



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

1. We have examined the attached Consolidated Balance Sheet of Tirupati Sarjan Ltd ("the Company") as at **March 31, 2011** and the audited accounts of its subsidiaries as at **December 31, 2010**, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the period 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. 2980.02** lacs as at December 31, 2010 and total revenues of **Rs.1689.91** lacs for the 12 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, 2011** and its subsidiary for the year ended on **December 31,2010** 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 31,2011** and its subsidiary for the year ended on **December 31,2010** 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 31,2011** and its subsidiary for the year ended on **December 31,2010**

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
Firm Regn. No. 108407W

CA Rajesh J. Shah
Partner
M. No.: 040268

Place : Ahmedabad
Date : 24th August, 2011

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2011**

| PARTICULARS | SCH | AS ON 31/03/2011 | AS ON 31/03/2010 |
|--|-----|-----------------------|-----------------------|
| SOURCES OF FUNDS : | | | |
| SHAREHOLDERS FUND | | | |
| a) Share Capital | 1 | 120,020,000.00 | 60,010,000.00 |
| b) Reserves & Surplus | | 44,632,207.40 | 123,519,140.24 |
| LOANS FUNDS | | | |
| a) Secured Loan | 2 | 187,456,459.70 | 126,821,576.17 |
| b) Minority Interest | 3 | 15,347,131.79 | 18,761,765.25 |
| b) Unsecured Loan | 4 | 138,336,557.41 | 72,527,917.81 |
| TOTAL FUND EMPLOYED | | 505,792,356.31 | 401,640,399.47 |
| APPLICATION OF FUNDS : | | | |
| FIXED ASSETS | | | |
| a) Gross Block | 5 | 81,652,325.48 | 48,153,045.18 |
| b) Depreciation | | 12,882,376.20 | 9,680,540.84 |
| c) Net Block | | 68,769,949.28 | 38,472,504.34 |
| INVESTMENTS | 6 | 11,383,054.00 | 11,748,756.00 |
| Foreign Currency translation difference | | (38,225,836.12) | (408,994.99) |
| CURRENT ASSETS, LOANS AND ADVANCES | 7 | | |
| a) Inventories | | 483,805,554.56 | 382,472,193.30 |
| c) Loans & Advances | | 133,677,013.69 | 104,733,884.40 |
| d) Cash and Bank Balance | | 42,778,082.31 | 30,228,111.87 |
| e) Sundry Debtors | | 74,988,315.00 | 100,579,358.76 |
| Total Current Assets | | 735,248,965.56 | 618,013,548.33 |
| Less : CURRENT LIABILITIES & PROVISIONS | 8 | 271,383,776.40 | 266,185,414.21 |
| NET CURRENT ASSETS | | 463,865,189.16 | 351,828,134.12 |
| TOTAL FUNDS UTILISED | | 505,792,356.31 | 401,640,399.47 |

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

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As per our Report of even date attached**For Rajesh J. Shah & Associates**
Chartered Accountants**Ca Rajesh J. Shah**
Partner
Firm Regn. 108407WPlace : Ahmedabad
Date : 24th August, 2011**For & on Behalf of the Board****Bhailal B. Shah**
Chairman**Ruchir R. Patel**
Managing Director**Jaswantbhai K. Patel**
Managing Director**Jitendra I. Patel**
Managing Director**Natubhai K. Patel**
Managing Director**Sombhai J. Prajapati**
Managing DirectorPlace : Visnagar
Date : 24th August, 2011

**CONSOLIDATED PROFIT & LOSS ACCOUNTS FOR THE PERIOD ENDED ON 31st MARCH 2011**

| PARTICULARS | SCH | AS ON 3/31/2011 | AS ON 3/31/2010 |
|--|-----|-------------------------|-----------------------|
| INCOME | | | |
| A Turnover | 9 | 926,891,729.38 | 482,884,254.14 |
| Other Income | 10 | 17,583,156.05 | 22,434,687.57 |
| Increase / Decrease in Stock | 11 | 101,333,361.46 | 115,892,664.83 |
| TOTAL A | | 1,045,808,246.89 | 621,211,606.54 |
| B EXPENDITURE | | | |
| DIRECT EXPENDITURE | | | |
| Construction / Raw / Packing Material | | 437,224,527.96 | 303,992,508.18 |
| Land for Development | | 69,024,784.00 | 29,358,574.00 |
| Finished Good Purchased | | — | 15,109,260.00 |
| Land Development Expenses | | 23,839,077.20 | 7,343,129.40 |
| Labour / Sublet Contract Expenses | | 325,794,377.32 | 63,674,079.63 |
| Freight & Octroi | | 35,538,052.71 | 16,080,285.95 |
| Import Duty | | — | 205,639.43 |
| Other | | 10,765,879.62 | 21,450,622.99 |
| Vat / Sales Tax Expenses | | 3,388,443.46 | 2,048,312.71 |
| Project Expenses On Site | | 48,714,768.36 | 32,335,549.94 |
| OTHER EXPENDITURE | | | |
| Administrative and Other Expenses | 12 | 39,819,531.12 | 36,669,953.86 |
| Financial Expenses | 13 | 45,521,955.86 | 40,745,275.08 |
| Depreciation | 5 | 4,526,469.29 | 2,933,417.39 |
| TOTAL B | | 1,044,157,866.91 | 571,946,608.57 |
| C PROFIT BEFORE TAXATION | | 1,650,379.98 | 49,264,997.97 |
| D PROVISION FOR TAXATION | | 24,710,729.34 | 11,282,670.43 |
| E DEFERRED TAX LIABILITY | | 588,782.00 | 113,355.00 |
| DEPRECIATION WRITTEN BACK | | 129,145.32 | — |
| PRIOR PERIOD ITEMS | | 1,719,625.00 | — |
| PROFIT AFTER TAXATION | | (25,239,611.04) | 37,868,972.54 |
| F MINORITY INTEREST | | (20,411,337.61) | 100,056.50 |
| TRANSFER TO CAPITAL RESERVE | | — | (330,229.39) |
| PROFIT AFTER MINORITY INTEREST | | (4,828,273.43) | 38,099,145.43 |
| PREVIOUS YEAR BALANCE | | 110,450,252.09 | 82,132,121.46 |
| G BALANCE CARRIED TO BALANCE SHEET | | 105,621,978.66 | 120,231,266.89 |
| APPROPRIATION | | | |
| GENERAL RESERVE | | — | 938,655.00 |
| INTERIM DIVIDEND - 6% (PREVIOUS YEAR - NIL) | | — | 3,542,640.00 |
| PROPOSED FINAL DIVIDEND | | 12,002,000.00 | 3,542,640.00 |
| TAX ON DIVIDEND | | 1,993,382.00 | 1,204,144.00 |
| Short Provision of Dividend & earlier year Taxation | | 67,810.00 | — |
| SURPLUS / (DEFICIT) TO BE CARRIED OVER | | 91,558,786.66 | 111,003,187.89 |
| | | 105,621,978.66 | 120,231,266.89 |

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

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As per our Report of even date attached

For Rajesh J. Shah & Associates
Chartered AccountantsCa Rajesh J. Shah
Partner
Firm Regn. 108407WPlace : Ahmedabad
Date : 24th August, 2011

For & on Behalf of the Board

Bhailal B. Shah Chairman
Ruchir R. Patel Managing DirectorJaswantbhai K. Patel Managing Director
Jitendra I. Patel Managing DirectorNatubhai K. Patel Managing Director
Sombhai J. Prajapati Managing DirectorPlace : Visnagar
Date : 24th August, 2011



CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

| | AS ON 31/03/2011 | AS ON 31/03/2010 |
|--|-----------------------|-----------------------|
| SCHEDULE 1 - SHARE CAPITAL | | |
| Authorised : | | |
| 3,00,00,000 Equity Shares of Rs. 5/- each (Previous Year 70,00,000 Equity Shares of Rs. 10 each) | 150,000,000.00 | 70,000,000.00 |
| Issued, Subscribed and Paid -up 60010000 | | |
| Addition : Issue of Bonus Shares 60010000 | 120,020,000.00 | 60,010,000.00 |
| 2,40,04,000 Equity Shares of Rs. 5/- each (Previous Year 60,01,000 Equity Shares of Rs. 10/- each) | | |
| TOTAL | 120,020,000.00 | 60,010,000.00 |
| RESERVES & SURPLUS | | |
| General Reserves | 1,394,482.00 | 1,394,482.00 |
| Share Premium | 4,830,000.00 | 4,830,000.00 |
| Capital Reserve | 7,063,223.46 | 7,046,035.35 |
| Profit and Loss Account : | | |
| Opening Balance: | | |
| Opening balance of TSL | 110,450,252.09 | 82,132,121.46 |
| Opening balance in Post Share Profits of Subsidiary TDUL | 550,280.31 | — |
| Add : Net Profit during the year | (18,891,465.43) | 28,871,066.43 |
| Less : Utilised for Issue of Bonus Share | 60,010,000.00 | — |
| Balance in Profit & Loss A/c | 32,099,066.96 | 111,003,187.89 |
| Less : Deferred Tax Adjustments | 754,565.00 | 754,565.00 |
| TOTAL | 44,632,207.42 | 123,519,140.24 |
| SCHEDULE 2 - SECURED LOANS | | |
| The Mehsana Urban Co.Op. Bank Ltd, Radhanpur Road Br. | 1,610,608.00 | 902,554.00 |
| a) (Secured by fixed deposits) | | |
| The Bank of Baroda loan facility | 136,650,461.11 | 105,960,702.44 |
| b) (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) | | |
| Bank Overdraft | 24,281,566.93 | — |
| HDFC Bank Ltd. | 1,544,452.06 | 2,371,413.73 |
| c) The Mehsana Urban Co. Op. Bank | — | 371,308.00 |
| d) ICICI Bank Ltd | 6,541,044.60 | 386,752.00 |
| e) Centurion Bank Ltd. | — | 408,936.00 |
| f) The Mehsana Urban Co.Op. Bank Ltd | 1,028,337.00 | 229,129.00 |
| g) Axis Bank Ltd | 5,129,960.00 | — |
| h) Kotak Mahindra Bank | 533,704.00 | — |
| i) State Bank Of india | 103,329.00 | — |
| j) (c, d,e, f, g,h,l & j are Secured against Hypo. Of Vehicle Finance by them) | | |
| The Mehsana Urban Co.Op. Bank Ltd, Gunj Bazar Branch (Secured against Land S. No. 309, 2735, 2734/2, 2734/3 jointly owned 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) | 4,116,241.00 | 7,438,406.00 |
| Kotak Mahindra Bank | 5,916,756.00 | 8,752,375.00 |
| k) Secured Against Site machinery including Tripper and Dumper | | |
| TOTAL | 187,456,459.70 | 126,821,576.17 |



| | AS ON 31/03/2011 | AS ON 31/03/2010 |
|---------------------------------------|----------------------|----------------------|
| SCHEDULE 3 - MINORITY INTEREST | | |
| Share Capital | 15,374,838.74 | 15,374,838.74 |
| Reserves & Surplus : | | |
| Profit & Loss Account | (16,903,795.52) | 3,507,542.09 |
| Foreign Currency translation reserve | 16,876,088.56 | (120,615.58) |
| TOTAL | 15,347,131.79 | 18,761,765.25 |

| | | |
|---|-----------------------|----------------------|
| SCHEDULE 4 - UNSECURED LOANS | | |
| Loans from Directors and their Relatives & Associates | 105,340,588.41 | 52,323,279.81 |
| Loans from Others | 32,995,969.00 | 20,204,638.00 |
| TOTAL | 138,336,557.41 | 72,527,917.81 |

SCHEDULE : 5 - FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | DEPRICIATION | | | | NET BLOCK | | |
|-------------------------------------|----------------------|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| | 1-Apr-10 | ADDITION | SALE | 31-Mar-11 | 1-Apr-10 | ADDITION | WRITTEN BACK | 31-Mar-11 | 31-Mar-11 | 31-Mar-10 |
| Land | 327,414.33 | — | — | 327,414.33 | — | — | — | — | 327,414.33 | 327,414.33 |
| Office Building | 2,390,550.12 | 6,982,876.00 | 368,471.00 | 9,004,955.12 | 427,684.36 | 41,337.00 | 14,697.00 | 454,324.36 | 8,550,630.76 | 1,962,865.76 |
| Vehicles - Car | 18,112,692.61 | 28,567,812.69 | 5,100,566.57 | 41,579,938.73 | 4,102,989.03 | 2,291,666.30 | 1,177,187.60 | 5,217,467.73 | 36,362,471.00 | 14,009,703.58 |
| Furniture & Fixtures | 3,758,985.06 | 532,647.40 | — | 4,291,632.46 | 1,022,023.18 | 654,606.00 | — | 1,676,629.18 | 2,615,003.28 | 2,736,961.88 |
| Office Equipments | 2,180,106.95 | 283,910.00 | — | 2,464,016.95 | 682,242.53 | 280,236.40 | — | 962,478.93 | 1,501,538.02 | 1,497,864.42 |
| Computers Etc. | 1,863,032.35 | 275,898.49 | — | 2,138,930.84 | 1,444,078.77 | 253,949.11 | 129,145.32 | 1,568,882.56 | 570,048.28 | 418,953.58 |
| Construction & Mfg. Machinery | 18,975,673.75 | 2,178,473.30 | — | 21,154,147.05 | 1,869,212.06 | 973,159.28 | — | 2,842,371.34 | 18,311,775.71 | 17,106,461.69 |
| Air Contioner Machine 412,279.10 | | 544,590.00 | 171,700.00 | 25,000.00 | 691,290.00 | 132,310.90 | 31,515.20 | 3,604.00 | 160,222.10 | 531,067.90 |
| Total | 48,153,045.18 | 38,993,317.88 | 5,494,037.57 | 81,652,325.48 | 9,680,540.83 | 4,526,469.29 | 1,324,633.92 | 12,882,376.20 | 68,769,949.28 | 38,472,504.35 |

| | AS ON 31/03/2011 | AS ON 31/03/2010 |
|---|----------------------|----------------------|
| SCHEDULE 6 - INVESTMENTS IN SHARES | | |
| Sardar Sarovar Narmada Nigam Ltd. (1 Bond of Rs. 1,000,000/- each) | 3,696,552.00 | 1,387,624.00 |
| Share of Mehsana urban co—operative bank (Unqouted 17,000/- Shares each of Rs. 25/-) | 425,000.00 | 425,000.00 |
| The Mehsana Urban Co.Op. Bank Ltd. (Unqouted 16,080/- Shares each of Rs. 25/-) | 402,001.00 | 402,001.00 |
| Rekvina Laboratories Ltd. (Qouted 2,01,400/- Equity Shares of Rs. 10/- each) | — | 2,910,230.00 |
| City Light Theater (Share Application Money) | 2,580,139.00 | 2,580,139.00 |
| INVESTMENT AS CAPITAL WHEREIN COMPANY IS A PARTNER | | |
| Siddh Corporation | 1,086,786.00 | 1,236,786.00 |
| Bharat Pipe Industries | 2,806,976.00 | 2,806,976.00 |
| Tirupati Investment (U) Ltd | 192,800.00 | — |
| Tirupati General Enterprise Ltd | 192,800.00 | — |
| TOTAL | 11,383,054.00 | 11,748,756.00 |



| | AS ON 31/03/2011 | AS ON 31/03/2010 |
|---|-----------------------|-----------------------|
| SCHEDULE 7 - CURRENT ASSETS LOANS & ADVANCES | | |
| CURRENT ASSETS | | |
| A. Inventories (At cost unless otherwise stated & as verified, valued and certified by the Directors) | | |
| Raw Material | 5,564,025.18 | 2,373,911.00 |
| Land/Plots | 83,382,034.38 | 32,275,713.03 |
| Finished Goods | 15,681,260.00 | 15,109,260.00 |
| B. Construction Work in Progress (Uncertified At cost) | 22,827,096.00 | 28,835,818.07 |
| Construction Work in Progress (Certified At cost) | 356,351,139.00 | 303,877,491.21 |
| TOTAL | 483,805,554.56 | 382,472,193.31 |
| C. LOANS & ADVANCES (Unsecured and considered good) | | |
| Recoverable in Cash or in kind for value to be received | | |
| Advances to Suppliers | 14,574,500.35 | 23,279,708.50 |
| Deposits | 65,408,418.00 | 41,313,144.00 |
| I.T Refund receivable | 309,471.34 | 309,471.34 |
| Advance tax | 2,722,013.00 | 2,391,928.87 |
| Others Advances | 50,662,611.00 | 37,439,631.68 |
| TOTAL | 133,677,013.69 | 104,733,884.40 |
| D. CASH & BANK BALANCE | | |
| Cash on Hand | 7,520,568.98 | 7,425,138.80 |
| Balance with Scheduled Banks | | |
| In Current Accounts | 24,458,830.34 | 16,817,077.53 |
| Balance with Non Scheduled Banks | | |
| In Current Accounts | 10,798,682.99 | 5,985,895.54 |
| TOTAL | 42,778,082.31 | 30,228,111.87 |
| E. SUNDRY DEBTORS | | |
| | 74,988,315.00 | 100,579,358.76 |
| SCHEDULE 8 - CURRENT LIABILITIES & PROVISION | | |
| Sundry Creditors | 136,862,423.20 | 155,195,008.42 |
| Booking Advance (Net) | 49,526,927.89 | 80,928,619.89 |
| Deposits (Liability) | 53,004,801.57 | 15,046,567.20 |
| TDS Payable | 3,063,323.00 | 1,987,585.95 |
| Vat Payable | 6,048,857.00 | 472,264.00 |
| Professional Tax Payable | — | 32,740.00 |
| Deferred Tax Liabilities | 2,849,904.00 | 2,261,122.00 |
| Dividend Payable | 14,167,074.40 | 4,455,725.00 |
| Expenditure Payable | 5,860,465.34 | 5,805,781.75 |
| TOTAL | 271,383,776.40 | 266,185,414.21 |



| | AS ON 31/03/2011 | AS ON 31/03/2010 |
|---|-----------------------|-----------------------|
| SCHEDULE 9 - SALES | | |
| Sales of Plots/Units/Land | 210,906,742.00 | 172,150,111.35 |
| Contracts Bills | 211,427,360.00 | 125,193,141.00 |
| Contracts Bills of Infrastructure Division | 499,986,727.38 | 180,225,501.79 |
| Development Income/Extra Work | 4,570,900.00 | 5,315,500.00 |
| TOTAL | 926,891,729.38 | 482,884,254.14 |
| SCHEDULE 10 - OTHER INCOME | | |
| FDR Interest Income | 3,473,975.00 | 1,838,360.00 |
| Kasar & Discount | 416,115.05 | 84,867.27 |
| Rent Income | 1,759,422.00 | 1,155,460.80 |
| Interest Received | 306,445.00 | 576,236.00 |
| Dividend Received | 122,856.00 | 118,800.00 |
| Interest From Subsidiary Company(Prior Period Interest) | — | 14,281,417.00 |
| Interest From Subsidiary Company | 4,046,697.00 | 4,057,034.00 |
| Interest on I.T. Refund | — | 7,130.73 |
| Excess VAT Provision Written Back | — | 25,641.00 |
| Income Booked F.Y. 09-10 of F.Y. 08-09 | — | 227,179.00 |
| Other income | 7,457,646.00 | 62,561.77 |
| TOTAL | 17,583,156.05 | 22,434,687.57 |
| SCHEDULE 11 - INCREASE / DECREASE IN STOCK | | |
| OPENING STOCK | | |
| Land and Plots | 32,275,713.03 | 14,338,899.72 |
| Certified Construction Work in Progress | 66,763,117.00 | 236,031,323.77 |
| Construction Work in Progress at Cost | 265,950,192.07 | 9,888,696.00 |
| Finished Goods Stocks | 15,109,260.00 | 4,870,400.00 |
| Building Materials | 2,373,911.00 | 1,450,209.00 |
| TOTAL | 382,472,193.10 | 266,579,528.49 |
| CLOSING STOCK | | |
| Land and Plots | 83,382,034.38 | 32,275,713.03 |
| Certified Construction Work in Progress | 356,351,139.00 | 303,877,491.21 |
| Construction Work in Progress at Cost | 22,827,096.00 | 28,835,818.07 |
| Finished Goods Stocks | 15,681,260.00 | 15,109,260.00 |
| Building Materials | 5,564,025.18 | 2,373,911.00 |
| TOTAL | 483,805,554.56 | 382,472,193.31 |
| INCREASE / DECREASE IN STOCK | 101,333,361.46 | 115,892,664.83 |



| | AS ON 31/03/2011 | AS ON 31/03/2010 |
|---|----------------------|----------------------|
| SCHEDULE 12 - ADMINISTRATIVE EXPENDITURE | | |
| Architectural work | 1,179,254.51 | 215,634.51 |
| Salary & Wages | 4,263,309.30 | 7,022,146.05 |
| Bonus | 112,362.35 | 47,600.00 |
| Office Expenses | 1,257,549.13 | 834,752.23 |
| Travelling Expenses | 4,724,282.60 | 4,084,525.51 |
| Printing & Stationery Expenses | 1,071,401.94 | 462,666.50 |
| Advertisement Expenses | 1,451,393.40 | 622,138.00 |
| Electricity Expenses | 1,226,200.67 | 411,880.15 |
| Telephone Expenses | 994,584.84 | 1,009,559.27 |
| Vehicle Repairs Expenses | 519,040.80 | 711,517.01 |
| Rent, Rates & Taxes | 1,885,760.90 | 305,536.04 |
| Providend Fund Contribution | 241,303.00 | 229,738.00 |
| Key Man Insurance Expenses | 130,356.00 | 556,732.00 |
| Tender Fees | 435,546.00 | 531,680.00 |
| Legal & Professional Fees | 4,789,839.80 | 2,566,228.92 |
| Auditors Remuneration | 378,495.00 | 185,000.00 |
| Stock Exchange Listing Fees | 104,785.00 | 62,390.00 |
| Staff Welfare | 673,776.89 | 481,514.01 |
| loss on Sale of Vehicle | 1,125,464.16 | 588,391.00 |
| Repairs & Maintainance | 71,029.70 | 45,506.68 |
| Other Expenses | 13,183,795.14 | 15,694,817.97 |
| TOTAL | 39,819,531.12 | 36,669,953.86 |
| SCHEDULE 13 - FINANCIAL EXPENSES | | |
| Interest Expenses | 41,480,280.51 | 37,160,823.09 |
| Bank Charges | 4,041,675.35 | 3,584,451.99 |
| TOTAL | 45,521,955.86 | 40,745,275.08 |

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2011**

| PARTICULARS | CURRENT YEAR 31/03/2011 | PREVIOUS YEAR 31/03/2010 |
|---|------------------------------------|-------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit after tax | (18,891,465.43) | 28,871,066.43 |
| Adjustment for : | | |
| Interest Paid | 41,480,280.51 | 37,160,823.09 |
| Depreciation for the year | 4,526,469.29 | 2,933,417.39 |
| Dividend received | (122,856.00) | (118,800.00) |
| Interest received | (7,827,117.00) | (20,760,177.73) |
| Loss on sale of Assets | 1,413,984.97 | 953,819.44 |
| Profit on Sale of Building | (131,226.00) | — |
| Depreciation Written Back | (129,145.32) | — |
| Appropriation of profit | 14,063,192.00 | — |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 34,382,117.02 | 49,040,148.62 |
| Adjustment for : | | |
| Inventories | (101,333,361.26) | (115,892,664.83) |
| Loans and Advances | (3,365,381.53) | (47,657,375.74) |
| Trade Payables | (4,499,691.21) | 71,237,342.93 |
| CASH GENERATED FROM OPERATIONS | (109,198,434.00) | (92,312,697.93) |
| NET CASH FROM OPERATING ACTIVITIES (A) | (74,816,316.97) | (43,272,549.02) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (38,993,317.88) | (19,433,714.26) |
| Dividend received | 122,856.00 | 118,800.00 |
| Interest received | 7,827,117.00 | 20,760,177.73 |
| Sale of fixed Assets | 3,015,790.00 | 1,028,840.00 |
| Investments Realised | 365,702.00 | 18,299,770.00 |
| NET CASH USED FROM INVESTING ACTIVITIES : (B) | (27,661,852.88) | 20,773,873.47 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase in Share Capital | — | 598,000.00 |
| Increase in Share Premium | — | 4,830,000.00 |
| Increase in Capital Reserve | — | 581,500.00 |
| Minority Interest | (3,414,633.46) | 16,932,566.40 |
| Dividend & Tax on Dividend Paid | (4,351,842.60) | (3,833,699.00) |
| Capital Reserve (Goodwill) on acquisition of Subsidiaries | 14,532.61 | 6,370,806.99 |
| Foreign Currency Translation Reserve | 37,816,841.13 | 2,219,573.07 |
| Increase/Decrease in Long Term Borrowings | 60,634,883.53 | 50,590,561.06 |
| Increase/Decrease in Unsecured Loans | 65,808,639.60 | (2,907,151.18) |
| Interest Paid | (41,480,280.51) | (37,160,823.09) |
| NET CASH FROM FINANCING ACTIVITIES : (C) | 115,028,140.29 | 38,221,334.25 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 12,549,970.44 | 15,722,658.69 |
| CASH AND CASH EQUIVALENTS AS AT 1-4-2010 | 30,228,111.86 | 14,510,561.04 |
| Effect of Exchange rate changes on cash balance | — | (5,107.87) |
| CASH AND CASH EQUIVALENTS AS AT 31-3-2011 | 42,778,082.31 | 30,228,111.86 |

We have verified the above Cash Flow Statement of **TIRUPATI SARJAN LIMITED**, derived from audited financial statement for the year ended 31st March, 2011 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
Firm Regn. 108407W

Place : Ahmedabad
Date : 24th August, 2011

For & on Behalf of the Board

Bhailal B. Shah Chairman
Ruchir R. 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 : 24th August, 2011



SCHEDULE 14 :- SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31ST, 2011 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED.

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:

1. The Consolidated financial statements have been prepared on the following basis:
 - The financial statements of the Company and its subsidiary has 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 31st December, 2010 which was 0.01928 Re./UGX and items appearing in the profit and loss account have been converted at an average rate which was 0.02173 Re./UGX, derived by taking average of the exchange rates prevailing as on 1st January, 2010 and 31st December, 2010. Exchange rate prevalent as on 1st January, 2010 was 0.02418 Re./ UGX.

(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 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 31st March 2011" as given in the standalone financial statements of Tirupati Sarjan Limited

II. NOTES TO THE ACCOUNTS:

- 1) Mrs. Alka R. Shah who is independent 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 31-03-2011 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:

Rs. In lacs

| Particulars | Construction business | Infrastructure Development | Total |
|-----------------|-----------------------|----------------------------|---------|
| Sales / Revenue | 4269.05 | 4999.86 | 9268.91 |
| Assets: | | | |
| Fixed Assets | 446.13 | 241.57 | 687.70 |
| Other Assets | 6420.21 | 932.27 | 7352.48 |

6) Disclosure of Related Party transactions:

| No | Particulars | 2010-11 | 2009-10 |
|----|--|---------|---------|
| 1 | Loan Received | 254.62 | 380.73 |
| 2 | Loan Repaid | 247.67 | 523.83 |
| 3 | Interest Paid | 41.75 | 24.48 |
| 4 | Interest Received | 3.06 | — |
| 5 | Professional Fees | 2.62 | 2.06 |
| 6 | Investment As Partner in Siddh Corporation | 10.87 | 12.37 |
| 7 | Investment As Partner in Bharat Pipe Corporation | 28.07 | 28.07 |
| 8 | Sale of Forfeited Share | — | 25.71 |
| 9 | Purchase | 37.87 | 71.23 |
| 10 | Director Remuneration | 80.39 | 73.36 |
| 11 | Rent Paid | 1.44 | 1.14 |
| 12 | Labour Charges | 5.54 | 3.24 |
| 13 | Advances for land Purchase | — | 13.50 |
| 14 | Purchase of Finished Goods | — | 151.09 |

- 7) The reporting period of the subsidiary is 12 months ended on 31st December, 2010
- 8) The transaction with the subsidiary company during the period of difference in reporting dates of both the companies have been incorporated in preparing consolidated financial statement.
- 9) **Other notes forming part of Accounts:**

These are set out in and under “Notes forming part of Accounts for the year ended 31st March 2011” as given in the standalone financial statements of Tirupati Sarjan Limited

As per our Report of even date attached

For Rajesh J. Shah & Associates
Chartered Accountants

Ca Rajesh J. Shah
Partner
Firm Regn. 108407W

Place : Ahmedabad
Date : 24th August, 2011

For & on Behalf of the Board

Bhailal B. Shah Chairman
Ruchir R. Patel Managing Director

Jaswantbhai K. Patel Managing Director
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Natubhai K. Patel Managing Director
Sombhai J. Prajapati Managing Director

Place : Visnagar
Date : 24th August, 2011