

AUDITOR'S REPORT

To the members of
Townsend Construction and Equipments Private Limited

We have audited the attached Balance Sheet of Townsend Construction and Equipments Private Limited as at March 31, 2010, and the related Profit and Loss Account and Cash Flow Statement 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 the 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 accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by The Companies (Auditors Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amended) Order 2004, [Order] issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, do not apply to the Company in terms of section 1(2)(iv) of the said Order.

We report that:

- i) 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.
- ii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iii) 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.
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred in sub section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with accounting policies and notes thereto, give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:




- (i) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
- (ii) in the case of Profit and Loss Account, of the profit earned by the Company for the financial year ended on March 31, 2010; and
- (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

608, New Delhi House,
27, Barakhamba Road,
New Delhi- 110001

B.Bhushan & Co.
Chartered Accountants
Firm Registration No. 001596N
By the hand of




Sandeep Kumar Gupta
Partner
Membership No. 073457

May 14, 2010

TOWNSEND CONSTRUCTION AND EQUIPMENTS PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2010

	Schedules	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SOURCES OF FUNDS			
Share capital	1	500,000	500,000
Unsecured loan	2	64,171,000	-
		<u>64,671,000</u>	<u>500,000</u>
APPLICATION OF FUNDS			
Fixed assets	3	63,976,131	-
Current assets			
Cash and bank balance	4	510,773	312,767
Advances	5	5,522	2,288
		<u>516,295</u>	<u>315,055</u>
Less: Current liabilities & provisions	6	8,654	6,834
Net current assets		<u>507,641</u>	<u>308,221</u>
Miscellaneous expenditure (to the extent not written off or adusted)	7	178,059	178,059
Profit and loss account		<u>9,169</u>	<u>13,720</u>
		<u>64,671,000</u>	<u>500,000</u>
ACCOUNTING POLICIES	8		
NOTES TO ACCOUNTS	9		

This is the Balance Sheet referred in our report of even date addressed to the members of Townsend Construction and Equipments Private Limited.

The schedules referred above form an integral part of the Balance Sheet.

B.Bhushan & Co.
Chartered Accountants
By the hand of

Sandeep Kumar Gupta
Partner
Membership no. 073457
May 14, 2010
New Delhi



Directors

Jayanti Sarin
Jayanti Sarin

Rajeev Trehan
Rajeev Trehan

TOWNSEND CONSTRUCTION AND EQUIPMENTS PRIVATE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

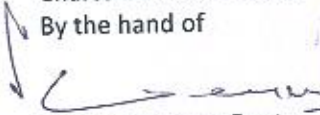
	Schedules	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
INCOME			
Interest income		16,475	11,239
EXPENDITURE			
Audit fees		6,618	6,618
Bank charges		550	550
Filing fee		2,560	2,500
Printing and stationary		-	873
Legal and professional		160	-
		<u>9,888</u>	<u>10,541</u>
Profit during the year		6,587	698
Provision for tax		<u>(2,036)</u>	<u>(216)</u>
Profit after tax		4,551	482
Profit/(Loss) brought forward from previous year		<u>(13,720)</u>	<u>(14,202)</u>
Profit/(Loss) carried over to Balance Sheet		<u>(9,169)</u>	<u>(13,720)</u>
Earning per share(equity share, par value of Rs. 10 each)			
- Basic and diluted earning per share		0.09	0.01

ACCOUNTING POLICIES 7
NOTES TO ACCOUNTS 8

This is the Profit and Loss Account referred in our report of even date addressed to the members of Townsend Construction and Equipments Private Limited.

The schedules referred above form an integral part of the Profit and Loss Account.

Directors

B.Bhushan & Co.
Chartered Accountants
By the hand of

Sandeep Kumar Gupta
Partner
Membership no. 073457
May 14, 2010
New Delhi




Jayanti Sarin


Rajeev Trehan

SCHEDULES

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
1. SHARE CAPITAL		
Authorised 1,000,000 (1,000,000) equity shares of Rs. 10.00 (Rs.10.00) each	<u>10,000,000</u>	<u>10,000,000</u>
Issued, Subscribed and Paid Up *50,000 (*50,000) equity shares of Rs.10.00 (Rs. 10.00) each fully paid up	<u>500,000</u>	<u>500,000</u>
*Entire share capital is held by the holding company, Anant Raj Industries Limited, including 6 (6) shares registered in the name of the nominees of the holding company.		
2 UNSECURED LOAN		
From holding company	<u>64,171,000</u>	<u>-</u>
3 FIXED ASSETS		
Land	<u>63,976,131</u>	<u>-</u>
4 CASH AND BANK BALANCES		
Cash in hand	5,930	5,990
Balances with scheduled bank		
- in current account	240,867	55,826
- in deposit account	<u>263,976</u>	<u>250,951</u>
	<u>510,773</u>	<u>312,767</u>
5 ADVANCES		
Interest accrued	1,755	-
Income tax receivable	<u>3,767</u>	<u>2,288</u>
	<u>5,522</u>	<u>2,288</u>
6 CURRENT LIABILITIES & PROVISIONS		
Expense payable	6,618	6,618
Provision for tax	<u>2,036</u>	<u>216</u>
	<u>8,654</u>	<u>6,834</u>
7 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary expenses	<u>178,059</u>	<u>178,059</u>



8 ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and on going concern concept in accordance with applicable accounting standards in India and also in accordance with the requirements of the Companies Act, 1956.

B. RECOGNITION OF REVENUE AND EXPENDITURE

Income and expenditure are accounted for on accrual basis.

C. FIXED ASSETS

Fixed assets are accounted for at cost of acquisition including directly attributable costs incurred for purchase of the assets and putting the same to use.

D. IMPAIRMENT OF ASSETS

Consideration is given at each Balance Sheet to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, the recoverable value of assets is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount, the latter being greater of net selling price and value in use.

E. CASH FLOW STATEMENT

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.



9 NOTES TO ACCOUNTS

- i) The Company has identified development of real estate projects in dehli and has acquired land for the development of the same during the year.
- ii) In the opinion of the management, the current assets, loans and advances, if realised in the ordinary course of business would yield a sum at least equal to that stated in the Balance Sheet.
- iii) Preliminary expenditure has not been amortised as the Company is yet to commence business.
- iv) **Related Party Disclosures**

Pursuant to Accounting Standard (AS18) - "Related Party Disclosure" issued by Institute of Chartered Accountants of India following parties are to be treated as related parties alongwith their relationships:

a) Name of related parties and description of relationships :

Holding Company

Anant Raj Industries Limited

Fellow Subsidiaries

Advance Buildcon Pvt. Ltd.
Anant Raj const. & Dev. Pvt. Ltd.
Anant Raj Hotels Ltd.
Anant Raj International FZE
Anant Raj Projects Ltd.
Ankur Buildcon Pvt. Ltd.
A-Plus Estates Pvt. Ltd.
Blossom Buildtech Pvt. Ltd.
Capital Buildcon Pvt. Ltd.
Capital Buildtech Pvt. Ltd.
Carnation Buildtech Pvt. Ltd.
Century Promoters Pvt. Ltd.
Echo Buildtech Pvt. Ltd.
Echo Properties Pvt. Ltd.
Elegant Buildcon Pvt. Ltd.
Elegant Estates Pvt. Ltd.
Elevator Builders Pvt. Ltd.
Elevator Buildtech Pvt. Ltd.
Elevator Promoters Pvt. Ltd.
Elevator Properties Pvt. Ltd.
Empire Promoters Pvt. Ltd.
Fabulous Builders Pvt. Ltd.
Gadget Builders Pvt. Ltd.
Gagan Buildtech Pvt. Ltd.
Good Luck Buildtech Pvt. Ltd.
Grand Buildtech Pvt. Ltd.
Grand Park Buildtech Pvt. Ltd.
Grand Park Estates Pvt. Ltd.
Greatway Estates Ltd.
Greatways Buildtech Pvt. Ltd.
Green Line Buildcon Pvt. Ltd.
Green Line Promoters Pvt. Ltd.
Green Retreat and Motels Pvt. Ltd.

Gujarat Anant Raj Vidhyanagar Ltd.
Hemkunt Promoters Pvt. Ltd.
Highland Meadows Pvt. Ltd .
Kalinga Buildtech Pvt. Ltd.
Kalinga Realtors Pvt. Ltd.
Krishna Buildtech Pvt. Ltd.
Lucky Meadows Pvt. Ltd.
Monarch Buildtech Pvt. Ltd.
Novel Buildmart Pvt. Ltd.
Novel Housing Pvt. Ltd.
One Star Realty Pvt. Ltd.
Oriental Meadows Ltd.
Oriental Promoters Pvt. Ltd.
Papillon Buildcon Pvt. Ltd.
Papillon Buildtech Pvt. Ltd.
Parkland Developers Pvt. Ltd.
Parkview Promoters Pvt. Ltd.
Pasupati Aluminium Ltd.
Pelikan Estates Pvt. Ltd.
Pioneer Promoters Pvt. Ltd.
Rapid Realtors Pvt. Ltd.
Rising Realty Pvt. Ltd.
Rolling Construction Pvt. Ltd.
Romano Tiles Pvt. Ltd.
Roseview Buildtech Pvt. Ltd.
Roseview Properties Pvt. Ltd.
Sand Storm Buildtech Pvt. Ltd.
Sovereign Buildwell Pvt. Ltd.
Spring View Developers Pvt. Ltd.
Spring view Properties Pvt. Ltd.
Suburban Farms Pvt. Ltd.
Twenty First Developers Pvt. Ltd.
Vibrant Buildmart Pvt. Ltd.



Green View Buildwell Pvt. Ltd.
Green Way Promoters Pvt. Ltd.
Green Wood Properties Pvt. Ltd.

West Land Buildcon Pvt. Ltd.
White Diamond Cons. & Equipment Pvt. Ltd.
Woodland Promoters Pvt. Ltd.

Partnership firm in which holding company is partner

Ganga Bishan & Company

Key management Personnel

Rajeev Trehan
Ashok Sarin#
Sunaini Sarin
Jayanti Sarin

Chairman & Director
Director
Director
Director

Mr. Ashok Sarin has given his resignation from directorship of the Company w.e.f. March 6, 2010.

Note: Related party relationship is as identified by the Company on the basis of available information.

b) The Company has following transactions with the following related parties:

S. No.	Nature of Transactions	Related Party	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
1	Share capital issued to holding company	Anant Raj Industries Ltd.	-	400,000
2	Loans received from holding company	Anant Raj Industries Ltd.	65,221,000	-
3	Loans repaid to holding company	Anant Raj Industries Ltd.	1,050,000	158,000

c) Amount outstanding as at March 31, 2010:

S. No.	Nature of Transactions	Related Party	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
1	Share capital held by holding company	Anant Raj Industries Ltd.	500,000	500,000
2	Unsecured loans payable to holding company	Anant Raj Industries Ltd.	64,171,000	-

v) Figures and words in brackets relate to the previous year unless otherwise indicated.

vi) Previous year have been regrouped/recast, wherever necessary, to confirm to this years presentation.



vii) Additional information under Part IV of Schedule VI of the Companies Act, 1956:

I. Registration details		U45200DL2006PTC155087
Registration No.		55
State code		March 31, 2010
Balance Sheet Date		
		As at March 31, 2010 Rs. (in 000's)
II. Position of mobilisation and deployment of funds		
Total assets		64,671
Total liabilities		64,671
Sources of funds		
Paid up capital		500
Unsecured loans		64,171
Application of funds		
Fixed assets		63,976
Net current assets		508
Miscellaneous expenditure		178
Profit and loss account		9
		For the year ended March 31, 2010 Rs. (in 000's)
III. Performance of the Company		
Turnover		16
Total expenditure		10
Profit before tax		7
Profit after tax		5
Earning per share (Rs.)		0.09

Signatures to the above schedules which form an integral part of the Balance Sheet and Profit and Loss Account.

Directors

Jayanti Sarin
Jayanti Sarin

Rajeev Trehan
Rajeev Trehan

New Delhi,
May 14, 2010



TOWNSEND CONSTRUCTION AND EQUIPMENTS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
A. CASH FLOW FROM OPERATIONS		
Profit/(Loss) before tax and extraordinary items	6,587	698
Adjustment for:		
- Advances	(3,234)	(2,288)
- Current liabilities	1,820	1,778
Cash generated from operations	5,173	188
Provision for income tax	(2,036)	(216)
Net cash flow operating activities	(A) 3,137	(28)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed asset	(63,976,131)	-
Net cash from investing activities	(B) (63,976,131)	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of equity share capital	-	400,000
Decrease in unsecured loans	64,171,000	(158,000)
Net cash used in financing activities	(C) 64,171,000	242,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C) 198,006	241,972
Cash and cash equivalents - Opening balance	312,767	70,795
Cash and cash equivalents - Closing balance	510,773	312,767

Note: Figures in brackets indicate cash outflow

Auditor's report

We have examined the Cash Flow Statement of Townsend Construction & Equipments Private Limited for the year ended March 31, 2010. The statement prepared by the Company is in accordance with the requirement of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet covered by our Report to the members of the Company in terms of our attached Report as of even date

B.Bhushan & Co.
Chartered Accountants
By the hand of



Sandeep Kumar Gupta
Partner
Membership no. 073457
May 14, 2010
New Delhi

Directors

Jayanti Sarin
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Rajeev Trehan
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