

A.K. Jindal & Associates
Chartered Accountants

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

AUDITOR'S REPORT

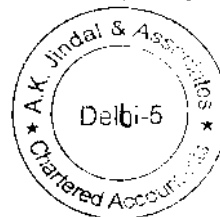
To

The Members of Green Retreat and Motels Private Limited

We have audited the attached Balance Sheet of Green Retreat and Motels Private Limited as at March 31, 2012 and also the statement of Profit & Loss 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 statement of Profit and Loss 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 statement of 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, 2012 and taken on record by the Board of Directors , we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies act, 1956;

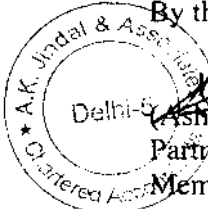
(f). In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes thereon, give the information required by the Companies Act. 1956, in the manner so required and give a true and fair view in conformity 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 2012; and
- II] In case of the statement of Profit and Loss Account, of the Expenditure 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: 10.05.2012 ✓

For A. K. Jindal & Associates
Chartered Accountants
Firm Registration No. 006659N
By the hand of


(Ashok Gupta)
Partner
Membership No. 085175

Annexure to the Auditor's Report of Green Retreat and Motels Pvt Ltd for the year ended 31st March 2012

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

- 1 (a) The company has maintained proper records showing full particulars including quantitative details and situation of the Fixed assets.
 - (b) During the year the management has physically verified the fixed assets in the phased programme which , in our opinion is reasonable having regard to the size and nature of the company. Discrepancies noticed on such verification were not material and have been properly dealt with in books of accounts.
 - (c) During the year no part of the Fixed Assets was disposed off by the company.
- 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. 29,65,32,470/- and year end balance of loans taken from such parties was Rs. 28,71,32,470/- 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 not granted 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.
- 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 .
- 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 31-3-2012 in respect of sales tax/custom duty/wealth tax/excise duty/cess.
- 10 The company does not have accumulated losses at the end of the financial year . The company has not incurred any cash losses during the financial year covered by our audit and in the 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 our examination it is reported that the company has maintained records of its dealing in other investments. These investments have been hold by the company in its own name.
- 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: Delhi
Dated: 10.05.2012

For A. K. Jindal & Associates
Chartered Accountants
Firm Registration No. 006659N
By the hand of




(Ashok Gupta)
Partner
Membership No. 085175

GREEN RETREAT AND MOTELS PVT. LTD.
19, Sai Sadan, Liberty Garden, Road No.2, Malad (W), Mumbai-40064

Balance Sheet As At March 31, 2012

Particulars	Note No.	As at March 31st March 2012	As at March 31st March 2011
I EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share capital	1	64,160,290.00	64,160,290.00
(b) Reserves and surplus	2	51,670,429.83	51,670,429.83
(3) Non-current liabilities			
(a) Long term borrowings	3	287,132,470.00	288,282,470.00
(4) Current Liabilities			
(a) Other Current liabilities	4	282,130.00	207,061.00
(b) Short term provisions	5	-	7,510,131.00
TOTAL		403,245,320.00	411,830,381.83
II ASSETS			
(1) Non-Current assets			
(1) (a) Fixed Asses			
(i) Tangible assets	6	102,062,532.00	100,523,293.43
(b) Non Current Investment	7	253,579,500.00	3,579,500.00
(c) Long Term Loans and Advances	8	40,000,000.00	300,000,000.00
(d) Other Non Current Assets	9	7,510,131.00	7,510,131.00
(2) Current Assets			
(a) Cash and cash equivalents	10	93,157.00	145,719.00
(b) Other Current Assets	11	-	71,738.40
TOTAL		403,245,320.00	411,830,381.83
Significant accounting Policies and Notes on Accounts	15		

As per our Report of even date attached

For and on behalf of the Board of Directors

For A.K. Jindal & Associates
Chartered Accountants

Place Delhi
Dated 10.05.2012


(Ashok Gupta)
Partner

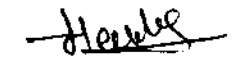
Membership No. 085175



DIRECTORS

(Amit Sarin)


(Pankaj Nakra)


(Heera Lal)
Company Secretary

GREEN RETREAT AND MOTELS PVT. LTD.
19, Sai Sadan, Liberty Garden, Road No.2, Malad (W), Mumbai-40064

Profit And Loss Account For the Year Ended March 31, 2012

Particulars	Note No.	For the year Ended 31.3.2012	For the year Ended 31.3.2011
I Revenue from operations		-	-
II Other Income	12	-	235,404,032.00
III Total Revenue (I+II)		-	235,404,032.00
IV Expenses :			
Employee Benefit Expenses	13	363,039.00	364,677.00
Other Expenses	14	1,181,724.40	200,632,404.00
Less: Expenditure Capitalised during the year		(1,544,763.40)	(1,018,229.00)
Total Expenses		-	199,978,852.00
V Profit before exceptional and extraordinary item and tax (III-IV)		-	35,425,180.00
VI Exceptional Items			
Prior Period Expenses			21,148.00
VII Profit before exceptional and tax (V-VI)		-	35,404,032.00
VIII Extraordinary Items			
IX Profit before tax (VII-VIII)		-	35,404,032.00
X Tax expense			
current tax			7,510,131.00
XI Profit / (Loss) for the period from Continuing operations (IX-X)		-	27,893,901.00
XII Profit / (Loss) from discontinuing operations			
XIII Tax Expenses of discontinuing operations			
XIV Profit / (Loss) from discontinuing operations (after tax XII-XIII)			
XV Profit/(Loss) for the period (XII-XIV)		-	27,893,901.00
XVI Earning per equity share:			
(1) Basic		-	4.35
(2) Diluted		-	4.35

Significant accounting Policies and Notes on Accounts 15
 's per our Report of even date attached

For A.K. Jindal & Associates
 Chartered Accountants


 (Ashok Gupta)

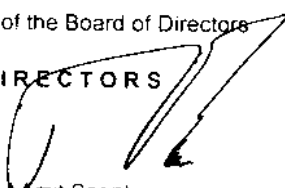
Partner


Membership No. 085175




For and on behalf of the Board of Directors

DIRECTORS


 (Amit Sarin)


 (Ranika Nakra)


 (Heera Lal)
 Company Secretary

Place Delhi
 Dated 10/05/2012

NOTE NO.**31.03.2012**
Rupees**31.03.2011**
Rupees**1 SHARE CAPITAL**

a) Authorised 7000000 (7000000) Equity Shares of Rs.10 (Rs. 10) each	<u>70,000,000.00</u>	<u>70,000,000.00</u>
b) Issued,Subscribed & paid up 6416029 (6416029) Equity Shares of Rs.10/- each fully paid-up	<u>64,160,290.00</u>	<u>64,160,290.00</u>

c) Reconciliation of equity share capital	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
Number of shares outstanding at the beginning of the year	6416029	64160290	6E+06	64160290
Number of shares outstanding at the end of the year	<u>6416029</u>	<u>64160290</u>	<u>6E+06</u>	<u>64160290</u>

d) Shares held by holding Company, Anant Raj Industries Ltd.		
i) 6416029 (6416029) Equity Shares	64160290	64160290

e) Shares in the company held by each share holder holding more than 5% shares

Name of Shareholders

1) Anant Raj Industries Ltd.

a) Number of equity shares held	6416029	6416029
% of shareholding	100%	100%

2 RESERVES & SURPLUS**Profit & Loss Account**

Opening Balance	51,670,429.83	16,266,397.83
Add: Profit during the year	-	27,893,901.00
MAT Credit Entitlement		7,510,131.00
Closing Balance	<u>51,670,429.83</u>	<u>51,670,429.83</u>

LONG TERM BORROWINGS

Unsecured Loan from Holding Company	<u>287,132,470.00</u>	<u>288,282,470.00</u>
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Long Term Borrowings

1) Loans & advances from Related Parties

Unsecured From Holding Company

- The Above loan is not granted by Directors/Others

- Term of Repayment Interest Free

- Long Term Loan

As on Balance Sheet Date there is no default in payment of loans & interest .

4 OTHER CURRENT LIABILITIES

Advance for which value to be given	110,959.00	110,959.00
Other Payable		
Payable for Capital expenses	135,060.00	42,741.00
Payable for Audit Fees	17,500.00	19,303.00
Other Expenses	17,460.00	33,390.00
TDS	1,151.00	668.00
	<u>282,130.00</u>	<u>207,061.00</u>



5 SHORT TERM PROVISIONS		
Provision for Income Tax AY 2011-2012	-	7,510,131.00
	-	7,510,131.00
6 FIXED ASSETS		
Tangible Assets		
Land (Free Hold)	62,248,200.00	62,248,200.00
	(a) 62,248,200.00	62,248,200.00
Hotel Building	38,275,093.43	30,359,910.00
Add:- Addition during the year	(b) 1,539,238.57	7,915,183.43
	(a) +(b) 102,062,532.00	100,523,293.43
Addition to Hotel Building Current Year Rs. 15,44,763.40 (Previous year Rs. 10,18,229.00)		
7 NON-CURRENT INVESTMENT		
(Non Quoted and non Trade)		38,275,093.43
(1) Madras Stock Exchange Limited		
1360210 Equity Shares of Rs. 1.00 each fully paid up	3,579,500.00	3,579,500.00
(2) Edge to Edge Buildrop Pvt. Ltd.		
2500000 Pref. Shares of Rs. 10.00 each fully paid up	250,000,000.00	
	253,579,500.00	3,579,500.00
8 LONG TERM LOANS & ADVANCES		
Other Loans & Advances		
Unsecured Considered Goods		
Capital Advance	40,000,000.00	50,000,000.00
Share Application Money		250,000,000.00
	40,000,000.00	300,000,000.00
9 Other Non Current Assets		
1 Mat Credit Entitlement	7,510,131.00	7,510,131.00
10 CASH AND CASH EQUIVALENTS		
Cash in Hand	3,052.00	3,202.00
Bank balance in current account with State Bank of India	85,105.00	137,517.00
FDR with Federal bank	5,000.00	5,000.00
	93,157.00	145,719.00
11 OTHER CURRENT ASSETS		
1 Unamortised Expenditure		
Opening Balance	71,738.40	143,474.40
Less: Amount written off during the year	71,738.40	71,736.00
	-	71,738.40
12 OTHER INCOME		
Sale of Investment	-	235,200,000.00
Dividend	-	204,032.00
	-	235,404,032.00
13 Employee Benefit Expenses		
Salary & Wages	363,039.00	364,677.00
	363,039.00	364,677.00



14 OTHER EXPENSES

Cost of Investment Sold	-	200,000,000.00
Security Charges	471,257.00	390,400.00
Interest and Bank Charges	63.00	308.00
Electricity Charges	111,180.00	99,050.00
Filing Fees	6,160.00	2,130.00
Legal & Professional	4,104.00	827.00
House Tax	487,722.00	42,500.00
Repair & Maintenance	12,000.00	6,150.00
Unamortised Expenditure Written off	71,738.40	71,736.00
Audit Fee	17,500.00	19,303.00
	<u>1,181,724.40</u>	<u>200,632,404.00</u>

15 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 Tangible Assets

Tangible assets are stated at cost including duties, taxes and all other incidental expenses to bring the assets to its intended purposes .

(B Notes Forming part of accounts:

1 In the opinion of the Board of Directors all assets other than tangible assets and non current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated

2 The company is a wholly owned subsidiary of Anant Raj Industries Ltd. since all shares are held by Anant Raj Industries Ltd. and its nominees.

3 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act. 1961 .

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

3 Related Party Disclosures

i. Name of related parties and description of relationship:

1. Holding Company Anant Raj Industries Ltd

ii. Transactions with related parties Holding Company

Loan Received from holding company Rs. 8850000 (PY. 2950000)

Loan Repaid Rs. 10000000(PY.235250000)

iii Closing Balances with related parties: Rs 287132470(PY 288282470)



4 Segment Reporting

The company has no reportable Business or Geographical segment

5 Earning per Shares

Particulars		2011-2012	2010-2011
Profit attributable in the Shareholders	(A)	NIL	27893901
Basic/Weighted average number of Equity Shares outstanding during the year	(B)	6416029	6416029
Nominal Value of Equity Shares		10	10
Basic Diluted Earnings per Shares	(A/B)	N/A	4.35

6 Previous year figures have been regrouped wherever found necessary .

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

Place : Delhi
Dated:10.05.2012

DIRECTORS

(Amit Sarin)

(Pankaj Nakra)

(Heera Lal)

Company Secretary



GREEN RETREAT AND MOTELS PVT. LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
A. CASH FLOW FROM OPERATIONS		
Profit before tax and extraordinary items	-	35,404,032
Interest received		-
Unamortised Expenditure Written off	71,738	71,736
Dividend received		(204,032)
Adjustment for:		
- Miscellaneous expenditure		
- Preoperative expenditure pending capitalisation	5,525	(1,018,229)
Operating profit before working capital changes	77,263	34,253,507
Adjustment for:		
- Loans and advances		(5,825,818)
- Current liabilities	75,069	3,553,757
Cash generated from operations	152,332	31,981,446
Income Tax (Previous Year)	(7,510,131)	-
Net cash flow from operating activities	(A) (7,357,799)	31,981,446
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to fixed assets	(1,544,763)	(83,825)
Capital Advance	10,000,000	
Investment in shares	-	200,000,000
Dividend received	-	204,032
Net cash flow from investing activities	(B) 8,455,237	200,120,207
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in unsecured loans	(1,150,000)	(232,300,000)
Interest received	-	-
Net cash used in financing activities	(C) (1,150,000)	(232,300,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C) (52,562)	(198,347)
Cash and cash equivalents - Opening balance	145,719	344,066
Cash and cash equivalents - Closing balance	93,157	145,719

Note: Figures in brackets indicate cash outflow

Auditor's report

We have examined the Cash Flow Statement of Green Retreat and Motels Private Limited for the year ended March 31, 2012. 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.

A.K. Jindal & Associates
Chartered Accountants
By the hand of

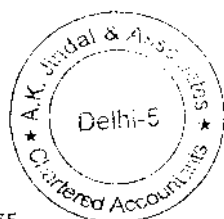

Ashok Gupta

Partner

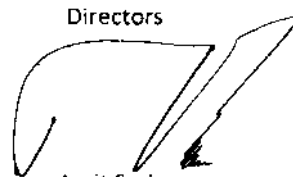
Membership No. 085175

Date: 10.05.2012

Place: New Delhi



Directors


Amit Sarin


Pankaj Nakra