

# AJIT KUMAR BAID

## Chartered Accountant

### AUDITORS' REPORT

To  
The Shareholders  
Jain Energy Limited  
39, Shakespeare Sarani,  
Premlata Apartment, 5<sup>th</sup> floor,  
Kolkata- 700017.

- We have audited the attached Balance Sheet of JAIN ENERGY LIMITED as at 31<sup>st</sup> March,, 2006.
1. 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.
  2. We conducted the 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. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis of our opinion.
  3. 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 it appears from our examination of these books.
    - (c) The Balance Sheet dealt with by this report are in agreement with the Books of Account of the Company.
    - (d) In our opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956 to the extent applicable.
    - (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors are prima facie, disqualified under section 274(1)(g) of the Companies Act, 1956 from being appointed as directors of the Company as on 31.03.2006.
    - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
      - (I) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2006.
      - (II) In the case of the Profit & Loss Account, of the Loss for the year ended on that date.



JAIN ENERGY LIMITED

*Manglik*  
DIRECTOR

4<sup>TH</sup> FLOOR, 49 EZRA STREET, KOLKATA - 700 001  
Phone : 033 6514 6677: 98310 48968

## AJIT KUMAR BAID Chartered Accountant

4. As required by the Companies (Auditors Report) Order, 2003 issued by the Department of Company Affairs, Govt. of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report on the matters specified in the paragraphs 4 and 5 of the said order as under:

- i) There are no Fixed assets held by the Company during the period under review so the clause is not applicable to the Company.
- ii) There is no Inventory held by the Company during the period under review so the clause is not applicable to the Company.
- iii)(a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. To the best of our knowledge, no major weaknesses in internal control system were either reported or noticed by us during the course of our audit.
- v) According to the information given to us, the contracts or arrangements that are required to be entered into a register in pursuance of section 301 of the Companies Act, 1956 were entered.
- vi) The Company has not accepted deposits from the public within the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii) In our opinion, the internal audit system of the Company is commensurate with its size and nature of business.
- viii) Since no production activities were carried on, the requirement of maintenance of cost records u/s.209(1)(d) was not applicable for the year under review.
- ix)(a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Income-tax, Sales-tax, Customs duty, and any other statutory dues with the appropriate authorities. There were no arrears of undisputed statutory dues as at 31<sup>st</sup> March.,2006 which were outstanding for a period of more than six months from the date they became payable. We are informed that there is no liability towards Investor Education and Protection Fund, Employees' State Insurance, Service-tax, Cess and Excise duty for the year under audit.
- (b) There are no disputed dues which have remained unpaid as on 31<sup>st</sup> March.,2006 in respect of sales tax, Income-tax, Custom duty, Wealth-tax.
- x) The Company has accumulated losses at the end of the financial year. The Company has incurred cash loss during the financial year covered under our audit.



4<sup>TH</sup> FLOOR, 49 EZRA STREET, KOLKATA - 700 001  
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*Ajit K. Baid*  
DIRECTOR

## AJIT KUMAR BAID Chartered Accountant

- xi) On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or banks. The company has not issued any debentures during the year.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company does not carry on the business of a chit fund.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) According to the records of the Company, no loan has been taken during the year under review.
- xvii) According to the records of the Company, no short term loans have been used for long term investments.
- xviii) 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 Act.
- xix) The Company has not issued any debentures during the year, accordingly, creation of securities on debenture does not arise.
- xx) Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year under audit.

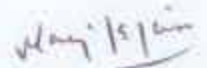
Place: Kolkata  
Dated: 24<sup>th</sup> August, 2005.



For AJIT KUMAR BAID  
CHARTERED ACCOUNTANT.

  
A.K. Baid  
Proprietor  
M. No. 058330

JAIN ENERGY LIMITED

  
DIRECTOR

4<sup>TH</sup> FLOOR, 49 EZRA STREET, KOLKATA - 700 001  
Phone : 033 6514 6677: 98310 48968

# JAIN ENERGY LIMITED

BALANCE SHEET AS ON 31st MARCH, 2006.

	SCH.	AS AT 31.03.2006	AS AT 31.03.2005
<b><u>SOURCES OF FUNDS</u></b>			
<b><u>SHAREHOLDERS' FUND</u></b>			
Share Capital	A	1,900,000.00	1,900,000.00
Share Application Pending allotment		1,800,000.00	-
Reserves & Surplus	B	5,600,000.00	5,600,000.00
		-	-
<b><u>LOAN FUNDS</u></b>			
		9,300,000.00	7,500,000.00
<b><u>APPLICATIONS OF FUNDS</u></b>			
<b><u>FIXED ASSETS</u></b>			
Investments	C	2,500,000.00	2,500,000.00
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>			
Cash & Bank Balances	D	223,341.00	820,445.00
Loans & Advances	E	6,300,000.00	4,000,000.00
		6,523,341.00	4,820,445.00
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>			
Current Liabilities & Provisions	F	102,000.00	52,204.00
		102,000.00	52,204.00
Net Current Assets		6,421,341.00	4,768,241.00
<b><u>MISCELLANEOUS EXPENDITURE</u></b>			
(to the extent of not written off or adjusted)			
Preliminary Expenses		83,820.00	117,275.00
Pre-Operative Expenses		91,588.00	114,484.00
Profit & Loss Account		203,251.00	-
(Debit balance as per annexed account)		-	-
		9,300,000.00	7,500,000.00

Significant accounting policies & Notes on accounts Schedule G.

Signed in terms of our report of even date

For AJIT KUMAR BAID  
Chartered Accountant



*(Signature)*

A.K. Baid  
Proprietor  
M. No. 058330

Place: Kolkata

Date: 24th August, 2006.

**JAIN ENERGY LIMITED**

*(Signature)*  
DIRECTOR

**JAIN ENERGY LIMITED**

*(Signature)*

**JAIN ENERGY LIMITED**

*(Signature)*

DIRECTOR

# JAIN ENERGY LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2006.

PARTICULARS	SCH.	CURRENT YEAR	PREVIOUS YEAR
<b><u>INCOME</u></b>			
		-	-
<b><u>EXPENDITURE</u></b>			
Audit Fees		2,000.00	-
Bank Charges		-	-
Filing Fees		50,000.00	-
Legal & Professional Fees		94,900.00	-
Preliminary Expenditure W/Off		33,455.00	-
Pre-Operative Expenses W/Off		22,896.00	-
		203,251.00	-
Profit Before Tax		(203,251.00)	-
Less: Provision For Taxation:			
Current Tax		-	-
Profit After Tax		(203,251.00)	-
Profit Brought forward from Last Year		-	-
Profit Transferred to Balance Sheet		(203,251.00)	-

Earning per Share Of Rs 10/- Each

(1.07)

Significant accounting policies & Notes on accounts Schedule G.

Signed in terms of our report of even date

For AJIT KUMAR BAID  
Chartered Accountant



*(Signature)*

A.K. Baid  
Proprietor  
M. No. 058330

Place: Kolkata

Date: 24th August, 2006.

JAIN ENERGY LIMITED

*(Signature)*  
DIRECTOR

JAIN ENERGY LIMITED

*(Signature)*  
DIRECTOR

JAIN ENERGY LIMITED

*(Signature)*  
DIRECTOR

## JAIN ENERGY LIMITED

### SCHEDULES "A TO F" ANNEXED TO AND FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2006.

	AS AT 31.03.2006	AS AT 31.03.2005
<b>SCHEDULE -A</b>		
<b><u>SHARE CAPITAL</u></b>		
<b><u>AUTHORISED</u></b>		
10,00,000 (5,00,000) EQ Shares Of Rs 10/- each	10,000,000.00	5,000,000.00
<b><u>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</u></b>		
1,90,000 EQ Shares of Rs 10/- each	1,900,000.00	1,900,000.00
	1,900,000.00	1,900,000.00
<b>SCHEDULE -B</b>		
<b><u>RESERVES &amp; SURPLUS</u></b>		
Securities Premium	5,600,000.00	5,600,000.00
	5,600,000.00	5,600,000.00
<b>SCHEDULE -C</b>		
<b><u>INVESTMENT</u></b>		
Smriti Food Park Pvt. Ltd.	2,500,000.00	2,500,000.00
	2,500,000.00	2,500,000.00
<b>SCHEDULE -D</b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Balance in Current Account with a Scheduled Bank	69,080.00	763,980.00
Cash in Hand (As certified by the Management)	154,261.00	56,465.00
	223,341.00	820,445.00
<b>SCHEDULE -E</b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
Advances (recoverable in cash or in kind or for the value to be received pending adjustment)	6,300,000.00	4,000,000.00
	6,300,000.00	4,000,000.00
<b>SCHEDULE -F</b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
Sundry Creditors for Expenses	102,000.00	52,204.00
	102,000.00	52,204.00



**JAIN ENERGY LIMITED**

**JAIN ENERGY LIMITED**

*Mangy K. Jain*  
DIRECTOR

*Mangy K. Jain*  
DIRECTOR

**JAIN ENERGY LIMITED**

*Rakha Jain*

DIRECTOR

# JAIN ENERGY LIMITED

## Schedule - G

### Significant Accounting Policies and Notes to Accounts:

#### A: Significant Accounting Policies

01. ACCOUNTING CONVENTIONS:  
The Financial Statements are prepared under historical cost convention on accrual basis as a going concern and in accordance with the applicable accounting standards and relevant presentational requirements of the Companies Act, 1956.
02. FIXED ASSETS: Not applicable.
03. DEPRECIATION: Not applicable.
04. INVENTORIES: Not applicable.
05. PRELIMINARY/PRE-OPERATIVE EXPENSES:  
Preliminary expenses/Pre-operative expenses has been written off in five equal annual installments starting from this year.

#### B. NOTES ON ACCOUNTS:

01. Auditors Remunerations: Audit Fees (Rs)	<u>Current Year</u> 2,000	<u>Previous Year</u> 2,204
02. The earning per share (EPS) has been calculated as specified in Accounting Standard 20 on "Earning Per Share" and relevant disclosures are as under:		
(a) Amount used as numerator in calculating Basic /diluted EPS: Profit after Tax	<u>2005-06</u>	<u>2004-05</u>
(b) Weighted average no. of shares used as Denominator in calculating EPS (Nos.)	(2,03,251.00)	Nil
Basic EPS	1,90,000	1,90,000
Diluted EPS	(1.07)	Nil
	(1.07)	Nil
03. EARNING IN FOREIGN CURRENCY	Nil	Nil
04. EXPENDITURE IN FOREIGN CURRENCY	Nil	Nil

Previous Year figures have been regrouped, rearranged or recasted wherever considered necessary.

Signature to the Schedule 'A' to 'F' in terms of our report of even date.



Place: Kolkata  
Dated: 24<sup>th</sup> August, 2006.

JAIN ENERGY LIMITED

*A.K. Baid*

FOR AJIT KUMAR BAID  
Chartered Accountant

*A.K. Baid*  
Proprietor  
M.No. 058330

JAIN ENERGY LIMITED

*Abhinav Jain*

DIRECTOR

JAIN ENERGY LIMITED

*Abhinav Jain*

## JAIN ENERGY LIMITED

### BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE AS PER PART(IV) OF SCHEDULE-VI TO THE COMPANY ACT, 1956.

<b>I. Registration Details:</b>	
Registration No.:	U 40101 WB 2004 PLC 100325
State Code:	21
Balance Sheet Date:	31.03.06
<b>II. Capital raised during the year (Amount Rs in thousand)</b>	
Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement/ Others	-
<b>III. Position of mobilisation &amp; Deployment of Funds (Amount Rs in thousand)</b>	
Total Assits	9,402
Total Liabilities	9,402
<b>Sources of Funds:</b>	
Paid-up Capital	1,900
Reserves & Surplus	5,600
Share Application Money	1,800
Secured Loan	-
Unsecured Loan	-
<b>Application Of Funds:</b>	
Net Fixed Assets	-
Investments/Deposits	2,500
Net Current Assets	6,421
Miscellaneous Expenditure	175
Profit & Loss Account	203
<b>IV. Performance of the Company:(Amount Rs in thousand)</b>	
Turnover	-
Expenditure	203
Profit before Tax	(203)
Profit after Tax	(203)
Earning per Share	(1.07)
Dividend Rate	-
<b>V. Generic name of the three Principal Products/Services of the Company. (As per monetary terms)</b>	
Item Code No.(ITC code)	-
Product description:	-

Signed in terms of our report of even date



Place: Kolkata

Date: 24th August, 2006.

For A. K. KUMAR BAID  
Chartered Accountant

*A. K. Baid*  
Proprietor

M. No. 058330

**JAIN ENERGY LIMITED**

*Manoj K. Jain*

**DIRECTOR**

**JAIN ENERGY LIMITED**

*Manoj K. Jain*

**JAIN ENERGY LIMITED**

*Rakha Jain*

**DIRECTOR**