrease in Unsecured Loans	15,583,486.68	(54,733,277.01)
Interest Paid	11,996,516.62	10,598,652.62
<b>NET CASH FROM FINANCING ACTIVITIES : (C)</b>	<b>(19,515,280.53)</b>	<b>(48,049,784.12)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,673,661.91)</b>	<b>(3,069,290.44)</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1-4-2008</b>	<b>21,184,222.95</b>	<b>2,46,74,447.97</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31-3-2009</b>	<b>14,510,561.04</b>	<b>2,16,05,157.53</b>

## AUDITORS REPORT

We have verified the above Cash Flow Statement of **TIRUPATI SARJAN LIMITED**, derived from audited financial statement for the year ended **31st March, 2009** and certify that in our opinion and according to information and explanation given to us the same in accordance therewith and also the requirement of clause 32 of the listing agreement with Stock Exchange.

**As per our Report of even date attached.**

FOR RAJESH J. SHAH & ASSOCIATES  
CHARTERED ACCOUNTANTS

CA RAJESH J. SHAH  
PARTNER

PLACE : AHMEDABAD  
DATE : 7th July, 2009

FOR & ON BEHALF OF THE BOARD

BHAILAL B.SHAH  
CHAIRMAN

JASWANTBHAI K. PATEL  
MANAGING DIRECTOR

NATUBHAI K. PATEL  
MANAGING DIRECTOR

PLACE : VISNAGAR  
DATE : 7th July, 2009

CHANDRAKANT T. PATEL  
MANAGING DIRECTOR

JITENDRA I. PATEL  
MANAGING DIRECTOR

SOMBHAI J. PRAJAPATI  
MANAGING DIRECTOR

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED.****Schedule 12 :-****I. Significant Accounting Policies :****(i) Basis of Accounting:**

The Consolidated Financial Statements of Tirupati Sarjan Ltd ('the Company') and its subsidiary Tirupati Development (U) Ltd are prepared under historical cost convention in accordance with generally accepted accounting principles in India and Accounting Standard 21 on Consolidation of Financial statements, issued by the Institute of Chartered Accountants of India to the extent possible in the same format as that adopted by the Company for its separate financial statements.

**(ii) Principles of Consolidation:**

The Consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
- Intra group balances are eliminated and there are no other intra group transactions resulting in profit or otherwise.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

**(iii) Fixed assets and depreciation:**

Fixed assets are stated at historical cost. Depreciation on Fixed assets has been provided on Straight line method at the rate and in the manner prescribed in Schedule XIV of the Companies Act, 1956 in case of the Company and in accordance with applicable laws in case of Subsidiary company.

**(iv) Investments:**

Investments are shown at cost. The capital contribution of the company in capacity of partner in a firm and any further addition or withdrawal has been shown as investment. Any diminution or appreciation in the value of investment in subsidiary company has been accounted in goodwill account or capital reserve respectively.

**(v) Foreign currency transactions:**

The financial statements of the subsidiary have been converted into Indian rupees from Ugandan shillings (UGX) for the purpose of consolidation. Balance sheet items have been converted at the rate prevalent as on 31<sup>st</sup> December, 2008 which was 38.52 UGX for Re. 1 and items appearing in the profit and loss account have been converted at an average rate which was 39.52 UGX, derived by taking average of the exchange rates prevailing as on 1<sup>st</sup> July 2007 and 31<sup>st</sup> December 2008. Exchange rate prevalent as on 1<sup>st</sup> July 2007 was 40.51 UGX for Re. 1.

**(vi) INCOME / EXPENSES:**

Material known incomes and liabilities are provided for on the basis of available information / estimates with the Management.

From the Construction business income has been recognized during the year by certifying the work wherever significant work has been done. Construction work is certified on the basis of Installment due from the member for the work done visa-vis the stages of completion of work. From the plotting scheme showing sale of plots on the basis of booking of plots after realization of full consideration has recognized income and balance plots are shown at cost as stock of plots for sale.

**(vi) Taxes on Income:**

Income tax is provided on tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961 or applicable foreign tax law in case of foreign subsidiary.

**(vii) Other significant Accounting Policies:**

These are set out in and under "Notes forming part of Accounts for the year ended 31<sup>st</sup> March 2009" as given in the standalone financial statements of Tirupati Sarjan Limited

**II. NOTES TO THE ACCOUNTS:**

- 1) Mrs. Alka R. Shah who is director of the company, is a wife of Mr. Rajesh J. Shah one of the partner of audit firm.
- 2) Investments at the year-end have been physically verified, valued and certified by the management.
- 3) Closing stock of materials as on **31-03-2009** has been physically verified, valued and certified by the management and the same has been incorporated in the Balance Sheet.
- 4) In the opinion of the Board of the Directors and Management, the Current Liabilities, Unsecured loans, Current Assets, Loans and Advances the values at which they are stated in accounts, so realizable in the ordinary course of business, their confirmation/ reconciliation however are in arrears.

**5) Segment Reporting**

In accordance with Accounting Standard 17-"Segment Reporting" issued by the Institute of Chartered Accountants of India, the group (Company and its subsidiary) has determined its business segment as Construction activities and Tender division

A statement showing activity wise sales/revenue, expenditure , profit is as under :

Particulars	Rs. In lacs		
	Construction business (including rental income)	Infrastructure Development	Total
Sales / Revenue	3413.28	1040.79	4454.07
Net Profit	184.67	118.93	303.60
<b>Assets:</b>			
Fixed Assets	219.87	19.68	239.55
Other Assets	4095.80	291.01	4386.81

**6) Disclosure of Related Party transactions :**

No	Particulars	2008-09
1	Loan Received	219.54
2	Loan Repaid	205.04
3	Interest Paid	27.93
4	Interest Received	11.72
5	Professional Fees	1.85
6	Investment As Partner in Siddh Corporation	111.87
7	Investment As Partner in Bharat Pipe Corporation	97.96
8	Purchase	59.20
9	Director Remuneration	51.96
10	Rent Paid	1.14
11	Salary Paid	7.50
12	Labour Charges	5.35
13	Advances for land Purchase	9.58

7) The reporting period of the subsidiary is 18 months ended on 31<sup>st</sup> December, 2008.

8) Other notes forming part of Accounts :

These are set out in and under "Notes forming part of Accounts for the year ended 31<sup>st</sup> March 2009" as given in the standalone financial statements of Tirupati Sarjan Limited.

For **RAJESH J.SHAH & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**CA.RAJESH J.SHAH**  
PARTNER

**FOR AND ON BEHALF OF THE BOARD**

**BHAILAL B.SHAH**  
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MANAGING DIRECTOR

**JASWANTBHAI K. PATEL**  
MANAGING DIRECTOR

PLACE : AHMEDABAD  
DATE : 7<sup>th</sup> July 2009

PLACE : VISNAGAR.  
DATE : 7<sup>th</sup> July, 2009