

A.K. Jindal & Associates
Chartered Accountants

201, SUCHET CHEMBER, 1224/5, BANK STREET, KAROL BAGH, NEW DELHI - 110005, TEL. 28750239

AUDITOR'S REPORT

To

The Members of **Suburban Farms Private Limited**

We have audited the attached Balance Sheet of **Suburban Farms Private Limited** as at March 31, 2010 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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.

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 a reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a 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:

- (a). We have obtained all the information and explanation 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 the books.
- (c). The Balance Sheet, the Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d). In our opinion, the Balance Sheet and the Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e). On the basis of representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director 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 with significant accounting policies and 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 31st march 2010; and
- II] In case of the Profit and Loss Account, of the loss incurred for the year ended on that date.
- III] In case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Place: Delhi
Dated:08.05.2010

For A.K. Jindal & Associates
Chartered Accountants




(Ashok Gupta)
Partner

SUBURBAN FARMS PRIVATE LIMITED
E-2, Jhandewalan Extn, New Delhi
BALANCE SHEET AS AT MARCH 31, 2010

	<u>Schedule</u>	<u>As at March</u> <u>31st 2010</u>	<u>As at March</u> <u>31st 2009</u>
<u>SOURCES OF FUNDS</u>			
Share Capital	1	500,000.00	500,000.00
Reserve & Surplus		12,838.00	18,654.00
Unsecured Loan	2	174,600,000.00	174,600,000.00
		<u>175,112,838.00</u>	<u>175,118,654.00</u>

APPLICATION OF FUNDS

<u>Current Assets, Loans & Advances</u>			
Cash and bank balance	3	162,838.00	168,654.00
Loans & Advances	4	<u>175,000,000.00</u>	<u>175,000,000.00</u>
		175,162,838.00	175,168,654.00
Less: Current Liabilities	5	<u>50,000.00</u>	<u>50,000.00</u>
Net Current Assets		<u>175,112,838.00</u>	<u>175,118,654.00</u>

NOTES TO ACCOUNTS 6

This is the Balance Sheet referred in our report of even date addressed to the members of Suburban Farms Private Limited

The Schedule referred above form an integral part of the Balance Sheet

For A.K. Jindal & Associates
Chartered Accountants

DIRECTORS

(Signature)
(Amar Sarin)

Place: New Delhi
Date: 8/5/2010

(Signature)
Ashok Gupta
(Partner)



(Signature)
(Pankaj Nakra)

SUBURBAN FARMS PRIVATE LIMITED
E-2, Jhandewalan Extn, New Delhi
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	<u>For the year</u> Ended <u>March 31, 2010</u>	<u>For the year</u> Ended <u>March 31, 2009</u>
<u>INCOME</u>		
Inventories Increase	-	-
<u>EXPENDITURE</u>		
Printing & Stationery	-	859.00
Filing Charges	600.00	4,200.00
Bank Charges	-	112.00
Salary	-	15,000.00
Legal & Professional	216.00	-
 Auditor's Remuneration Audit Fee	 5,000.00	 5,000.00
	<u>5,816.00</u>	<u>25,171.00</u>
Loss for the year	(5,816.00)	(25,171.00)
Profit Brought forward from earlier Years	18,654.00	43,825.00
Balance Carried to Balance Sheet in Profit & Loss Account	<u>12,838.00</u>	<u>18,654.00</u>

NOTES TO ACCOUNTS 6

This is the Balance Sheet referred in our report of even date addressed to the members of Suburban Farms Private Limited

The Schedule referred above form an integral part of the Profit & Loss A/c


For A.K. Jindal & Associates
Chartered Accountants

DIRECTORS


(Amar Sarin)

Place: New Delhi
Date: 8/5/2010


Ashok Gupta
(Partner)


(Pankaj Nakra)



SCHEDULE

	31.03.2010 <u>Rupees</u>	31.03.2009 <u>Rupees</u>
1 <u>SHARE CAPITAL</u>		
Authorised 5000 Equity Shares of Rs.100 each	<u>500,000.00</u>	<u>500,000.00</u>
Issued,Subscribed & Paid up 5000 Equity Shares of Rs.100/- each fully Paid up (Entire Capital is held by the Holding Company Anant Raj Industries Ltd. and its nominees)	<u>500,000.00</u>	<u>500,000.00</u>
2 <u>UNSECURED LOAN</u>		
From Holding Company	<u>174,600,000.00</u>	<u>174,600,000.00</u>
3 <u>CASH AND BANK BALANCES</u>		
Cash in Hand	140.00	200.00
Bank balance in current accounts with Canara Bank	<u>162,698.00</u>	<u>168,454.00</u>
	<u>162,838.00</u>	<u>168,654.00</u>
4 <u>LOANS & ADVANCES</u>		
(Advance Recoverable in cash or in Kind)	<u>175,000,000.00</u>	<u>175,000,000.00</u>
5 <u>CURRENT LIABILITIES</u>		
Audit Fees Payable	5,000.00	5,000.00
Other Liabilities	<u>45,000.00</u>	<u>45,000.00</u>
	<u>50,000.00</u>	<u>50,000.00</u>



6 Notes to Accounts

Accounting Policies and Notes on accounts

(A) Significant Accounting Policies

1 Conventions

The Accounts have been prepared Primarily under the historical Cost Convention and on the accrual basis of accounting

2 Investment

Investment in Subsidiaries are stated at cost and diminution in value of any is provided.

(B) Notes Forming part of accounts:

- 1 In the opinion of the management, the current assets if realised during the Course of business would yield a sum atleast equal to that stated in the Balance Sheet.
- 2 The company is a wholly owned subsidiary of Anant Raj Industries Ltd. since all shares are held by Anant Raj Industries Ltd. and its nominees.

3 Related Party Disclosures

i. Name of related parties and description of relationship:

- 1 Holding Company Anant Raj Industries Ltd.

ii. Transactions with related parties

Particulars	Holding Company Rs.
Loan Received	NIL (P.Y. NIL)
Loan Repaid	NIL (P.Y. 25400000)

iii. Closing Balances with related parties:

Name of Transactions	Holding Company Rs.
Outstanding payable Anant Raj Industries Ltd.	174600000 (P.Y. 174600000)

4 Segment Reporting

The company has no reportable Business or Geographical segment

5 Earning per Shares

Particulars	2009-2010	2008-2009
Profit attributable in the Shareholders (A)	(5816.00)	(25171.00)
Basic/Weighted average number of Equity Shares outstanding during the year (B)	5000	5000
Nominal Value of Equity Shares	100	100
Basic Diluted Earnings per Shares (A/B)	N/A	N/A

6 Previous year figures have been regrouped wherever found necessary .

7 Signature to the above Schedules which form an integral Part of the Balance Sheet and Profit & Loss Account.

Place : Delhi
Dated:8/5/2010



DIRECTORS

(Amar Sarin)

(Pankaj Nakra)

SUBURBAN FARMS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	(5,816)	(25,171)
Adjustment for:		
Depreciation		
Interest paid		
Interest received		
Operating profit before working capital changes	(5,816)	(25,171)
Adjustment for:		
Inventories		
Sundry creditors and other payables		1,500
Trade and other receivables		
Cash generated from operations		25,000,000
Taxes Paid Including TDS	(5,816)	24,976,329
NET CASH FROM OPERATING ACTIVITIES	(A) (5,816)	24,976,329
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets including project in progress		
Capital Advances for Property Purchase		
Interest received		
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(B) -	-
C. CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from issue of Share Capital		400,000
Proceeds from Share Premium on issue of share		-
Increase in unsecured loans		(25,400,000)
Interest paid		-
NET CASH FLOW FROM/(USED IN) FINANCE ACTIVITIES	(C) -	(25,000,000)
D. NET INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C) (5,816)	(23,671)
Cash and cash equivalents opening balance	168,654	192,325
Cash and cash equivalents closing balance	162,838	168,654

Note: Figures in brackets indicate cash outflow.


This is the cash flow statement referred to in our report of even date

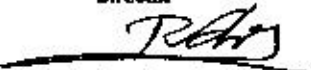
For A K Jindal & Associates
Chartered Accountants


Ashok Gupta
Partner

Place New Delhi.
Date 8/5/2010




(Amar Sarin)
Director


(Pankaj Nakra)
Director

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Detail

Registration No.

	3	1	6	3	2
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 State Code

5	5
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 (Refer Code List)

Balance Sheet Date

3	1
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0	3
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1	0
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Date Month Year

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

Public Issue	Right Issue		
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table>	NIL	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table>	NIL
NIL			
NIL			
Bonus Issue	Private Placement		
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table>	NIL	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table>	NIL
NIL			
NIL			

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

<p>Total Liabilities</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">3</td></tr></table> <p>Sources of Funds</p> <p>Paid-up Capital</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td></tr></table> <p style="text-align: center;">Secured Loans</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table> <p>Application of Funds</p> <p>Net Fixed Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table> <p>Net Current Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">3</td></tr></table> <p>Accumulated Losses</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table>				1	7	5	1	1	3							5	0	0	NIL	NIL				1	7	5	1	1	3	NIL	<p>Total Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">3</td></tr></table> <p>Reserve & Surplus</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;"></td></tr></table> <p style="text-align: center;">Un-Secured Loans</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">4</td><td style="width: 20px; height: 20px;">6</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td></tr></table> <p>Investments</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table> <p>Misc. Expenditure</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table> <p>Investments</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table>				1	7	5	1	1	3							1	3						1	7	4	6	0	0	NIL	NIL	NIL
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IV. Performance of Company (Amount in Rs. Thousand)

<p>Turnover</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table> <p>+ Profit/Loss Before Tax</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">(6)</td></tr></table> <p>Earning Per Shares</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table>	NIL				(6)	NIL	<p>Total Expenditure</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;">6</td></tr></table> <p>+ Profit/Loss After Tax</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">(6)</td></tr></table> <p>Dividend rate %</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">NIL</td></tr></table>	6				(6)	NIL
NIL													
			(6)										
NIL													
6													
			(6)										
NIL													

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

Item Code No. (ITC Code)	NIL
Product Description	