

AUDITOR'S REPORT

To the members of
Sovereign Buildwell Private Limited

We have audited the attached Balance Sheet of Sovereign Buildwell Private Limited as at March 31, 2012, 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.

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.

Further, 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 accounting policies and notes

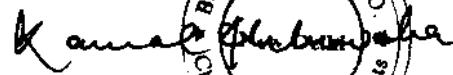


thereto, give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:

- 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 loss incurred by the Company for the year ended on March 31, 2012; and
- c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

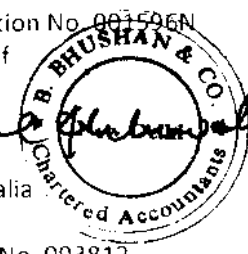
117, New Delhi House,
27, Barakhamba Road,
New Delhi- 110001

B. Bhushan & Co.
Chartered Accountants
Firm Registration No. 001506N
By the hand of



Kamal Ahluwalia
Partner
Membership No. 093812

May 26, 2012



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

- I. The Company does not own any fixed assets.
- II. The Company does not own any inventory.
- III.
 - a) The Company has granted short term interest free unsecured loans to its subsidiary companies listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 3,75,79,485 and the year ended balance of said loan was Rs. 35,00,000.
 - b) In our opinion and according to the information and explanations given to us, the terms and conditions of loans given by the Company are prima facie not prejudicial to the interests of the Company.
 - c) The aforesaid unsecured loan granted by the Company is repayable on demand and is interest free and the event for refund of said loan has not arisen and no interest is due to be received.
 - d) There is no overdue amount in excess of rupees one lacs for recovery from the parties to whom the said loan has been granted by the Company.
 - e) The Company has taken long term 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. 25,62,15,505 and the year ended balance of said loan was Rs. 24,98,95,505.
 - f) 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.
 - g) The aforesaid unsecured loan taken by the Company is interest free and repayable on divestment of the real estate project currently under acquisition and the event for repayment of principal has not arisen and no interest is due.
- 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.
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301, have been so entered.



- b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 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 generally 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, 2012 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 incurred cash losses in the financial year covered by our audit but 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.
- 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.
- XIII. The Company is not a chit fund or a nidhi mutual benefit fund/society.
- XIV. According to the information and explanation given to us, the Company does not deal or trade in shares, securities or debentures. Proper records have been maintained of the transactions and contracts in respect of the investments made in shares, securities or debentures by the Company. The investments are held by the Company in its own name.
- 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.



- XVI. The Company has not obtained any term loan during the year.
- 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.
- XIX. The Company had not issued any debentures during the year.
- XX. The Company has not raised any money by way of public issue during the year.
- 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.

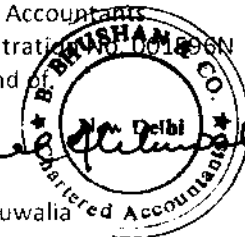
117, New Delhi House,
27, Barakhamba Road,
New Delhi- 110001

May 26, 2012

B. Bhushan & Co.
Chartered Accountants
Firm Registration No. 001496N
By the hand of


Kamal Ahluwalia

Kamal Ahluwalia
Partner
Membership No. 093812



SOVEREIGN BUILDWELL 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
b) Reserves and surplus	3	355,306	381,949
		<u>855,306</u>	<u>881,949</u>
Non current liabilities			
a) Long term borrowings	4	249,895,505	241,465,505
Current liabilities			
a) Other current liabilities	5	13,483	38,828
b) Short term provisions	6	-	187,684
		<u>13,483</u>	<u>226,512</u>
	TOTAL	<u>250,764,294</u>	<u>242,573,966</u>
II. ASSETS			
Non current assets			
a) Non current investments	7	1,000,000	600,000
b) Long term loans and advances	8	239,183,750	196,883,750
c) Other non current asset	9	3,964	5,946
		<u>240,187,714</u>	<u>197,489,696</u>
Current assets			
a) Cash and cash equivalents	10	74,598	102,803
b) Short term loans and advances	11	10,500,000	44,979,485
c) Other current assets	12	1,982	1,982
		<u>10,576,580</u>	<u>45,084,270</u>
	TOTAL	<u>250,764,294</u>	<u>242,573,966</u>

SIGNIFICANT ACCOUNTING POLICIES

1

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

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

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

Kamal Ahluwalia
Kamal Ahluwalia
Partner
Membership no. 093812
May 26, 2012
New Delhi



Directors

Ashim Sarin
Ashim Sarin
Sharda Sarin
Sharda Sarin

SOVEREIGN BUILDWELL 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 INCOMES			
Revenue from operations	13	-	808,760,637
Other income	14	-	8,999
Total income		<u>-</u>	<u>808,769,636</u>
II EXPENSES			
Cost of development rights sold		-	808,156,177
Other expenses	15	26,643	46,066
Total expenses		<u>26,643</u>	<u>808,202,243</u>
III Profit/(Loss) before tax (I - II)		(26,643)	567,393
IV Tax expense			
Current tax		-	187,684
V Profit/(Loss) for the year from continuing operations (III - IV)		<u>(26,643)</u>	<u>379,709</u>
VI Earnings per share [equity share, par value of Rs. 10 (Rs. 10) each]			
1) Basic		-0.53	7.59
2) Diluted		-0.53	7.59

SIGNIFICANT ACCOUNTING POLICIES

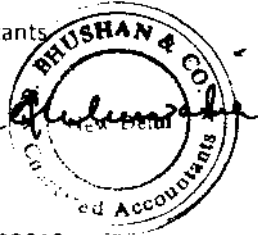
1

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

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

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

Kamal Ahluwalia
Kamal Ahluwalia
Partner
Membership no. 093812
May 26, 2012
New Delhi



Directors

Ashim Sarin
Ashim Sarin
Sharda Sarin
Sharda 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) INVESTMENTS

Investments in subsidiaries are stated at cost including other expenses directly attributable to the acquisition thereof and provision is made to recognize any decline, other than temporary, in the value of such investment.

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) CASH AND CASH EQUIVALENTS

In the Cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

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.



	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
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
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*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 RESERVES AND SURPLUS

a) Profit and Loss Account

Opening balance	381,949	2,240
Addition during the year	(26,643)	379,709
	355,306	381,949



SOVEREIGN BUILDWELL 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 LONG TERM BORROWINGS		
(Unsecured)		
a) Loans from related party	249,895,505	241,465,505
<p>Loans from related party represents non interest bearing unsecured loan obtained from holding company utilised to make advances for acquiring a real estate project, which loan is repayable on divestment of the said project. There is no repayment of principal or payment of interest due by the Company as at the year end.</p>		
5 OTHER CURRENT LIABILITIES		
a) Other payables		
Expenses payable	13,483	38,828
6 SHORT TERM PROVISIONS		
a) Provision for income tax	-	187,684
7 NON CURRENT INVESTMENTS		
Trade investment (At cost)		
Unquoted equity instruments		
a) Investments in subsidiaries		
50,000 (10,000) equity shares of Rs. 10 (Rs. 10) each fully paid up in Excellent Inframart Private Limited	500,000	100,000
50,000 (50,000) equity shares of Rs. 10 (Rs. 10) each fully paid up in Sartaj Developers & Promoters Private Limited	500,000	500,000
	1,000,000	600,000
Aggregate amount of unquoted investments	1,000,000	600,000
8 LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Capital advances	239,183,750	196,883,750
9 OTHER NON CURRENT ASSETS		
a) Unamortised expenditure		
Opening balance	7,928	9,910
Less: Written off during the year	1,982	1,982
	5,946	7,928
Less: Current portion of unamortised expenditure (Refer notes 12)	1,982	1,982
	3,964	5,946
10 CASH AND CASH EQUIVALENTS		
a) Balance with bank in current account	60,902	89,107
b) Cash on hand	13,696	13,696
	74,598	102,803



	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
11 SHORT TERM LOAN AND ADVANCES (Unsecured, considered good)		
a) Loans to related party - Subsidiary company	3,500,000	37,579,485
b) Advances recoverable	7,000,000	7,400,000
	<u>10,500,000</u>	<u>44,979,485</u>
12 OTHER CURRENT ASSETS		
a) Unamortised expenditure	1,982	1,982
	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
13 REVENUE FROM OPERATIONS		
a) Sale of development rights	-	808,760,637
14 OTHER INCOME		
a) Interest income	-	8,599
b) Short & excess	-	300
	<u>-</u>	<u>8,999</u>
15 OTHER EXPENSES		
a) Payment to auditors as audit fees	13,483	17,648
b) Filing fee	7,200	1,725
c) Legal and professional	3,828	1,104
d) Bank charges	150	2,427
e) Security expenses	-	21,180
f) Unamortised expenditure written off	1,982	1,982
	<u>26,643</u>	<u>46,066</u>

16 The Company had entered into a business development agreement with Anant Raj Industries Limited, the holding company whereby the Company had 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.

17 As per the best estimates and in the opinion of the Board of Directors of the Company, no provision is required to be made towards diminution in the value of investments during the year.

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



- 19 The earnings 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.

Particulars		For the year ended March 31, 2012	For the year ended March 31, 2011
Profit/(loss) attributable to equity shareholders	Rs.	(26,643)	379,709
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.	(0.53)	7.59

20 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

Subsidiary companies

Excellent Inframart Pvt. Ltd.

Sartaj Developers & Promoters Pvt. Ltd.

Fellow Subsidiaries

Aakashganga Realty Pvt. Ltd.

Aarkarshak Realators Pvt. Ltd.

Advance Buildcon Pvt. Ltd.

Anant Raj Cons. & Development 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.

High Land Meadows 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 Buildmart 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.



SOVEREIGN BUILDWELL PRIVATE LIMITED
Notes to financial statement for the year ended March 31, 2012

Elevator Promoters Pvt. Ltd.	Rapid Realtors Pvt. Ltd.
Elevator Properties Pvt. Ltd.	Red Sea Realty Pvt. Ltd.
Empire Promoters Pvt. Ltd.	Rising Realty Pvt. Ltd.
Fabulous Builders Pvt. Ltd.	Rolling Construction Pvt. Ltd.
Four Construction Pvt. Ltd.	Romano Estate Pvt. Ltd.
Gadget Builders Pvt. Ltd.	Romano Infrastructure Pvt. Ltd.
Gagan Buildtech Pvt. Ltd.	Romano Projects Pvt. Ltd.
Glaze Properties Pvt. Ltd.	Romano Tiles Pvt. Ltd.
Good Luck Buildtech Pvt. Ltd.	Rose Realty Pvt. Ltd.
Grand Buildtech Pvt. Ltd.	Roseview Buildtech Pvt. Ltd.
Grand Park Buildtech Pvt. Ltd.	Roseview Properties Pvt. Ltd.
Grand Park Estates Pvt. Ltd.	Saffron View Properties Pvt. Ltd.
Greatway Estates Ltd.	Sand Storm Buildtech 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.	Tumhareliye Realty Pvt. Ltd.
Green Wood Properties Pvt. Ltd.	Twenty First Developers Pvt. Ltd.
Gujarat Anant Raj Vidhyanager 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
Maneesh Gupta	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:

Sl. No.	Nature of Transactions	Related Party	For the year ended March 31, 2012	For the year ended March 31, 2011
			Rs.	Rs.
1	Long term borrowings received from holding company	Anant Raj industries Ltd.	83,780,000	241,465,505
2	Long term borrowings repaid to holding company	Anant Raj Industries Ltd.	75,350,000	-
3	Investment made in subsidiary company	Excellent Inframart Pvt. Ltd.	400,000	-
4	Short term loans and advances given to subsidiaries	Excellent Inframart Pvt. Ltd. Sartaj Developers & Promoters Pvt. Ltd.	10,000,000 64,579,845	-
5	Short term loans and advances refunded by subsidiaries	Excellent Inframart Pvt. Ltd. Sartaj Developers & Promoters Pvt. Ltd.	10,000,000 30,500,000	-
6	Sale of development rights	Anant Raj industries Ltd.	-	808,760 637



SOVEREIGN BUILDWELL PRIVATE LIMITED

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

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	Equity 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.	249,895,505	241,465,505
3	Short term loans and advances receivable from subsidiary	Sartaj Developers & Promoters Pvt. Ltd.	3,500,000	37,579.485
4	Investment held in subsidiary companies	Excellent Inframart Pvt. Ltd. Sartaj Developers & Promoters Pvt. Ltd.	500,000 500,000	100,000 500,000

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

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

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

Directors



Ashim Sarin
Ashim Sarin

Sharda Sarin
Sharda Sarin

May 26, 2012
New Delhi

SOVEREIGN BUILDWELL 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 operations		(26,643)	567,393
Unamortised expenditure written off		1,982	1,982
Interest received		-	(8,699)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(24,661)	560,676
Increase/(Decrease) in other current liabilities		(25,345)	32,210
Decrease/(Increase) in short term loans and advances		-	3,984
Cash generated from operations		(50,006)	596,870
Tax paid during the year		(187,684)	(1,816)
Net cash from operating activities	(A)	(237,690)	595,054
B. CASH FLOW FROM INVESTING ACTIVITIES			
Investment in subsidiary		(400,000)	(600,000)
Decrease/(Increase) in short term loans and advances		400,000	(400,000)
Interest received		-	8,699
Decrease/(Increase) in long term loans and advances		(42,300,000)	(203,883,750)
Net cash from investing activities	(B)	(42,300,000)	(204,875,051)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in long term borrowings		8,430,000	241,465,505
Decrease/(Increase) in short term loans and advances		34,079,485	(37,579,485)
Net cash used in financing activities	(C)	42,509,485	203,886,020
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C)	(28,205)	(393,977)
Cash and cash equivalents - Opening balance		102,803	496,780
Cash and cash equivalents - Closing balance		74,598	102,803

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

Kamal Ahluwalia

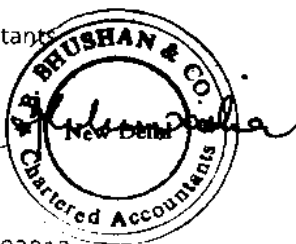
Kamal Ahluwalia

Partner

Membership no. 093812

May 26, 2012

New Delhi



Directors

Ashim Sarin

Ashim Sarin

Sharda Sarin

Sharda Sarin