

## AUDITOR'S REPORT

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To the members of  
**Kalinga Realtors Private Limited**

We have audited the attached Balance Sheet of Kalinga Realtors Private Limited as at March 31, 2011, and the related Profit and Loss Account and also 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.

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 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give 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) None of the directors of the Company would be disqualified under the provisions of section 274 (1) (g) of the Companies Act, 1956, from being appointed as a director of the Company, as the Company is a private company and the said section only



provides for ineligibility from being appointed as a director of any other public company.

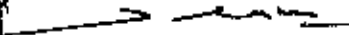
vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes and accounting policies thereto, give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- b) in the case of Profit and Loss Account, of the profit earned by the Company for the financial year ended on that date; and
- c) 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



  
Sandeep Kumar Gupta  
Partner  
Membership No. 073457

May 18, 2011

**ANNEXURE TO AUDITOR'S REPORT**  
(Annexure referred to in our report of even date)

- I. The Company does not own any fixed assets. Accordingly, provisions of clauses (i)(a), (i)(b) and (i)(c) of paragraph 4 of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable to the Company.
- 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.
  - a) During the year, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clauses (b), (c) and (d) of the Order are not applicable to the Company.
  - b) During the year, the Company has accepted interest free unsecured loans from its holding company listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 370,439,900 and the year ended balance of said loan was Rs. 99,048,131.
  - c) In our opinion and according to the information and explanations given to us, the terms and conditions of loans taken by the Company are prima facie not prejudicial to the interests of the Company.
  - d) According to the information and explanation given to us, the aforesaid unsecured loan taken by the Company is interest free and hence the question of repayment and interest being regular does not arise.
- 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 there under.
- 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 period 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 does not have accumulated losses at the end of the financial year and it has earned profit in the financial year covered by our audit and had not incurred cash losses 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

May 18, 2011



B. Bhushan & Co.  
Chartered Accountants  
Firm Registration No. 001596N

By the hand of

Sandeep Kumar Gupta  
Partner

Membership No. 073457

**KALINGA REALTORS PRIVATE LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2011**

	Schedules	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>SOURCES OF FUNDS</b>			
Share capital	1	500,000	500,000
Unsecured loan	2	99,048,131	369,849,900
Profit and loss account		<u>3,345,992</u>	<u>1,043</u>
		<u>102,894,123</u>	<u>370,350,943</u>
<b>APPLICATION OF FUNDS</b>			
Capital advances including capital work in progress		-	269,217,645
<b>Current assets, loans and advances</b>			
Cash and bank balances	3	100,026,587	100,372,668
Loans and advances	4	<u>6,479,445</u>	<u>813,087</u>
		106,506,032	101,185,755
Less: Current liabilities & provisions	5	<u>3,619,837</u>	<u>62,367</u>
Net current assets		102,886,195	101,123,388
<b>Miscellaneous expenditure (to the extent not written off or adjusted)</b>			
	6	<u>7,928</u>	<u>9,910</u>
		<u>102,894,123</u>	<u>370,350,943</u>
<b>ACCOUNTING POLICIES</b>	7		
<b>NOTES TO ACCOUNTS</b>	8		

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

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

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

Sandeep Kumar Gupta  
Partner  
Membership no. 073457  
May 18, 2011  
New Delhi



Directors

*Roma Sarin*  
Roma Sarin

*Rajeev Trehan*  
Rajeev Trehan

**KALINGA REALTORS PRIVATE 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.
<b>INCOME</b>			
Sale of development rights		407,567,490	-
Interest on fixed deposit		-	27,353
		<u>407,567,490</u>	<u>27,353</u>
<b>EXPENDITURE</b>			
Cost of development rights sold		402,822,170	-
Audit fees		17,648	6,618
Bank charges		2,646	550
Filing fees		2,724	2,700
Legal and professional		1,228	496
Miscellaneous expenditure written off		1,982	-
		<u>402,848,398</u>	<u>10,364</u>
<b>Profit during the year</b>		<b>4,719,092</b>	<b>16,989</b>
Prior period adjustments		142,808	-
<b>Profit before tax</b>		<b>4,861,900</b>	<b>16,989</b>
Provision for tax		(1,516,951)	(5,250)
<b>Profit after tax</b>		<b>3,344,949</b>	<b>11,739</b>
Profit/(Loss) brought forward from previous year		1,043	(10,696)
<b>Profit carried over to Balance Sheet</b>		<b>3,345,992</b>	<b>1,043</b>
<b>Earning per share (equity share, par value of Rs. 10 each)</b>			
- Basic and diluted earning per share		66.90	0.23

ACCOUNTING POLICIES

7

NOTES TO ACCOUNTS

8

This is the Profit and Loss Account referred to in our report of even date addressed to the members of Kalinga Realtors 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

Sandeep Kumar Gupta

Partner

Membership no. 073457

May 18, 2011

New Delhi



Directors

*Roma Sarin*

Roma Sarin

*Rajeev Trehan*  
Rajeev Trehan

SCHEDULES	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>1. SHARE CAPITAL</b>		
Authorized 50,000 (50,000) equity shares of Rs. 10 (Rs. 10) each	500,000	500,000
Issued, subscribed and paid up *50,000 (*50,000) equity shares of Rs. 10 (Rs. 10) each fully paid up	500,000	500,000
*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.		
<b>2. UNSECURED LOAN</b>		
From holding company	99,048,131	369,849,900
<b>3. CASH AND BANK BALANCES</b>		
Cash in hand	3,991	4,443
Balance with scheduled bank		
- in current account	22,596	368,225
- in deposit account*	100,000,000	100,000,000
	100,026,587	100,372,668
*Pledged with the bank as margin against guarantee issued by the bank.		
<b>4. ADVANCES</b>		
Accrued interest	5,853,241	14,204
Advance recoverable in cash or in kind or for which value has to be received	-	793,500
Income tax receivable	626,204	5,383
	6,479,445	813,087
<b>5. CURRENT LIABILITIES &amp; PROVISIONS</b>		
Sundry creditors	1,829,603	-
Other liabilities	273,283	57,117
Provision for income tax	1,516,951	5,250
	3,619,837	62,367
<b>6. MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)		
Preliminary expenses	9,910	9,910
Less: Written off during the year	1,982	-
	7,928	9,910





## **7. 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. 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 ant-dilutive.

### **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 expenditure is amortized over a period of five years.



## 8. NOTES TO ACCOUNTS

- i) Capital contract remaining to be executed in respect of purchase of land, including stamp duty payable on the said land, net of advances is Nil (Rs. 13,28,86,620 ).
- ii) Contingent liability in respect of bank guarantee of Rs. 8,61,18,000 given by a bank on behalf of the Company in favor of Governor of Haryana acting through the Director, Town & Country Planning Department of Haryana against which the bank holds margin money in the form of fixed deposit. The bank guarantee has been given to secure the obligation of the Company in respect of Internal or External Development works to be carried out by the Company at the development site.
- iii) The Company has entered into a business development agreement with Anant Raj Industries Limited, the Holding Company whereby the Company has given irrevocable development rights in respect of identified lands acquired by the Company in favor of its Holding Company entitling the Holding Company to develop, market, sell, realize and retain the entire sale proceeds of the project to be developed by it on such land.
- iv) 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.	3,344,949	11,739
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.	66.90	0.23

### v) 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 Realators 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 Propertles Pvt. Ltd.

Jasmine Buildwell Pvt. Ltd.

Jubilant Software Services Pvt. Ltd.

Kalinga Buildtech 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.



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.  
 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.

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.  
 Pasupati Aluminium Ltd.  
 Pelikan Estates Pvt. Ltd.  
 Pioneer 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.  
 Woodfand Promoters Pvt. Ltd.

**Partnership firm in which holding company is partner**

Ganga Bishan & Company

**Key management Personnel**

Rajeev Trehan	Chairman
Roma Sarin	Director
Sunaini Sarin	Director

Note: Related party relationship is as identified by the management of the Company.

**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	For the year ended March 31, 2010
			Rs.	Rs.
1	Loan received from holding company	Anant Raj Industries Ltd.	590,000	372,350,000
2	Loan repaid to holding company	Anant Raj Industries Ltd.	271,391,769	2,500,100
3	Sale of development rights	Anant Raj Industries Ltd.	407,567,490	-



c) Amount outstanding as at March 31, 2011:

S. No.	Account Head	Related Party	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
1	Share capital held by holding company	Anant Raj Industries Ltd.	500,000	500,000
2	Loans repayable to holding company	Anant Raj Industries Ltd.	99,048,131	369,849,900

- vi) In the opinion of the management, the current assets, loans and advances, if realized, in the ordinary course of business, would realize a sum equal to that stated in the Balance Sheet.
- vii) Previous year figures have been regrouped/recast, where ever necessary to confirm with this year's presentation.
- viii) Figures in brackets pertain to previous year , unless otherwise indicated.



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

**I. Registration details**

Registration No.	U45400DL2007PTC162497
State code	55
Balance Sheet Date	March 31, 2011

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

**II. Position of mobilization and deployment of funds**

Total assets	102,894
Total liabilities	102,894

**Sources of funds**

Paid up capital	500
Unsecured loan	99,048
Profit and loss account	3,346

**Application of funds**

Capital work in progress including capital advances	-
Net current assets	102,886
Miscellaneous expenditure	8

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

**III. Performance of the Company**

Turnover	407,567
Total expenditure	402,848
Profit before tax	4,862
Profit after tax	3,345
Earning per share (Rs.)	66.90

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

Directors



*Roma Sarin*  
Roma Sarin

*Rajeev Trehan*  
Rajeev Trehan

New Delhi.  
May 18, 2011

**KALINGA REALTORS PRIVATE 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.
<b>A. CASH FLOW FROM OPERATIONS</b>		
Profit before tax and extraordinary items	4,719,092	16,989
Prior period adjustment	142,808	-
Miscellaneous expenditure written off	1,982	-
Adjustment for:		
- Loans and advances	(5,666,358)	(12,715)
- Other liabilities	3,557,470	53,045
<b>Cash generated from operations</b>	<b>2,754,994</b>	<b>57,319</b>
Provision for income tax	(1,516,951)	(5,250)
<b>Net cash from operating activities</b>	<b>(A) 1,238,043</b>	<b>52,069</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Changes in capital work in progress	(B) 269,217,645	(270,011,145)
<b>Net cash from investing activities</b>	<b>269,217,645</b>	<b>(270,011,145)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in unsecured loan	(270,801,769)	369,849,900
<b>Net cash used in financing activities</b>	<b>(C) (270,801,769)</b>	<b>369,849,900</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C) (346,081)</b>	<b>99,890,824</b>
Cash and cash equivalents - Opening balance	100,372,668	481,844
Cash and cash equivalents - Closing balance	100,026,587	100,372,668

**Note: Figures in brackets indicate cash outflow**

**Auditor's report**

We have examined the Cash Flow Statement of Kalinga Realtors Private 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



Sandeep Kumar Gupta  
Partner  
Membership no. 073457  
May 18, 2011  
New Delhi

Directors

*Roma Sarin*

Roma Sarin

*Rajeev Trehan*

Rajeev Trehan