

Partners

V. ANANT RAO, FCA, DISA, CISA, CISSP, CISM

B.V. MALLIKARJUNA, FCA



ANANT RAO & MALLIK

CHARTERED ACCOUNTANTS

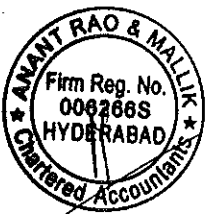
#B-409/410, Kushal Towers, Khairatabad, Hyderabad - 500 004. Phone : 23320286, Fax : 040-66360666, E-mail : armcas@gmail.com

AUDITORS' REPORT

The Members,  
KSK WARDHA INFRASTRUCTURE PRIVATE LIMITED  
( Formerly KSK TECHNOLOGY VENTURES PRIVATE LIMITED )  
Hyderabad.

We have audited the attached Balance Sheet of KSK WARDHA INFRASTRUCTURE PRIVATE LIMITED ( formerly KSK TECHNOLOGY VENTURES PRIVATE LIMITED ), Hyderabad, as at March 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

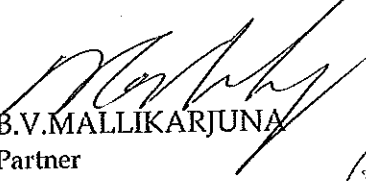
1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section(4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, 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 Company, so far as appears from our examination of those books;
  - c) The Balance Sheet dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet dealt with by this report comply with the mandatory Accounting Standards referred in sub-section(3C) of section 211 of the Companies Act, 1956 ;



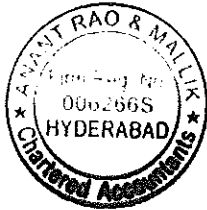
- e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on March 31, 2011, from being appointed as directors in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956.
- f) In our Opinion and to the best of our information and according to the explanations given to us, the said accounts read together with and subject to the Significant Accounting Policies and Notes to Accounts thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India;

In so far as it relates to Balance Sheet, of the state of affairs of the Company as at March 31, 2011.

for ANANT RAO & MALLIK  
Chartered Accountants

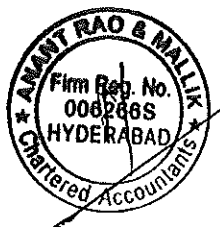
  
B.V.MALLIKARJUNA  
Partner

M.No.23350  
FRN :06266S  
Date : 18.04.2011



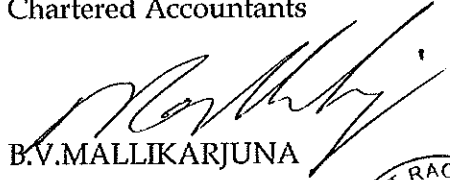
Annexure to Auditors' Report  
(Referred to in Paragraph 2 of our report of even date)

1. The company does not have any fixed assets and hence the matters relating to maintenance, physical verification and disposal of fixed assets are not applicable. Expenditure pending allocation net of other income has been shown under Fixed Assets.
2. As the company does not carry any inventories, the clauses in respect of inventories are not applicable.
3. The company did not take any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of Companies Act, 1956 and the other related clauses are also not applicable.
4. The company has laid down adequate internal control procedures commensurate with its size and nature of business for all its functions. Presently, the company has not acquired any fixed assets and inventories and also has not yet made any sale of goods.
5. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of section 301 of the Act.
6. The Company has not accepted any deposits from the public.
7. As the paid-up capital of the company was below Rs.50 lakhs as at the commencement of the financial year and the company has not made any sales, there is no requirement for the Company to have an Internal Audit System.
8. The Central Government has not prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956(Act I of 1956) for the Company.
9. According to the information and explanations given to us, the schemes of PF & ESI are not applicable to the company.
10. According to the information and explanations given to us, there are no disputed dues of sales tax / income tax / customs / wealth tax / excise duty / cess due as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
11. The Company does not have any accumulated losses. The company has no profits as it has not started its operations.
12. The Company has not taken any loans from financial institutions or banks or debenture holders and as such matters relating to defaults do not arise.
13. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause-4(xiii) of the Companies (Auditors' Report) Order, 2003, is not applicable to the Company.
15. The Company has not dealt in or traded in shares, securities, debentures and other investments.
16. The Company has not given guarantees for loans taken by others from banks or financial institutions.



17. The Company has not raised any term loans during the year. There are no existing term loans.
18. The Company has not obtained any short term loans for its working capital requirements.
19. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
20. The Company has not issued any debentures during the year.
21. The Company has not raised any money by way of public issue.
22. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for ANANT RAO & MALLIK  
Chartered Accountants

  
B.V.MALLIKARJUNA  
Partner

M.No. 23350  
FRN : 06266S  
Date : 18.04.2011



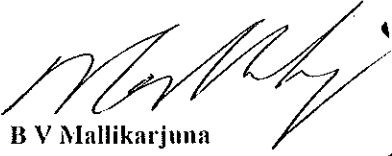
**KSK Wardha Infrastructure Private Limited**  
**(formerly KSK Technology Ventures Private Limited)**  
**Balance Sheet as at March 31, 2011**

(All amounts in Indian Rupees, except share data and where otherwise stated)

	Schedule	As at March 31, 2011	As at March 31, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share Capital	1	1,500,000	1,500,000
		1,500,000	1,500,000
<b>APPLICATION OF FUNDS</b>			
Capital work-in progress (including capital advances)	2	97,625	34,798
<b>Current assets, loans and advances</b>			
Cash and bank balances	3	1,419,121	1,506,033
Other current assets	4	4,898	2,752
Loans and advances	5	-	25,567
		1,424,019	1,534,352
<b>Less : Current liabilities and provisions</b>	6		
Current liabilities		5,515	35,515
Provisions		16,129	33,635
		21,644	69,150
<b>Net current assets</b>		1,402,375	1,465,202
		1,500,000	1,500,000
<b>Significant accounting policies and notes to accounts</b>	7		

The Schedules referred to above form an integral part of the Balance Sheet  
As per our report of even date.

for Anant Rao & Mallik  
Chartered Accountants



**B V Mallikarjuna**  
Partner

Membership No. M23350  
Firm registration. No.006266S  
Place : Hyderabad  
Date : April 18, 2011



for and on behalf of the Board

  
S. Kishore  
Director

  
K A Sastry  
Director

**KSK Wardha Infrastructure Private Limited**  
**(formerly KSK Technology Ventures Private Limited)**  
**Cash Flow Statement for the period ended March 31, 2011**  
(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at March 31, 2011	As at March 31, 2010
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Taxation	-	-
<u>Adjustments for:</u>		
Increase/decrease in loans and advances	23,421	(27,502)
Current liabilities	(30,000)	27,000
<b>Cash Generated from/used in operations</b>	(6,579)	(502)
Income tax paid - net	(17,506)	19,604
<b>Net Cash from/used in operating activities</b>	(24,085)	19,102
<b>B. Cash Flow from Investing Activities</b>		
Increase in capital work in progress (including expenditure during construction period pending allocation)	(152,167)	(174,246)
Interest received	89,340	123,989
<b>Net Cash from/(used in) Investing activities</b>	(62,827)	(50,257)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Borrowings	-	-
<b>Net Cash from (used in) Financing activities</b>	-	-
<b>Net Increase/(Decrease) in cash and cash Equivalents</b>	(86,912)	(31,155)
<b>Cash and Cash Equivalent - Opening Balance</b>	1,506,033	1,537,188
<b>Cash and Cash Equivalent - Closing Balance</b>	1,419,121	1,506,033

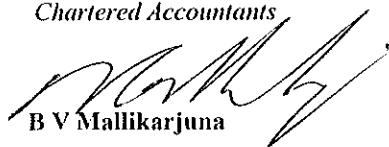
**Note to the cash flow statement:**

Components of cash and cash equivalents as at

Cash in hand	12,338	10,080
Balances with scheduled banks		
- in current accounts	71,935	11,132
- in deposit accounts	1,334,848	1,484,821
	1,419,121	1,506,033

As per report of even date

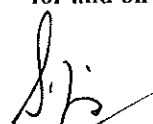
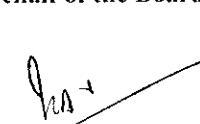
for Anant Rao & Mallik  
Chartered Accountants

  
B V Mallikarjuna  
Partner

Membership No. M23350  
Firm registration. No. 006266S  
Place : Hyderabad  
Date : April 18, 2011



for and on behalf of the Board

   
S. Kishore      K.A. Sastry  
Director          Director

**KSK Wardha Infrastructure Private Limited**  
**(formerly KSK Technology Ventures Private Limited)**  
 (All amounts in Indian Rupees, except share data and where otherwise stated)

**Schedules to the Balance Sheet**

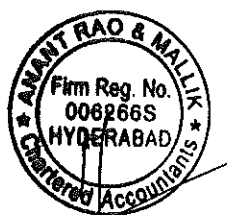
	As at March 31, 2011	As at March 31, 2010
<b>1 Share Capital</b>		
<b>Authorised :</b>		
150,000 ( March 31, 2010: 150,000) Equity Shares of Rs. 10/- each	1,500,000	1,500,000
	<b>1,500,000</b>	<b>1,500,000</b>
<b>Issued, Subscribed and Paid-up :</b>		
<b>Equity shares</b>		
150,000 (March 31, 2010: 150,000) Equity Shares of Rs. 10 each fully paid-up	1,500,000	1,500,000
	<b>1,500,000</b>	<b>1,500,000</b>

**Note**

The above 150,000 (March 31, 2010: 150,000) Equity Shares of Rs.10 each, fully paid up are held by the holding company, KSK Energy Ventures Limited.

**2 Capital work in progress**

<b>Expenditure pending allocation</b>		
Mining Exploration Charges	236,619	130,374
Communication expenses	840	682
Travelling and conveyance	91,437	91,260
Professional and consultancy charges	22,500	16,500
Licenses, taxes & legal expenses	83,963	80,238
Office expenses	27,703	27,463
Printing and stationery	4,397	4,397
Bank charges	1,544	1,509
Interest on taxes	6,526	4,089
Audit fees	42,020	36,505
Preliminary expenses written off	10,515	10,515
Income tax	208,155	180,549
Misc Expenses	29	-
Less:		
Other income	638,622	549,282
	<b>97,625</b>	<b>34,798</b>



**KSK Wardha Infrastructure Private Limited**  
**(formerly KSK Technology Ventures Private Limited)**  
 (All amounts in Indian Rupees, except share data and where otherwise stated)

**Schedules to the Balance Sheet**

	As at March 31, 2011	As at March 31, 2010
<b>3 Cash and Bank Balances</b>		
Cash on hand	12,338	10,080
<b>Balances with Scheduled Banks :</b>		
Current accounts	71,935	11,132
Deposit accounts	1,334,848	1,484,821
	<b>1,419,121</b>	<b>1,506,033</b>
<b>4 Other current assets</b>		
Interest accrued on deposits	4,898	2,752
	<b>4,898</b>	<b>2,752</b>
<b>5 Loans and advances</b>		
<i>(Unsecured, considered good)</i>		
Advances recoverable in cash or in kind or for value to be received	-	25,567
	<b>-</b>	<b>25,567</b>
<b>6 Current liabilities and provisions</b>		
<b>Current Liabilities</b>		
Sundry creditors		
- Dues to Micro and Small Enterprises	-	-
- Dues to othes	5,515	35,515
	<b>5,515</b>	<b>35,515</b>
<b>Provisions</b>		
Provision for Income tax	16,129	33,635
<i>(net of advance tax for Rs.84,486 ( March 31, 2010: Rs 77,687))</i>	<b>16,129</b>	<b>33,635</b>



## Schedule 7: Significant accounting policies and Notes to accounts

### A. Significant Accounting Policies

#### 1. Accounting Convention:

The financial statements of KSK Wardha Infrastructure Private Limited (or "the Company") have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the basis of a going concern, with revenues recognized and expenses accounted on their accrual including provisions/adjustments for committed obligations and amounts determined as payable or receivable during the accounting period. GAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 1956.

#### 2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of income and expenditure for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### 3. Capital Work in Progress:

Capital work in progress is carried at cost and incidental and attributable expenses including interest and depreciation on fixed assets in use during construction are carried as part of "Expenditure During Construction Period, Pending Allocation" to be allocated on major assets on commissioning of the project.

In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as Capital Work-in-progress.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress.

#### 4. Revenue Recognition:

Interest Income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

#### 5. Taxes on Income:

Income tax expense comprises current tax, (and deferred tax).

##### *Current tax*

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.



## Schedule 7: Significant accounting policies and Notes to accounts (continued)

### 6. Provisions and contingencies:

The Company recognizes a provision when there is a present obligation as a result of past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation

### B. Notes forming part of Accounts

#### 1. Employee benefit plans

The Company does not have any employees on its rolls. Hence it does not incur any employee related benefits/ costs

#### 2. Deferred tax

Deferred tax as per AS 22 "Accounting for Taxes on Income" prescribed by the Companies (Accounting Standards), Rules, 2006, is not applicable to the company since, the Company has not commenced any commercial activity.

#### 3. Segment Reporting

Pursuant to the explanation in AS 17 on "Segment Reporting", prescribed by The Company's (Accounting Standards) Rules, 2006, no segment disclosure has been made in these financial statements, as the Company has only one geographical and business segment.

#### 4. Related Party Transactions:

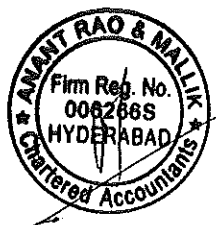
##### A) Names of related Parties and description of the relationship:

##### Related Parties where control exists:

1	KSK Energy Ventures Limited	Holding Company
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##### Key Management Personnel and their relatives

1	K A Sastry	Director
2	S Kishore	Director



**Schedule 7: Significant accounting policies and Notes to accounts (continued)**

B) Related party transactions during the year : Nil

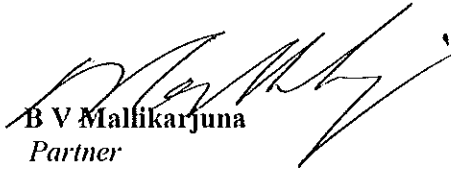
C) Related party transactions outstanding during year : Nil

**5. Auditors' Remuneration**

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Audit fees (Including Service tax )	5,515	5,515

6. Additional information pursuant to para 3, 4, 4-A and 4-C of part II of Schedule VI to the Companies Act, 1956 to the extent either "Nil" or "Not Applicable" has not been furnished.
7. Previous year figures have been regrouped / reclassified to make them comparable where ever necessary.

For Anant Rao & Mallik  
Chartered Accountants

  
B V Mallikarjuna  
Partner

Membership No.M23350  
Firm registration. No. 006266S

Place: Hyderabad  
Date : April 18, 2011



for and on behalf of the Board

  
S Kishore  
Director

  
K A Sastry  
Director

**KSK Wardha Infrastructure Private Limited (formerly KSK Technology Ventures Private Limited)**  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**  
(As per Schedule VI, Part IV of the Companies Act, 1956)

**I. Registration Details**

Registration No.	U74910TN1998PTC040606	State Code No	18
Balance Sheet Date	31/03/2011		

**II. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private placement	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)**

Total Liabilities	1,500	Total Assets	1,500
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**Sources of Funds**

Paid-up Capital	1,500	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured loans	NIL
Share application money	NIL		

**Application of Funds**

Net Fixed Assets	98	Investments	NIL
Net Current Assets	1,402	Miscellaneous expenditure	NIL
Accumulated Losses	NIL		

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover	NIL	Total Expenditure	NIL
Profit before tax	NIL	Profit after tax	NIL
Earnings per share	NIL	Dividend rate (%)	NIL

**V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)**

Item Code. No. (ITC Code)	Not Applicable
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Product Description	Project Management
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for and on behalf of the Board

  
S. Kishore  
Director

  
K. A. Sastry  
Director

Place : Hyderabad  
Date : April 18, 2011

