

**AUDITORS' REPORT TO THE MEMBERS OF
THE LNM INSTITUTE OF INFORMATION TECHNOLOGY**

We have audited the annexed Balance Sheet of **THE LNM INSTITUTE OF INFORMATION TECHNOLOGY, JAIPUR** as at 31st March 2007 and Income & Expenditure Account for the year ended on that date annexed thereto.

Both of which we have signed under reference to this report. These financial statements are the responsibility of the management of institute. Our responsibility is to express an opinion on these financial statements based on our audit. We have 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 misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the 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.

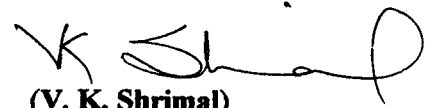
We report that: -

1. We have obtained all the information & explanation, which to the best our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Institute, so far as it appears from examination of such books.
3. The Balance Sheet and Income & Expenditure Account dealt with by this report are in agreement with the books of accounts.
4. In our opinion and to the best of our information & according to the explanation given to us and the said Balance Sheet and Income & Expenditure Account read together with the notes thereon and Accounting Policies give the information as required by the law in the manner so required give a true & fair view:
 - i. In so far as it relates to Balance Sheet of the state of affairs of the Institute as at 31st March 2007; and
 - ii In so far as it relates to Income & Expenditure Account of the Deficit for the year ended on that date.

Place: Jaipur
Date: 12.10.2007



For Lodha & Co.,
Chartered Accountants,


(V. K. Shrimal)
Partner
M. No. 71622

**THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)**

Rupa KI Nagal, Gram- Sumel, Jaipur-303 012
Societies registration no. 704/ Jaipur/2002-03 under Rajasthan Societies Registration Act, 1958

Balance Sheet as on 31st March, 2007

	Schedule No.	As 31st March 2007 (Rupees)	At 31st March 2006 (Rupees)
Sources of Funds			
Corpus/ Capital fund	1	350,000,000	350,000,000
Reserves and Surplus	2	100,000	100,000
Loan Fund			
Secured Loans	3	49,557,282	12,804,376
Unsecured Loans	4	58,500,000	12,000,000
	Total	<u>458,157,282</u>	<u>374,904,376</u>
Application of Funds			
Fixed assets	5		
Gross Block		405,804,353	297,937,352
Less: Depreciation		<u>91,540,975</u>	<u>54,446,314</u>
Net Block		314,263,377	243,491,038
Capital Work in Progress		9,417,387	32,402,946
Current Assets, Loans & Advances			
Cash and Bank balances	6	57,061,352	50,348,199
Loans and Advances	7	<u>2,708,393</u>	<u>4,751,282</u>
		59,769,745	55,099,481
Less: Current Liabilities & Provisions	8	<u>16,596,320</u>	<u>9,831,982</u>
Net Current Assets		43,173,425	45,267,499
Income and Expenditure Account (Debit Balance)		<u>91,303,087</u>	<u>53,742,893</u>
	Total	<u>458,157,282</u>	<u>374,904,376</u>
Significant Accounting Policies	15		
Contingent Liabilities and Notes on Accounts	16		

As per our report of even date

For Lodha & Co.
Chartered Accountants

V.K. Shrimal
Partner
M.No. 71622

Place : Jaipur
Dated : 12-10-07



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For The LNM Institute of Information Technology

Member of
Governing Council

Member of
Governing Council



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THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)
Rupa Ki Nagal, Gram- Sumel, Jaipur-303 012
Societies Registration No. 704/Jaipur/2002-2003 under Rajasthan Societies Registration Act, 1958


Income and Expenditure Account for the year ended 31st March 2007

<u>Income</u>	Particulars	Schedule No.	As	At	As	At
			31st March 2007	31st March 2006	31st March 2006	31st March 2006
			(Rupees)		(Rupees)	
	Fees	9	28,004,300		17,830,550	
	Interest Earned	10	3,567,466		3,704,311	
	Other Income	11	4,521,517		1,757,083	
	Total (a)		36,093,283		23,291,944	
<u>Expenditures</u>						
	Salaries & Allowances Etc.	12	14,281,664		9,173,622	
	Other Administrative Expenses	13	17,814,494		13,972,243	
	Financial Expenses	14	4,462,656		328,798	
	Depreciation	5	37,094,662		35,450,514	
	Total (b)		73,653,477		58,925,177	
Balance being excess of Income /(Deficit) over Expenditure (A-B)			(37,560,194)		(35,633,233)	
Amount Brought forward from last year			(53,742,893)		(18,109,660)	
Balance being surplus/(deficit) carried to balance sheet			(91,303,087)		(53,742,893)	

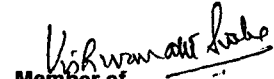
Significant Accounting Policies 15
Contingent Liabilities and Notes on Accounts 16

As per our report of even date
For Lodha & Co.
Chartered Accountants

For The LNM Institute of Information Technology


V.K. Shrimal
Partner
M.No. 71622


Member of
Governing Council


Member of
Governing Council

Place : Jaipur
Dated : 12-10-07





THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)
Rupa Ki Nagal, Gram- Sumel, Jaipur-303 012
Schedules forming part of balance sheet as at 31st March 2007

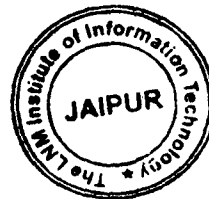
(1) Corpus/Capital fund	<u>Current Year</u> (Rupees)	<u>Previous Year</u> (Rupees)
Balance as at the beginning of the year	350,000,000	300,000,000
Add : Contributions towards Corpus/Capital Fund Lakshmi & Usha Mittal Foundation (Formerly The LNM Foundation) Government of Rajasthan	-	50,000,000
	<u>350,000,000</u>	<u>350,000,000</u>
(2) Reserve and Surplus		
Capital Reserve : (Nominal Amount for the 100 acres of Land allotted free of cost by the Government of Rajasthan to the Institute)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
(3) Secured Loans		
Term Loans (Secured against hypothecation of all movable assets)	49,375,000	12,514,891
Car Loan (Secured against hypothecation of car)	182,282	289,485
	<u>49,557,282</u>	<u>12,804,376</u>
(4) Unsecured Loans (From Lakshmi & Usha Mittal Foundation)		
Unsecured Loan balance as at beginning	12,000,000	-
Add : Received during the year	46,500,000	12,000,000
	<u>58,500,000</u>	<u>12,000,000</u>



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THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)
Rupa Ki Nagal, Gram- Sumel, Jaipur-303 012
Schedules forming part of balance sheet as at 31st March 2007

	<u>Current Year</u> (Rupees)	<u>Previous Year</u> (Rupees)
<u>(6) Current Assets :</u>		
Cash balance in hand		
Cash In Hand	19,282	49,136
Bank Balances		
With Scheduled banks		
On Deposit account (Include Rs. 5.00 Crores as per requirement of University Grant Commission)	56,950,000	50,122,778
On Savings account (net)	92,070	176,285
	57,061,352	50,348,199
<u>(7) Loans and Advances :</u>		
Advances and other amount recoverable in . cash or in kind for the value be received		
On capital account (Advance to contractors)	488,282	2,557,772
Others	52,347	20,575
Security deposits	1,148,893	922,550
Imprest	166,159	78,736
Prepaid expenses	305,081	297,090
Accrued interest	40,227	23,925
Income Tax Refundable	507,404	850,634
	2,708,393	4,751,282
	59,769,745	55,099,481
<u>(8) - Current Liabilities and Provisions:</u>		
Current Liabilities		
Statutory liabilities:		
TDS & Provident Fund	502,303	204,006
Other Current Liabilities		
Retention Money - Contractors.	9,630,863	6,630,018
Caution Money - Students	1,894,000	1,150,000
Other Creditors	932,713	668,460
Other -Liability for Expenses	2,182,898	914,277
Mess Fund - Students	1,059,089	-
Provisions for expenses	394,454	265,221
	16,596,320	9,831,982



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Schedules forming part of balance sheet as at 31st March 2007

	<u>Current Year</u> (Rupees)	<u>Previous Year</u> (Rupees)
(9) Fee Income		
Registration Fees	1,549,500	936,000
Tuition Fees	20,725,700	13,103,750
Hostel Charges	4,242,300	2,808,000
Internet Charges	531,000	351,000
Mess Establishment Charges	424,800	280,800
Gymkhana Fees	531,000	351,000
	<u>28,004,300</u>	<u>17,830,550</u>
(10) Interest Income		
On Term Deposits:	3,446,209	3,627,955
On Savings Accounts:	70,513	76,356
Interest on Refund of TDS	50,744	-
	<u>3,567,466</u>	<u>3,704,311</u>
Note - Tax deducted at source Rs 5,07,404/- (Previous Year Rs. 4,54,946/-)		
(11) Other Income		
Sale of Prospectus (Net)	4,000,677	1,528,500
Others (including Rent Income Rs. 1,00,600/- p.y. Rs. 1,12,030/-)	520,840	228,583
	<u>4,521,517</u>	<u>1,757,083</u>
(12) Salary & Allowances etc.		
Salaries Allowances, Perquisites etc.	11,973,592	8,555,362
Visiting Faculty Honorarium	1,531,389	1,562,857
Staff Welfare Expenses	98,007	103,747
Employer Contribution to Provident and Other Funds	678,676	514,513
	<u>14,281,664</u>	<u>10,736,479</u>



/s/

THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)
Rupa Ki Nagal, Gram- Sumel, Jaipur-303 012
Schedules forming part of balance sheet as at 31st March 2007

(13) Other Administrative Expenses :	Current Year (Rupees)	Previous Year (Rupees)
Electricity and Water (Net)	3,520,379	2,920,970
Insurance	446,328	428,064
Repair and Maintenance	3,131,316	1,151,885
Vehicle running and maintenance Expenses	171,291	146,319
Traveling & Conveyance Expenses	2,380,405	1,879,506
Traveling -Foreign	160,162	308,276
Seminar & Conference TDS-Rs.Nil (Previous Year Rs.105/-)	445,559	57,418
<u>Auditor's Remuneration</u>		
Audit Fees	56,180	56,120
Advertisement and Publicity Expenses	1,095,813	608,694
Communication Expenses	973,196	841,965
Printing and Stationery	1,075,259	742,356
House Keeping and Office Maintenance Expenses	1,241,840	894,103
Security Charges	1,248,659	1,032,418
Students Activities Expenses / Gymkhana Expenses.	734,088	536,620
<u>Others Expenses</u>		
Books and Periodicals	39,455	21,174
Subscription library journals	57,352	42,267
Guest House Running & Maintan. Exp.	119,270	214,468
Accounting Charges	-	54,000
Brokerage Property	-	3,031
Cable TV Connectivity	104,460	137,230
Bank Charges	56,332	892
Counseling Exp	23,019	15,910
General Expense	8,675	79,040
LCD Installation	-	22,790
Legal Exp	4,424	892
Prior Period Income/ Expenses.	440,414	10,373
Professional Fees	155,248	42,672
Puja Exp	3,335	5,432
Rent City-Office	69,000	66,000
Shifting Expenses.	6,760	5,200
Sinage & Nameplates	-	51,908
Videography & Photography	36,484	6,946
Others Expenses	9,791	24,447
	<u>17,814,494</u>	<u>12,409,386</u>
(14) Financial Expenses :		
Interest on Car loan	24,197	33,577
Interest on Term Loan	4,438,459	14,891
Loan Processing Fees	-	280,330
	<u>4,462,656</u>	<u>328,798</u>



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THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)
Rupa Ki Nangal, Sumel, Jaipur - 30301

SCHEDULE - 5

FIXED ASSETS SUMMARY AS ON 31ST MARCH 2007

S.No.	DISCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost / Valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost / Valuation as at the year end	As at beginning of the year	On additions during the year	Sale/Adjustment	TOTAL TILL DATE	As at current year end	As at previous year end
1	COMPUTERS AND COMPUTERS ACCESSORIES	15927761	4760661	0	20688422	11318195	5009421	0	16327616	4360806	4609566
2	AIR CONDITIONERS AND AIR COOLING	8917392	4411937	0	13329329	1901901	1672617	0	3574518	9754811	7015492
3	ELECTRICAL AND OTHER EQUIPMENTS	31494048	3970434	0	35464482	8791221	3744087	0	12535308	22929174	22702829
4	FURNITURE & FIXTURES	24870585	10165604	0	35036189	3815509	3303260	0	7118769	27917420	21055075
5	LIBRARY BOOKS	1497776	508721	0	2006497	1497776	508721	0	2006497	0	0
6	VEHICLES CAR, AMBULANCE & SCOOTER	943596	0	0	943596	325500	92715	0	418215	525381	618096
7	BUILDINGS	214186194	84049645	0	298235839	26796212	22763841	0	49560053	248675786	187389982
8	LAND	100000	0	0	100000	0	0	0	0	100000	100000
	TOTAL (A)	297937352	107867001	0	405804353	54446314	37094662	0	91540975	314263377	243491040
	CAPITAL WORK IN PROGRESS (B)									9417387	32402946
	TOTAL (A+B)									323680764	275893984
	PREVIOUS YEAR	210620747	87316605	0	297937352	18995800	35450514	0	54446314	275893984	



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Societies Registration No. 704/Jaipur/2002-2003 under Rajasthan Societies Registration Act, 1958

Schedules forming part of balance sheet as at 31st March 2007

**(15) Significant Accounting Policies (Illustrative)
Method of accounting**

Accounts are maintained on accrual basis and in accordance with the mandatory accounting standards issued by The ICAI.

Accounting for Government Grants

- i) Government grants in nature of promoter contribution are credited directly to Capital Fund Government Grants. It is not accounted for until there is reasonable assurance that :-
- a) The institute will comply with the conditions attached to them and
 - b) The grants will be received
 - c) Government grants received related to revenue recognised in income & expenditure account being deducted from related expenditure.
- ii) Government Grant received in the form of non monetary assets is free of cost, and is recorded at Nominal value.

Fixed Assets

Fixed assets are stated at cost of acquisition , inclusive of inward freight, duties, taxes, incidental and direct expenses related to acquisition/ erection.

Depreciation

Depreciation on fixed assets have been provided on Written Down Method as per rates specified in the Income Tax Act, 1961.

Expenditure during construction period :-

Expenditure incurred during the construction period have been shown as Capital Work in Progress



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Schedules forming part of balance sheet as at 31st March 2007

(16) Contingent Liabilities and notes to accounts

Contingent liability not provided for Rs. Nil (Previous Year Rs. 13,750/-)

Current Assets Loans and Advances

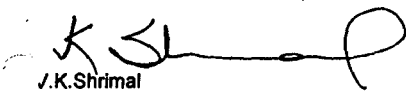
In the opinion of the management the current assets, loans and advances have a value on realization in the ordinary course of business equal at least to the aggregate amount shown in the balance sheet.

Capital work in progress include preoperative expenses pending allocation

Particulars	Current Year (Rupees)	Previous Year (Rupees)
Civil Work for Misc buildings	5,935,441	25912506
Price Variation for Steel & Cement	441,579	4644831
Internal Electrical works	642,045	609365
External Sanitary & Plumbing	2,016,549	618465
Architects Consultation Charges	88,855	283085
Total (a)	9,124,469	32068252
Project Expenses		
Salary and Allowances	212,310	245080
Provident Fund Etc.	15,030	16385
Telephone Expenses	16,416	13893
Traveling and Conveyance	49,162	59336
Total (b)	292,918	334694
Total (a+b)	9,417,387	32402946

Previous year figures have been regrouped or rearranged wherever considered necessary

As per our report of even date
For Lodha & Co.
Chartered Accountants


J.K. Shirmal
Partner
M.No. 71622

Place : Jaipur
Dated : 12-10-07



For The LNM Institute of Information Technology


Member of
Governing Council


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