

AUDITOR'S REPORT

To the members of
Echo Properties Private Limited

We have audited the attached Balance Sheet of Echo Properties Private Limited as at March 31, 2011, and the related Profit and Loss Account and also the Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 have 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 misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, does not apply to the Company in terms of section 1(2)(iv) of the said Order.

We 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 account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, 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, 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 Act.
- (e) None of the directors of the Company would be disqualified under the provisions of section 274 (1) (g) of the Companies Act, 1956, from being appointed as a director of the Company, as the Company is a private company and the said section only



provides for ineligibility from being appointed as a director of any other public company.

- (f) 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 to accounts 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 March 31, 2011; and
 - (ii) in the case of Profit and Loss Account, of the expenditure incurred by the Company for the financial year ended on that date; and
 - (iii) 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



Sandeep Kumar Gupta
Partner

Membership No. 073457

May 10, 2011

ECHO PROPERTIES PRIVATE 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
Reserves and surplus		42,496	42,496
Unsecured loans	2	<u>48,571,874</u>	<u>48,571,874</u>
		<u>49,114,370</u>	<u>49,114,370</u>
APPLICATION OF FUNDS			
Fixed assets	3	49,051,872	49,051,872
Preoperative expenditure pending capitalization	4	51,915	42,629
Current assets			
Cash and bank balances	5	17,201	25,796
Less: Current liabilities	6	<u>6,618</u>	<u>6,618</u>
Net current assets		10,583	19,178
Miscellaneous expenditure (to the extent not written off or adjusted)	7	-	691
		<u>49,114,370</u>	<u>49,114,370</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 Echo Properties 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 10, 2011
New Delhi

Directors

Amit Sarin
Jayanti Sarin

ECHO PROPERTIES PRIVATE 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			
EXPENDITURE			
Audit fees		6,618	6,618
Bank charges		550	550
Filing fees		600	900
Expenditure written off		691	691
Legal and professional		827	156
		9,286	8,915
Expenditure incurred during the year transferred to Preoperative expenditure pending capitalization		9,286	8,915
Credit balance in Profit and Loss Account brought forward		42,496	42,496
Surplus of Profit and Loss Account carried over to Balance Sheet		42,496	42,496

ACCOUNTING POLICIES

8

NOTES TO ACCOUNTS

9

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

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

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



Sandeep Kumar Gupta
Partner
Membership no. 073457
May 10, 2011
New Delhi

Directors


Amit Sarin

Jayanti Sarin

SCHEDULES		As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
1	SHARE CAPITAL		
	Authorized		
	5,000 (5,000) equity shares of Rs.100.00 (Rs. 100.00) each	<u>500,000</u>	<u>500,000</u>
	Issued, subscribed and paid up		
	*5,000 (*5,000) equity shares of Rs.100.00 (Rs. 100.00) each fully paid up	<u>500,000</u>	<u>500,000</u>
	*Entire share capital is held by holding Company, Anant Raj Industries Ltd. including 6 (6) shares registered in the name of nominees of the holding Company.		
2	UNSECURED LOAN		
	From holding company	<u>48,571,874</u>	<u>48,571,874</u>
3	FIXED ASSETS		
	Land	<u>49,051,872</u>	<u>49,051,872</u>
4	PREOPERATIVE EXPENDITURE PENDING CAPITALISATION		
	Opening balance	42,629	33,714
	Addition during the year	<u>9,286</u>	<u>8,915</u>
		<u>51,915</u>	<u>42,629</u>
5	CASH AND BANK BALANCES		
	Cash in hand	4,696	4,696
	Bank balance with scheduled bank		
	- In current account	<u>12,505</u>	<u>21,100</u>
		<u>17,201</u>	<u>25,796</u>
6	CURRENT LIABILITIES		
	Expenses payable	<u>6,618</u>	<u>6,618</u>
7	MISCELLANEOUS EXPENDITURE		
	(to the extent not written off or adjusted)		
	Preliminary expenses	691	1,382
	Less: Written off during the year	<u>691</u>	<u>691</u>
		<u>-</u>	<u>691</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 recognized whenever the carrying amount of an asset exceeds its recoverable amount, the latter being greater of net selling price and value in use.

e) 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.

f) 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.

g) MISCELLANEOUS EXPENDITURE

Preliminary expenses are amortized over a period of five years.



9 NOTES TO ACCOUNTS

- i) The Company purchased land for development of real estate project in Delhi. Expenses incurred by the Company during the year considered to enhance the value of the development project, have been accounted under the head 'Preoperative Expenditure Pending Capitalization' and the same shall be capitalized by way of apportionment over the fixed assets to be created on completion of development in progress.
- ii) The Company does not have any profit attributable to equity shareholders during the year and therefore, earning per share has not been calculated.

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 their relationships:

Holding Company

Anant Raj Industries Limited

Fellow Subsidiaries

Aarkarshak Realtors Pvt. Ltd.
Advance Buildcon Pvt. Ltd.
Anant Raj construction & Dev. Pvt. Ltd.
Anant Raj Hotels Ltd.
Anant Raj Housing Pvt. Ltd.
Anant Raj Projects Ltd.
Ankur Buildcon Pvt. Ltd.
A-Plus Estates Pvt. Ltd.
BBB Realty Pvt. Ltd.
Blossom Buildtech Pvt. Ltd.
Bolt Properties Pvt. Ltd.
Capital Buildcon Pvt. Ltd.
Capital Buildtech Pvt. Ltd.
Carnation Buildtech Pvt. Ltd.
CCC Realty Pvt. Ltd.
Century Promoters Pvt. Ltd.
Echo Buildtech Pvt. Ltd.
Elegant Buildcon Pvt. Ltd.
Elegant Estates Pvt. Ltd.
Elevator Buildtech Pvt. Ltd.
Elevator Promoters Pvt. Ltd.
Elevator Properties Pvt. Ltd.
Empire Promoters 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.
Jubilant Software Services Pvt. Ltd.
Kalinga Buildtech Pvt. Ltd.
Kalinga Realtors Pvt. Ltd.
Krishna Buildtech Pvt. Ltd.
Lucky Meadows Pvt. Ltd.
Monarch Buildtech Pvt. Ltd.
North South Properties 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.
Park Land Const. & Equipment 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 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.



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.

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

Amit Sarin	Chairman
Jayanti Sarin	Director
Monica Sarin	Director

Note:- The above companies are 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
2	Unsecured loans payable to holding company	Anant Raj Industries Ltd.	48,571,874	48,571,874

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

vi) Figures of the previous year have been regrouped/ recast, wherever necessary, in order to confirm to this year's presentation.



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

I. Registration details

Registration No.	U74899DL1989PTC036398
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	
Total liabilities	49,114
	49,114
Sources of funds	
Paid up capital	
Reserves and surplus	500
Unsecured loans	42
Application of funds	48,572
Fixed assets	
Preoperative Expenditure pending capitalization	49,052
Net current assets	52
Miscellaneous expenditure	10
	For the year ended March 31, 2011 (Rs. in '000)

III. Performance of the Company

Turnover	
Total expenditure	-
Profit before tax	9
Profit after tax	Nil
Earning per share (Rs.)	Nil
	Nil

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

Directors


Amit Sarin


Jayanti Sarin



New Delhi,
May 10, 2011

ECHO PROPERTIES PRIVATE 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 before tax and extra ordinary items	-	-
Adjustments for:		
- Preoperative expenditure pending capitalisation	(9,286)	(8,915)
- Miscellaneous expenditure written off	691	691
Net cash from operating activities	(A) (8,595)	(8,224)
B. CASH FLOW FROM INVESTING ACTIVITIES	(B) -	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in unsecured loans	-	(100)
Net cash used in financing activities	(C) -	(100)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(8,595)	(8,324)
Cash and cash equivalents - Opening balance	25,796	34,120
Cash and cash equivalents - Closing balance	17,201	25,796

Note: Figures in brackets indicate cash outflow

Auditor's report

We have examined the Cash Flow Statement of Echo Properties Private 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

Sandeep Kumar Gupta
Partner
Membership no. 073457
May 10, 2011
New Delhi



Directors

(Signature)
Amit Sarin

(Signature)
Jayanti Sarin