

A.K. Jindal & Associates
Chartered Accountants

201, Suchet Chambers, 1224/5, Naiwala, Bank Street, Karol Bagh, Delhi 110005, Tel : 28750239, 41548454

AUDITOR'S REPORT

To

The Members of High Land Meadows Private Limited

We have audited the attached Balance Sheet of High Land Meadows Private Limited as at March 31, 2011 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.

1. As required by the companies (Auditor's Report) Order, 2003 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 paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, 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, 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 2011; 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: 20.05.2011

For A. K. Jindal & Associates
Chartered Accountants




(Ashok Gupta)
Partner

**Annexure to the Auditor's Report of High land Meadows Pvt Ltd for the year
ended 31st March 2011**

Referred to in paragraph 1 of our Report of even date ;

1. As the Company had no fixed Assets during the year, the provisions of clause 4(i) of the Order are not applicable.
2. As the Company does not carry any inventory the provisions of clause 4(ii) of the Order are not applicable.
3. (a) In our opinion and according to information and explanations given to us the company had taken unsecured loan from Directors /other parties who are covered in the register maintained under Section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs.6,56,10,000/- and year end balance of loans taken from such parties was Rs.2,31,10,000/- The rate of interest and other terms and conditions of loans taken by the company are prima facie not prejudicial to the interest of the company. There is no overdue amount.

(b) According to information and explanations given to us the company had granted loans to four companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 31,24,95,000/- and year end balance from such parties was Rs 26,99,95,000/-
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business. However no purchase of inventory and fixed assets and for sale of goods had been effected during the year.
5. Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that all the transactions that need to be entered in the register in pursuance of Section 301 of the Act have been so entered.
These transactions have been made at a prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public during the year.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.



8. The Central Government has not prescribed the maintenance of cost records by the company under section 209(1)(d) of the companies Act.1956.
- 9 According to information and explanations given to us, in respect of statutory dues and other dues :
- (a) According to records examined by us the company is regular in depositing undisputed statutory dues . There is no arrear of any of the statutory dues at the last day of the financial year for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us , there are no undisputed amounts outstanding on 31-3-2011 in respect of sales tax/custom duty/wealth tax/excise duty/cess.
- 10 The accumulated losses of the Company are not more than 50% of its net worth The company has incurred a cash loss of Rs. 6875/- in the current financial year and Rs.11990/- in the financial year (immediately preceding financial year).
- 11 Based on our audit procedure and on the information and explanation given by the management, the company has not taken any loan from any of the financial institution /bank or through debentures.
- 12 The company has not granted loans and advances , on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the order are not applicable to the company.
- 14 On the basis of examination it is reported that the company has maintained Records of its investment in shares of subsidiary companies .
- 15 According to records of the company and information and explanation provided by the management , the company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 The company has neither raised any term loan during the year nor any unutilized amount was left on this account.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that the funds raised on short term basis have not been utilized for long term investment and *vice-versa*.



- 18 The company had not made any preferential allotment of shares to the parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The Company did not issue any debentures during the year.
- 20 The company had not raised any money through a public issue during the year.
- 21 Based on the Audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

Place: New Delhi

Dated: 20-05-2011



For A K JINDAL & ASSOCIATES
Chartered Accountants


(Ashok Gupta)
Partner

HIGHLAND MEADOWS PVT. LTD.
E-2, Jhandewalan Extn, New Delhi
BALANCE SHEET AS AT MARCH 31, 2011

	<u>Schedule</u>	<u>As at March</u> <u>31st 2011</u>	<u>As at March</u> <u>31st 2010</u>
<u>SOURCES OF FUNDS</u>			
Share Capital	1	625,000.00	625,000.00
Reserve & Surplus	2	499,875,000.00	499,875,000.00
Unsecured Loan	3	23,110,000.00	23,110,000.00
		523,610,000.00	523,610,000.00
 <u>APPLICATION OF FUNDS</u>			
<u>INVESTMENT</u>	4	2,500,000.00	3,000,000.00
<u>Current Assets, Loans & Advances</u>			
Cash and Bank Balance	5	594,243.99	101,118.99
Loans & Advances	6	519,995,000.00	519,995,000.00
		520,589,243.99	520,096,118.99
Less: Current Liabilities	7	5,000.00	5,000.00
Net Current Assets		520,584,243.99	520,091,118.99
 <u>MISCELLANEOUS EXPENDITURE</u>			
(To the extent not written off or adjusted)	8		
Preliminary Expenses		510,000.00	510,000.00
Profit & Loss Account		15,756.01	8,881.01
		523,610,000.00	523,610,000.00

NOTES TO ACCOUNTS

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

9

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

For A.K. Jindal & Associates
Chartered Accountants

DIRECTORS

(Amit Sarin)

(Pankaj Nakra)

Place: New Delhi
Date: 20/5/2011

Ashok Gupta
Ashok Gupta
(Partner)



HIGHLAND MEADOWS PVT. LTD.
E-2, Jhandewalan Extn, New Delhi
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2011

	<u>For the year Ended March 31,2011</u>	<u>For the year Ended March 31,2010</u>
<u>INCOME</u>	-	-
<u>EXPENDITURE</u>		
Filing Charges	600.00	6,316.00
Legal & Professional Exp.	1,275.00	674.00
Auditor's Remuneration		
Audit Fee	5,000.00	5,000.00
	6,875.00	11,990.00
Loss Carried to Balance Sheet in Profit & Loss Account	6,875.00	11,990.00

NOTES TO ACCOUNTS

9

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

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

For A.K. Jindal & Associates
Chartered Accountants

DIRECTORS

(Amit Sarin)

Place: New Delhi
Date: 20/5/2011


Ashok Gupta
(Partner)




(Pankaj Nakra)

SCHEDULE

	31.03.2011 <u>Rupees</u>	31.03.2010 <u>Rupees</u>
1 <u>SHARE CAPITAL</u>		
Authorised 10000 Equity Shares of Rs.100 each	<u>1,000,000.00</u>	<u>1,000,000.00</u>
Issued,Subscribed & Paid up 6250 Equity Shares of Rs.100/- each fully Paid up (Out of which 5000 Equity Shares of Rs. 100/- each fully paid up held by the holding company Anant Raj Industries Ltd.)	<u>625,000.00</u>	<u>625,000.00</u>
2 <u>RESERVE & SURPLUS</u>		
Share Premium	499,875,000.00	499,875,000.00
Profit & Loss Account	<u>499,875,000.00</u>	<u>499,875,000.00</u>
3 <u>UNSECURED LOAN</u>		
From Holding Co.	<u>23,110,000.00</u>	<u>23,110,000.00</u>
4 <u>INVESTMENT(UNQUOTED)</u>		
<u>Long term investments - Unquoted</u>		
a) Investment in Subsidiaries		
50000 Equity Shares of Rs. 10 each of Capital Buildcon Pvt. Ld.	500,000.00	500,000.00
50000 Equity Shares of Rs. 10 each of Krishna Buildtech Pvt. Ld.	500,000.00	500,000.00
50000 Equity Shares of Rs. 10 each of Rising Realty Pvt. Ld.	500,000.00	500,000.00
50000 Equity Shares of Rs. 10 each of Advance Buildcon Pvt. Ld.	500,000.00	500,000.00
50000 Equity Shares of Rs. 10 each of Ankur Buildcon Pvt. Ld.	500,000.00	500,000.00
50000 Equity Shares of Rs. 10 each of One Star Realty Pvt. Ld.	-	500,000.00
	<u>2,500,000.00</u>	<u>3,000,000.00</u>



5 CASH AND BANK BALANCES		
Cash in Hand	2,422.00	2,722.00
Bank balance in current account with Canara Bank	55,276.99	55,276.99
with State Bank of India	536,545.00	43,120.00
	<u>594,243.99</u>	<u>101,118.99</u>
6 LOANS & ADVANCES		
Loan to Subsidiaries	269,995,000.00	269,995,000.00
Advances recoverable in Cash or in Kind	250,000,000.00	250,000,000.00
	<u>519,995,000.00</u>	<u>519,995,000.00</u>
7 CURRENT LIABILITIES		
Expenses Payable	<u>5,000.00</u>	<u>5,000.00</u>
8 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses	510,000.00	510,000.00
	<u>510,000.00</u>	<u>510,000.00</u>
9 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 if 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 subsidiary Company of M/s. Ananat Raj Industries Ltd. since 5000 Equity Shares of Rs. 100/-each fully paid up are held by them. (Out of total No. of 6250 Equity Shares fullt paid up of Rs. 100/- each)

Share holding pattern



<u>S N</u>	<u>Name of the Company</u>	<u>% holding</u>
1	Anant Raj Industries Ltd	80
2	Nilgiri Infrastructure Development Ltd.	20

3 Related Party Disclosures

i. Name of related parties and description of relationship:

1. Holding Company	Anant Raj Industries Ltd.
2. Subsidiary Company	Capital Buildcon Pvt. Ltd. Krishna Buildtech Pvt.Ltd. Rising Realty Pvt. Ltd. Advance Buildcon Pvt.Ltd. Ankur Buildcon Pvt.Ltd. One Star Realty Pvt. Ltd. (Ceased to be subsidiary w.e.f. 28.03.2011)

ii. Transactions with related parties

Particulars	Holding Company Rs.	Subsidiary Company Rs.
Loan Received	42500000 (P.Y. 700000)	42500000 (PY. 300000)
Loan Repaid	42500000 (P.Y. 300000)	42500000(PY. 200000)

iii. Closing Balances with related parties:

Name of Transactions	Holding Company	Subsidiaries Co.
Outstanding payable		
Anant Raj Industries Ltd.	23110000 (P.Y. 23110000)	NIL (P.Y. NIL)
Outstanding Receivable		
Rising Realty Pvt. Ltd.		103,120,000 (P.Y. 103120000)
Krishna Buildtech Pvt. Ltd.		101,950,000 (P.Y. 101950000)
Ankur Buildcon Pvt. Ltd.		12,325,000 (P.Y.12325000)
Capital Buildcon Pvt. Ltd.		52,600,000 (P.Y. 52600000)
Investments		2,500,000 (P.Y. 3000000)

4 Segment Reporting



The company has no reportable Business or Geographical segment

5 Earning per Shares		2009-2010	2009-2010
Particulars		(6875.00)	(11990.00)
Profit attributable in the Shareholders	(A)		
Basic/Weighted average number of Equity Shares outstanding during the year	(B)	6250	6250
Nominal Value of Equity Shares		100	100
Basic Diluted Earnings per Shares	(A/B)	N/A	N/A

6 The statement required under-section 212 of the Companies Act, 1956 of the Company's subsidiaries, are appended .

7 Previous year figures have been regrouped wherever found necessary .

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

Place : Delhi
Dated:20/05/2011



DIRECTORS

(Amit Sarin)

(Pankaj Nakra)

HIGHLAND MEADOWS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Particulars	For the year ended March 31, 2011 Rs.	For the year ended March 31, 2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	(6,875)	(11,990)
Adjustment for:		
Preliminary exp not written off	-	-
Depreciation	-	-
Interest paid	-	-
Interest received	-	-
Operating profit before working capital changes	(6,875)	(11,990)
Adjustment for:		
Inventories	-	-
Sundry creditors and other payables	-	(500,000)
Trade and other receivables	-	100,000
Cash generated from operations	(6,875)	(411,990)
Taxes Paid Including TDS	-	-
NET CASH FROM OPERATING ACTIVITIES	(A) <u>(6,875)</u>	<u>(411,990)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets including project in progress	-	-
Capital Advances for Property Purchase	-	-
Investment made in Shares(Sold)	500000	-
Interest received	-	-
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(B) <u>500,000</u>	<u>-</u>
C. CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Proceeds from Share Premium on issue of share	-	-
Increase in unsecured loans	-	400,000
Interest paid	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C) <u>493,125</u>	<u>(11,990)</u>
Cash and cash equivalents opening balance	101,119	113,109
Cash and cash equivalents closing balance	594,244	101,119

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 20/05/2011


Director


Director