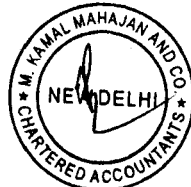


Auditors' Report

To


The Members of A. R. Paradise Private Limited

- a) We have audited the attached balance sheet of A.R. Paradise Private Limited, as at 31st March, 2011 and also the profit and loss account and the 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.
- b) 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 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.
- c) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 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.
- d) Further to our comments in the Annexure referred to above, we report that:
- 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;
 - 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;
 - The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.



- 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 to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written 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;
- 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 other 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:
- a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2011; and
- b) in the case of the profit and loss account, of the loss for the year ended on that date
- c) in the case of the cash flow statement, of the cash flow for the period ended on that date.

For M Kamal Mahajan And Co.
Chartered Accountants
Firm Regn. No. 006855N


(S.K. Goyal)
(Partner)

M No. 084613

Place: New Delhi
Date: 10.05.2011

Annexure to Audit Report of A. R. Paradise Private Limited

Referred to in paragraph (c) of our report of even date

- (i) The company does not have any fixed assets, in view of which para a, b, and c of clause (i) are not applicable.
- (ii)
 - a) As stated to us, the inventory has been physically verified at reasonable intervals by the management.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) According to the information and explanations given to us and on the basis of our verification of books of accounts of the company, we are of the opinion that the company has neither granted nor taken any loans during the year to/from parties covered in register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchases of inventory and fixed assets and for the sale of goods and service. No continuing failure to correct major weakness in internal control system has been noticed in the internal controls system.
- (v)
 - a) Based on the audit procedures applied by us and according to the explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions entered in the registers maintained under Section 301 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company, the company has not accepted any public deposits.
- (vii) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.

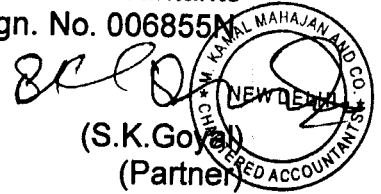


- (viii) Central Government has not prescribed any Cost Records in pursuance to section 209(1)(d) of the Companies Act for the company.
- (ix) According to the records of the company, the company, in general is regular, in depositing with appropriate authorities undisputed statutory dues applicable to it. There is no amounts payable in respect of Income-tax, Sales-tax, Wealth tax, Service-tax Customs duty, Excise duty, cess were outstanding, as at 31st March 2011 due to any dispute.
- (x) The accumulated losses of the company are not more than 50% of its net worth. The Company has incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) The company has not taken any loans from banks /financial institutions/ debenture holders.
- (xii) Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund/nidhi/mutual benefit fund/societies.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) In our opinion, and according to the information and explanations given to us and on the basis of our verification of books of accounts of the company and based on our examination of the records, we are of the opinion that the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us and on the basis of our verification of books of accounts of the company, the company has not taken any loan, so para (xvi) is not applicable to it.
- (xvii) The company, the company has not raised any fund on short term or long term basis.
- (xviii) During the period the company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the act.
- (xix) During the period covered by our audit report, the company has not issued any debentures.



- (xx) During the period covered by our audit report, the company has not raised any money by way of public issue.
- (xxi) Based upon 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 period.

For M Kamal Mahajan And Co.
Chartered Accountants
Firm Regn. No. 006855M



(S.K. Goyal)
(Partner)

M No. 084613

Place: New Delhi
Date: 10.05.2011

A.R.PARADISE PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH,2011

(Amount In Rs.)

	SCHEDULE	AS AT 31ST MARCH,2011	AS AT 31ST MARCH,2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	1,000,000	1,000,000
RESERVE & SURPLUS			
Profit & Loss Account		4,627	30,132
		<u>1,004,627</u>	<u>1,030,132</u>
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS & ADVANCES			
Inventory	2	12,678,835	10,093,505
Cash & Bank Balances	3	244,406	268,809
Loans & Advances	4	7,076,170	9,473,325
		<u>19,999,410</u>	<u>19,835,638</u>
CURRENT LIABILITIES AND PROVISIONS			
NET CURRENT ASSETS	5	<u>19,008,563</u>	<u>18,822,731</u>
		990,847	1,012,907
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	6	13,780	17,225
		<u>1,004,627</u>	<u>1,030,132</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	7		

As per our report of even date attached

For **M. KAMAL MAHAJAN AND CO.**
Chartered Accountants
Firm Regn. 006955N

S. K. GOYAL
(Partner)
M.No.084613



FOR AND ON BEHALF OF THE BOARD

Mohinder Bajaj
Mohinder Bajaj
Director

Tarun Kathuria
Tarun Kathuria
Director

Place : New Delhi
Date : 10.05.2011

A.R.PARADISE PRIVATE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2011

(Amount in Rs.)

	YEAR ENDED 31ST MARCH,2011	YEAR ENDED 31ST MARCH,2010
INCOME:		
Credit balance written back	5,100	-
	<u>5,100</u>	<u>-</u>
EXPENDITURE:		
Preliminary Expenses Written off		
Audit Fee	3,445	3,445
Bank charges	11,030	8,273
Director Meeting Fee	780	834
Filing Fee	7,500	4,500
Legal & Proff. Exp.	1,200	3,600
	<u>6,650</u>	<u>7,649</u>
	<u>30,605</u>	<u>28,301</u>
Profit/(Loss) Before Tax		
Less : Provision for Income Tax	(25,505)	(28,301)
- Current Tax	-	-
- Earliesr year	-	-
Profit/(Loss) After Tax	<u>-</u>	<u>5,224</u>
Add : Balance Brought Forward	(25,505)	(33,525)
Surplus/(Deficit) carried to Balance Sheet	<u>30,132</u>	<u>63,657</u>
	<u>4,627</u>	<u>30,132</u>

7

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

As per our report of even date attached

For **M. KAMAL MAHAJAN AND CO.**

Chartered Accountants

Firm Regn. 006855N

S. K. GOYAL

(Partner)

M.No.084613



FOR AND ON BEHALF OF THE BOARD

Mohinder Bajaj

Mohinder Bajaj
Director

Tarun Kathuria

Tarun Kathuria
Director

Place: New Delhi

Date : 10.05.2011

A.R.PARADISE PRIVATE LIMITED

CASH FLOWS STATEMENT FOR THE YEAR ENDING 31ST MARCH,2011

(Amount In Rs.)

	AS AT 31ST MARCH,2011	AS AT 31ST MARCH,2010
CASH FLOWS FROM OPERATING ACTIVITIES :		
Net Profit before Tax and depreciation		
Adjustments for :	(25,505)	(28,301)
Excess provision Add Back	-	-
Misc. Expenditure Amortised	-	-
Operating profit before working capital changes	3,445	3,445
Adjustments for :	(22,060)	(24,856)
Trade and Other Receivables		
Inventory	2,397,155	(5,224)
Trade Payables	(2,585,330)	(66,830)
Cash generated from operations	185,832	66,676
Income taxes paid	(24,403)	(30,234)
Net cash generated / (used) in operating activities	(24,403)	(25,010)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash generated / (used) in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated / (used) in financing activities	-	-
Net Increase in cash and cash equivalents (A+B+C)	(24,403)	(25,010)
Cash and Cash equivalents as at 01.04.2010	268,809	293,819
Cash and Cash equivalents as at 31.03.2011	244,406	268,809

As per our report of even date attached

For M. KAMAL MAHAJAN AND CO.

Chartered Accountants

Firm Regn. 008855N

S. K. GOYAL

(Partner)

M.No.084613



FOR AND ON BEHALF OF THE BOARD

Mohinder Bajaj

Mohinder Bajaj
Director

Tarun Kathuria

Tarun Kathuria
Director

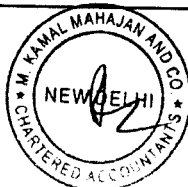
Place: New Delhi

Date: 10.05.2011

A.R.PARADISE PRIVATE LIMITED

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,2011

	AS AT 31ST MARCH,2011	(Amount in Rs.) AS AT 31ST MARCH,2010
<u>SCHEDULE - 1</u>		
SHARE CAPITAL		
Authorised 10,000 Equity Shares of Rs.100/- each	<u>1,000,000</u>	1,000,000
Issued, Subscribed and Paid Up 10,000 Equity Shares of Rs.100/- each fully paid up	<u>1,000,000</u>	1,000,000
	<u>1,000,000</u>	1,000,000
<u>SCHEDULE - 2</u>		
INVENTORY (As Valued & certified by the Management)		
Stock of Land	<u>12,678,835</u>	10,093,505
	<u>12,678,835</u>	10,093,505
<u>SCHEDULE - 3</u>		
CASH & BANK BALANCES		
Cash in hand	-	-
Balance in Current Account with Schedule Banks	<u>244,406</u>	268,809
	<u>244,406</u>	268,809
<u>SCHEDULE - 4</u>		
LOAN & ADVANCES		
Advance for land	<u>7,076,170</u>	9,473,325
	<u>7,076,170</u>	9,473,325
<u>SCHEDULE - 5</u>		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities	38,875	13,373
Advance for land from Holding Co.	<u>18,969,688</u>	18,809,358
	<u>19,008,563</u>	18,822,731
Provisions		
Provision for Income Tax	-	-
	-	-
	<u>19,008,563</u>	18,822,731
<u>SCHEDULE - 6</u>		
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary Expenses		
Opening balance	17,225	20,670
Less: Written Off	<u>3,445</u>	3,445
	<u>13,780</u>	17,225



SCHEDULE-7

A.R. PARADISE PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31st MARCH 2011

A. SIGNIFICANT ACCOUNTING POLICIES

1. **Basis for preparation of financial statements**
The financial statements are prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.
2. **Fixed assets**
Fixed assets are stated at cost less depreciation.
3. **Depreciation**
Depreciation on fixed assets has been provided at the rate prescribed under income tax act, which are not lower than the rates as prescribed in schedule XIV of the Companies Act, 1956.
4. **Investments**
Current Investments are stated at lower of cost and market value. Long term Investments are stated at cost. Decline in value of Long term investments is recognized if it is not temporary.
5. **Valuation of inventories**
Stocks of land have been valued at lower of cost or net realizable value.
6. **Revenue Recognition**
Income is accounted for when the right to receive the same is established. Profit on land is recognised when it is sold/ transferred.
7. **Taxes on Income**
Provision for current tax is made based on taxable income for the year. Deferred tax is recognised/ provided on timing difference between taxable income and accounting income subject to consideration of prudence.
8. **Impairment**
At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss and necessary adjustments there against. Reversal of impairment loss is recognised as income in the Profit & Loss Account.



B. NOTES ON ACCOUNTS

1. **Sundry Creditors**
Based on the information available with the Company, the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is Rs. Nil. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.
2. In the opinion of directors, the current assets, loans and advances are of the value stated in the accounts, if realized in the ordinary course of business and the provision for depreciation and for all known liabilities is adequate and considered reasonable.
3. The company acts as an agent of the holding company for procuring land and recognizes fixed income per acre of land transferred as per agreement with holding company.
4. **Contingent Liability** Nil Nil
5. **Taxation**
Provision for current Income tax has not been made due to loss during the year.
6. Previous year figures have been regrouped / rearranged wherever considered necessary, to make them comparable with Current year's figures.
7. As the Company's business activity falls within a single primary business segment viz. "Real Estate" the disclosure requirements of Accounting Standards (AS-17) "Segment Reporting", issued by The Institute of Chartered Accountants of India are not given
8. **Particulars of Earning per share (Basic & Diluted)**

	Year ended	Year ended
	<u>31st March</u>	<u>31st March</u>
	2011	2010
Net profit / (loss) for the year after tax.(Rs.)	(25505)	(33525)
Weighted Average number of equity shares outstanding during the year	10000	10000
Nominal value of equity share (Rs.)	100	100
Basic & diluted earning per share (Rs.)	(2.55)	(3.35)



9. Names of the Related Parties and description of the relationship :

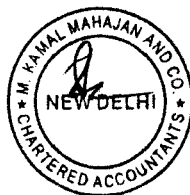
1.	Holding company	Ansal Housing & Construction Limited
2.	Key management Personnel	Mohinder Bajaj Sanjay Mehta Tarun Kathuria
3.	Relatives of Key Management Personnel (with whom transaction taken place during the year)	Nil
4.	Associates	
	- Enterprises in which key Management personnel having substantial interest and with which the company entered into transactions .	Nil

Transactions with related parties:

(Amount in Rs.)

Director Sitting fees	7500/-
Profit on transfer of land from holding company	Nil/-
Closing balance-(payable)	1,89,69,688/-

10. As the company acts as an agent for the holding company for procurement of land and thus does not trade on its own. In view of this, quantitative details of sale/purchase of land are not given.
11. In the opinion of directors, there exists no impairments condition as on 31.3.2011.



12 Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956

I. **Balance sheet Abstract and Company's General Business Profile**

Registration Details

Registration No. State Code

Balance Sheet Date
(Year) (Month) (Date)

Capital raised during the year (Amount in Rs. Thousands)

Public Issue Right Issue

Bonus Issue Private placement

Position of Mobilization and Development of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds
Paid up Capital/
Advance Subscription Reserve and Surplus

Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Profit/(Loss)

II. **Performance of Company**

Turnover Total Expenditure

Profit/ (Loss) Before Tax Profit/Loss After Tax

Earning Per Share Dividend Rate %

III. **Generic names of Three Principal Products/ Services of the Company**

Item Code No. Production Description

IV. **Any other information required to be furnished under the Companies Act 1956** NIL

As per our report of even date attached

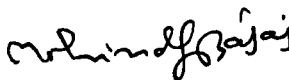
FOR AND ON BEHALF OF THE BOARD

For **M KAMAL MAHAJAN AND CO**

Chartered Accountants
Firm Regn. No. 006855N


S.K. Goyal
Partner





Mohinder Bajaj
Director



Tarun Kathuria
Director

Place: New Delhi
Date: 10.05.2011