

AUDITOR'S REPORT

To the members of
Novel Housing Private Limited

We have audited the attached Balance Sheet of Novel Housing Private Limited as at March 31, 2010, 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) 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, 2010 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 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:



- (i) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
- (ii) in the case of Profit and Loss Account, of the expenditure incurred 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 year ended on that date.

608, New Delhi House,,
27, Barakhamba Road,
New Delhi- 11001.

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

May 11, 2010



Vishwanand Keshri

Vishwanand Keshri
Partner
Membership No. 505508

NOVEL HOUSING PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2010

	Schedules	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SOURCES OF FUNDS			
Share capital	1	500,000	500,000
Unsecured loans	2	44,649,900	44,650,000
		45,149,900	45,150,000
APPLICATION OF FUNDS			
Fixed assets	3	44,809,590	44,809,590
Preoperative expenditure pending capitalisation	4	52,992	42,676
Current assets			
Cash and bank balances	5	55,003	63,437
Advances	6	234,969	234,969
		289,972	298,406
Less: Current liabilities	7	6,618	6,618
Net current assets		283,354	291,788
Miscellaneous expenditure (to the extent not written off or adjusted)	8	3,964	5,946
		45,149,900	45,150,000
ACCOUNTING POLICIES	9		
NOTES TO ACCOUNTS	10		

This is the Balance Sheet referred in our report in our report of even date addressed to the members of Novel Housing Private Limited.

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



Vishwanand Keshri
Partner
Membership no. 505508
May 11, 2010
New Delhi

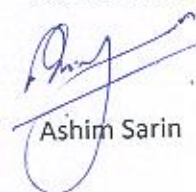


The schedules referred above form an integral part of the Balance Sheet.

Directors



Sharda Sarin



Ashim Sarin

NOVEL HOUSING PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedules	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
INCOME		-	-
EXPENDITURE			
Audit fees		6,618	6,618
Bank charges		600	550
Filing Fees		900	16,500
Printing & Stationary		-	209
Salary		-	6,000
Legal and professional		216	-
Preliminary expenses written off		1,982	1,982
		10,316	31,859
Expenses incurred during the year transferred to Preoperative expenditure pending capitalisation		10,316	31,859

ACCOUNTING POLICIES
NOTES TO ACCOUNTS

9
10

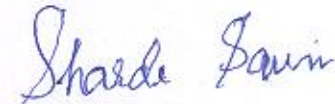
This is the Profit and Loss Account referred in our report in our report of even date addressed to the members of Novel Housing Private Limited.

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

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

Directors





Sharda Sarin

Vishwanand Keshri
Partner
Membership no. 505508
May 11, 2010
New Delhi





Ashim Sarin

SCHEDULES

As at March
31, 2010
Rs.

As at March
31, 2009
Rs.

1. SHARE CAPITAL		
Authorised 50,000 (50,000) equity shares of Rs. 10 (Rs. 10) each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up *50,000 (*50,000) equity shares of Rs. 10 (Rs. 10) 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. UNSECURED LOANS		
From holding company	<u>44,649,900</u>	<u>44,650,000</u>
3. FIXED ASSETS		
Land	<u>44,809,590</u>	<u>44,809,590</u>
4. PREOPERATIVE EXPENDITURE PENDING CAPITALISATION		
Opening Balance	42,676	10,817
Addition during the year	<u>10,316</u>	<u>31,859</u>
	<u>52,992</u>	<u>42,676</u>
5. CASH AND BANK BALANCES		
Cash in hand	4,740	4,800
Bank balance maintained with scheduled bank in current account	<u>50,263</u>	<u>58,637</u>
	<u>55,003</u>	<u>63,437</u>
6. ADVANCES		
Advances recoverable in cash or in kind or for which value has to be received	<u>234,969</u>	<u>234,969</u>
7. CURRENT LIABILITIES		
Expenses payable	<u>6,618</u>	<u>6,618</u>
8. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary expenses	5,946	7,928
Less: Written off during the year	<u>1,982</u>	<u>1,982</u>
	<u>3,964</u>	<u>5,946</u>



9. 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. 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. MISCELLANEOUS EXPENDITURE

Preliminary expenses are amortised over a period of five years.



10. NOTES TO ACCOUNTS

- i) In the opinion of the management, the current assets, loans and advances, if realised, in the ordinary course of business, would realise a sum equal to that stated in the Balance Sheet.
- ii) The Company had acquired land for the development of real estate project in Delhi/NCR areas. Expenses incurred by the Company during the year considered to enhance the value of the development project, have been transferred to 'Preoperative Expenditure Pending Capitalisation' to constitute cost of respective projects and the same shall be apportioned over fixed assets to be created on completion of development in progress

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 relationships :

Holding Company

Anant Raj Industries Limited

Fellow Subsidiaries

Advance Buildcon Pvt. Ltd.	Gujarat Anant Raj Vidhyanagar Ltd.
Anant Raj const. & Dev. Pvt. Ltd.	Hemkunt Promoters Pvt. Ltd.
Anant Raj Hotels Ltd.	Highland Meadows Pvt. Ltd .
Anant Raj International FZE	Kalinga Buildtech Pvt. Ltd.
Anant Raj Projects Ltd.	Kalinga Realtors Pvt. Ltd.
Ankur Buildcon Pvt. Ltd.	Krishna Buildtech Pvt. Ltd.
A-Plus Estates Pvt. Ltd.	Lucky Meadows Pvt. Ltd.
Blossom Buildtech Pvt. Ltd.	Monarch Buildtech Pvt. Ltd.
Capital Buildcon Pvt. Ltd.	Novel Buildmart Pvt. Ltd.
Capital Buildtech Pvt. Ltd.	One Star Realty Pvt. Ltd.
Carnation Buildtech Pvt. Ltd.	Oriental Meadows Ltd.
Century Promoters Pvt. Ltd.	Oriental Promoters Pvt. Ltd.
Echo Buildtech Pvt. Ltd.	Papillon Buildcon Pvt. Ltd.
Echo Properties Pvt. Ltd.	Papillon Buildtech Pvt. Ltd.
Elegant Buildcon Pvt. Ltd.	Parkland Developers Pvt. Ltd.
Elegant Estates Pvt. Ltd.	Parkview Promoters Pvt. Ltd.
Elevator Builders Pvt. Ltd.	Pasupati Aluminium Ltd.
Elevator Buildtech Pvt. Ltd.	Pelikan Estates Pvt. Ltd.
Elevator Promoters Pvt. Ltd.	Pioneer Promoters Pvt. Ltd.
Elevator Properties Pvt. Ltd.	Rapid Realtors Pvt. Ltd.
Empire Promoters Pvt. Ltd.	Rising Realty Pvt. Ltd.
Fabulous Builders Pvt. Ltd.	Rolling Construction Pvt. Ltd.
Gadget Builders Pvt. Ltd.	Romano Tiles Pvt. Ltd.
Gagan Buildtech Pvt. Ltd.	Roseview Buildtech Pvt. Ltd.
Good Luck Buildtech Pvt. Ltd.	Roseview Properties Pvt. Ltd.
Grand Buildtech Pvt. Ltd.	Sandstorm Buildtech Pvt. Ltd.
Grand Park Buildtech Pvt. Ltd.	Sovereign Buildwell Pvt. Ltd.
Grand Park Estates Pvt. Ltd.	Spring View Developers Pvt. Ltd.
Greatway Estates Ltd.	Spring view Properties Pvt. Ltd.
Greatways Buildtech Pvt. Ltd.	Suburban Farms Pvt. Ltd.
Green Line Buildcon Pvt. Ltd.	Townsend Cons. & Equipments Pvt. Ltd.
Green Line Promoters Pvt. Ltd.	Twenty First Developers Pvt. Ltd.
Green Retreat and Motels Pvt. Ltd.	Vibrant Buildmart Pvt. Ltd.
Green View Buildwell Pvt. Ltd.	West Land Buildcon Pvt. Ltd.
Green Way Promoters Pvt. Ltd.	White Diamond Cons. & Equipment Pvt. Ltd.
Green Wood Properties Pvt. Ltd.	Woodland Promoters Pvt. Ltd.



Partnership firm in which holding company is partner

Ganga Bishan & Company

Key management Personnel

Ashim Sarin

Chairman & Director

Sharda Sarin

Director

Monica 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, 2010 Rs.	For the year ended March 31, 2009 Rs.
1	Share capital issued to holding company	Anant Raj Industries Ltd.	-	40,000
2	Loans received from holding company	Anant Raj Industries Ltd.	-	50,000
3	Loans repaid to holding company	Anant Raj Industries Ltd.	100	400,000

c) Amount outstanding as at March 31, 2010:

S. No.	Nature of Transactions	Related Party	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
1	Share Capital held by holding company	Anant Raj Industries Ltd.	500,000	500,000
2	Unsecured loans payable to holding company	Anant Raj Industries Ltd.	44,649,900	44,650,000

iv) Previous year figures have been regrouped/recast, where ever necessary, to confirm with this year's presentation.

v) Figures in brackets pertain to the previous year, unless otherwise indicated.



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

I. Registration details

Registration No.

U45300DL2007PTC162494

State code

55

Balance Sheet Date

March 31, 2010

As at March
31, 2010
Rs. (in '000)

II. Position of mobilisation and deployment of funds

Total assets

45,150

Total liabilities

45,150

Sources of funds

Paid up capital

500

Unsecured loans

44,650

Application of funds

Fixed assets

44,810

Preoperative expenditure pending capitalisation

53

Net current assets

283

Miscellaneous expenditure

4

For the year
ended March
31, 2010
Rs. (in '000)

III. Performance of the Company

Turnover

10

Total expenditure

Nil

Profit or loss after tax

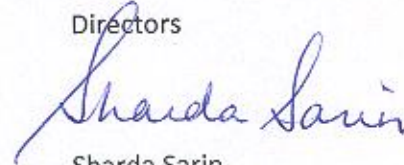
Nil

Earning per share (Rs.)

Nil

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

Directors



Sharda Sarin



Ashim Sarin

New Delhi.
May 11, 2010



NOVEL HOUSING PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010


	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
A. CASH FLOW FROM OPERATIONS		
Profit/(Loss) before tax and extraordinary items	-	-
Preoperative expenditure pending capitalisation	(10,316)	(31,859)
Miscellaneous expenditure written off	1,982	1,982
Operating profit before working capital changes	(8,334)	(29,877)
Adjustment for:		
- Advances	-	(234,969)
- Other liabilities	-	1,000
Net cash from operating activities	(A) (8,334)	(263,846)
B. CASH FLOW FROM INVESTING ACTIVITIES	(B) -	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of equity share capital	-	400,000
Increase/(Decrease) in unsecured loans	(100)	(350,000)
Net cash from financing activities	(C) (100)	50,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C) (8,434)	(213,846)
Cash and cash equivalents - Opening balance	63,437	277,823
Cash and cash equivalents - Closing balance	55,003	63,437

Note: Figures in brackets indicate cash outflow

Auditor's report

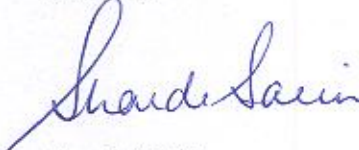
We have examined the Cash Flow Statement of Novel Housing Private Limited for the year ended March 31, 2010. The statement prepared by the Company is in accordance with the requirement of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding 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
May 11, 2010
New Delhi



Directors



Sharda Sarin


Ashim Sarin