

AUDITOR'S REPORT

To the members of
Novel Buildmart Private Limited

We have audited the attached Balance Sheet of Novel Buildmart 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.

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) 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:

(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 loss 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 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

Vishwanand Keshri
Partner
Membership No. 505508

May 11, 2011

NOVEL BUILDMART PRIVATE 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
Unsecured loan	2	499,599,900	499,999,900
		<u>500,099,900</u>	<u>500,499,900</u>
APPLICATION OF FUNDS			
Investment	3	500,000,000	500,000,000
Current assets, loans and advances			
Cash and bank balances	4	85,595	485,630
Advances	5	1,391	7,968
		<u>86,986</u>	<u>493,598</u>
Less: Current liabilities & provision	6	6,618	12,218
Net current assets		<u>80,368</u>	<u>481,380</u>
Miscellaneous expenditure (to the extent not written off or adjusted)	7	9,910	9,910
Profit and loss account		<u>9,622</u>	<u>8,610</u>
		<u>500,099,900</u>	<u>500,499,900</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 Novel Buildmart Private Limited.

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

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

Vishwanand Keshri

Vishwanand Keshri
Partner
Membership no. 505508
May 11, 2011
New Delhi



Directors

Sharda Sarin

Sharda Sarin

Anil Mahindra

Anil Mahindra

NOVEL BUILDMART 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.
INCOME			
Interest income		8,584	27,054
EXPENDITURE			
Audit fees		6,618	6,618
Bank charges		550	600
Filing fees		600	1,500
Legal and professional		1,828	156
Miscellaneous expenses		-	60
		<u>9,596</u>	<u>8,934</u>
Profit/(Loss) during the year		(1,012)	18,120
Provision for tax		-	(5,600)
Profit/(Loss) after tax		(1,012)	12,520
Profit/(Loss) brought forward from previous year		(8,610)	(21,130)
Profit/(Loss) carried over to Balance Sheet		(9,622)	(8,610)
Earning per share (equity share, par value of Rs. 10 each)			
- Basic and diluted earning per share		-0.02	0.25

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 Novel Buildmart Private Limited.

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

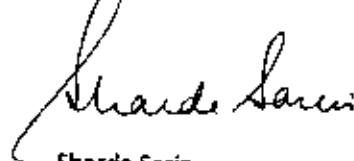
B.Bhushan & Co.
Chartered Accountants
By the hand of



Vishwanand Keshri
Partner
Membership no. 505508
May 11, 2011
New Delhi



Directors



Sharda Sarin



Anil Mahindra

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
1. SHARE CAPITAL		
Authorized		
50,000 (50,000) equity shares of Rs. 10.00 (Rs. 10.00) each	500,000	500,000
Issued, subscribed and paid up		
*50,000 (*50,000) equity shares of Rs. 10.00 (Rs. 10.00) 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.		
2. UNSECURED LOAN		
From holding company	499,599,900	499,999,900
3. INVESTMENT		
Long Term (Unquoted and Non Trade)		
In Mahalaxmi Designs Private Limited		
- 500,000 (500,000) 9% Non cumulative redeemable preference shares of Rs. 10 each fully paid up.	500,000,000	500,000,000
Book value of unquoted and non trade investment	500,000,000	500,000,000
4. CASH AND BANK BALANCES		
Cash in hand	4,473	4,473
Balance with scheduled bank		
- in current account	81,122	46,445
- in deposit account	-	434,712
	85,595	485,630
5. ADVANCES		
Accrued interest	-	2,609
Income tax receivable	1,391	5,359
	1,391	7,968
6. CURRENT LIABILITIES & PROVISION		
Expenses payable	6,618	6,618
Provision for tax	-	5,600
	6,618	12,218
7. MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary expenses	9,910	9,910



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. USE OF ESTIMATES

The presentation of financial statements in conformity with Indian generally accepted accounting principles requires estimates and assumptions to be made which affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Differences between the actual results and estimates are recognized in the reporting year in which the results are known or materialized.

C. RECOGNITION OF REVENUE AND EXPENDITURE

Income and expenditure are accounted for on accrual basis except dividend income which is accounted for on receipt basis.

D. 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.

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. INVESTMENTS

Investment in company classified as long term is stated at cost including cost directly attributable to the acquisition thereof and provision is made to recognize any decline, other than temporary, in the value of such investments.

G. MISCELLANEOUS EXPENDITURE

Preliminary expenditure has not been amortized as the Company is yet to commence business.



9. NOTES TO ACCOUNTS

- i) The Company proposes to undertake development of real estate projects and directors are identifying for suitable opportunities in this regard.
- ii) As per the best estimates and opinion of the Board of Directors of the Company, no provision is required to be made towards diminution in the value of investment during the year.
- 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.	(1,012)	12,520
Nominal value of equity shares	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.	-0.02	0.25

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

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.
Elevator Buildtech 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 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.
Pasupati Aluminium Ltd.
Pelikan Estates Pvt. Ltd.
Pioneer Promoters Pvt. Ltd.
Rapid Realtors 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.

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

Sharda Sarin

Chairman

Anil Mahindra

Director

Sunaini 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	For the year ended March 31, 2010
1	Loans received from holding company	Anant Raj Industries Ltd.	-	50,000,000
2	Loans repaid to holding company	Anant Raj Industries Ltd.	400,000	100

c) Amount outstanding as at March 31, 2011:

S. No.	Account Head	Related Party	As at March 31, 2011	As at March 31, 2010
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.	499,599,900	499,999,900

v) 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.



- vi) Figures in brackets pertain to the previous year, unless otherwise indicated.
- vii) Previous year figures have been regrouped/recast, where ever necessary to confirm with this year's presentation.

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

I. Registration details

Registration No.	U45400DL2007PTC162502
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	
Total liabilities	500,100
	500,100
Sources of funds	
Paid up capital	
Unsecured loan	500
Application of funds	499,600
Investment	
Net current assets	500,000
Miscellaneous expenditure	80
Profit and loss account	10
	10

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

III. Performance of the Company

Turnover	9
Total expenditure	10
Profit/(Loss) before tax	(1)
Profit/(Loss) after tax	(1)
Earning per share (Rs.)	-0.02

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

Directors



Sharda Sarin
Sharda Sarin

Anil Mahindra
Anil Mahindra

New Delhi.
May 11, 2011

NOVEL BUILDMART 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.
A. CASH FLOW FROM OPERATIONS		
Profit/(Loss) before tax and extraordinary items	(1,012)	18,120
Adjustment for:		
- Loans and advances	6,577	(1,096)
- Other liabilities	(5,600)	2,912
Cash generated from operations	(35)	19,936
Provision for Income tax	-	(5,600)
Net cash flow from operating activities	(A) (35)	14,336
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in shares	(B) -	(500,000,000)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in unsecured loan	(400,000)	499,999,900
Net cash used in financing activities	(C) (400,000)	499,999,900
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C) (400,035)	14,236
Cash and cash equivalents - Opening balance	485,630	471,394
Cash and cash equivalents - Closing balance	85,595	485,630

Note: Figures in brackets indicate cash outflow

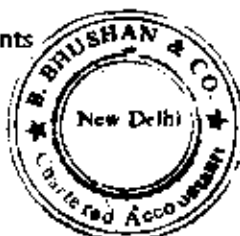
Auditor's report

We have examined the Cash Flow Statement of Novel Buildmart 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

Vishwanand Keshri

Vishwanand Keshri
Partner
Membership no. 505508
May 11, 2011
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