

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, 2011, and the related 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) 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 expenditure incurred 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



Vishwanand Keshri
Vishwanand Keshri
Partner
Membership No. 505508

May 10, 2011

NOVEL HOUSING 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 loans	2	44,649,900	44,649,900
		<u>45,149,900</u>	<u>45,149,900</u>
APPLICATION OF FUNDS			
Fixed assets	3	44,809,590	44,809,590
Preoperative expenditure pending capitalization	4	64,570	52,992
Current assets			
Cash and bank balances	5	45,407	55,003
Advances	6	234,969	234,969
		<u>280,376</u>	<u>289,972</u>
Less: Current liabilities	7	6,618	6,618
Net current assets		<u>273,758</u>	<u>283,354</u>
Miscellaneous expenditure (to the extent not written off or adjusted)	8	1,982	3,964
		<u>45,149,900</u>	<u>45,149,900</u>
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.

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 10, 2011
New Delhi



Directors

Sharda Sarin

Sharda Sarin

Ashim Sarin

Ashim Sarin

NOVEL HOUSING 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		-	-
EXPENDITURE			
Audit fees		6,618	6,618
Bank charges		550	600
Filing Fees		600	900
Legal and professional		1,828	216
Preliminary expenses written off		1,982	1,982
		<u>11,578</u>	<u>10,316</u>
 Expenses incurred during the year transferred to Preoperative expenditure pending capitalization		 11,578	 10,316

ACCOUNTING POLICIES

9

NOTES TO ACCOUNTS

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

Vishwanand Keshri

Vishwanand Keshri
Partner
Membership no. 505508
May 10, 2011
New Delhi



Directors

Sharda Sarin

Sharda Sarin

Ashim Sarin

Ashim Sarin

SCHEDULES	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 (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>44,649,900</u>
3. FIXED ASSETS		
Land	<u>44,809,590</u>	<u>44,809,590</u>
4. PREOPERATIVE EXPENDITURE PENDING CAPITALISATION		
Opening Balance	52,992	42,676
Addition during the year	<u>11,578</u>	<u>10,316</u>
	<u>64,570</u>	<u>52,992</u>
5. CASH AND BANK BALANCES		
Cash in hand	4,740	4,740
Bank balance with scheduled bank	<u>40,667</u>	<u>50,263</u>
- In current account	<u>45,407</u>	<u>55,003</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	3,964	5,946
Less: Written off during the year	<u>1,982</u>	<u>1,982</u>
	<u>1,982</u>	<u>3,964</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 recognized 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. 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.

G. MISCELLANEOUS EXPENDITURE

Preliminary expenses are amortized over a period of five years.



10. NOTES TO ACCOUNTS

- i) 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 Capitalization' to constitute cost of respective projects and the same shall be apportioned over fixed assets to be created on completion of development in progress.
- ii) The Company does not have any profit attributable to equity shareholders during the year and therefore, earning per share has not been calculated.
- 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:

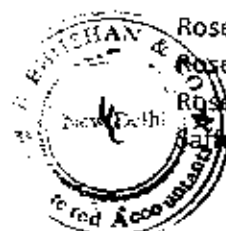
a) Name of related parties and description of relationships :

Holding Company

Anant Raj Industries Limited

Fellow Subsidiaries

Aarkarshak Realtors Pvt. Ltd.	Jasmine Buildwell Pvt. Ltd.
Advance Buildcon Pvt. Ltd.	Jubilant Software Services Pvt. Ltd.
Anant Raj construction & Dev. Pvt. Ltd.	Kalinga Buildtech Pvt. Ltd.
Anant Raj Hotels Ltd.	Kalinga Realtors Pvt. Ltd.
Anant Raj Housing Pvt. Ltd.	Krishna Buildtech Pvt. Ltd.
Anant Raj Projects Ltd.	Lucky Meadows Pvt. Ltd.
Ankur Buildcon Pvt. Ltd.	Monarch Buildtech Pvt. Ltd.
A-Plus Estates Pvt. Ltd.	North South Properties Pvt. Ltd.
BBB Realty Pvt. Ltd.	Novel Buildmart Pvt. Ltd.
Blossom Buildtech Pvt. Ltd.	One Star Realty Pvt. Ltd.
Bolt Properties Pvt. Ltd.	Oriental Meadows Ltd.
Capital Buildcon Pvt. Ltd.	Oriental Promoters Pvt. Ltd.
Capital Buildtech Pvt. Ltd.	Papillon Buildcon Pvt. Ltd.
Carnation Buildtech Pvt. Ltd.	Papillon Buildtech Pvt. Ltd.
CCC Realty Pvt. Ltd.	Park Land Const. & Equipment Pvt. Ltd.
Century Promoters Pvt. Ltd.	Parkland Developers Pvt. Ltd.
Echo Buildtech Pvt. Ltd.	Parkview Promoters Pvt. Ltd.
Echo Properties Pvt. Ltd.	Pasupati Aluminium Ltd.
Elegant Buildcon Pvt. Ltd.	Pelikan Estates Pvt. Ltd.
Elegant Estates Pvt. Ltd.	Pioneer Promoters Pvt. Ltd.
Elevator Buildtech Pvt. Ltd.	Rapid Realtors Pvt. Ltd.
Elevator Promoters Pvt. Ltd.	Rising Realty Pvt. Ltd.
Elevator Properties Pvt. Ltd.	Rolling Construction Pvt. Ltd.
Empire Promoters Pvt. Ltd.	Romano Estate Pvt. Ltd.
Excellent Inframart Pvt. Ltd.	Romano Infrastructure Pvt. Ltd.
Fabulous Builders Pvt. Ltd.	Romano Projects Pvt. Ltd.
Four Construction Pvt. Ltd.	Romano Tiles Pvt. Ltd.
Gadget Builders Pvt. Ltd.	Rose Realty Pvt. Ltd.
Gagan Buildtech Pvt. Ltd.	Roseview Buildtech Pvt. Ltd.
Glaze Properties Pvt. Ltd.	Roseview Properties Pvt. Ltd.
Good Luck Buildtech Pvt. Ltd.	Roseview Properties 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.

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

Ashim Sarin
 Sharda Sarin
 Monica Sarin

Chairman & Director
 Director
 Director

Note: The above parties have been identified by the management.

b) There is no transaction entries by the company with any of the related parties during the year.

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	Unsecured loans payable to holding company	Anant Raj Industries Ltd.	44,649,900	44,649,900

iv) 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.

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

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



vii) 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, 2011

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

II. Position of mobilization 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 capitalization	65
Net current assets	274
Miscellaneous expenditure	2

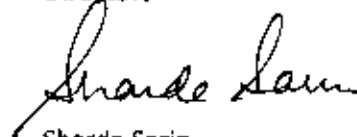
For the year
ended March
31, 2011
Rs. (in '000)

III. Performance of the Company

Turnover	-
Total expenditure	12
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 10, 2011

NOVEL HOUSING 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		-	-
Adjustment for:			
- Preoperative expenditure pending capitalisation		(11,578)	(10,316)
- Miscellaneous expenditure written off		1,982	1,982
Net cash from from operating activities	(A)	(9,596)	(8,334)
B. CASH FLOW FROM INVESTING ACTIVITIES			
	(B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES			
Changes in unsecured loans		-	(100)
Net cash from financing activities	(C)	-	(100)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C)	(9,596)	(8,434)
Cash and cash equivalents - Opening balance		55,003	63,437
Cash and cash equivalents - Closing balance		45,407	55,003

Note: Figures in brackets indicate cash outflow

Auditor's report

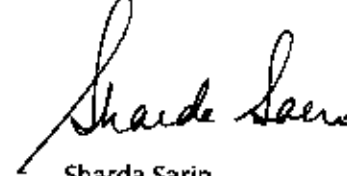
We have examined the Cash Flow Statement of Novel Housing Private Limited for the year ended March 31, 2011. The statement prepared by the Company is in accordance with the requirement of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding 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
Partner
Membership no. 505508
May 10, 2011
New Delhi



Directors


Sharda Sarin


Ashim Sarin