

INDEPENDENT AUDITOR'S REPORT

To the Members of **Sovereign Buildwell Private Limited**

1) Report on the Financial Statements

We have audited the accompanying financial statements of **Sovereign Buildwell Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2) Management's Responsibility for the Financial Statements.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3) Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4) Unqualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss incurred by the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



5) Report on Other Legal and Regulatory Requirements

- a) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- b) As required by section 227(3) of the Act, we report that:
- 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;
 - 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.;
 - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

PU-53, Vishakha Enclave,
Pitampura,
Delhi- 110088

Delhi
May 09, 2013

K R & Co.
Chartered Accountants
Firm Registration No. 025217N
By the hand of

Kamal Ahluwalia

Kamal Ahluwalia
Partner
Membership No. 093812



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Annexure referred to in paragraph 5(a) of the Independent Auditor's report of even date to the members of Sovereign Buildwell Private Limited on the financial statements for the year ended March 31, 2013)

- I. The Company does not own any fixed asset. Accordingly, provisions of clauses (i) (a), (i) (b) and (i) (c) of paragraph 4 of the Order are not applicable to the Company.
- II. The Company does not own any inventory. Accordingly, provisions of clauses (ii) (a), (ii) (b) and (ii) (c) of paragraph 4 of the Order are not applicable to the Company.
- III.
 - (a) The Company has granted short term interest free unsecured loan to a subsidiary company, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 35,00,000 and the year ended balance of said loan was Rs. 31,00,000.
 - (b) The terms and conditions of such loans, as per mutually agreed stipulations, are prima facie not prejudicial to the interest of the company.
 - (c) The receipts are wherever recoverable during the year, are as per mutually agreed stipulations.
 - (d) There is no amount overdue in respect of loans granted to companies listed in the register 301 of the companies Act, 1956.
 - (e) The Company has taken interest free long term borrowings 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. 25,00,85,505 and the year ended balance of said loan was Rs. 23,72,60,505.
 - (f) In our opinion and according to the information and explanations given to us, the terms and conditions of loans taken by the Company, as per mutually agreed stipulations, are prima facie not prejudicial to the interests of the Company.
 - (g) In our opinion and according to the information and explanations given to us, there is no payment of principal and interest which is due for payment as at the year end.
- 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 and according to the information and explanation given to us, the Company is not subject to internal audit. However, 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 provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth-tax, service tax, customs duty, cess and other statutory dues applicable to it, and no undisputed amounts payable were outstanding as at March 31, 2013 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 accumulated losses of the Company as at the end of the financial year are not more than fifty percent of its net worth. The Company has incurred cash losses during the financial year covered by our audit, and in the immediately preceding financial year.
- XI. The Company did not have any outstanding dues to any banks, financial institutions or debenture holders.
- 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 given guarantee for loans obtained by its holding company and in our opinion, the terms and conditions of the above said guarantee given is not prejudicial to the interest of the Company.
- XVI. The Company has not obtained any term loans.
- XVII. According to the information and explanations given to us, the Company has not raised any funds on short term basis.



- 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 during the year.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not raised any money by way of public issue during the year
- XXI. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

PU-53, Vishakha Enclave,
Pitampura,
Delhi- 110088

Delhi
May 09, 2013

K R & Co.
Chartered Accountants
Firm Registration No. 025217N
By the hand of

Kamal Ahluwalia

Kamal Ahluwalia
Partner
Membership No. 093812



SOVEREIGN BUILDWELL PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

	Notes	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' fund			
a) Share capital	2	500,000	500,000
b) Reserves and surplus	3	<u>332,618</u>	<u>355,306</u>
		<u>832,618</u>	<u>855,306</u>
Non current liabilities			
a) Long term borrowings	4	237,260,505	249,895,505
Current liabilities			
a) Other current liabilities	5	12,000	13,483
TOTAL		<u><u>238,105,123</u></u>	<u><u>250,764,294</u></u>
II. ASSETS			
Non current assets			
a) Non current investments	6	1,000,000	1,000,000
b) Long term loans and advances	7	226,850,450	239,183,750
c) Other non current assets	8	<u>1,982</u>	<u>3,964</u>
		<u>227,852,432</u>	<u>240,187,714</u>
Current assets			
a) Cash and cash equivalents	9	150,709	74,598
b) Short term loans and advances	10	10,100,000	10,500,000
c) Other current assets	11	<u>1,982</u>	<u>1,982</u>
		<u>10,252,691</u>	<u>10,576,580</u>
TOTAL		<u><u>238,105,123</u></u>	<u><u>250,764,294</u></u>
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES TO THE FINANCIAL STATEMENTS	2-22		

The accompanying notes are integral part of the financial statements.
As per a/c report of even date.

K R & Co.
Chartered Accountants
By the hand of
Kamal Ahluwalia
Kamal Ahluwalia
Partner
Membership no. 093812
May 09, 2013
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, 2013

	Notes	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
I INCOMES			
Revenue from operations	12	2,825,410	-
Total income		<u>2,825,410</u>	<u>-</u>
II EXPENSES			
Cost of development rights sold		2,823,752	-
Other expenses	13	24,346	26,643
Total expenses		<u>2,848,098</u>	<u>26,643</u>
III Profit/(Loss) before tax (I - II)		(22,688)	(26,643)
IV Tax expense			
Current tax			
V Profit/(Loss) for the year from continuing operations (III - IV)		<u>(22,688)</u>	<u>(26,643)</u>
VI Earnings per share [equity share, par value of Rs. 10 (Rs. 10) each]			
- Basic and diluted earnings per share		(0.45)	(0.53)

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES TO THE FINANCIAL STATEMENTS

2-22

The accompanying notes are integral part of the financial statements.
As per report of even date.

K R & Co.

Chartered Accountants

By the hand of

Kamal Ahluwalia

Kamal Ahluwalia

Partner

Membership no. 093812

May 09, 2013

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.

b) RECOGNITION OF REVENUE AND EXPENDITURE

Income and expenditure are accounted for on accrual basis.

c) INVESTMENTS

Investments in subsidiaries are considered long term investments of the Company and 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) 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) UNAMORTISED EXPENDITURE

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

g) 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.



SOVEREIGN BUILDWELL PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2013

	As at March 31, 2013 Rs.	As at March 31, 2012 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, 2013		As at March 31, 2012	
	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 Limited

*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 Limited.

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

	As at March 31, 2013		As at March 31, 2012	
	Number	% holding	Number	% holding
Equity Shares of Rs. 10 (Rs. 10) each fully paid up:				
- Anant Raj Limited	50,000	100%	50,000	100%



SOVEREIGN BUILDWELL PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2013

	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
3 RESERVES AND SURPLUS		
a) Surplus/(Deficit) as per Statements of Profit and Loss		
Opening balance	355,306	381,949
Addition during the year	<u>(22,688)</u>	<u>(26,643)</u>
Balance at the close of the year	<u>332,618</u>	<u>355,306</u>
4 LONG TERM BORROWINGS		
(Unsecured)		
a) Loan from related party	<u>237,260,505</u>	<u>249,895,505</u>
<p>Loan from related party represents non interest bearing unsecured loan obtained from holding company utilised to make advances for acquiring a real estate project and making investment in subsidiary along with giving loans to its subsidiary, which loan is repayable on divestment of the said project and investments. There is no payment 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	<u>12,000</u>	<u>13,483</u>
6 NON CURRENT INVESTMENTS		
Trade investment (At cost)		
Unquoted equity instruments		
a) Investments in subsidiaries		
50,000 (50,000) equity shares of Rs. 10 (Rs. 10) each fully paid up in Excellent Inframart Private Limited	500,000	500,000
50,000 (50,000) equity shares of Rs. 10 (Rs. 10) each fully paid up in Sartaj Developers & Promoters Private Limited	<u>500,000</u>	<u>500,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>
Aggregate amount of unquoted investments	1,000,000	1,000,000
7 LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Capital advances	<u>226,850,450</u>	<u>239,183,750</u>
8 OTHER NON CURRENT ASSETS		
a) Unamortised expenditure		
Opening balance	5,946	7,928
Less: Written off during the year	<u>1,982</u>	<u>1,982</u>
	3,964	5,946
Less: Current portion of unamortised expenditure (Refer notes 11)	<u>1,982</u>	<u>1,982</u>
	<u>1,982</u>	<u>3,964</u>
9 CASH AND CASH EQUIVALENTS		
a) Balance with bank in current account	100,765	60,902
b) Cash on hand	<u>49,944</u>	<u>13,696</u>
	<u>150,709</u>	<u>74,598</u>



	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
10 SHORT TERM LOAN AND ADVANCES (Unsecured, considered good)		
a) Loans to related party	3,100,000	3,500,000
- Subsidiary company	7,000,000	7,000,000
b) Advances recoverable in cash or in kind	<u>10,100,000</u>	<u>10,500,000</u>
11 OTHER CURRENT ASSETS		
a) Unamortised expenditure	<u>1,982</u>	<u>1,982</u>
	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
12 REVENUE FROM OPERATIONS		
a) Sale of development rights	<u>2,825,410</u>	<u>-</u>
13 OTHER EXPENSES		
a) Payment to auditors as audit fees	12,000	13,483
b) Filing fee	5,400	7,200
c) Legal and professional	4,934	3,828
d) Bank charges	30	150
e) Unamortised expenditure written off	1,982	1,982
	<u>24,346</u>	<u>26,643</u>

14 Contingent liability (to the extent not provided for):

The Company, being the holder of residual interest in lands transferred under business development agreement to its holding company, Anant Raj Limited, has guaranteed the loans obtained by its holding company by mortgaging its interest in lands, relevant details whereof are as under:

- a) Corporate guarantee given along with other fellow subsidiary companies for the term loan and working capital facility of Rs. 175 crores (Nil) obtained by the holding company from ICICI Bank Limited by creating; a) first pari passu charge by way of equitable mortgage on the land located at revenue estate of village Kadarapur, Tehsil Sohna, Gurgaon, Haryana, together with all buildings and structures thereon, both present and future, currently subject matter of development rights held by the holding company; and b) first and exclusive charge on all receivables therefrom.
- b) Guarantee given along with other fellow subsidiary companies for the term loan Rs. 200 crores (Nil) obtained by the holding company from Indiabulls Financial Services Limited by creating; a) first and exclusive charge/mortgage by way of constructive delivery and deposit of title deeds of land located at Village Kadarapur and Ullahawas, Tehsil Sohna, Gurgaon, Haryana, currently subject matter of development rights held by the holding company; and b) first and exclusive charge on the receivables from the mortgaged land; and c) pledge of entire shares of the Company held by its holding company.

The Company holds a counter guarantee from the holding company enforceable in the event of the aforesaid banks enforcing the guarantee given by the Company.



- 15 The Company has entered into a business development agreement with Anant Raj 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 lands. The title of lands is with the Company.
- 16 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.
- 17 The Company has not recognised deferred tax assets on carried forward of losses during the year in the absence of virtual certainty of its realization in subsequent periods.
- 18 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	For the year
		ended March	ended March
		31, 2013	31, 2012
Profit/(loss) attributable to equity shareholders	Rs.	(22,688)	(26,643)
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.	(0.45)	(0.53)

19 Related Party Disclosures:

Pursuant to Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India following parties are to be treated as related parties along with their relationships:

- a) List of related parties where control exists and other related parties with whom transactions have taken place and relationship :

Holding Company

Anant Raj Limited

Subsidiary companies

Excellent Inframart Pvt. Ltd.

Sartaj Developers & Promoters Pvt. Ltd.

Fellow Subsidiaries

Aakashganga Realty Pvt. Ltd.

Advance Buildcon Pvt. Ltd.

Anant Raj Cons. & Development Pvt. Ltd.

Anant Raj Hotels Ltd.

Anant Raj Housing Ltd.

Anant Raj Infrastructure Pvt. 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.

Century Promoters Pvt. Ltd.

Destination Properties Pvt. Ltd.

Echo Buildtech Pvt. Ltd.

Echo Properties Pvt. Ltd.

Elegant Buildcon Pvt. Ltd.

Elegant Estates Pvt. Ltd.

Elevator Buildtech Pvt. Ltd.



SOVEREIGN BUILDWELL PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2013

Elevator Promoters Pvt. Ltd.
Elevator Properties Pvt. Ltd.
Empire Promoters Pvt. Ltd.
Fabulous Builders Pvt. Ltd.
Four Construction Pvt. Ltd.
Gadget Builders Pvt. Ltd.
Gagan Buildtech Pvt. Ltd.
Glaze Properties Pvt. Ltd.
Goodluck Buildtech Pvt. Ltd.
Grand Buildtech Pvt. Ltd.
Grand Park Estates Pvt. Ltd.
Grandpark Buildtech Pvt. Ltd.
Grandstar Realty Ltd.
Greatway Estates Ltd.
Greatways Buildtech Pvt. Ltd.
Green Retreat & Motels Pvt. Ltd.
Green Valley Builders Pvt. Ltd.
Green View Buildwell Pvt. Ltd.
Green Way Promoters Pvt. Ltd.
Greenline Buildcon Pvt. Ltd.
Greenline Promoters Pvt. Ltd.
Greenwood Properties Pvt. Ltd.
Gujarat Anant Raj Vidhyanagar Ltd.
Hamara Realty Pvt. Ltd.
Hemkunt Promoters 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.

Partnership firm in which holding company is partner

Ganga Bishan & Company

Key management Personnel

Ashim Sarin

Sharda Sarin

Monica Sarin

Maneesh Gupta

One Star Realty Pvt. Ltd.
Oriental Meadows Ltd.
Oriental Promoters Pvt. Ltd.
Papillion Buildtech Pvt. Ltd.
Papillon Buildcon Pvt. Ltd.
Park Land Construction & Equipment Pvt. Ltd.
Park Land Developers Pvt. Ltd.
Park View Promoters Pvt. Ltd.
Pasupati Aluminium Ltd.
Pelikan Estates Pvt. Ltd.
Pioneer Promoters Pvt. Ltd.
Rapid Realtors Pvt. Ltd.
Redsea Realty Pvt. Ltd.
Rising Realty Pvt. Ltd.
Rolling Construction Pvt. Ltd.
Romano Estates 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 Views Properties Pvt. Ltd.
Saiguru Buildmart Pvt. Ltd.
Sand Storm Buildtech Pvt. Ltd.
Spring View Developers Pvt. Ltd.
Springview Properties Pvt. Ltd.
Suburban Farms Pvt. Ltd.
Three Star Realty Pvt. Ltd.
Townsend Construction & Equipment Pvt. Ltd.
Tumhare Liye Realty Pvt. Ltd.
Twenty First Developers Pvt. Ltd.
Vibrant Buildmart Pvt. Ltd.
West Land Buildcon Pvt. Ltd.
Woodland Promoters Pvt. Ltd.

Director

Director

Director

Director

Note: Related party relationship is as identified by the management of the Company.



SOVEREIGN BUILDWELL PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2013
b) Transaction during the year with related parties (excluding reimbursements):

Sl. No.	Nature of Transactions	Related Party	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
1	Long term borrowings received from holding company	Anant Raj Limited	590,000	83,780,000
2	Long term borrowings repaid to holding company	Anant Raj Limited	13,225,000	75,350,000
3	Investment made in subsidiary company	Excellent Inframart Pvt. Ltd.	-	400,000
4	Short term loans and advances given to subsidiaries		-	74,579,845
5	Short term loans and advances refunded by subsidiaries		400,000	40,500,000
6	Short term advance given to and refunded by fellow subsidiary during the year	Four Construction Pvt. Ltd.	10,045,000	-
7	Sale of development rights	Anant Raj Limited	2,825,410	-
8	Guarantee given for loans	Anant Raj Limited	3,750,000,000	-

c) Amount outstanding as at March 31, 2013:

Sl. No.	Account head	Related Party	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
1	Long term borrowings repayable to holding company	Anant Raj Limited	237,260,505	249,895,505
2	Short term loans and advances receivable from subsidiary	Sartaj Developers & Promoters Pvt. Ltd.	3,100,000	3,500,000
3	Investment held in subsidiary companies	Excellent Inframart Pvt. Ltd.	500,000	500,000
		Sartaj Developers & Promoters Pvt. Ltd.	500,000	500,000

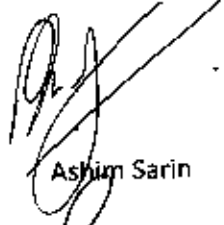


SOVEREIGN BUILDWELL PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2013

- 20 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.
- 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.

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



Ashim Sarin



Sharda Sarin



May 09, 2013
Delhi

SOVEREIGN BUILDWELL PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
A. CASH FLOW FROM OPERATIONS		
Profit/(Loss) before tax from continuing operations	(22,688)	(26,643)
Unamortised expenditure written off	1,982	1,982
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(20,706)	(24,661)
Increase/(Decrease) in other current liabilities	(1,483)	(25,345)
Decrease/(Increase) in other current assets	-	-
Cash generated from operations	(22,189)	(50,006)
Tax paid during the year	-	(187,684)
Net cash from operating activities (A)	(22,189)	(237,690)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in subsidiary	-	(400,000)
Decrease/(Increase) in short term loans and advances	-	400,000
Interest received	12,333,300	(42,300,000)
Decrease/(Increase) in long term loans and advances	-	-
Net cash from investing activities (B)	12,333,300	(42,300,000)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in long term borrowings	(12,635,000)	8,430,000
Decrease/(Increase) in short term loans and advances	400,000	34,079,485
Net cash used in financing activities (C)	(12,235,000)	42,509,485
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	76,111	(28,205)
Cash and cash equivalents - Opening balance	74,598	102,803
Cash and cash equivalents - Closing balance	150,709	74,598

Note: Figures in brackets indicate cash outflow.

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

K R & Co.
Chartered Accountants
By the hand of

Kamal Ahluwalia

Kamal Ahluwalia
Partner
Membership no. 093812
May 09, 2013
Delhi



Directors

Ashim Sarin

Ashim Sarin

Sharda Sarin
Sharda Sarin