

AUDITOR'S REPORT

To the members of

Anant Raj Hotels Limited

We have audited the attached Balance Sheet of Anant Raj Hotels Limited as at March 31, 2011, 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, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 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, 2011 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:

- a) In case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- b) in the case of Profit and Loss Account, of the loss suffered by the Company for the financial year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows of the Company for the financial year ended on that date.

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

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



Vishwanand Keshri
Vishwanand Keshri
Partner
Membership No. 505508

May 14, 2011

ANNEXURE TO AUDITORS' REPORT
(Annexure referred to in our report of even date)

- I. The Company does not own any fixed assets. Accordingly, provisions of clauses (i)(a), (i)(b) and (i)(c) of paragraph 4 of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable to the Company.
- II. The Company does not own any inventory. Accordingly, provisions of clauses (ii)(a), (ii)(b) and (ii)(c) of paragraph 4 of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable to the Company.
- III. During the year, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence, provisions of clauses (iii)(b), (iii)(c), (iii)(d), (iii)(e), (iii)(f) and (iii)(g) of paragraph 4 of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control systems.
- V. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956. Hence, clauses (v)(a) and (v)(b) of paragraph 4 of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable to the Company.
- VI. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
- VII. In our opinion, the Company has an internal control system commensurate with its size and nature of its business.
- VIII. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of activities carried out by the Company.
- IX. a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including income tax, cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at March 31, 2011 for a year of more than six months from the date they became payable.



- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited by the Company with appropriate authorities on account of dispute.
- X. The Company has accumulated losses at the end of the financial year and it has earned profit in the financial year covered by our audit and had not incurred cash losses in the immediately preceding financial year.
- XI. The Company has not taken any loan from any financial institution or bank and also has not issued any debentures. Accordingly, the provisions of clause 4(xi) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- XII. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- XIII. The Company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- XIV. The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- XVI. The Company has not obtained any term loan. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- XVII. According to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet of the Company, we are of the opinion that the no funds raised on short term basis during the year have been used for long term investments.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4(xviii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.



- XIX. The Company had not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- XX. The Company has not raised any money by way of public issue during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- XXI. Based upon the audit procedures performed and according to the information and explanations to us, no fraud on or by the Company has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.

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

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



Vishwanand Keshri
Vishwanand Keshri
Partner
Membership No. 505508

May 14, 2011

ANANT RAJ HOTELS LIMITED

BALANCE SHEET AS AT MARCH 31, 2011

	Schedules	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
SOURCES OF FUNDS			
Share capital	1	500,000	500,000
APPLICATION OF FUNDS			
Current assets, loans and advances			
Cash and bank balances	2	310,402	317,819
Loans and advances	3	5,540	3,757
		315,942	321,576
Less: Current liabilities and provisions	4	6,618	8,194
Net current assets		309,324	313,382
Miscellaneous expenditure (to the extent not written off or adjusted)	5	178,066	178,066
Profit and Loss Account		12,610	8,552
		500,000	500,000
ACCOUNTING POLICIES	6		
NOTES TO ACCOUNTS	7		

This is the Balance Sheet referred in our report of even date addressed to the members of Anant Raj Hotels Limited.

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

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

Vishwanand Keshri

Vishwanand Keshri
Partner
Membership no. 505508
May 14, 2011
New-Delhi



Directors

Aman Sarin
Aman Sarin

Jayanti Sarin
Jayanti Sarin

ANANT RAJ HOTELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedules	For the year ended March 31, 2011 Rs.	For the year ended March 31, 2010 Rs.
INCOME			
Interest income		15,800	14,607
Other income		100	-
		<u>15,900</u>	<u>14,607</u>
EXPENDITURE			
Audit fees		6,618	6,618
Bank charges		550	550
Filing fees		7,000	2,060
Legal and professional		5,790	276
		<u>19,958</u>	<u>9,504</u>
Profit/(Loss) during the year		(4,058)	5,103
Provision for tax		-	(1,576)
Profit/(Loss) after tax		(4,058)	3,527
Profit/(Loss) brought forward from previous year		(8,552)	(12,079)
Profit/(Loss) carried over to Balance Sheet		(12,610)	(8,552)
Earning per share(equity share, par value of Rs. 10 (Rs. 10) each			
- Basic and diluted earning per share		-0.08	0.07

ACCOUNTING POLICIES

6

NOTES TO ACCOUNTS

7

This is the Profit and Loss Account referred in our report of even date addressed to the members of Anant Raj Hotels Limited.

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

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



Vishwanand Keshri
Partner
Membership no. 505508
May 14, 2011
New-Delhi



Directors



Aman Sarin



Jayanti Sarin

SCHEDULES	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
1 SHARE CAPITAL		
Authorized 10,00,000 (10,00,000) equity shares of Rs. 10 (10) each	<u>10,00,000</u>	<u>10,00,000</u>
Issued, subscribed and paid up *50,000 (*50,000) equity shares of Rs. 10 (10) each fully paid up	<u>500,000</u>	<u>500,000</u>
*Entire share capital is held by holding Company, Anant Raj Industries Limited, including 6 (6) shares registered in the name of nominees of the holding Company.		
2 CASH AND BANK BALANCES		
Cash in hand	30	6,930
Balance with scheduled bank		
- in current account	22,477	35,511
- in deposit account	<u>287,895</u>	<u>275,378</u>
	<u>310,402</u>	<u>317,819</u>
3 ADVANCES		
Interest accrued	3,959	2,257
Income tax deducted	<u>1,581</u>	<u>1,500</u>
	<u>5,540</u>	<u>3,757</u>
4 CURRENT LIABILITIES & PROVISIONS		
Expenses payable	6,618	6,618
Provision for tax	-	1,576
	<u>6,618</u>	<u>8,194</u>
5 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary expenses	<u>178,066</u>	<u>178,066</u>



6 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. EARNINGS PER SHARE

The company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard-20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are ant-dilutive.

D. 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.

E. MISCELLANEOUS EXPENDITURE

Preliminary expenses are not amortized as the Company is yet to commence business .



7 NOTES TO ACCOUNTS

- i) The Company proposes to undertake development of hotel project and is identifying for suitable opportunities in this regard.
- ii) The earning considered in ascertaining the Company's EPS is the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The weighted diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

		For the year ended March 31, 2011	For the year ended March 31, 2010
Net profit attributable to equity shareholders	Rs.	(4,058)	3,527
Nominal value of equity share	Rs.	10	10
Weighted average number of equity shares outstanding	No.	50,000	50,000
Basic and diluted earnings per share	Rs.	(0.08)	0.07

iii) 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 along with their relationships:

a) Name of related parties and description of relationships :

Holding Company

Anant Raj Industries Limited

Fellow Subsidiaries

Aarkarshak Realtors Pvt. Ltd.	Jubilant Software Services Pvt. Ltd.
Advance Buildcon Pvt. Ltd.	Kalinga Buildtech Pvt. Ltd.
Anant Raj construction & Dev. Pvt. Ltd.	Kalinga Realtors Pvt. Ltd.
Anant Raj Housing Ltd.	Krishna Buildtech Pvt. Ltd.
Anant Raj Projects Ltd.	Lucky Meadows Pvt. Ltd.
Ankur Buildcon Pvt. Ltd.	Monarch Buildtech Pvt. Ltd.
A-Plus Estates Pvt. Ltd.	North South Properties Pvt. Ltd.
BBB Realty Pvt. Ltd.	Novel Buildmart Pvt. Ltd.
Blossom Buildtech Pvt. Ltd.	Novel Housing Pvt. Ltd.
Bolt Properties Pvt. Ltd.	One Star Realty Pvt. Ltd.
Capital Buildcon Pvt. Ltd.	Oriental Meadows Ltd.
Capital Buildtech Pvt. Ltd.	Oriental Promoters Pvt. Ltd.
Carnation Buildtech Pvt. Ltd.	Papillon Buildcon Pvt. Ltd.
CCC Realty Pvt. Ltd.	Papillon Buildtech Pvt. Ltd.
Century Promoters Pvt. Ltd.	Park Land Const. & Equipment Pvt. Ltd.
Echo Buildtech Pvt. Ltd.	Parkland Developers Pvt. Ltd.
Echo Properties Pvt. Ltd.	Parkview Promoters Pvt. Ltd.
Elegant Buildcon Pvt. Ltd.	Pasupati Aluminium Ltd.
Elegant Estates Pvt. Ltd.	Pelikan Estates Pvt. Ltd.
Elevator Buildtech Pvt. Ltd.	Pioneer Promoters Pvt. Ltd.
Elevator Promoters Pvt. Ltd.	Rapid Realtors Pvt. Ltd.
Elevator Properties Pvt. Ltd.	Rising Realty Pvt. Ltd.
Empire Promoters Pvt. Ltd.	Rolling Construction Pvt. Ltd.



Excellent Inframart Pvt. Ltd.
 Fabulous Builders Pvt. Ltd.
 Four Construction Pvt. Ltd.
 Gadget Builders Pvt. Ltd.
 Gagan Buildtech Pvt. Ltd.
 Glaze Properties 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.
 Green View Buildwell Pvt. Ltd.
 Green Way Promoters Pvt. Ltd.
 Green Wood Properties Pvt. Ltd.
 Gujarat Anant Raj Vidhyanagar Ltd.
 Hamara Realty Pvt. Ltd.
 High Land Meadows Pvt. Ltd.
 Hemkunt Promoters Pvt. Ltd.
 Jasmine Buildwell Pvt. Ltd.

Romano Estate Pvt. Ltd.
 Romano Infrastructure Pvt. Ltd.
 Romano Projects Pvt. Ltd.
 Romano Tiles Pvt. Ltd.
 Rose Realty Pvt. Ltd.
 Roseview Buildtech Pvt. Ltd.
 Roseview Properties Pvt. Ltd.
 Saffron View Properties Pvt. Ltd.
 Sand Storm Buildtech Pvt. Ltd.
 Sartaj Developers & Promoters Pvt. Ltd.
 Sovereign Buildwell Pvt. Ltd.
 Spring View Developers Pvt. Ltd.
 Spring view Properties Pvt. Ltd.
 Suburban Farms Pvt. Ltd.
 Three Star Realty Pvt. Ltd.
 Townsend Cons. & Equipments Pvt. Ltd.
 Tumhareliye Realty Pvt. Ltd.
 Twenty First Developers Pvt. Ltd.
 Vibrant Buildmart 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

Aman Sarin	Chairman
Jayanti Sarin	Director
Anil Mahindra	Director

Note: The above parties have been identified by the management.

b) There is no transaction entered by the company with any of the related parties during the year.

c) Amount outstanding as at March 31, 2011:

S. No.	Account Head	Related Party	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
1	Share Capital held by holding company	Anant Raj Industries Ltd.	500,000	500,000

- iv) In the opinion of the management, the current assets, loans and advances, if realized, in the ordinary course of business, would realize a sum equal to that stated in the Balance Sheet.
- v) Previous year figures have been regrouped or recast, where ever necessary to confirm with this year's presentation.
- vi) Figures in brackets pertain to previous year unless otherwise indicated.



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

I. Registration details

Registration No.	U55101DL2005PLC141922
State code	55
Balance Sheet Date	March 31, 2011

As at March
31, 2011
Rs.(in '000)

II. Position of mobilization and deployment of funds

Total assets	500
Total liabilities	500

Sources of funds

Paid up capital	500
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Application of funds

Net current assets	309
Miscellaneous expenditure	178
Profit and loss account	13

For the year
ended March
31, 2011

III. Performance of the Company

Turnover	16
Total expenditure	20
Profit before tax	(4)
Profit after tax	(4)
Earning per share (Rs.)	-0.08

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

Directors



New Delhi.
May 14, 2011

Aman Sarin

Jayanti Sarin

Handwritten signatures in blue ink. The first signature is for Aman Sarin and the second is for Jayanti Sarin. Both signatures are written over horizontal lines.

ANANT RAJ HOTELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended March 31, 2011 Rs.	For the year ended March 31, 2010 Rs.
A. CASH FLOW FROM OPERATIONS		
Profit/(Loss) before tax and extraordinary items	(4,058)	5,103
Adjustment for:		
- Advances	(1,783)	809
- Other liabilities	(1,576)	(535)
Cash generated from operations	(7,417)	5,377
Provision for income tax	-	(1,576)
Net cash from operating activities	(A) (7,417)	3,802
B. CASH FLOW FROM INVESTING ACTIVITIES	(B)	
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of equity share capital	-	-
Net cash from financing activities	(C)	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(7,417)	3,802
Cash and cash equivalents - Opening balance	317,819	314,017
Cash and cash equivalents - Closing balance	310,402	317,819

Note: Figures in brackets indicate cash outflow

Auditor's Report

We have examined the Cash Flow Statement of Anant Raj Hotels Limited for the year ended March 31, 2011. 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

Vishwanand Keshri

Vishwanand Keshri
Partner
Membership no. 505508
May 14, 2011
New-Delhi



Directors

Aman Sarin
Aman Sarin

Jayanti Sarin
Jayanti Sarin