

AUDITOR'S REPORT

To the members of
Pasupati Aluminium Limited

We have audited the attached Balance Sheet of Pasupati Aluminium Limited as at March 31, 2011, 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) (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, 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:



- (i) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- (ii) in the case of Profit and Loss Account, of the profit earned 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



Vishwanand Keshri
Partner
Membership No. 505508

May 16, 2011

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

- I. In respect of fixed assets:
 - a) The company is maintaining proper fixed assets record showing full particulars.
 - b) The fixed assets are physically verified by the management at reasonable interval during the year and no material discrepancies were noticed on such verification as compared to books of accounts.
 - c) In our opinion, the Company has not disposed off a substantial part of its fixed asset during the year and the going concern status of the Company is not affected.
- 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 except interest free unsecured loan from its holding company 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 not incurred cash losses in the financial year covered by our audit and also had not incurred cash loss 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 16, 2011

PASUPATI ALUMINIUM 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	2	7,031,981	7,027,332
Unsecured Loan	3	1,050,000	2,750,000
		<u>8,581,981</u>	<u>10,277,332</u>
APPLICATION OF FUNDS			
Fixed Assets	4	8,520,000	8,520,000
Current assets and advances			
Cash and bank balance	5	69,097	1,763,876
Advances	6	1,578	95,729
		<u>70,676</u>	<u>1,859,605</u>
Less: Current liabilities & provisions	7	8,694	102,273
Net current assets		<u>61,982</u>	<u>1,757,332</u>
		<u>8,581,981</u>	<u>10,277,332</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 Pasupati Aluminium 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
May 16, 2011
New Delhi



Directors

Anil Sarin

Amit Sarin

PASUPATI ALUMINIUM 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		15,321	309,524
EXPENDITURE			
Audit fees		6,618	6,618
Bank charges		650	50
Legal & Professional		828	-
Filing fee		500	1,000
		8,596	7,668
Profit during the year		6,725	301,856
Provision for income tax		(2,076)	(95,655)
Profit after tax		4,649	206,201
Profit/(Loss) brought forward from previous year		(993,090)	(1,199,291)
Profit/(Loss) carried over to Reserve & Surplus		(988,441)	(993,090)
Earning per share (equity share, par value of Rs. 10 each)			
- Basic and diluted earning per share		0.09	4.12

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 Pasupati Aluminium 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 16, 2011
New Delhi

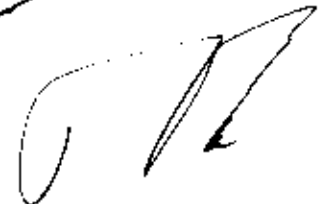


Directors

Anil Sarin

Amit Sarin





SCHEDULES

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
1 SHARE CAPITAL		
Authorised 2,000,000 (2,000,000) equity shares of Rs.10.00 (Rs.10.00) each	<u>20,000,000</u>	<u>20,000,000</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 RESERVES AND SURPLUS		
Capital reserve	8,020,422	8,020,422
Profit and loss account	<u>(988,441)</u>	<u>(993,090)</u>
	<u>7,031,981</u>	<u>7,027,332</u>
3 UNSECURED LOAN		
From holding company	<u>1,050,000</u>	<u>2,750,000</u>
4 FIXED ASSETS		
Land and building	<u>8,520,000</u>	<u>8,520,000</u>
5 CASH AND BANK BALANCES		
Cash in hand	480	480
Balances maintained with scheduled bank		
- in current account	68,617	63,396
- in deposit account	-	1,700,000
	<u>69,097</u>	<u>1,763,876</u>
6 ADVANCES		
Accrued interest	-	36,217
Tax deducted at source	<u>1,578</u>	<u>59,512</u>
	<u>1,578</u>	<u>95,729</u>
7 CURRENT LIABILITIES & PROVISIONS		
Expenses payable	6,618	6,618
Provision for tax	<u>2,076</u>	<u>95,655</u>
	<u>8,694</u>	<u>102,273</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. 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 anti-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.



9 NOTES TO ACCOUNTS

- i) In continuation of its real estate activities, the Company has identified development of real estate projects and had acquired land for development thereof.
- 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) 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.	4,549	206,201
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.	0.09	4.12

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 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.

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.

Jasmine Buildwell 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.

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.
 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.

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

Anil Sarin

Chairman & Director

Ashok Sarin

Director

Amit Sarin

Director

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

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.	400,000	650,000
2	Unsecured loan repaid to holding company	Anant Raj Industries Ltd.	2,100,000	-

c) Amount outstanding as at March 31, 2011

S. No.	Account Head	Related Party	For the year ended March 31, 2011 Rs.	For the year ended March 31, 2010 Rs.
1	Share capital held by holding company	Anant Raj Industries Ltd.	500,000	500,000
2	Unsecured loan repayable to holding company	Anant Raj Industries Ltd.	1,050,000	2,750,000



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

vi) Previous year figures have been regrouped or recast, wherever necessary, to confirm with this year's presentation.

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

I. Registration details

Registration No.	U27203HR1989PLC030508
State code	55
Balance Sheet Date	March 31, 2011

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

II. Position of mobilisation and deployment of funds

Total assets	8,582
Total liabilities	8,582

Sources of funds

Paid up capital	500
Reserves and surplus	7,032
unsecured loan	1,050

Application of funds

Fixed assets	8,520
Net current assets	62

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

III. Performance of the Company

Turnover	15
Total expenditure	9
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.



New Delhi,
May 16, 2011

Directors

Anil Sarin

Amit Sarin

Two handwritten signatures in black ink. The top signature is for Anil Sarin and the bottom one is for Amit Sarin.

PASUPATI ALUMINIUM 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		6,725	301,856
Interest received		(15,321)	(309,524)
Operating profit before working capital changes		(8,596)	(7,668)
Adjustment for:			
- Advances		94,151	533,932
- Other liabilities		(93,579)	(746,985)
Cash generated from operations		(8,025)	(220,721)
Provision for Income tax		(2,076)	(95,655)
Net cash from operating activities	(A)	(10,101)	(316,376)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed asset		-	(8,520,000)
Interest received		15,321	309,524
Net cash from Investing activities	(B)	15,321	(8,210,476)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Changes in unsecured loan		(1,700,000)	2,750,000
Share application money paid		-	(2,100,000)
Net cash from financing activities	(C)	(1,700,000)	650,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C)	(1,694,779)	(7,876,852)
Cash and cash equivalents - Opening balance		1,763,876	9,640,728
Cash and cash equivalents - Closing balance		69,097	1,763,876

Note: Figures in brackets indicate cash outflow

Auditor's report

We have examined the Cash Flow Statement of Pasupati Aluminium 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 16, 2011
New Delhi



Directors

Anil Sarin

Amit Sarin

Anil Sarin

Amit Sarin