

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, 2012, and the related Statement of Profit and Loss 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) 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.
- iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Statement of Profit and Loss 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.

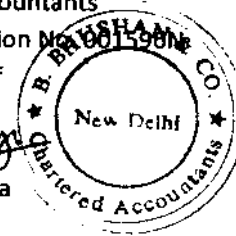
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes and accounting policies thereto, give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity 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, 2012;
 - b) in the case of Statement of Profit and Loss, of the expenditure incurred by the Company for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

117, New Delhi House,
27, Barakhamba Road,
New Delhi- 110001.

B. Bhushan & Co.
Chartered Accountants
Firm Registration No. 001598
By the hand of


Abhishek Aneja
Partner

Membership No. 520224



May 25, 2012

NOVEL HOUSING PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2012

	Notes	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' fund			
a) Share capital	2	500,000	500,000
Non current liabilities			
a) Long term borrowings	3	44,649,900	44,649,900
Current liabilities			
a) Other current liabilities	4	8,427	6,618
TOTAL		<u>45,158,327</u>	<u>45,156,518</u>
II. ASSETS			
Non current assets			
a) Fixed assets			
i) Tangible assets	5	44,809,590	44,809,590
ii) Capital work in progress	6	82,232	64,570
		<u>44,891,822</u>	<u>44,874,160</u>
Current assets			
a) Cash and cash equivalents	7	31,536	45,407
b) Short term loans and advances	8	234,969	234,969
c) Other current assets	9	-	1,982
		<u>266,505</u>	<u>282,358</u>
TOTAL		<u>45,158,327</u>	<u>45,156,518</u>
SIGNIFICANT ACCOUNTING POLICIES	1		

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 notes referred above form an integral part of the Balance Sheet.

B. Bhushan & Co.

Chartered Accountants

By the hand of

Abhishek Aneja
Abhishek Aneja

Partner

Membership no. 520224

May 25, 2012

New Delhi



Directors

Sharda Sarin

Sharda Sarin

Ashim Sarin
Ashim Sarin

NOVEL HOUSING PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

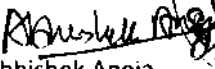
	Notes	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
I INCOME		-	-
II EXPENSES			
Other expenses	10	17,662	11,578
Expenses incurred during the year transferred to preoperative expenditures pending capitalisation		17,662	11,578
Total expenses		-	-
III Profit/(Loss) before tax (I - II)		-	-
IV Tax expense		-	-
V Profit/(Loss) for the year from continuing operation (III - IV)		-	-

SIGNIFICANT ACCOUNTING POLICIES

1

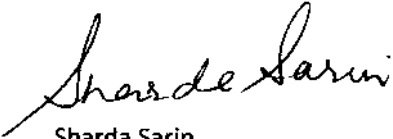

This is the Statement of Profit and Loss referred in our report in our report of even date addressed to the members of Novel Housing Private Limited.

The notes referred above form an integral part of the Statement of Profit and Loss.

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

Abhishek Aneja
Partner
Membership no. 520224
May 25, 2012
New Delhi



Directors


Sharda Sarin

Ashim Sarin

1 SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Indian Generally Accepted Accounting Principles ("Indian GAAP"). The Company has prepared these financial statements to comply in all material aspects with the accounting standard notified under the Companies (Accounting Standard) Rules, 2006 as amended and the relevant provision of the Companies Act, 1956. The financial statement have been prepared under the historical cost convention and on accrual basis.

The accounting policies adopted in the preparation and presentation of financial statements are consistent with those of previous year. The management evaluates all recently issued or revised accounting standards on a ongoing basis.

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statement. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified previous year figures in accordance with the requirements applicable in the current year.

b) RECOGNITION OF REVENUE AND EXPENDITURE

Income and expenditure are accounted for on accrual basis.

c) TANGIBLE ASSETS

Tangible 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 tangible 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 anti-dilutive.

g) UNAMORTISED EXPENDITURE

Unamortised expenditure shall be amortised over a period of five years.



NOVEL HOUSING PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2012

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
2 SHARE CAPITAL		
Authorized		
50,000 (50,000) equity shares of Rs. 10 (Rs. 10) each	500,000	500,000
Issued, subscribed, and fully paid up		
50,000 (50,000) equity shares of Rs. 10 (Rs. 10) each fully paid up	500,000	500,000

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2012		As at March 31, 2011	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Number of shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Number of shares outstanding at the end of the year	50,000	500,000	50,000	500,000

b) Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholders.

c) Shares held by holding Company, Anant Raj Industries Ltd.

*50,000 (*50,000) equity shares of Rs. 10 (Rs. 10) each fully paid up 500,000 500,000

*includes 6 (6) equity shares held by nominees of the holding company, Anant Raj Industries Ltd.

d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2012		As at March 31, 2011	
	Number	% holding	Number	% holding
Equity Shares of Rs. 10 (Rs. 10) each fully paid up				
- Anant Raj Industries Limited	50,000	100%	50,000	100%

3 LONG TERM BORROWINGS

(Unsecured)

a) Loans from related party 44,649,900 44,649,900

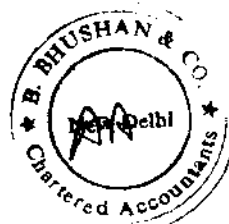
Loans from related party represents non interest bearing unsecured loan obtained from holding company utilised for meeting developmental costs of a real estate project currently under development, which loan is repayable on divestment of the said project. There is no repayment of principal or interest due by the Company as at the year end.



NOVEL HOUSING PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2012

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
4 OTHER CURRENT LIABILITIES		
a) Other payables		
Expenses payable	8,427	6,618
5 TANGIBLE ASSETS		
a) Land		
Opening balance	44,809,590	44,809,590
Additions during the year	-	-
	<u>44,809,590</u>	<u>44,809,590</u>
6 CAPITAL WORK IN PROGRESS		
a) Preoperative expenditure pending capitalisation		
Opening balance	64,570	52,992
Addition during the year	17,662	11,578
	<u>82,232</u>	<u>64,570</u>
7 CASH AND CASH EQUIVALENTS		
a) Balance with bank		
- In current account	26,796	40,667
b) Cash on hand	4,740	4,740
	<u>31,536</u>	<u>45,407</u>
8 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
a) Advances recoverable	234,969	234,969
9 OTHER CURRENT ASSETS		
a) Unamortised expenditure		
Opening balance	1,982	3,964
Less: Written off during the year	1,982	1,982
	<u>-</u>	<u>1,982</u>
	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
10 OTHER EXPENSES		
a) Payment to auditors as audit fees	8,427	6,618
b) Filing fee	606	600
c) Legal and professional	6,097	1,828
d) Unamortised expenditure	1,982	1,982
e) Bank charges	550	550
	<u>17,662</u>	<u>11,578</u>



NOVEL HOUSING PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2012

- 11 The Company had acquired land for the development of a 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.
- 12 The Company does not have any profit attributable to equity shareholders during the year and therefore, earning per share has not been calculated.

13 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:

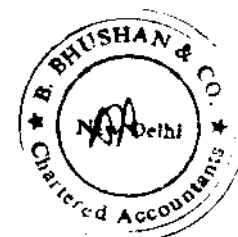
a) Name of related parties and description of relationships :

Holding Company

Anant Raj Industries Limited

Fellow Subsidiaries

Aakashganga Realty Pvt. Ltd.	High Land Meadows Pvt. Ltd.
Aarkarshak Realtors Pvt. Ltd.	Jasmine Buildwell Pvt. Ltd.
Advance Buildcon Pvt. Ltd.	Jubilant Software Services Pvt. Ltd.
Anant Raj Cons. & Development 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.	Red Sea Realty Pvt. Ltd.
Elevator Properties Pvt. Ltd.	Rising Realty Pvt. Ltd.
Empire Promoters Pvt. Ltd.	Rolling Construction Pvt. Ltd.
Excellent Inframart Pvt. Ltd.	Romano Estate Pvt. Ltd.
Fabulous Builders Pvt. Ltd.	Romano Infrastructure Pvt. Ltd.
Four Construction Pvt. Ltd.	Romano Projects Pvt. Ltd.
Gadget Builders Pvt. Ltd.	Romano Tiles Pvt. Ltd.
Gagan Buildtech Pvt. Ltd.	Rose Realty Pvt. Ltd.
Glaze Properties Pvt. Ltd.	Roseview Buildtech Pvt. Ltd.
Good Luck Buildtech Pvt. Ltd.	Roseview Properties Pvt. Ltd.
Grand Buildtech Pvt. Ltd.	Saffron View Properties Pvt. Ltd.
Grand Park Buildtech Pvt. Ltd.	Sand Storm Buildtech Pvt. Ltd.
Grand Park Estates Pvt. Ltd.	Sartaj Developers & Promoters Pvt. Ltd.



NOVEL HOUSING PRIVATE LIMITED**Notes to financial statement for the year ended March 31, 2012**

Greatway Estates Ltd.	Sovereign Buildwell Pvt. Ltd.
Greatways Buildtech Pvt. Ltd.	Spring View Developers Pvt. Ltd.
Green Line Buildcon Pvt. Ltd.	Spring view Properties Pvt. Ltd.
Green Line Promoters Pvt. Ltd.	Suburban Farms Pvt. Ltd.
Green Retreat and Motels Pvt. Ltd.	Three Star Realty Pvt. Ltd.
Green View Buildwell Pvt. Ltd.	Townsend Cons. & Equipments Pvt. Ltd.
Green Way Promoters Pvt. Ltd.	Tumharelye Realty Pvt. Ltd.
Green Wood Properties Pvt. Ltd.	Twenty First Developers Pvt. Ltd.
Gujarat Anant Raj Vidhyanagar Ltd.	Vibrant Buildmart Pvt. Ltd.
Hamara Realty Pvt. Ltd.	West Land Buildcon Pvt. Ltd.
Hemkunt Promoters 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 related parties relationship is as identified by the management.

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

c) Amount outstanding as at March 31, 2012:

Sl. No.	Account Head	Related Party	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
1	Share Capital held by holding company	Anant Raj Industries Ltd.	500,000	500,000
2	Long term borrowings payable to holding company	Anant Raj Industries Ltd.	44,649,900	44,649,900

14 In the opinion of the management, the current assets, short term loans and advances, if realized, in the ordinary course of business, would realize a sum at least equal to that stated in the Balance Sheet.

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

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

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

Directors



Sharda Sarin

Sharda Sarin

Ashim Sarin

Ashim Sarin

NOVEL HOUSING PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
A. CASH FLOW FROM OPERATIONS		
Profit/(Loss) before tax from continuing operation	-	-
Unamortised expenditure written off	1,982	1,982
Adjustment for working capital changes:		
- Increase/(Decrease) in other current liabilities	1,809	-
Net cash from operating activities	3,791	1,982
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to capital work in progress	(17,662)	(11,578)
Net cash from investing activities	(17,662)	(11,578)
C. CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(13,871)	(9,596)
Cash and cash equivalents - Opening balance	45,407	55,003
Cash and cash equivalents - Closing balance	31,536	45,407

Note: Figures in brackets indicate cash outflow

This is the Cash Flow Statement referred to in our report of even date attached.

B. Bhushan & Co.
Chartered Accountants
By the hand of
Abhishek Aneja
Abhishek Aneja
Partner
Membership no. 520224
May 25, 2012
New Delhi



Directors

Sharda Sarin
Sharda Sarin
Ashim Sarin
Ashim Sarin