

AUDITOR'S REPORT

To the members of
Gadget Builders Private Limited

We have audited the attached Balance Sheet of Gadget Builders Private Limited as at March 31, 2011, and 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.

The Companies (Auditors Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) 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:

- 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) 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.



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 notes and accounting policies 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 statement of affairs of the Company as at March 31, 2011;
- b) in the case of Profit and Loss Account, of the loss incurred by the Company for the financial year ended on that date; and
- c) In case of Cash Flow Statement, of the cash flows of the Company during the financial year ended on that date.

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



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

Vishwanand Keshri

Vishwanand Keshri
Partner
Membership No. 505508

April 30, 2011

GADGET BUILDERS 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
Profit and loss account		1,650	1,751
Unsecured loan	2	<u>48,816,000</u>	<u>49,216,000</u>
		<u>49,317,650</u>	<u>49,717,751</u>
APPLICATION OF FUNDS			
Fixed asset	3	49,282,250	49,216,250
Current assets, loans and advances			
Cash and bank balances	4	34,033	495,890
Advances	5	<u>1,375</u>	<u>7,952</u>
		<u>35,408</u>	<u>503,842</u>
Less: Current liabilities & provisions	6	<u>9,918</u>	<u>12,251</u>
Net current assets		25,490	491,591
Miscellaneous expenditure (to the extent not written off or adjusted)			
	7	<u>9,910</u>	<u>9,910</u>
		<u>49,317,650</u>	<u>49,717,751</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 Gadget Builders Private Limited.

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

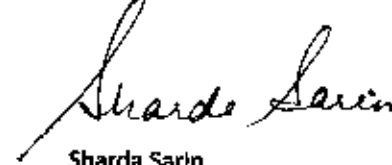
B. Bhushan & Co.
Chartered Accountants
By the hand of



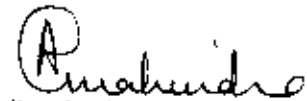
Vishwanand Keshri
Partner
Membership No. 505508
April 30, 2011
New Delhi



Directors



Sharda Sarin



Anil Mahindra

GADGET BUILDERS 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			
Interest on fixed deposit		8,584	27,054
EXPENDITURE			
Audit fees		6,618	6,618
Bank charges		550	550
Filing fees		630	1,200
Legal and professional		887	456
		<u>8,685</u>	<u>8,824</u>
Profit/(Loss) during the year		(101)	18,230
Provision for tax		-	(5,633)
Profit/(Loss) after tax		(101)	12,597
Profit/(Loss) brought forward from previous year		1,751	(10,846)
Profit carried over to Balance Sheet		<u>1,650</u>	<u>1,751</u>
Earning per share (equity share, par value of Rs. 10 each)			
- Basic and diluted earning per share		0.00	0.25

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 Gadget Builders Private Limited.

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

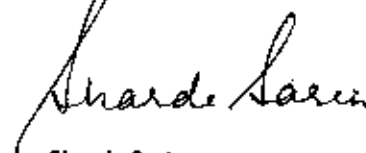
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By the hand of



Vishwanand Keshri
Partner
Membership No. 505508
April 30, 2011
New Delhi



Directors



Sharda Sarin


Anil Mahindra

SCHEDULES	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
1 SHARE CAPITAL		
Authorized		
50,000 (50,000) equity shares of Rs. 10 (Rs. 10.00) each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up		
*50,000 (*50,000) equity shares of 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 nominee of the holding company.		
2 UNSECURED LOAN		
From holding company	<u>48,815,000</u>	<u>49,216,000</u>
3 FIXED ASSET		
Land	<u>49,282,250</u>	<u>49,216,250</u>
4 CASH AND BANK BALANCES		
Cash in hand	4,013	4,403
Balances maintained with scheduled bank		
- in current account	30,020	56,775
- in deposit account	-	434,712
	<u>34,033</u>	<u>495,890</u>
5 ADVANCES		
Interest accrued	-	2,609
Income tax receivable	1,375	5,343
	<u>1,375</u>	<u>7,952</u>
6 CURRENT LIABILITIES & PROVISIONS		
Expenses payable	6,618	6,618
Provision for tax	-	5,633
Tax deducted at source payable	3,300	-
	<u>9,918</u>	<u>12,251</u>
7 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary expenses	<u>9,910</u>	<u>9,910</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 ASSET

Fixed Assets are stated at cost including incidental expenses, less Impairment losses. Cost comprises the purchase price and any attributable cost incurred in bringing the asset to its working condition for its intended 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. 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.

F. 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.

G. MISCELLANEOUS EXPENDITURE

Preliminary expenditure has not been amortized as the Company is yet to commence business.



- i) The Company has purchased land for development of a real estate project in Delhi. The sale deed of the land executed by the Vendor was not registered by the Sub Registrar of Assurances for reason that certain clearances alleged to be necessary are not obtained. The Company is of the view that there are no clearances to be obtained and has since filed an appeal before the jurisdictional appellate authority seeking, inter alia, direction to the office of Sub Registrar of Assurances to register and release the sale deed, which appeal is yet to be disposed. The Company is in possession of the land.
- 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.	(101)	12,597
Nominal value of equity share	Rs.	10	10
Weighted average number of equity shares outstanding during the year	No.	50,000	50,000
Basic and diluted earnings per share	Rs.	(0.00)	0.25

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 relationship:

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 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.

Echo Properties Pvt. Ltd.

Elegant Buildcon Pvt. Ltd.

Elegant Estates 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.



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.
 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.

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.
 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

Sharda Sarin

Chairman & Director

Sunaini Sarin

Director

Anil Mahindra

Director

Note: Related party relationship is as identified by the management of the Company.

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

S. No.	Nature of Transactions	Related Party	For the year ended March 31, 2011 Rs.	For the year ended March 31, 2010 Rs.
1	Unsecured loan received from holding company	Anant Raj Industries Ltd.	-	49,216,000
2	Unsecured loan repaid to holding company	Anant Raj Industries Ltd.	400,000	-

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 loan payable to holding company	Anant Raj Industries Ltd.	48,816,000	49,216,000



- 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/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.	U45400DL2007PTC162495
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	49,318
Total liabilities	49,318

Sources of funds

Paid up capital	500
Profit and loss account	2
Unsecured loan	48,816

Application of funds

Fixed asset	49,282
Net current assets	26
Miscellaneous expenditure	10

For the year
ended March
31, 2011
Rs. (in '000)

III. Performance of the Company

Turnover	9
Total expenditure	9
Loss before tax	(0)
Loss after tax	(0)
Earning per share (Rs.)	0.00

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

Directors



Sharda Sarin
Sharda Sarin

Sharda Sarin

Anil Mahindra

Anil Mahindra

New Delhi.
April 30, 2011

GADGET BUILDERS 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/(Loss) before tax and extraordinary items	(101)	18,230
Adjustment for:		
- Advances	6,577	(1,080)
- Other liabilities	(2,333)	2,929
Cash generated from operations	4,143	20,079
Provision for income tax	-	(5,633)
Net cash from operating activities	(A) 4,143	14,446
B. CASH FLOW FROM INVESTMENT		
Addition to fixed assets	(66,000)	(49,216,250)
Net cash from investing activities	(B) (66,000)	(49,216,250)
B. CASH FLOW FROM FINANCING		
Increase/decrease in unsecured loan	(400,000)	49,216,000
Net cash from financing activities	(C) (400,000)	49,216,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(461,857)	14,196
Cash and cash equivalents - Opening balance	495,890	481,694
Cash and cash equivalents - Closing balance	34,033	495,890

Note: Figures in brackets indicate cash outflow



Auditor's report

We have examined the Cash Flow Statement of Gadget Builders 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

Vishwanand Keshri
Partner
Membership No. 505508
April 30, 2011
New Delhi



Directors


Sharda Sarin

Anil Mahindra