

AUDITOR'S REPORT

To the members of
Three Star Realty Private Limited

We have audited the attached Balance Sheet of Three Star Realty Private Limited as at March 31, 2012, and the related Statement of Profit and Loss and 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) (Amended) Order 2004, [Order] issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, do 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.

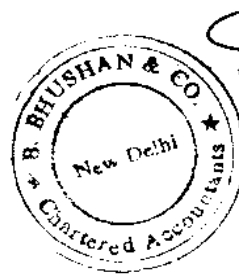
vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with accounting policies and notes thereto, give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity 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; and
- b) In the case of Statement of Profit and Loss, of the loss incurred by the Company for the year ended on that date.
- 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. 001596N
By the hand of

May 07, 2012



Vishwanand Keshri

Vishwanand Keshri
Partner
Membership No. 505508

THREE STAR REALTY 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	100,000
b) Reserves and surplus	3	(69,048)	(42,991)
		<u>430,952</u>	<u>57,009</u>
Non current liabilities			
a) Long term borrowings	4	26,500,000	-
Current liabilities			
a) Other current liabilities	5	8,427	19,470
TOTAL		<u>26,939,379</u>	<u>76,479</u>
II. ASSETS			
Non current assets			
a) Non current investments	6	26,763,225	-
Current assets			
a) Cash and cash equivalents	7	176,154	68,870
b) Other current assets	8	-	7,609
		<u>176,154</u>	<u>76,479</u>
TOTAL		<u>26,939,379</u>	<u>76,479</u>

SIGNIFICANT ACCOUNTING POLICIES

1

This is the Balance Sheet referred in our report of even date addressed to the members of Three Star Realty Private Limited.

The notes 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 07, 2012
New Delhi



Directors

Ashim Sarin

Ashim Sarin

Achhey Lal

Achhey Lal

THREE STAR REALTY 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	9	26,057	21,524
Total expenses		<u>26,057</u>	<u>21,524</u>
III Profit/(Loss) before tax (I - II)		(26,057)	(21,524)
IV Tax expense		-	-
V Profit/(Loss) for the year from continuing operation (III - IV)		<u>(26,057)</u>	<u>(21,524)</u>
VI Earnings per share [equity share, par value of Rs. 10 (Rs. 10) each]			
1) Basic		-0.58	-2.15
2) Diluted		-0.58	-2.15

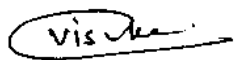
SIGNIFICANT ACCOUNTING POLICIES

9

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

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

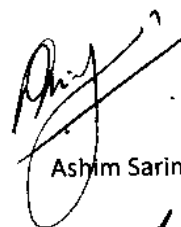
B. Bhushan & Co.
Chartered Accountants
By the hand of



Vishwanand Keshri
Partner
Membership no. 505508
May 07, 2012
New Delhi



Directors



Ashim Sarin


Achhey Lal

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) INVESTMENT PROPERTY

An investment in land or building, which is not to be occupied substantially for use by or in the operation of the Company, is classified as investment property. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing cost, if any and directly attributable cost of bringing the investment property to its working condition for the intended use.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

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

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.



THREE STAR REALTY 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 (10,000) equity shares of Rs. 10 (Rs. 10) each fully paid up	500,000	100,000

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	10,000	100,000	10,000	100,000
Shares issued during the year	40,000	400,000	-	-
Number of shares outstanding at the end of the year	50,000	500,000	10,000	100,000

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* (*10,000) equity shares of Rs. 10 (Rs. 10) each fully paid up	500,000	100,000
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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 Ltd.	50,000	100%	10,000	100%

3 RESERVES AND SURPLUS

- a) Profit and Loss Account
Opening balance
Addition during the year



	(42,991)	(21,467)
	(26,057)	(21,524)
	(69,048)	(42,991)

THREE STAR REALTY 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) Loan from related party	26,500,000	-
<p>Loan from related party represents non interest bearing unsecured loan obtained from holding company utilised to make investment in property, which loan is repayable on divestment of the said investment. 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	8,427	19,470
6 NON CURRENT INVESTMENT		
a) Investment property (at cost)	26,763,225	-
7 CASH AND CASH EQUIVALENTS		
a) Balance with bank		
- In current account	171,414	64,130
	4,740	4,740
b) Cash on hand	176,154	68,870
8 OTHER CURRENT ASSETS		
a) Unamortised expenditure		
Opening balance	7,609	7,609
Less: Written off during the year	7,609	-
	-	7,609
	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
9 OTHER EXPENSES		
a) Payment to auditors as audit fees	8,427	6,618
b) Filing fee	2,026	13,252
c) Legal and professional	7,395	1,104
d) Bank Charges	600	550
e) Unamortised expenditure written off	7,609	-
	26,057	21,524

10 The Company has acquired investment property during the year and further proposes to undertake development of real estate projects and directors are identifying for suitable opportunities in this regard.



THREE STAR REALTY PRIVATE LIMITED**Notes to financial statement for the year ended March 31, 2012**

- 11 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.

Particulars		For the year ended March 31, 2012	For the year ended March 31, 2011
Profit/(Loss) attributable to equity shareholders	Rs.	(26,057)	(21,524)
Nominal value of equity shares	Rs.	10	10
Weighted average number of equity shares outstanding during the year	No.	44,645	10,000
Basic and diluted earnings per share	Rs.	(0.58)	(2.15)

12 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 Realators 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 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.	Novel Housing Pvt. Ltd.
Bolt Properties Pvt. Ltd.	One Star Realty Pvt. Ltd.
Capital Buildcon Pvt. Ltd.	Oriental Meadows Ltd.
Capital Buildtech Pvt. Ltd.	Oriental Promoters Pvt. Ltd.
Carnation Buildtech Pvt. Ltd.	Papillon Buildcon Pvt. Ltd.
CCC Realty Pvt. Ltd.	Papillon Buildtech Pvt. Ltd.
Century Promoters Pvt. Ltd.	Park Land Const. & Equipment Pvt. Ltd.
Echo Buildtech Pvt. Ltd.	Parkland Developers Pvt. Ltd.
Echo Properties Pvt. Ltd.	Parkview Promoters Pvt. Ltd.
Elegant Buildcon Pvt. Ltd.	Pasupati Aluminium Ltd.
Elegant Estates Pvt. Ltd.	Pelikan Estates Pvt. Ltd.
Elevator Buildtech Pvt. Ltd.	Pioneer Promoters Pvt. Ltd.
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.



THREE STAR REALTY PRIVATE LIMITED**Notes to financial statement for the year ended March 31, 2012**

Excellent Inframart Pvt. Ltd.	Rolling Construction Pvt. Ltd.
Fabulous Builders Pvt. Ltd.	Romano Estate Pvt. Ltd.
Four Construction Pvt. Ltd.	Romano Infrastructure Pvt. Ltd.
Gadget Builders Pvt. Ltd.	Romano Projects Pvt. Ltd.
Gagan Buildtech Pvt. Ltd.	Romano Tiles Pvt. Ltd.
Glaze Properties Pvt. Ltd.	Rose Realty Pvt. Ltd.
Good Luck Buildtech Pvt. Ltd.	Roseview Buildtech Pvt. Ltd.
Grand Buildtech Pvt. Ltd.	Roseview Properties Pvt. Ltd.
Grand Park Buildtech Pvt. Ltd.	Saffron View Properties Pvt. Ltd.
Grand Park Estates Pvt. Ltd.	Sand Storm Buildtech Pvt. Ltd.
Greatway Estates Ltd.	Sartaj Developers & Promoters Pvt. Ltd.
Greatways Buildtech Pvt. Ltd.	Sovereign Buildwell Pvt. Ltd.
Green Line Buildcon Pvt. Ltd.	Spring View Developers Pvt. Ltd.
Green Line Promoters Pvt. Ltd.	Spring view Properties Pvt. Ltd.
Green Retreat and Motels Pvt. Ltd.	Suburban Farms 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 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
Achhey Lal	Director
Shri Chand	Director

Note: Related party relationship is as identified by the management.**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	Share capital issued/ (acquired) by holding company	Anant Raj Industries Ltd.	400,000	100,000
2	Long term borrowing received from holding company	Anant Raj Industries Ltd.	26,500,000	-

c) Amount outstanding as at March 31, 2012:

Sl. No.	Account Head	Related Party	As at March 31, 2012	As at March 31, 2011
			Rs.	Rs.
1	Share capital held by holding company	Anant Raj Industries Ltd.	500,000	100,000
2	Long term borrowing payable to holding company	Anant Raj Industries Ltd.	26,500,000	-



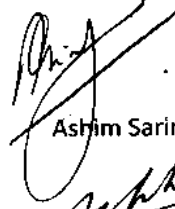
THREE STAR REALTY PRIVATE LIMITED

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

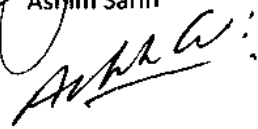
- 13 In the opinion of the management, the current assets and non current investment, if realised, in the ordinary course of business, would realise a sum at least equal to that stated in the Balance Sheet.
- 14 The Company has written off entire unamortised expenditure during the year.
- 15 Figures or words in brackets pertain to previous year, unless otherwise indicated.
- 16 Previous year figures have been regrouped or recast, wherever 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



Achhey Lal

May 07, 2012
New Delhi



THREE STAR REALTY 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	(26,057)	(21,524)
Unamortised expenditure written off	7,609	-
OPERATIVE PROFIT BEFORE WORKING CAPITAL CHANGES	(18,448)	(21,524)
Adjustment for working capital changes:		
Increase/(Decrease) in other current liabilities	(11,043)	12,852
Net cash from operating activities	(A) (29,491)	(8,672)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment property	(26,763,225)	-
Net cash from investing activities	(B) (26,763,225)	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	400,000	-
Increase/(Decrease) in long term borrowings	26,500,000	-
Net cash from operating activities	(C) 26,900,000	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C) 107,284	(8,672)
Cash and cash equivalents - Opening balance	68,870	77,542
Cash and cash equivalents - Closing balance	176,154	68,870

Note: Figures in brackets indicate cash outflow

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

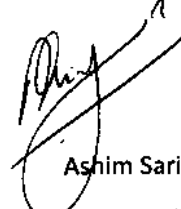
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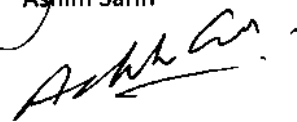
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Achhey Lal