

**V. NAGARAJAN & Co.**  
Chartered Accountants

#302 Kirti Deep, Nangal Raya,  
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**AUDITORS' REPORT TO THE MEMBERS OF  
BHARTIYA SAMRUDDHI FINANCE LIMITED**

We have audited the attached balance sheet of Bhartiya Samruddhi Finance Limited as at March 31, 1997 and the profit and loss account for the period ended on that date annexed thereto and report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of accounts as required by the law have been kept by the company, so far as appears from our examination of the books;
- c) the balance sheet and the profit and loss account dealt with by this report are in agreement with the books of account;
- d) in our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the notes on accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
  - i. in the case of the balance sheet, of the state of affairs of the Company as at March 31, 1997 and
  - ii. in the case of profit and loss account, of the profit of the company for the period ended on that date.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956 we further report on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company during the first period of its operations, that:

The company has given loans to a company listed in the register required to be maintained under section 301 of the Companies Act, 1956. The terms of such loan is reasonable.

New Delhi,  
Dated: July 5, 1997



for V. NAGARAJAN & Co.,  
Chartered Accountants

(V. NAGARAJAN)  
Partner

**SOURCES OF FUNDS****SHARE CAPITAL:****Authorised:**10,00,000 Equity Shares of Rs.10 each 10,000,000**Issued, Subscribed and Paid Up**40,700 Equity shares of Rs. 10 each fully paid up in cash 407,000**RESERVES & SURPLUS**Profit and Loss Account 4,876**CURRENT LIABILITIES AND PROVISIONS**Sundry Creditors 5,000**Total** 416,876**APPLICATION OF FUNDS****CURRENT ASSETS, LOANS AND ADVANCES****A. CURRENT ASSETS**Balances with Scheduled Banks in Current Accounts 6,928**B. LOANS AND ADVANCES**Deposits with a company under the same management 347,809Advances Recoverable 2,139**MISCELLANEOUS EXPENDITURE***(To the extent not written off or adjusted)*Pre-incorporation Expenses 60,000**Total** 416,876**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 1997**

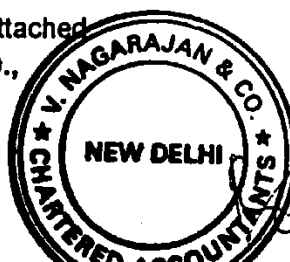
Rs.

**INCOME:**Interest 9,9489,948**EXPENDITURE:**Bank Charges 72Auditors Remuneration 5,0005,072Surplus carried over to Balance Sheet 4,876**Notes on Accounts Attached**As per our report of even date attached  
for V. NAGARAJAN & CO.,

Chartered Accountants

  
(V. NAGARAJAN)

Partner

for BHARTIYA SAMRUDDHI  
FINANCE LIMITED  
Director  
DirectorNew Delhi,  
Dated: July 5, 1997

**BHARTIYA SAMRUDDHI FINANCE LIMITED**

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Notes forming part of accounts for the period ended March 31, 1997.

1. The company was incorporated on Aug 12, 1996 and commenced its operations on Oct 10, 1996.
  2. Maximum amount due from the company under the same management:  
Indian Grameen Services Rs. 3,47,809
  3. Preliminary expenses include Rs. 6,000 being professional charges paid to the auditors for services rendered in connection with incorporation of the company.
  4. This being the first year of operations previous year figures have not been given.
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New Delhi,  
Dated: July 5, 1997

for V. NAGARAJAN & Co.,      for Bhartiya Samruddhi Finance Ltd.  
Chartered Accountants

(V. NAGARAJAN)  
Partner



Director

Director