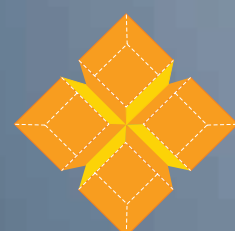




**B L KASHYAP**  
WE BUILD YOUR WORLD



A Symphony of Excellence



**B L KASHYAP**  
WE BUILD YOUR WORLD

**Registered office**

**B. L. Kashyap and Sons Limited**

B – 1 Extension / E-23, Mohan Co-operative Industrial Estate

Mathura Road, New-Delhi – 110044, India

Tel: +91 11 40500 300 Fax: +91 11 40500 333

Email: info@blkashyap.com

**Regional office**

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Designed & Printed at Thomson Press

23<sup>rd</sup> ANNUAL REPORT 2011-12

“ It is the architect that defines form;  
it is the builder that creates space.  
Together they provide the occupant  
with an opportunity to dream dreams,  
grow roots and experience the joy of living.”

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# CORPORATE INFORMATION

## **Board of Directors**

Vinod Kashyap	<i>Chairman</i>
Vineet Kashyap	<i>Managing Director</i>
Vikram Kashyap	<i>Joint Managing Director</i>
Justice C. K. Mahajan (Retd.)	<i>Director</i>
H. N. Nanani	<i>Director</i>
P.S. Shenoy	<i>Director</i>

## **Vice President - (Finance)**

Ashok Bansal

## **Company Secretary**

Pushpak Kumar

## **Statutory Auditors**

M/s Sood Brij & Associates  
Chartered Accountants  
C-72, South Extension Part-II  
New Delhi-110 049

## **Principal Bankers**

Canara Bank  
ICICI Bank Limited  
IndusInd Bank Limited  
State Bank of India  
Standard Chartered Bank  
Oriental Bank of Commerce  
Yes Bank Limited

## **Registered Office**

B-1 Extension/E 23,  
Mohan Co-operative Industrial Estate,  
Mathura Road,  
New Delhi-110 044.

## NOTICE

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of B. L. Kashyap And Sons Ltd. will be held on Friday the 21<sup>st</sup> day of September, 2012 at 10.00 a.m., at PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 and the Profit & Loss Account for the year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Share for the financial year ended 31<sup>st</sup> March, 2012.
3. To appoint a Director in place of Mr. P.S. Shenoy, who retires by rotation and, being eligible, seeks re-appointment.
4. To appoint a Director in place of Mr. Justice C.K. Mahajan (Retd.), who retires by rotation and, being eligible, seeks re-appointment.
5. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

**"RESOLVED THAT** M/s Sood Brij & Associates, Chartered Accountants, New Delhi (Firm Registration No. 00350N) be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration and out of pocket expenses as shall be fixed by the Board of Directors of the Company in consultation with the Auditors.

### SPECIAL BUSINESS

6. **To consider and if thought fit, to pass with or without modification(s) the following resolution(s) as a SPECIAL RESOLUTION.**

**"RESOLVED THAT** pursuant to provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations 2000, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary shares (through Depository Receipt Mechanism) Scheme, 1993, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, ("the ICDR Regulations"), as applicable and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant, the provisions of the Memorandum and Articles of Association of the Company, as amended and subject to such approvals, permissions, consents and sanctions, if any, of the Government of India (the "GOI"), the Reserve Bank of India (the "RBI"), the Ministry of Finance (Department of Economic Affairs), Ministry of Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and/or all other Ministries / Departments of the Government of India, the Securities and Exchange Board of India (the "SEBI"), the relevant Registrar of Companies and/ or any other authorities, institutions or bodies as may be relevant (hereinafter collectively referred to as "the appropriate authorities"), and in accordance with the regulations and guidelines issued by the "GOI", "RBI", "SEBI" and any competent authorities and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors of the Company (the "Board", which term shall include any Committee thereof) consent of the Company be is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot in one or more tranches whether rupee denominated or denominated in foreign currency, in the course of domestic/international offerings, including by way of Qualified Institutional Placement under the ICDR Regulations ("QIP") and/or by way of Preferential Allotment, such number of Equity Shares and /or any securities linked to, convertible into or exchangeable for Equity Shares including without limitation through Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) and/or convertible Preference Shares and/or convertible Debentures (compulsorily and/or optionally, fully and/or partly) and/or non-convertible Debentures (or other securities) with warrants and/or warrant with a right exercisable by warrant holder to exchange or convert such warrants with Equity Shares of the Company at a later date simultaneously with the issue of non-convertible Debentures and/or Foreign Currency Convertible Bonds ("FCCBs") and/or Foreign Currency Exchangeable Bonds ("FCEBs") and/or any other permitted fully or partly paid securities/instruments/warrants, convertible into or exchangeable for Equity Shares at the option of the Company and/or the holder(s) of the security(ies), and/or security(ies) linked to Equity Shares, (hereinafter collectively referred to as the "securities") to such persons including, but not limited to, Domestic/Foreign Institutions, Promoters, Employees of the Company, Non-Resident Indians, Indian Public Companies, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pension Funds, individuals or otherwise, whether shareholders of the Company or not (collectively called the "Investors"), who are eligible to acquire such securities in accordance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to market price or prices in such manner and on such terms and conditions including as regards security, rate of interest, etc., as may be deemed appropriate by the Board in its absolute discretion, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, for an aggregate amount, in one or more offering(s) and/or in more tranches, not exceeding Rs. 450 Crores (Rupees Four Hundred and Fifty Crores), either by way of offer for sale or a sponsored issue of Securities (by one or more existing shareholders of the Company) or through fresh issue of securities or any combination thereof, and the Board shall have the discretion to determine the category(ies) of eligible investors to whom the offer, issue of allotment shall be made to the exclusion of the all other category(ies) of the investors at the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factor and wherever necessary in consultation with advisor(s) and underwriter(s) appointed by the Company.

**RESOLVED FURTHER THAT** the relevant date for the purpose of Pricing of Securities (i) by way of GDRs/ADRs/FCCBs/FCEBs or by way of any preferential issue(s), shall be the date as specified under the applicable law or regulation, or

(ii) in the event of securities issued and allotted by way of QIP, shall be the date of the meeting in which the Board decides to open the issue.

**RESOLVED FURTHER THAT** the allotment of Securities under any Qualified Institutional Placement shall only be to qualified institutional buyers within the meaning of Regulation 2 (1)(zd) of ICDR Regulations, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this resolution or such other time as may be allowed by SEBI Regulations from time to time.

**RESOLVED FURTHER THAT** in case of issue and allotment of Securities by way of QIP, a minimum of 10% of the shares issued pursuant to the

# B. L. KASHYAP AND SONS LIMITED

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SEBI ICDR Regulation shall be allotted to the mutual funds and if no mutual funds is agreeable to take up the minimum portion or part thereof, then such minimum portion or part thereof may be allotted to other Qualified Institutional Buyers.

**RESOLVED FURTHER THAT** the Board or a Committee thereof duly authorized in this regard by the Board be and are hereby authorized on behalf of the Company to finalize the pricing, terms and conditions relating to the issue of aforesaid Securities, determine the form, terms and timing of the Issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue/ conversion of Securities / exercise of warrants / redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/ or abroad as the Board or Committee in their absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/ or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s).

**RESOLVED FURTHER THAT** the Board or a Committee thereof duly authorized in this regard by the Board, be and are hereby authorised to appoint Managers (including Lead Managers), Merchant Bankers, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodians, Principal Paying/ Transfer/ Conversion agents, Listing Agents, Registrars, Trustees and all other agencies as may be necessary, whether in India or abroad, and to finalize the terms and conditions (including the payment of fees, commission, out of pocket expenses and their charges subject to requisite approvals of Reserve Bank of India) of the aforesaid appointments and remunerate them by way of commission, brokerage, fees or the like and also to renew or terminate the appointments so made, as they may in their absolute discretion think fit and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies.

**RESOLVED FURTHER THAT** the Board or a Committee thereof duly authorized in this regard by the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, exchange, redemption or cancellation of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents.

**RESOLVED FURTHER THAT** the preliminary as well as the final offer document for the aforesaid issue be finalized, approved and signed by any Director (s), duly authorized by the Board in this regard, for and on behalf of the Company with authority to amend, vary, modify the same as may be considered desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents, authorities as may be required from time to time.

**RESOLVED FURTHER THAT** the Company do open one or more Bank accounts in the name of the Company in Indian currency or foreign currency (ies) with such Bank or Banks in India and/ or such foreign countries as may be required in connection with the aforesaid issue, subject to requisite approvals from Reserve Bank of India and other overseas regulatory authorities, if any, in accordance with the approval of the Board or a Committee thereof duly authorized in this regard by the Board.

**RESOLVED FURTHER THAT** the Common Seal of the Company, if required, be affixed on any agreement, undertaking, deed or other document, the same be affixed in accordance with the Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board or a Committee thereof duly authorized in this regard by the Board be and is hereby authorized to do such acts, deeds and things as may be necessary in connection with the said issue of Securities, including but not limited to the following:

- i. Such of the securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law,
- ii. authorising the maintenance of a Register of holders of Securities, if so required, in India or abroad as may be deemed fit,
- iii. to take all actions and to resolve and settle all questions and difficulties that may arise in the proposed issue/offer, allotment and conversion of any of the aforesaid Securities, utilization of the issue proceed and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** Pursuant to the recommendation of Remuneration Committee and in accordance with the provisions of Sections 198, 269, 309, 310 & 311, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the re-appointment of Mr. Vinod Kashyap as Chairman and Whole Time Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2012 on a remuneration and such other terms and conditions as set out in the Explanatory Statement annexed hereto.

**RESOLVED FURTHER THAT** The Board of Directors of the Company may revise the remuneration payable to the Whole Time Director, in any financial year during the currency of the present tenure of office, in such manner as agreed to between the Board of Directors and the Whole Time Director subject to the condition that the remuneration by way of salary, perquisites and other allowances, shall not exceed such percentage of net profits of the Company as prescribed under Schedule XIII of the Companies Act, 1956.

**RESOLVED FURTHER THAT** where in any financial year, during the tenure of Shri Vinod Kashyap, the Company incurs a Loss or its profits are inadequate, the Company shall pay to Shri Vinod Kashyap, the above remuneration by way of salary and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Director be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution".

**8. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:**

**“RESOLVED THAT** Pursuant to the recommendation of Remuneration Committee and in accordance with the provisions of Sections 198, 269, 309, 310 & 311, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded



to the re-appointment of Mr. Vineet Kashyap as Managing Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2012 on a remuneration and such other terms and conditions as set out in the Explanatory Statement annexed hereto.

**RESOLVED FURTHER THAT** The Board of Directors of the Company may revise the remuneration payable to the Managing Director, in any financial year during the currency of the present tenure of office, in such manner as agreed to between the Board of Directors and the Managing Director subject to the condition that the remuneration by way of salary, perquisites and other allowances, shall not exceed such percentage of net profits of the Company as prescribed under Schedule XIII of the Companies Act, 1956.

**RESOLVED FURTHER THAT** where in any financial year, during the tenure of Shri Vineet Kashyap, the Company incurs a Loss or its profits are inadequate, the Company shall pay to Shri Vineet Kashyap, the above remuneration by way of salary and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Director be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution".

9. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** Pursuant to the recommendation of Remuneration Committee and in accordance with the provisions of Sections 198, 269, 309, 310 & 311, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the re-appointment of Mr. Vikram Kashyap as Joint Managing Director and Whole Time Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2012 on a remuneration and such other terms and conditions as set out in the Explanatory Statement annexed hereto.

**RESOLVED FURTHER THAT** The Board of Directors of the Company may revise the remuneration payable to the Whole Time Director, in any financial year during the currency of the present tenure of office, in such manner as agreed to between the Board of Directors and the Whole Time Director subject to the condition that the remuneration by way of salary, perquisites and other allowances, shall not exceed such percentage of net profits of the Company as prescribed under Schedule XIII of the Companies Act, 1956.

**RESOLVED FURTHER THAT** where in any financial year, during the tenure of Shri Vikram Kashyap, the Company incurs a Loss or its profits are inadequate, the Company shall pay to Shri Vikram Kashyap, the above remuneration by way of salary and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Director be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution".

By Order of the Board of Directors  
**B.L. Kashyap And Sons Ltd.**

**Registered Office**

B-1 Extension/E-23,  
Mohan Co-operative Industrial Estate  
Mathura Road, New Delhi-110 044

**Place: New Delhi**

**Dated: 30<sup>th</sup> May, 2012**

**Pushpak Kumar**  
(Company Secretary)

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE ON POLL, IF ANY, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
4. Members/Proxies are requested to kindly take note of the following:
  - (i) Copies of Annual Report will not be distributed at the venue of the meeting;
  - (ii) Attendance Slip, as sent herewith, is required to be produced at the venue duly filled-in and signed, for attending the meeting;
  - (iii) Entry to the hall will be strictly on the basis of the entrance pass, which shall be provided at the counters at the venue, in exchange for duly completed and signed Attendance Slips; and
  - (iv) In all correspondence with the Company and/or the Registrar & Share Transfer Agent, Folio No./ DP & Client ID no. must be quoted.
5. An Explanatory statement as required under Section 173 (2) of the Companies Act relating to Special Business to be transacted at the meeting (item no. 6 to 9) is annexed herewith.
6. (a) Pursuant to Section 154 of the Companies Act, 1956 the Register of Members and Share Transfer Books shall remain closed from Friday,

# B. L. KASHYAP AND SONS LIMITED

## Annual Report 2011-12

September 14, 2012 to Friday, September 21, 2012 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares.

- (b) Dividend, if approved at the Annual General Meeting, will be paid to those eligible Members whose names appear:
  - (i) as Beneficial Owners as at the end of business hours on September 14, 2012 as per the list to be furnished by NSDL/CDSL in respect of the shares held in electronic form, and
  - (ii) as members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before September 14, 2012.
7. Members who hold shares in dematerialised form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
8. Documents referred in the accompanying Notice are open for inspection at the registered office of the Company on all working days except Saturdays and holidays between 10.30 A.M. to 12.30 P.M. upto the date of Annual General Meeting.
9. In terms of the requirement of Clause 49 of the Listing Agreement, details about qualification, age, area of expertise & other directorships of Directors seeking appointment/reappointment is given and forms part of the Notice to the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding share in physical form can submit their PAN details to the Company/Registrar and Transfer Agents, M/s Linkintime India Pvt. Ltd.
11. The Annual Report of the Company for the year 2011-12 circulated to the members of Company will also be made available on the Company's website [www.blkashyap.com](http://www.blkashyap.com).
12. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. Members may please note that briefcase, bag and eatables shall not be allowed to be taken inside the hall for security reasons.
14. Section 205C of the Companies Act, 1956 mandates that Companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members are hereby informed that once such amounts are transferred to IEPF, no claim of the shareholders shall lie against the Company or IEPF. In accordance with the following schedule, the dividend for the years mentioned below, if unclaimed within a period of seven years will be transferred to IEPF.

Financial Year	Dividend per Share	Date of declaration	Due date for Transfer	Unpaid/ Unclaimed amount as on 31.03.2012 (Rs.)
2005-06	3.00	11 <sup>th</sup> August, 2006	10 <sup>th</sup> August, 2013	17,031/-
2006-07	3.50	21 <sup>st</sup> September, 2007	20 <sup>th</sup> September, 2014	16,810.50/-
2007-08	4.00	19 <sup>th</sup> September, 2008	18 <sup>th</sup> September, 2015	24,284/-
2008-09	1.00	19 <sup>th</sup> September, 2009	18 <sup>th</sup> September, 2016	28,580/-
2009-10	1.00	21 <sup>st</sup> September 2010	20 <sup>th</sup> September, 2017	21,250/-
2010-11	0.10	21 <sup>st</sup> September 2011	20 <sup>th</sup> September, 2018	42,054.30/-

Shareholders who have not yet encashed their dividend warrant are requested to send the warrants to the Company immediately for revalidation.

### Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

#### Item No.6

The Shareholders of the Company at their 22nd Annual General Meeting held on 21st September, 2011, has approved Qualified Institutional Placement ("QIP") and/or Preferential allotment upto Rs. 450 Crores (Rupees Four Hundred and Fifty Crores only).

As per the guidelines of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the validity of such approval is 12 months from the date of passing of Shareholder's resolution.

The Company did not placed/issued such Qualified Institutional Placement and/or Preferential allotment till date.

In view of above, the Board proposes to seek fresh approval from the shareholders of the company and Members of the Company are requested to accord their approval for Qualified Institutional Placement ("QIP") and/or Preferential allotment.

#### Item No.7

Mr. Vinod Kashyap is a Co-promoter and Chairman of the Company. His previous term of appointment as Chairman and Whole Time Director of the Company has been ended on 31st March 2012. In view of his experience, excellent grasp and thorough knowledge of the workings of the Company, its relative strengths and weaknesses, the Board of Directors in accordance with the provision of Sections 269, 298, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, by passing a resolution in their meeting held on 14th February, 2012 on the recommendation made by the Remuneration Committee in their meeting held on 14th February, 2012 have re-appointed him as Chairman & Whole



Time Director of The Company for a further period of 5 years w.e.f. 1st April 2012, on the following terms and conditions as mentioned below.

Particulars	Details of Terms of Remuneration
Basic Salary	Rs.9.60 Lac per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time taking into account the performance of the Company, subject however to a ceiling of annual increments upto maximum of 50% on year to year basis
Housing	The House Rent Allowance equal to 50% of the monthly salary
Medical Expenses	Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.
Club Fees	Membership of two clubs in India (including admission and membership fee).
Entertainment expenses and other business expenses	Entertainment, traveling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company. Reimbursement of travelling expenses of spouse accompanying the Whole-time Director on any official trip as per Rules of the Company
Car & Telephone	Car, telephone at residence and mobile phone for use on Company's business.
Gratuity	Gratuity payable shall not exceed half a month's Basic Salary for each completed year of service.
Other allowances, benefits and perquisites	Any other allowances, benefits and perquisites admissible to the senior Officers of the Company as per Rules of the Company, from time to time.

The Board considered that the re-appointment of Mr. Vinod Kashyap will be in the best interest of the Company and, therefore recommend passing of the aforesaid Ordinary Resolution at item No.7 of the Notice.

**Memorandum of Interest:** Mr. Vinod Kashyap himself and Mr. Vineet Kashyap and Mr. Vikram Kashyap, being related to him may be deemed to be interested/concerned in the resolution contained under item No.7 of the Notice. None of the other Directors is interested / concerned in the Ordinary Resolution contained under item No.7 of the Notice.

#### Item No.8

Mr. Vineet Kashyap is a Co-promoter and Managing Director of the Company. His previous term of appointment as Managing Director of the Company has been ended on 31st March 2012. Mr. Vineet Kashyap has made significant contribution to the growth of the Company in terms of business development, market share and profitability. He has skillfully managed the performance of the Company against all odds and established Company as one of the leading Construction Company. In the interest of efficient management and further progress of Company, Board of Directors in accordance with the provision of Sections 269,198, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act,1956, by passing a resolution in their meeting held on 14th February, 2012 on the recommendation made by the Remuneration Committee in their meeting held on 14th February, 2012 have re-appointed him as Managing Director of the Company for a further period of 5 years w.e.f. 1st April 2012, on the following terms and conditions as mentioned below.

Particulars	Details of Terms of Remuneration
Basic Salary	Rs.9.60 Lac per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time taking into account the performance of the Company, subject however to a ceiling of annual increments upto maximum of 50% on year to year basis
Housing	The House Rent Allowance equal to 50% of the monthly salary
Medical Expenses	Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.
Club Fees	Membership of two clubs in India (including admission and membership fee).
Entertainment expenses and other business expenses	Entertainment, traveling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company. Reimbursement of travelling expenses of spouse accompanying the Whole-time Director on any official trip as per Rules of the Company
Car & Telephone	Car, telephone at residence and mobile phone for use on Company's business.
Gratuity	Gratuity payable shall not exceed half a month's Basic Salary for each completed year of service.
Other allowances, benefits and perquisites	Any other allowances, benefits and perquisites admissible to the senior Officers of the Company as per Rules of the Company, from time to time.

The Board considered that the re-appointment of Mr. Vineet Kashyap will be in the best interest of the Company and, therefore recommend passing of the aforesaid Ordinary Resolution at item No.8 of the Notice.

# B. L. KASHYAP AND SONS LIMITED

## Annual Report 2011-12

**Memorandum of Interest:** Mr. Vineet Kashyap himself and Mr. Vinod Kashyap and Mr. Vikram Kashyap, being related to him may be deemed to be interested/concerned in the resolution contained under item No.8 of the Notice. None of the other Directors is interested/concerned in the Ordinary Resolution contained under item No.8 of the Notice

### Item 9

Mr. Vikram Kashyap is a Co-promoter and Joint Managing Director of the Company. His previous term of appointment as Joint Managing Director of the Company has been ended on 31st March 2012. Mr. Vikram Kashyap has been instrumental in bringing managerial excellence in the Company's operations. Considering his knowledge, business skills, managerial experience and for smooth and efficient running of the administrative affairs of the Company, your Board of Directors in accordance with the provision of Sections 269, 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, by passing a resolution in their meeting held on 14th February, 2012 on the recommendation made by the Remuneration Committee in their meeting held on 14th February, 2012 have re-appointed him as Joint Managing Director and Whole Time Director of the Company for a further period of 5 years w.e.f. 1st April 2012, on the following terms and conditions as mentioned below.

Particulars	Details of Terms of Remuneration
Basic Salary	Rs.9.60 Lac per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time taking into account the performance of the Company, subject however to a ceiling of annual increments upto maximum of 50% on year to year basis
Housing	The House Rent Allowance equal to 50% of the monthly salary
Medical Expenses	Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.
Club Fees	Membership of two clubs in India (including admission and membership fee).
Entertainment expenses and other business expenses	Entertainment, traveling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company. Reimbursement of travelling expenses of spouse accompanying the Whole-time Director on any official trip as per Rules of the Company
Car & Telephone	Car, telephone at residence and mobile phone for use on Company's business.
Gratuity	Gratuity payable shall not exceed half a month's Basic Salary for each completed year of service.
Other allowances, benefits and perquisites	Any other allowances, benefits and perquisites admissible to the senior Officers of the Company as per Rules of the Company, from time to time.

The Board considered that the re-appointment of Mr. Vikram Kashyap will be in the best interest of the Company and, therefore recommend passing of the aforesaid Ordinary Resolution at item No.9 of the Notice.

**Memorandum of Interest:** Mr. Vikram Kashyap himself and Mr. Vinod Kashyap and Mr. Vineet Kashyap, being related to him may be deemed to be interested/concerned in the resolution contained under item No.9 of the Notice. None of the other Directors is interested / concerned in the Ordinary Resolution contained under item No.9 of the Notice.

**Detail of the Directors seeking appointment/re-appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)**

<b>Particulars</b>	<b>Re-appointment</b>	<b>Re-appointment</b>
Name of the Director	Mr. P.S. Shenoy	Mr. Justice C.K. Mahajan (Retd.)
Date of Birth	13 <sup>th</sup> February, 1945	31 <sup>st</sup> May, 1943
Date of Appointment	29 <sup>th</sup> June, 2009	14 <sup>th</sup> December, 2005
Expertise in specific functional area	Over 4 decade of experience in Banking industry	Justice Mahajan was Central Government counsel in the Delhi High Court from 1972 till 1977 and thereafter from 1980 upto 1988. He has also been the Joint Secretary of the Delhi High Court Bar Association for two terms. Justice Mahajan was elevated as a Judge of the Delhi High Court on March 2, 1998 and retired on May 31, 2005.
Directorship in other Companies	<ul style="list-style-type: none"> <li>• ICRA Management Consulting Services Limited</li> <li>• SIDBI Venture Capital Limited</li> <li>• Tamboli Castings Limited</li> <li>• Reliance Capital Pension Fund Limited</li> <li>• B L K Lifestyle Limited</li> <li>• IDBI Bank</li> </ul>	<ul style="list-style-type: none"> <li>• B L K Lifestyle Limited</li> </ul>
Membership of Committees in other Public Limited Companies	<ul style="list-style-type: none"> <li>• ICRA Management Consulting Services Limited Audit Committee-Chairman Remuneration Committee-Member</li> <li>• SIDBI Venture Capital Limited Audit Committee-Chairman Dir. Compensation Committee-Member</li> <li>• Tamboli Castings Limited Audit Committee-Member Remuneration Committee- Chairman</li> <li>• Reliance Capital Pension Fund Limited Investment Committee-Member</li> <li>• B L K Lifestyle Limited Audit Committee-Member Remuneration Committee-Member</li> <li>• IDBI Bank Audit Committee-Member Risk Management Committee-Chairman IT Committee-Member Remuneration Committee-Chairman Nomination Committee-Member</li> </ul>	<ul style="list-style-type: none"> <li>• B L K Lifestyle Limited Audit Committee-Member Remuneration Committee-Chairman</li> </ul>
No of Share Held in the Company	Nil	Nil

## Directors' Report

Dear Members,

Your Directors take pleasure in presenting their 23<sup>rd</sup> Annual Report on business and operations of the Company together with the Audited Statement of Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

Your Company's stand-alone performance during the year as compared with the previous year is summarized below:

Amount (Rs. in Crores)

Year ended	March 31, 2012	March 31, 2011
Income from operations	1921.20	1532.66
Other Income	48.35	46.62
Total Income	<b>1969.54</b>	<b>1579.28</b>
Total Expenditure	<b>1965.74</b>	<b>1504.47</b>
Profit before Tax	3.80	74.81
Tax Expenses	2.21	25.41
Profit after Tax	<b>1.59</b>	<b>49.40</b>
Profit brought forward from previous year	247.29	210.08
Profit available for Appropriation	248.88	259.48
Less: Appropriations		
Proposed Dividend	1.02	2.05
Dividend Tax	0.17	0.34
Profit Transferred to General Reserve	-	9.80
Balance carried forward to Balance Sheet	<b>247.69</b>	<b>247.29</b>
Earnings per share, on the face value of Re. 1/- each	0.08	2.04
No. of shares	205440000	205440000

### FINANCIAL REVIEW

Your company achieved highest ever turnover during the financial year 2012 however, on account of increase in input and interest costs, the margins have declined, resulting in reporting of lower profit during the year.

The Revenue of the Company from operations including other income was Rs.1921.20 Crores as against Rs. 1532.66 Crores during the previous year showing a growth of over 25.35%.

Total expenditure increased by 30.66% from Rs. 1504.47 Crores as in 2010-11 to Rs. 1965.74 Crores in 2011-12.

Profit before tax decreased by 94.91% from Rs. 74.81 Crores as in 2010-11 to Rs. 3.80 Crores in 2011-12 and Profit after tax decreased by 96.79% from Rs.49.40 Crores in 2010-11 to Rs. 1.59 Crores in 2011-12.

### APPROPRIATIONS:

#### a. DIVIDEND

The Directors are pleased to recommend for your kind approval a dividend of Rs. 0.05/- per Equity Share (Face Value of Re. 1/- each) for the financial year ended 31<sup>st</sup> March, 2012 aggregating to Rs. 1.02 Crores (Previous year Re. 1/- per Equity Share of face value of Rs. 1/- each aggregating to Rs. 2.05 Crores).

#### b. TRANSFER TO RESERVES

During the current year, no amount has been transferred to reserves.

### FIXED DEPOSITS

The Company has not accepted any deposit under Section 58-A of the Companies Act, 1956 during the year under review.

### AUDITORS' REPORT

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not require further explanation.

## SUBSIDIARIES

We have four subsidiaries and two step down subsidiaries as on 31<sup>st</sup> March, 2012:

Name	Status
B L K Lifestyle Limited	Subsidiary Company
Security Information Systems (India) Limited	Subsidiary Company
BLK Infrastructure Limited	Subsidiary Company
Soul Space Projects Limited	Subsidiary Company
Soul Space Realty Limited	Step Down Subsidiary Company
Soul Space Hospitality Limited	Step Down Subsidiary Company

As per Section 212 of the Companies Act, 1956, Companies are required to attach the directors' report, balance sheet and profit & loss account of its subsidiaries. The Ministry of Corporate Affairs vide its Circular no. 2/2001 dated February 8, 2011 has provided an exception, to companies from complying with section 212 provided such companies publish the audited consolidated financial statement in Annual Report. The Annual Report for 2011-12 does not contain the financial statement of our subsidiaries and step down subsidiaries. The Audited Annual Accounts and related information of our subsidiaries and step down subsidiaries, where applicable will be made available upon request.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Director confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed and that there are no material departures from the same;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable so as to give a true view of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 and of the Profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts of the Company on a going concern basis.

## LISTING

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The requisite annual listing fees have been paid to these Exchanges.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investment in Associates, the Consolidated Financial Statements are provided in the Annual Report.

## PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company does not carry on any manufacturing activity, the particulars relating to conservation of energy & technology absorption required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 has not been stated.

At every possible level Company is trying to conserve the use of electricity.

While there was no Foreign Currency earning during the year under review, the Foreign Currency outgo was Rs. 1.20 Crores.

## ISO CERTIFICATES

Your company is among the few Construction companies to be awarded the globally recognized prestigious ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007 Certification, for meeting international standards of Quality, Environmental, Occupational Health and Safety Management Systems.

## HEALTH AND SAFETY

The Company places highest value on ensuring the safety of its employees, labours, third parties and visitors. At each of our project sites, it is ensured that safe work practices are followed and environment is protected. Every possible measure is taken to protect environment and ensure occupational health and safe working places for its employees. Our constant and collective efforts for ensuring accident-free operations, fail proof risk management and a cleaner, safer environment have paid rich dividends over the decades, leading to better growth opportunities and enhanced trust. The Company has been accredited with OHSAS 18001:2007 certification, which reinforces & is benchmark for the quality of safety standard and practices which are regularly been used at project sites.

## PARTICULARS OF EMPLOYEES

The details of employees drawing remuneration as prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, during the Financial Year 2011-12 are set out in annexure to the Directors' Report.

# **B. L. KASHYAP AND SONS LIMITED**

## **Annual Report 2011-12**

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### **DIRECTORS**

In accordance with the provisions of the Company's Act, 1956 and the Articles of Association of the Company, Mr. P.S. Shenoy and Mr. Justice C.K. Mahajan (Retd.), Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

### **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

The report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under aforesaid Clause-49 is attached to this Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Annual Report also contains a separate section on Management Discussion and Analysis.

### **AUDITORS**

M/s Sood Brij & Associates, Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received certificate from the Auditors to the effect that their re-appointment, if made, would be within prescribed limit under Section 224(1-B) of the Companies Act, 1956.

The Board recommends the re-appointment of M/s Sood Brij & Associates, Chartered Accountants as Statutory Auditors.

### **ACKNOWLEDGEMENTS**

Your directors would like to express their grateful appreciation for the assistance and cooperation received from the Financial Institutions, Bankers, and Government Authorities, Regulatory Authorities, Stock Exchanges, Joint Ventures Partners/ Associates.

The Board also wishes to place on record its gratitude to the Customers, Vendors and Investors for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. All our efforts for sustaining the growth would not be possible but for their hard work, solidarity cooperation and support.

**For and on behalf of the Board of Directors  
B.L. KASHYAP AND SONS LIMITED**

**Place: New Delhi  
Dated: 30<sup>th</sup> May, 2012**

**Vinod Kashyap  
Chairman  
DIN: 00038854**

**Vineet Kashyap  
Managing Director  
DIN: 00038897**

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### **Note:**

As per General Circular No: 2/2011 dated 8<sup>th</sup> February, 2011 by Ministry of Corporate Affairs, granting exemption from attaching the subsidiaries Annual Reports with the Company's Annual report. The Company undertakes that the annual accounts of the subsidiary Companies and the related detailed information will be made available to the shareholders seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be kept for inspection by any shareholder at the Company's Head office and that of Subsidiary Companies concerned.



## Annexure to the Directors' Report

Statement pursuant to Section-212 of Companies Act, 1956, relating to Subsidiary Companies

Name of the Subsidiary	B L K Lifestyle Limited	Soul Space Projects Limited	Security Information Systems (India) Ltd.	BLK Infrastructure Limited	*Soul Space Hospitality Limited	*Soul Space Realty Limited
1. Financial Year Ended	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012
2. Holding Company's interest	100%	97.90%	100%	100%	97.90%	97.90%
3. Shares held by the Holding Company in Subsidiary Company	50,00,000 Equity Shares of Rs.10/- each 50,00,000 Preference Shares of Rs.10/- each	20,50,000 Equity Shares of Rs.10/- each	6,80,000 Equity Shares of Rs.10/- each	10,00,000 Equity Shares of Rs.10/- each	10,00,000 Equity Shares of Rs.10/- each	10,00,000 Equity Shares of Rs.10/- each
4. The net aggregate of Profits/Losses of the Subsidiary for the current year, so far as it concerns the members of the Holding Company	Nil	Nil	Nil	Nil	Nil	Nil
a. dealt with or provided for in the accounts of the Holding Company	Profit: Rs.1.58 Crores	Loss: Rs.7.50 Crores	Loss: Rs.0.14 Crores	Loss: Rs.0.007 Crores	Nil	Nil
b. not dealt with or provided for in the accounts of the Holding Company	Loss: 2.51 Crores	Profit: Rs. 4.66 Crores	Loss: 1.04 Crores	Loss: 0.41 Crores	Nil	Nil
5. The net aggregate of Profits/Losses of the Subsidiary for the previous financial years of the subsidiary so far as it concerns the members of the Holding Company	Nil	Nil	Nil	Nil	Nil	Nil
a. dealt with or provided for in the accounts of the Holding Company	Loss: 2.51 Crores	Profit: Rs. 4.66 Crores	Loss: 1.04 Crores	Loss: 0.41 Crores	Nil	Nil
b. not dealt with or provided for in the accounts of the Holding Company	Loss: 2.51 Crores	Profit: Rs. 4.66 Crores	Loss: 1.04 Crores	Loss: 0.41 Crores	Nil	Nil

\*Soul Space Hospitality Limited and Soul Space Realty Limited are subsidiary companies of Soul Space Projects Limited

For and on behalf of the Board of Directors

Place : New Delhi  
Dated: 30<sup>th</sup> May, 2012

Vinod Kashyap  
Chairman  
DIN: 00038854

Vineet Kashyap  
Managing Director  
DIN: 00038897

# B. L. KASHYAP AND SONS LIMITED

## Annual Report 2011-12

### Annexure to the Directors' Report

Information as per section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors' Report for the year ended March 31, 2012

Sr No.	Name	Designation	Qualification	Age (Years)	Date of Joining	Experience (Years)	Gross remuneration (Rs.) p.a.	Previous employment & designation
1	Mr. Vinod Kashyap*	Chairman (Executive)	B.A.	60	08.05.1989	39	8,850,958	Self employed businessman
2	Mr. Vineet Kashyap*	Managing Director	B.A.	58	08.05.1989	36	8,704,479	Self employed businessman
3	Mr. Vikram Kashyap*	Joint Managing Director	-	50	08.05.1989	31	8,679,600	Self employed businessman
4	Mr. Prashant Tyagi	Head-Execution	B.E.	48	08.05.1989	25	9,310,684	-
5	Mr. Naveel Singla	Execution Head-South	B.E.	43	08.03.1993	20	6,203,909	-

#### Notes:

- \* Directors are related to each other within the meaning of Companies Act, 1956
- Remuneration includes:-
  - Basic Salary
  - Allowances
  - Taxable value of Perquisites calculated in accordance with the Income Tax Act, 1961 and Rule there under - which includes valuation of Motor Car which was Rs. 39,600/- each, in all above cases and Rs. 5,47,214/- Interest on Loan taken by Mr. Prashant Tyagi from the Company
- None of the employees (other than directors) own more than 2% of the outstanding shares of the Company as on March 31, 2012.
- The nature of employment is contractual in all the above cases.
- All the employees have adequate experience to discharge the responsibilities assigned to them.

For and on behalf of the Board of Directors

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2012

Vinod Kashyap  
Chairman  
DIN: 00038854

Vineet Kashyap  
Managing Director  
DIN: 00038897

## Auditors' Certificate

### Auditors' Certificate on Compliance of Conditions of Corporate Governance under Clause 49 of Listing Agreement

To  
The Members of B.L. Kashyap And Sons Limited

We have reviewed the records concerning the Company's compliance of the conditions of Corporate Governance procedures by B.L. Kashyap And Sons Limited, for the year ended on 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement(s) entered into by the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management of the Company, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

As required by the Guidance Note issued by the Institute of Chartered Accountant of India, we state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievance Committee and/or as per the certificate of the Registrar and Transfer Agent of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sood Brij & Associates  
Chartered Accountants  
Firm Regn. no. 00350N

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2012

A.K. Sood  
Partner  
Membership No. 14372

## Management Discussion and Analysis

### Global Economy

Global growth remains sub-par because the developed nations are unable to generate any sustained momentum. The disruptions in the international trade and bank credit caused by the slump in European demand. The consolidation of many large financial institutions is now ripping through the global economy. Most of the large developing nations have lost some of their earlier momentum, as prior fiscal stimulus was unwound. Monetary restraint to reduce excessive credit growth and inflationary pressures have increased. More recently, the downturn in the euro zone resulted in reduced trade flows. Factors like volatile crude oil prices and recurring geopolitical strains, are adding to the uncertainty and weighing risks to the upside.

### Indian Economy

Amid the global financial and economic crisis in 2008, India prided itself for remaining relatively unhurt. Now the Indian economy is slowing down to 6-7% due to low investments, high inflation, global uncertainty in the domestic policy and governance environment. The high, volatile inflation is, in itself, a major problem that is holding back investment. The macroeconomic instability has left the private sector scared, making it risk averse and afraid to invest, particularly for long-term projects

The higher cost of credit has certainly impacted the corporate balance sheet, which will prevent the short term foreign inflows (i.e. FII inflow) in the country to finance the current account (CA) deficit, as it has become clearer that Indian economy will not be able to achieve its GDP growth forecast of 8% or thereabouts, it might have to possibly settle for a figure slower than the government's revised estimate of 6-6.5%

Despite the rising risk of political and economic policies, the overall economic outlook of India in the long run is still intact. The future growth prospects of the Indian economy primarily depended on the infrastructure investment and timely execution of the projects.

### Industry Overview

India's high focus on infrastructure development in the recent years has prompted a major boom in the country's construction and building industries. India's building and construction industry contributes to almost 15% of the country's GDP and has been growing at a steady rate of over 10% in the last five years. Construction is also a major employer in India, currently providing work for approximately 14% of the working population in the country. Approximately 54% of construction activity is generated across various infrastructure sectors, such as road and highway projects, construction of power plants, railway lines, mineral plants, irrigation, and urban infrastructure projects. This is followed by industrial activity (36%), residential construction (5%) and commercial activity (5%).

For one, the rapid industrialization and liberalization opened doors for many companies to setup their base in India. And also, Budget 2012-13 gives major thrust on accelerating the pace of investment in infrastructure, as this is critical for sustaining and accelerating an overall growth. Efforts to attract private investment into infrastructure through the Public-Private Partnership (PPP) route have met with considerable success, not only at the level of the Central Government, but also at the level of the individual States.

A large number of PPP projects have taken off and many of them are currently operational in both the Centre and the States. The Union Budget 2012-13 is very promising for the infrastructure sector and would fetch great results if implemented effectively.

Despite the dismal global scenario, the Indian market was somewhat shielded from the effects, as the economy as a whole remained more robust than its counterparts. Because it is driven by entrepreneurs who are not only competent but are hungry for growth. The challenges are to bring in the disadvantaged into the mainstream and ensure inclusive growth requiring good governance to ensure that.

### **OPPORTUNITIES AND THREATS**

#### *Opportunities*

India is the second fastest growing economy in the world. The Indian construction industry is an integral part of the economy and a conduit for a substantial part of its development investment. The economy is poised for growth on account of

industrialization, urbanization, economic development and people's rising expectations for improved quality of living. Therefore, bigger surge in infrastructure investment is expected over the next five years in power, roads, bridges, city infrastructure, ports, airports, telecommunications, providing a huge boost to the construction industry as a whole.

New projects contribute to over 50% of India's construction market revenue. With this in mind, the construction industry is set for a huge expansion in the next few years and main focus would Airport Projects, Road & Highway projects, Power Projects, Railways Projects and Port Projects.

Furthermore, over the next few years, more than USD 400 billion is forecasted to be spent on major projects to meet the required demand that will drive the country forward in all aspects of business and commerce. No country in the world other than India needs and can absorb so much funds for the infrastructure sector. This rapid growth of India's building and construction industry offers tremendous business opportunities for both domestic and international companies.

Thus, looking at the impetus in sight for the building & construction industry, the management holds a promising view about the business of the company which is backed by long experience in quality delivery on time.

### *Threats*

1. Inadequacy of regulatory institutions for land reforms; land clearance issues, insufficient compensation, unclear regulations and erratic and changeable decisions stamp duties, conveyancing and standard specification for the construction; collectively all of them have caused delays in the concerted development and growth of the Construction Industry.
2. Socio-Economic disparities and considerable population under the "Below Poverty Line", are the two major factors resulting in the shortage of skilled and quality manpower.
3. Disparities and Ambiguities in Indian tax structures across region in respect of Service Tax, Value Added Tax, Sales Tax, Entry Tax, Octroi and Cenvat Credits on various cost factors.
4. Liquidity, financing and demand concerns associated with the Real Estate Industry.
5. The Industry is highly fragmented and competitive. It coupled with easy entry in the industry may adversely affect our revenue growth.
6. The Company has undertaken some of the projects with third parties, which entail certain business risk.
7. The Company is dependent on various sub-contractors or specialist agencies to construct and develop projects.
8. The sector is investment-led and therefore susceptible to economic downturns.
9. Global Economy conditions.

### *OUTLOOK*

As the economy shows signs of decreasing GDP growth rate, the Indian Construction industry faces its own share of concerns. The economic concerns would certainly take some time to go away. There are many important policy reforms in the pipeline in 2012-13, such as land acquisition reform, new manufacturing policy, deferred FDI in retail, among others. This is also the year when the government has set its targets to achieve its ambitious goal of total electrification of villages. Therefore, the year ought to be definitely an action-packed one from the perspective of economic policy .

The construction industry has been through a tough year in 2011-12, ups and down, materials cost increase, double digit inflation and more. However, a major positive development in the sector over the last two years has been the entry of engineering, procurement and construction (EPC) companies into development of BOT/BOOT projects, BOT/BOOT portfolio to continue to grow in 2012-13, which will require companies to invest substantial equity. However, continuing volatility in stock markets and weakening economic conditions may hamper plans to raise funds.

In long term, outlook for the Indian Construction sector continues to remain encouraging, because few sectors that have a significant multiplier effect on the rest of the economy could be given special attention. These include construction of new roads, a reinvigorated national highway programme, or construction of affordable housing for the masses. It will generate jobs as well as demand for cement, steel and engineering equipment among others leading to broad based development in the economy fuelling exponential growth.

## **RISK AND CONCERNS**

Since the Company's site locations are spread PAN India, the Company is following worksite-wise approach to risk management, laying emphasis on identifying and managing key operational/ strategic risks. There is a constant endeavor to embed the cross-worksite learning, so as to avoid repeat of troubleshoot requirement from one site to other site, through an integrated risk mitigating Committee meetings.

The risks associated with the business of the Company are reviewed periodically by the top management to take suitable measures for mitigating the risks relating to Operations, Regulatory Affairs, Finance, Information Technology and Human Resources.

Necessary resources have been deployed in terms of technology, experienced people and processes to monitor, evaluate and manage the principal risks including credit, liquidity, operational, legal and reputational risks. Some of the risks that are potentially significant in nature requiring careful monitoring are listed hereunder:

1. Our profitability and cost effectiveness may be affected due to change in the price of raw materials and other inputs.
2. Any downtrend in Government Spending could impact company's performance.
3. Longer delay than expected in the credit expansion by the banks.
4. Fluctuation in Interest rate could impact finance performance of the Company.

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has adequate internal control systems and processes in place for the smooth conduct of business which are periodically reviewed for their effectiveness with an eye for their continuous and consistent strengthening.

The Internal Control systems have been designed to provide reasonable assurance that assets are safeguarded on continuous basis and protected against loss from their unauthorised use or disposition. All transactions are executed in accordance with management's policies & authorisation which are properly recorded. The accounting records are adequate for preparation of financial statements and other financial information.

Internal Controls are further strengthened by conducting periodic audits by the internal and statutory auditors and regular meetings of the Audit Committee of the Board of Directors.

## **FINANCIAL PERFORMANCE (CONSOLIDATED)**

**Income from Operations:** During the year under consideration, the Company has recorded consolidated turnover of Rs. 1959.81 Crores, increase by 22.88% over last year. Loss prior to taxes was Rs. 6.74 Crores against Profit of Rs. 75.52 Crores in 2010-11 while Loss after taxes was Rs. 5.53 Crores against Profit of Rs. 48.81 Crores in 2010-11.

**Fixed Assets:** The Consolidated Gross Block of the Company's fixed assets as on 31<sup>st</sup> March 2012 was Rs. 444.79 Crores. The Net Block as on 31<sup>st</sup> March 2012 was Rs. 324.38 Crores.

**Other Income:** Other Income for the year was Rs. 18.85 Crores. Other Income comprises of Interest, Dividend Income, Profit on Sale of Assets and other miscellaneous income.

### **Expenditures**

**Cost of Material Consumed:** Expenditure towards Cost of Material Consumed was Rs. 1095.26 Crores. This represents cost of various raw materials consumed during the year.

**Employee's Benefit Expenses:** The Employee's Benefit Expenses increased from Rs. 298.15 Crores to Rs. 384.20 Crores.

**Sub Contract Work Expenses:** Expenses towards sub contract works increased from Rs. 246.52 Crores to Rs. 313.97 Crores

**Finance Cost:** During the Financial year 2011-2012, the Finance Cost increased from Rs. 34.59 Crores to Rs. 74.60 Crores.

**Depreciation:** During the Financial Year 2011-2012, depreciation increased from Rs. 21.69 Crores to Rs. 27.26 Crores.

**Provision for Taxation:** The Provision for taxes was NIL due to loss in the current year as compared to Rs. 26.69 Crores in the previous year.

*HUMAN RESOURCES*

The significant role of the human capital, particularly in the current competitive scenario cannot be understated. We have created a favorable work environment that encourages innovation and meritocracy. Learning and relevance are key principles at work in the Company.

The Company has managed to keep attrition rate well in control by imbibing a sense of ownership and pride. Strong HR initiatives are also geared to nurture talent and to unlock the power of intellectual capital.

The Company offers a growth environment along with monetary benefits in line with industry standards. The directors appreciate the contributions and initiatives taken by the employees at all levels for the Company's improved performance year after year.

*CAUTIONARY STATEMENT*

Statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed herein or implied.



## Report on Corporate Governance

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the following report:

### 1. Company's Philosophy on Code of Governance :

Corporate Governance calls for transparent decision making and accountability for safeguarding the interests of all stakeholders in the organisation and your company believe that good Corporate Governance is essential to achieve Long Term Corporate Goals and to enhance stakeholders' value. The Company is committed to pursue growth by adhering to the highest national standards of Corporate Governance and has complied in all material aspects with the requirements specified in the Listing Agreement(s) with Stock Exchanges.

### 2. Board of Directors :

#### (a) Composition of the Board

The Board of Directors has an optimal combination of Executive and Independent Directors. The Board consists of 6 Directors, out of which 3 are Independent Directors. The Board is headed by an executive Chairman. The Composition of Board is in conformity with clause 49 of the Listing Agreement(s), which stipulates that atleast 50 percent of Board should consists of Independent Directors, if the Chairman of Board is an Executive Director.

#### (b) Board Meetings

The Board of Directors met Four times during the year 2011-12. The company has held at least one Board Meeting in every quarter. The agenda papers along with notes and other supporting were circulated in advance of the Board Meeting with sufficient information as required under Clause 49 of the Listing Agreement(s). The details of the Board Meetings are as under:

S.No.	Date	Board Strength	No. of Directors Present
1	28 <sup>th</sup> May, 2011	6	6
2	12 <sup>th</sup> August, 2011	6	5
3	12 <sup>th</sup> November, 2011	6	6
4	14 <sup>th</sup> February, 2012	6	6

The details of the composition of the Board, category, attendance of Directors at Board Meetings and General Meetings, number of the Directorships and other Committee memberships are as follows:

Name of Directors	Category	No. of Board Meetings Attended	Attendance at last AGM	*Directorship in other Public Companies	*Number of Committee positions in public companies	
					Member	Chairman
Vinod Kashyap DIN 00038854	Promoter (Executive)	3	Yes	7	Nil	Nil
Vineet Kashyap DIN 00038897	Promoter (Executiver)	4	Yes	7	Nil	Nil
Vikram Kashyap DIN 00038937	Promoter (Executive)	4	Yes	7	Nil	Nil
Justice C.K. Mahajan Retd.) DIN 00039060	Independent (Non-Executive)	4	No	1	1	1
H.N. Nanani DIN 00051071	Independent (Non-Executive)	4	Yes	8	1	3
P.S. Shenoy DIN 00108547	Independent (Non-Executive)	4	No	6	2	3

\* Excluding B. L. Kashyap And Sons Ltd. and Directorship in Private Limited Companies.

None of the Directors on the Board is member of more than 10 Committees and Chairman of more than 5 committees (as specified in clause 49 of the Listing Agreement), across all the Companies in which he is a Director.

**(c) Details of shares held by Directors in the Company are as follows:**

S. No.	Name of Director	No. of shares held as on 31.03.2012
1	Mr. Vinod Kashyap	4,86,66,600
2	Mr. Vineet Kashyap	4,87,52,330
3	Mr. Vikram Kashyap	4,86,16,750
4	Mr. H.N. Nanani	2,00,000

No other Director holds any share in the company.

**(d) Independent Directors on the Company's Board:**

- a. Apart from receiving Sitting fees, does not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management or its subsidiaries and associates which may affect independence of the director.
- b. Are not related to promoters or persons occupying management positions at the board level or at one level below the board.
- c. Has not been an executive of the company in the immediately preceding three financial years.
- d. Are not a partner or an executive or was not partner or an executive during the preceding three years, of any of the following:
  - i. the statutory audit firm or the internal audit firm that is associated with the Company, and
  - ii. the legal firm(s) and consulting firm(s) that have a material association with the Company.
- e. Are not material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the director.
- f. Are not a substantial shareholder of the company i.e. owning two percent or more of the block of voting shares.
- g. Are not less than 21 years of age.

**(e) Directors retiring and seeking re-appointment**

Mr. P.S. Shenoy and Mr. Justice C.K. Mahajan (Retd.), Directors of the Company, will be retiring by rotation on the forthcoming Annual General Meeting of the Company and they being eligible have sought themselves for the re-appointment.

The relevant information pertaining to Directors seeking re-appointment is given separately in the Notice for the ensuing Annual General Meeting.

**(f) Relationship between Directors**

Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikram Kashyap are brothers. None of the other directors are related to each other.

**(g) Information available to the Board**

All the relevant information within the Company is accessible to the Board all the times. Moreover the Board has been provided with various information on regular basis for the effective discussion and contribution of the Board. The information so provides includes the following:

- Quarterly results of the Company and its operating divisions.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Information on recruitment/remuneration of senior officers just below the Board level.
- Material show cause, demand, prosecution notices and penalty notices, if any;
- Fatal or serious accidents, dangerous occurrences, if any;
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, if any.
- Significant labour problems and their proposed solutions.
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- Material non-compliance of any regulatory, statutory listing requirement and shareholders services such as non-payment of dividend, delay in share transfer etc.

The above information is generally provided as part of the agenda papers of the Board meeting and /or is placed at the table during the course of the meeting.

The Company Secretary in consultation with the Chairman, prepares the agenda. All Board members are at liberty to suggest agenda items for inclusion. The detailed agenda is sent to the members at least a week before the Board Meeting date.

**3. Audit Committee :**

The Audit Committee has been constituted as per Section 292A of Companies Act, 1956, and the guidelines set out in the Listing Agreement with the Stock Exchanges. All the members of the Audit Committee are qualified and having insight to interpret and understand financial statements.

During the Financial Year 2011-2012, four meetings of the Committee were held on 28<sup>th</sup> May 2011, 12<sup>th</sup> August 2011, 12<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012.

Details of composition of the Committee and attendance of the members at the meetings are given below:

Sl.No.	Name	Designation	Category	No. of meetings attended
1	Mr. H.N. Nanani	Chairman	Independent (Non Executive)	4
2	Mr. Justice C.K. Mahajan (Retd.)	Member	Independent (Non Executive)	4
3	Mr. P. S. Shenoy	Member	Independent (Non Executive)	4

**The terms of reference of the Audit Committee includes, review of following:**

1. The annual and quarterly financial statements before submission to the Board.
2. Accounting policies and practices.
3. Review of operations of subsidiaries.
4. Internal control process and procedures and its ever changing effectiveness.
5. Related party transactions
6. Internal audit reports and adequacy of internal audit functions.
7. Compliances with Statutory obligations.
8. Compliances with Accounting Standards.

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in the ordinary course of business
- Details of material individual transactions with related parties which are not in the normal course of business, if any.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same, if any.

The Audit Committee invites such of the executives as it considers appropriate and representative(s) of the Statutory Auditors to be present at its meeting. The Company Secretary acts as Secretary to the Audit Committee.

#### 4. Remuneration Committee :

##### i. Composition

The Remuneration Committee constituted by the Company consists of following three Independent Non-Executive Directors, with Justice C. K. Mahajan (Retd.) acting as Chairman of the committee.

- Mr. Justice C. K. Mahajan (Retd.)
- Mr. H. N. Nanani
- Mr. P. S. Shenoy

ii. During the Financial Year 2011-2012 meetings of the remuneration committee were held on 28<sup>th</sup> May, 2011 and 14<sup>th</sup> February, 2012.

##### iii. Brief description of terms of reference:

- (a) To review, assess and recommend the appointment of Executive and Non-Executive Directors.
- (b) Recommend compensation payable to Executive Directors.
- (c) Review of Company's recruitment policy for senior level appointments.

##### iv. Details of Remuneration paid/payable to Directors for the year ended 31<sup>st</sup> March, 2012:

###### (a) Executive Directors:

Name	Salary	Medical Reimbursement	(Rs. in Lakhs)
			Commission
Mr. Vinod Kashyap	86.40	1.71	Nil
Mr. Vineet Kashyap	86.40	0.24	Nil
Mr. Vikram Kashyap	86.40	Nil	Nil

The above figure do not include provisions for encashable leave and gratuity as separate actuarial valuation are not available for the Executive Directors.

Since the Company has inadequate profits in the financial year 2011-12, the excess remuneration beyond the limits specified in Section 198 read with Section 309 to the Companies Act, 1956 has been recovered from the executive directors and accordingly the remuneration paid to executive directors after the refund of excess amount stands reduced as under:

(Rs. in Lakhs)

Name	Salary	Medical Reimbursement	Commission
Mr. Vinod Kashyap	10.81	1.71	Nil
Mr. Vineet Kashyap	12.07	0.24	Nil
Mr. Vikram Kashyap	12.29	Nil	Nil

**(b) Non-Executive Directors:**

(Rs. in Lakhs)

Name	Sitting Fess	Commission
Mr. Justice C. K. Mahajan (Retd.)	0.65	Nil
Mr. H. N. Nanani	0.65	Nil
Mr. P. S. Shenoy	0.65	Nil

\*out of total sitting fees, Rs.0.96 Lakhs has been directly booked in the name of directors

**v. Remuneration Policy**

The Remuneration Policy of the Company for managerial personnel is based upon:

1. Knowledge & Potential, track record and performance of each individual.
2. Contribution of managerial personnel in achieving the strategic goals of the organisation is recognised.
3. Salaries and benefits remain competitive with other Companies in the same Industry.
4. Performance of the Company.

**5. Shareholders'/Investors' Grievance Committee :**

During the year 16 meetings of the Shareholders' / Investors' Grievance Committee were held which were attended by Mr. Justice C.K. Mahajan (Retd.), Mr. H.N. Nanani, Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikram Kashyap.

Details of composition of the Committee and attendance of the members at the meetings are given below:

S. No.	Name	Category	No. of Meetings attended
1	Mr. Justice C. K. Mahajan (Retd.)	Independent Director	16
2	Mr. H. N. Nanani	Independent Director	16
3	Mr. Vinod Kashyap	Executive Director	16
4	Mr. Vineet Kashyap	Executive Director	16
5	Mr. Vikram Kashyap	Executive Director	16

**Terms of Reference:**

The functioning and terms of reference of the committee are to oversee various matters relating to redressal of shareholders grievances like:

- a. To monitor the matters of litigation related to shareholders and take decisions relating thereto.
- b. To look into redressal of shareholders complaint related to transfer / transmission of shares, non-receipt of share certificates, balance sheets, declared dividends.
- c. To oversee the performance of the Registrar and Transfer Agents.
- d. To recommend the measures for overall improvement in the quality of investor services.
- e. Such other activities resulting from statutory amendments / modifications from time to time.

**Compliance Officer:**

Pushpak Kumar, Company Secretary of the Company is the Compliance Officer of the Shareholders' / Investors' Grievance Committee.

**Status of investor complaints/requests as on 31<sup>st</sup> March, 2012**

Period: 01.04.2011 - 31.03.2012	No. of Complaints
Pending at the beginning of financial year 2011-12 :	Nil
Total complaints received during the year :	1
Total complaints resolved during the year :	1
Total complaints pending as on March 31, 2012 :	Nil

## 6. Executive Committee :

The Company has an executive committee of the Directors. The Executive Committee has been entrusted with all such powers other than those to be exercised by the Board of Directors at their meetings.

Eight meetings of the Executive Committee were held during the year on 5<sup>th</sup> April 2011, 1<sup>st</sup> June 2011, 8<sup>th</sup> July, 2011, 8<sup>th</sup> August 2011, 7<sup>th</sup> October 2011, 2<sup>nd</sup> December 2011, 31<sup>st</sup> January 2012, 27<sup>th</sup> March 2012.

Details of composition of the Committee and attendance of the members at the meetings are given below:

Sl. No.	Name	Designation	Category	No. of Meetings attended
1	Mr. Vinod Kashyap	Chairman	Non Independent (Executive)	8
2	Mr. Vineet Kashyap	Member	Non Independent (Executive)	8
3	Mr. Vikram Kashyap	Member	Non Independent (Executive)	8

## 7. General Body Meetings :

(i) Details of Location, Date and Time of the Annual General Meeting held during the last three years are given below:

Financial Year	Location	Date & Time
2010-2011	PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-16	September 21, 2011 at 10.00 a.m.
2009-2010	PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-16	September 21, 2010 at 10.00 a.m.
2008-2009	PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-16	September 19, 2009 at 10.00 a.m.

(ii) Special Resolutions passed in the previous three Annual General Meetings

### 2010-11

Preferential Allotment including Qualified Institutional Placement (QIP) etc. not exceeding Rupees 450 Crores.

Holding and continuing to hold an office of place of profit in the Company by Mr. Sahil Kashyap, relative of Mr. Vikram Kashyap, Joint Managing Director of the Company.

Holding and continuing to hold an office of place of profit in the Company by Ms. Seema Sondhi, relative of Mr. Vinod Kashyap, Mr. Vineet Kashyap, Mr. Vikram Kashyap Executive Directors of the Company.

Alteration of Articles of Association of the Company by inserting Clause 5A related to provision of Buy Back of Shares.

### 2009-10

Preferential Allotment including Qualified Institutional Placement (QIP) etc. not exceeding Rupees 450 Crores.

Holding and continuing to hold an office of place of profit in the Company by Ms. Shruti Choudhari, relative of Mr. Vineet Kashyap, Managing Director of the Company.

Holding and continuing to hold an office of place of profit in the Company by Ms. Malini Kashyap, relative of Mr. Vinod Kashyap, the Chairman of the Company.

Holding and continuing to hold an office of place of profit in the Company by Mr. Saurabh Kashyap, relative of Mr. Vineet Kashyap, Managing Director of the Company.

### 2008-09

Alteration of Articles of Association of the Company by inserting Clause 131A and 131B related to appointment of Nominee Directors and Debenture Directors.

Preferential Allotment including Qualified Institutional Placement (QIP) etc. not exceeding Rupees 450 Crores.

(iii) Postal Ballot

During the Financial year 2011-12, no matters requiring postal ballot was placed for shareholders' approval.

## 8. Disclosures:

(i) Related party transactions

During the year, there were no transactions of material nature with the Directors or the Management or the subsidiaries or relatives that had potential conflict with the interests of the Company at large.

Related Party transactions are defined as transactions of the Company of material nature, with Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

**(ii) Compliances with Rules and Regulations**

The Company has complied with all requirements of the Listing Agreements with Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently no penalties or any strictures were imposed against your Company by SEBI, Stock Exchanges or any other Statutory Authority, on any matter related to capital markets during last three years.

**(iii) Equity Share in Suspense Account**

	Number of Shareholders	Numbers of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 <sup>st</sup> April, 2011	4	1720
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	NIL	NIL
Number of shareholders to whom shares were transferred from suspense account during the year	N.A.	N.A.
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 <sup>st</sup> March, 2012	4	1720

- The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
- These shares have been transferred into one folio in the name of "B.L KASHYAP AND SONS LIMITED UNCLAIMED SHARE DEMAT SUSPENSE ACCOUNT".

**(iv) Auditor's Certificate on Corporate Governance**

As required under the clause 49 of the Listing Agreement, the auditor's certificate is given as annexure to the Directors' Report.

**(v) CEO / CFO Certification**

As required under the clause 49 of the Listing Agreement, the CEO/CFO certification is provided elsewhere in the Annual Report.

**(vi) Risk Management**

The Board is apprised of the matters with regard to Risk Management & Assessment. The Risk minimization procedures have been put in place and are being reviewed from time to time, to ensure that the executive management, controls risk, through means of a properly defined framework.

**(vii) Code For Prevention of Insider-Trading Practice**

In compliance with SEBI regulation on prevention on insider trading, the Company has instituted a code of conduct for its management and staff. The code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with shares of Company, and cautioning them of the consequences of violations.

**(viii) Compliance with non-mandatory requirements of Clause-49 of the Listing Agreement**

The Clause - 49 states that the non-mandatory requirements may be implemented as per the Company's discretion. However, the disclosures of compliance with mandatory requirements and adoption (and compliance) / non-adoption of the non-mandatory requirements shall be made in the section on Corporate governance in the Annual Report.

We comply with the following non-mandatory requirements:

**The Board**

None of the Independent Directors on our Board have served for a tenure exceeding nine years.

**Remuneration Committee**

We have instituted a Remuneration Committee. A detailed note on Remuneration Committee is provided elsewhere in the report.

**Whistle Blower Policy**

The Board of Directors of the Company has adopted a Whistle Blower Policy for its employees. The employees are encouraged to report to the Audit Committee of the Board of Directors any fraudulent financial or any other information, any conduct that results in the instances of unethical behaviour, actual or suspected violation of the Company's Code of Conduct and ethics, which may come to their knowledge.

It is the Company's policy to ensure that whistle blowers are not victimized or denied direct access to the Chairman of the Audit Committee. The existence of a whistle blower policy mechanism has been communicated to all employees.

**Audit Qualification**

The Company from inception has ensured to remain in the regime of unqualified financial statement.

**9 (i) Communication to Shareholders**

The Quarterly / Annual results and official news releases are generally published in Financial Express and Jansatta (a Regional daily published from Delhi). The results are also displayed on the Company's website ([www.blkashyap.com](http://www.blkashyap.com)).



**(ii) Managements' Discussion & Analysis**

Managements' Discussion & Analysis forms part of the Annual Report, which is mailed to the shareholders of the Company.

**(iii) Pledge of Equity Shares**

4,47,00,000 Equity Shares of the Company representing 21.76% of the Total Holding of the Promoters and/or Promoters Group has been Pledged by the Promoters of the Company as a security for the Loan taken by the Company.

**10. General Shareholders' Information:**

A	i.	Date, Time and Venue of 23 <sup>rd</sup> AGM	:	21 <sup>st</sup> September, 2012, at 10.00 a.m. PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016
	ii.	Date of Book Closure	:	14 <sup>th</sup> September 2012 to 21st September, 2012
	iii.	Dividend Payment	:	between 25 <sup>th</sup> September 2012 and 19 <sup>th</sup> October, 2012, subject to shareholders' approval.
	iv.	Financial Calendar (tentative)	:	Financial Reporting for the quarter ending June 30, 2012 : on or before August 14, 2012 September 30, 2012 : on or before November 15, 2012 December 31, 2012 : on or before February 15, 2013 March 31, 2013 : on or before May 30, 2013
	v.	Listing on Stock Exchanges	:	a. Bombay Stock Exchange Limited (BSE) b. The National Stock Exchange of India Limited (NSE)
	vi.	Listing Code/Symbol	:	BSE : 532719 NSE : BLKASHYAP ISIN Code : INE350H01032
	vii.	Listing fees for 2012-13	:	Paid to above Stock Exchanges
	viii.	Custodial fees to Depositories	:	Paid to National Security Depository Limited (NSDL) & Central Depository Securities Limited (CDSL) for 2012-13.
	ix.	Registered Office	:	B-1 Extension/E-23, Mohan Co-operative Industrial Estate, Mathura Road New Delhi - 110 044 Tel : +91 11 40500300, Fax: +91 11 40500333 Website: www.blkashyap.com

**B. Market Price Data**

Monthly high and low price of Company's Equity Share at National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) for the period from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012 are stated hereunder.

Month	Face Value of the Share Rs.	NSE		BSE	
		Share Price (Rs.) High	Share Price (Rs.) Low	Share Price (Rs.) High	Share Price (Rs.) Low
April 2011	1	29.10	23.15	27.50	23.15
May 2011	1	24.90	19.90	24.80	20.00
June 2011	1	22.65	17.55	22.70	17.50
July 2011	1	20.40	18.50	22.85	18.75
August 2011	1	19.45	11.00	19.35	11.05
September 2011	1	12.65	9.05	12.60	9.15
October 2011	1	12.70	8.35	12.70	8.36
November 2011	1	11.85	7.60	11.85	8.25
December 2011	1	11.70	8.75	11.70	8.35
January 2012	1	13.90	9.00	13.89	9.00
February 2012	1	15.45	11.50	15.70	11.50
March 2012	1	12.65	9.10	12.75	9.85

# B. L. KASHYAP AND SONS LIMITED

Annual Report 2011-12

## Performance in Comparison to BSE Sensex

The Performance of the Company's scrip on the BSE as compared to Sensex is as under:

Month	BSE Sensex		B.L. KASHYAP AND SONS LIMITED	
	High	Low	High (Rs.)	Low (Rs.)
April 2011	19811.14	18976.19	27.50	23.15
May 2011	19253.87	17786.13	24.80	20.00
June 2011	18873.39	17314.38	22.70	17.50
July 2011	19131.70	18131.86	22.85	18.75
August 2011	18440.07	15765.53	19.35	11.05
September 2011	17211.80	15801.01	12.60	9.15
October 2011	17908.13	15745.43	12.70	8.36
November 2011	17702.26	15478.69	11.85	8.25
December 2011	17003.71	15135.86	11.70	8.35
January 2012	17258.97	15358.02	13.89	9.00
February 2012	18523.78	17061.55	15.70	11.50
March 2012	18040.69	16920.61	12.75	9.85

## C. Shareholding Pattern by Ownership as on March 31, 2012

Category	No. of Shares held	% of Shareholdings
<b>A. Promoter's holding</b>		
1 Promoters		
- Indian Promoters	14,61,00,880	71.12
Sub-Total		
<b>B. Non-Promoters Holding</b>		
<b>Institutional Investors</b>		
a Mutual Funds & UTI	97,04,723	4.72
b Foreign Institution Investors	1,45,44,169	7.08
c Banks, Financial Institutions	0	0
<b>C Others</b>		
a Private Corporate Bodies	1,07,13,084	5.21
b Indian Public	2,35,37,446	11.45
c NRIs(Repat)	3,05,457	0.15
d NRIs(Non Repat)	1,56,975	0.08
e OBCs	20	0.00
f Trust	9910	0.0048
g Clearing Member	3,65,616	0.18
h Any other :		
Represents the balance shares pending for credit to respective allottees demat a/c	1,720	0.001
<b>GRAND TOTAL</b>	<b>20,54,40,000</b>	<b>100</b>

#### D. Shareholding Pattern by Size :

No. of equity shares	No. of shareholders*	% of Shareholders	Amount in Rs.	% of Equity Shares
Up to 500	17129	73.89	3324998	1.618
501 - 1000	3168	13.67	2568620	1.250
1001 - 2000	1339	5.78	2121783	1.033
2001 - 3000	472	2.04	1234488	0.601
3001 - 4000	219	0.95	795874	0.387
4001 - 5000	250	1.08	1194231	0.581
5001 - 10000	281	1.20	2135942	1.040
10001 & Above	322	1.39	192064064	93.49
Total	23180	100.00	205440000	100.00

\* As on 31<sup>st</sup> March, 2012, 1720 shares were pending for transfer to respective allottee's demat account.

#### E. Secretarial Audit for Capital Reconciliation

As stipulated by SEBI, a Qualified Chartered Accountant carries out Secretarial Audit to reconcile the total admitted capital with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors. The audit confirms that the total listed and paid up capital is in agreement with the aggregate of total number of shares in dematerialised form and in physical form.

#### F. Dematerialisation of Shares

As on March 31, 2012, 99.99% of the Company's total paid-up capital representing 20,54,36,698 shares were held in dematerialized form and the balance 0.01% representing 3,302 shares were held in paper form. The shareholders who wish to get their shares dematerialised can submit the share certificates together with the Demat request form to Depository Participants with whom they have opened a demat account.

#### G. Share Transfer System

The Company's Shares are traded in the Stock Exchanges compulsorily in demat mode. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time.

#### H. Corporate Benefits to Investors

##### a. Bonus Issue Fully Paid-up Equity Share

Financial Year	Ratio
2010-11	1:1

##### b. Dividend Declared for the last 5 Years

Financial Year	Dividend Declaration	Dividend Per Share Rs.	Face Value of the Equity Share Rs.
2006-07	21 <sup>st</sup> September, 2007	3.50	10
2007-08	19 <sup>th</sup> September, 2008	4.00	5
2008-09	19 <sup>th</sup> September, 2009	1.00	5
2009-10	21 <sup>st</sup> September, 2010	1.00	5
2010-11	21 <sup>st</sup> September, 2011	0.10	1

Note : Dividend of Re.0.05/- per share recommended by the Director on 30<sup>th</sup> May, 2012 is subject to declaration by the shareholders at the ensuing Annual General Meeting.

**I. Investor Correspondence****For Share Transfer, Transmission and Dematerialization requests :****Link Intime India Private Limited (RTA)**

A-40, 2nd Floor, Naryana Industrial Area,

Phase-II, New Delhi-110028

Tel. No.-011-41410592-94

Fax No. - 011-41410591

e.mail: delhi@linkintime.co.in

**For General Correspondence****Registered Office:**

B.L. Kashyap And Sons Ltd.

B-1 Extension/E-23, Mohan Co-operative  
Industrial Estate

Mathura Road, New Delhi - 110 044

Ph. : 011-40500300 Fax : 011-40500333

E-mail:info@blkashyap.com

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that services of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses with the depository through their concerned Depository Participants.

**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

We, Vineet Kashyap, Chief Executive Officer, designated as "Managing Director" and Ashok Bansal, "Vice President -Finance" responsible for the finance function of "B.L. Kashyap And Sons Limited", to the best of our knowledge and belief, certify that:

- a. We have reviewed financial statements for the year ended 31<sup>st</sup> March, 2012 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee -
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- e. In the event of any materially significant misstatements or omissions, we will return to the company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors, as decided by the audit committee;
- f. We affirm that we have not denied any personnel, access to the audit committee of the company (in respect of matters involving alleged misconduct), and
- g. We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

**Place: New Delhi****Dated: 30<sup>th</sup> May, 2012****Vineet Kashyap**

Chief Executive Officer

(Designated as Managing Director)

**Ashok Bansal**

(Vice President - Finance)

**SOOD BRIJ & ASSOCIATES, CHARTERED ACCOUNTANTS, NEW DELHI - 110 049**

**Auditors' Report**

**To the Members of B.L. Kashyap and Sons Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of B.L. Kashyap And Sons Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2012, the Statement of Profit and Loss of the Company for the year ended on that date, the Cash Flow Statement of the Company for the year ended on that date and a summary of Significant Accounting Policies and other explanatory information.

**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, error or otherwise.

**Auditors' 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 auditors' 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.

As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government of India in terms of Sub Section 4A of Section 227 of the Companies Act, 1956. We annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.

**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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by section 227(3) of the Act, we report that:

- a. 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;
- b. 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;
- c. 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; and
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.

**For Sood Brij & Associates  
Chartered Accountants  
Firm's Regn. No. 00350N**

**A.K. Sood  
Partner**

**Membership No. 14372**

**Place: New Delhi  
Dated: 30<sup>th</sup> May, 2012**

**SOOD BRIJ & ASSOCIATES, CHARTERED ACCOUNTANTS, NEW DELHI-110 049****Annexure to the Auditors' Report**

**The Annexure referred to in Auditors' Report of even date on the accounts for the year ended 31st March, 2012 of B.L. Kashyap And Sons Limited, New Delhi.**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of information available.
- (b) The Company has a practice of physical verification of its fixed assets at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. In accordance with such practice, the management has physically verified fixed assets at the year-end and no material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
2. (a) As explained to us, the stores and material at different sites have been physically verified by the management at the year-end.
- (b) In our opinion and according to information and explanations given to us, the procedures of physical verification of stores and material followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of accounts.
3. (a) The Company has granted unsecured loans to Companies covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties involved in the transactions including interest, were three and maximum amount involved in the transactions was Rs.31,698.61 Lakhs and the year-end closing balance was Rs. 31,400.61 Lakhs.
- (b) The amount advanced to parties covered in the register maintained under section 301 of the Companies Act is interest bearing. The rates of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.
- (c) The receipt of the principal amount and interest are as per agreed terms and conditions.
- (d) The principal amounts are repayable as per agreed terms and conditions. There are no overdue amounts with respect to principal and interest amounts.
- (e) The Company has not taken any loan from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act 1956. Consequently the requirements of clauses (iii) (f) and (iii) (g) of Paragraph 4 of the order are not applicable.
4. 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 for purchase of fixed assets, materials and other assets and for providing contract job work services. We have not noted any continuing failure to correct major weakness in the internal controls during the course of the audit.
5. (a) According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to the prevailing market prices and practices at the relevant time.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The Company has an internal audit system. According to the information and explanations given to us by the management, the company is taking necessary steps in view of increased activities, to strengthen the internal audit systems which commensurate with the size and the nature of its business.
8. The Central Government has under clause (d) of sub section (1) of section 209 of the Companies Act, 1956 has prescribed the cost records to be maintained as per their notification dated 3rd June 2011, called The Companies Cost accounting Records, Rules, 2011. As per management and records produced before us, the prescribed accounts and records have been maintained.
9. (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 regular in depositing with appropriate authorities undisputed statutory dues for more than six months except Bonus of Rs. 2,68,31,100/- which was not paid for a period exceeding Six months.



**SOOD BRIJ & ASSOCIATES, CHARTERED ACCOUNTANTS, NEW DELHI-110 049**

**Annexure to the Auditors' Report (Contd.)**

- (b) According to the information and explanations given to us, there are no disputed amount payable towards Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and Central Excise Duty outstanding as on the date of Balance sheet except in the following cases:

Name of the Statute	Nature of Dues	Outstanding Amount in Rs. Under Dispute	Period to which the Amount Relates	Forum where Dispute is Pending
Income Tax Act	Income Tax Demand	59.00 Crores	A.Y.2002-2003 to A.Y. 2008-09	CIT (A) -II, New Delhi
Income Tax Act	Income Tax Demand	32.00 Lacs	A.Y.2009-2010	CIT (A) -II, New Delhi
Income Tax Act	Income Tax Demand	13.10 Lacs	A.Y. 2008-2009	DCIT, TDS, Ward 49 (1), New Delhi
Employees Provident Fund And Misc. Provision Act	Provident Fund Demand	577.76 Crores	1-4-2005 to 31-12-2010	Employees Provident Fund Appellate Tribunal, New Delhi
Service Tax Delhi	Service Tax Demand	13.18 Lacs	10.09.2004 to 16.06.2005	Tribunal CESTAT, New Delhi
U.P. Trade Tax Act	VAT Demand	9.28 Lacs	2009-2010	Sales Tax Appellate Tribunal Commercial Taxes, Noida.
U.P. Trade Tax Act	VAT Demand	10.13 Lacs	2005-2006	Addl. Comm. (A), Commercial Tax Noida.
VAT Act, West Bengal	VAT Demand	80.99 Lacs	2006-2007	Jt. Comm (A) Commercial Taxes ,Kolkata

10. The Company has neither accumulated losses at the end of the year nor incurred cash losses in the current financial year covered by our audit and in the immediately preceding financial year.
11. The Company has defaulted in repayment of its dues to the Banks. The default amount and period of default is as under:
- | Party                       | Principal     | Interest      | Period of Defaults |
|-----------------------------|---------------|---------------|--------------------|
| Banks                       | 6,07,67,566/- | 3,00,39,390/- | 89 Days            |
| Other Financial Institution | 6,24,78,428/- | 38,14,125/-   | 121 Days           |
- For Details refer Note No.6 of the Balance sheet.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Order is not applicable.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the Order is not applicable.
14. (a) According to the information and explanations given to us, the Company does not trade in shares or other securities. However it has made Investments in the quoted/unquoted equity shares of Companies.
- (b) The Company has maintained proper records of the transactions and contracts. On our examination of the records, we found that timely entries have been made therein.
- (c) All the investments are held in the name of the Company and its nominees.
15. According to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loans taken by others from banks and financial institutions are not prejudicial to the interest of the Company.
16. According to the information and explanation given to us, the term loans availed by the Company were applied for the purposes for which the loans were obtained.
17. According to the information and explanations given to us, and on an overall examination of the Financial Statements of the Company, we are of the opinion that, prima facie short term funds have not been used for long term purposes.
18. During the year 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.
19. The Company has not issued Debentures during the year. Accordingly, clause 4(xix) of the order is not applicable.
20. The Company has not raised any money by public issue, during the year.
21. According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported by the Company during the year.

For Sood Brij & Associates  
Chartered Accountants  
Firm Regn. no. 00350N

Place: New Delhi  
Dated : 30<sup>th</sup> May, 2012

A.K. Sood  
Partner  
Membership No. 14372

**BALANCE SHEET AS AT MARCH 31, 2012**

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	4	205,440,000	205,440,000
(b) Reserves and Surplus	5	5,431,621,283	5,427,678,006
	A	5,637,061,283	5,633,118,006
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	6	1,864,062,626	1,832,608,504
(b) Deferred tax liabilities (Net)		3,464,430	23,158,633
(c) Long-term provisions	7	67,645,165	63,427,127
	B	1,935,172,221	1,919,194,264
<b>3 Current liabilities</b>			
(a) Short-term borrowings	8	3,036,204,285	2,576,001,216
(b) Trade payables	9	3,793,414,229	3,057,297,776
(c) Other current liabilities	10	4,895,994,846	4,140,437,393
(d) Short-term provisions	11	35,934,314	278,295,882
	C	11,761,547,674	10,052,032,267
	A+B+C	19,333,781,179	17,604,344,537
	<b>TOTAL</b>		
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	1,702,156,883	1,498,183,872
(ii) Intangible assets		3,507,975	4,205,664
	D	1,705,664,859	1,502,389,536
(b) Non-current investments	13	191,429,300	191,424,300
(c) Long-term loans and advances	14	4,536,879,812	4,124,029,526
<b>2 Current assets</b>			
(a) Inventories	15	5,122,544,887	4,630,404,554
(b) Trade receivables	16	5,863,480,854	5,569,678,732
(c) Cash and cash equivalents	17	81,902,616	260,770,015
(d) Short-term loans and advances	18	480,080,455	432,085,803
(e) Other current assets	19	1,351,798,396	893,562,071
	E	12,899,807,208	11,786,501,175
	<b>TOTAL</b>	19,333,781,179	17,604,344,537

General Information and Significant Accounting Policies  
Notes on Accounts  
The Notes are an integral part of these financial statements

1 & 2  
3

For and on behalf of the Board of Director

**Pushpak Kumar**  
Company Secretary

**Vinod Kashyap**  
Chairman  
DIN-00038854

**Vineet Kashyap**  
Managing Director  
DIN-00038897

**Ashok Bansal**  
Vice President (Finance)

**Vikram Kashyap**  
Joint Managing Director  
DIN-00038937

This is the Balance Sheet referred to in our report of even date

**For Sood Brij & Associates**  
Chartered Accountants  
Firm Regn. no. 00350N

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2012

**A.K. Sood**  
Partner  
Membership No. 14372

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

(Amount in Rs.)

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
I. Revenue from operations	20	19,212,003,939	15,326,657,832
II. Other income	21	483,480,785	466,217,200
<b>III. Total Revenue (I + II)</b>		<b>19,695,484,724</b>	<b>15,792,875,032</b>
IV. Expenses:			
Cost of materials consumed	22	10,781,151,556	9,375,502,980
Changes in inventories of work-in-progress and stock-in-trade	23	(627,010,171)	(1,710,601,399)
Sub Contract Work		3,066,405,100	2,394,563,175
Employees' benefits expenses	24	3,788,579,017	2,949,053,759
Finance costs	25	912,664,611	651,054,092
Depreciation and amortization expenses		256,804,710	199,909,366
Other expenses	26	1,478,827,848	1,185,262,677
<b>Total expenses</b>		<b>19,657,422,671</b>	<b>15,044,744,650</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>38,062,053</b>	<b>748,130,382</b>
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>38,062,053</b>	<b>748,130,382</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>38,062,053</b>	<b>748,130,382</b>
X. Tax expense:			
(1) Current tax		23,717,327	254,082,631
(2) Deferred tax Liability (Asset)		(19,694,203)	3,462,926
(3) Wealth Tax Provision		278,612	336,501
(4) Prior Period Tax Adjustments		17,878,664	(3,766,942)
<b>XI. Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>15,881,652</b>	<b>494,015,265</b>
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
<b>XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV. Profit (Loss) for the period (XI + XIV)</b>		<b>15,881,652</b>	<b>494,015,265</b>
XVI. Earnings per equity share:			
(1) Basic		0.08	2.40
(2) Diluted		0.08	2.40

General Information and Significant Accounting Policies  
 Notes on Accounts  
 The Notes are an integral part of these financial statements

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For and on behalf of the Board of Director

**Pushpak Kumar**  
Company Secretary

**Vinod Kashyap**  
Chairman  
DIN-00038854

**Vineet Kashyap**  
Managing Director  
DIN-00038897

**Ashok Bansal**  
Vice President (Finance)

**Vikram Kashyap**  
Joint Managing Director  
DIN-00038937

This is the Profit and Loss Statement referred to in our report of even date

For Sood Brij & Associates  
Chartered Accountants  
Firm Regn. no. 00350N

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2012

A.K. Sood  
Partner  
Membership No. 14372

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31 , 2012**

(Amount in Rs.)

Particulars			Year ended March 31, 2012			Year ended March 31, 2011
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net Profit before tax & extra-ordinary items		38,062,053			748,130,380	
Adjustment for :						
- Depreciation	256,804,710			199,909,366		
- Interest Expenses	912,664,611			651,054,092		
- Loss/(Profit) on Fixed Assets / Investments sold	-			(42,083,636)		
- Interest Received	(455,183,807)			(422,062,495)		
- Dividend Received	(686,322)	713,599,192		(558,463)	386,258,865	
Operating Profit Before Working						
<b>Capital Changes</b>		751,661,245			1,134,389,245	
Adjustment for :						
- Decrease/(Increase) in Trade And Other Receivables	(1,212,883,384)			(1,656,605,256)		
- Decrease/(Increase) in Inventories	(492,140,333)			(1,921,185,428)		
- Increase/(Decrease) in Trade And Other Payables	1,265,468,750	(439,554,967)		2,481,774,873	(1,096,015,811)	
Cash Generated From Operations		312,106,278			38,373,434	
- Advance Tax / Wealth Taxes paid		41,874,603			99,504,994	
Net Cash From Operating Activities			270,231,675			(61,131,560)
<b>B Cash Flow From Investing Activities</b>						
- Proceeds from Sale of Fixed Assets		28,629,515			16,294,987	
- Interest Received		455,183,807			422,062,495	
- Dividend Received		686,322			558,463	
- Purchase of Fixed Assets		(488,709,547)			(655,719,917)	
- Purchase of Investments		(5,000)			(50,012,056)	
Net Cash (Used In)/From Investing Activities			(4,214,903)			(266,816,028)
<b>C Cash Flow From Financing Activities</b>						
- Proceeds from Borrowings		491,657,191			803,519,184	
- Dividends paid (including tax thereon)		(23,876,750)			(24,035,453)	
- Interest and Finance Charges Paid		(912,664,611)			(651,054,092)	
Net Cash (Used In)/From Financing Activities			(444,884,171)			128,429,638
Net Increase In Cash And Equivalents			(178,867,399)			(199,517,950)
Cash And Cash Equivalents (Opening Balance)			260,770,015			460,287,966
Cash And Cash Equivalents (Closing Balance)			81,902,616			260,770,015
<b>Notes :</b>						
1) Cash and cash equivalents include :-						
Cash, cheque in hand and remittance in transit			35,076,833			42,470,733
Balance with Schedule Banks, Cheques in Hand & Fixed Deposits			46,825,784			218,299,282
<b>Total</b>			81,902,616			260,770,015

General Information and Significant Accounting Policies

Notes on Accounts

The Notes are an integral part of these financial statements

1 & 2

3

For and on behalf of the Board of Director

**Pushpak Kumar**  
**Company Secretary**

**Vinod Kashyap**  
**Chairman**  
**DIN-00038854**

**Vineet Kashyap**  
**Managing Director**  
**DIN-00038897**

**Ashok Bansal**  
**Vice President (Finance)**

**Vikram Kashyap**  
**Joint Managing Director**  
**DIN-00038937**

In terms of our audit report of even date

**For Sood Brij & Associates**  
**Chartered Accountants**  
**Firm Regn. no. 00350N**

**Place : New Delhi**  
**Dated : 30<sup>th</sup> May, 2012**

**A.K. Sood**  
**Partner**  
**Membership No. 14372**

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### **Note 1 General Information**

B.L. Kashyap And Sons Ltd (BLK) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Founded in 1978 as a partnership firm, BLK owes its success to Shri B L Kashyap, a veteran construction professional. Incorporated as a limited company in 1989. Today, BLK is one of India's most respected construction and infrastructure development companies with a pan India presence. Our service portfolio extends across the construction of factories and manufacturing facilities, IT campuses, commercial & residential complexes, malls and hotels.

### **Note 2 Significant Accounting Policies**

The Company follows mercantile basis of accounting. The accounts are prepared on historical cost on going concern basis and are consistent with generally accepted accounting principles and materially comply with the notified Accounting Standards by the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions thereof. The significant Accounting policies followed by the Company are as stated below:

#### **2.1 Fixed Assets**

Fixed Assets are shown at cost less accumulated depreciation. Cost comprises of purchase price, import duties and other non refundable taxes or levies and any other directly attributable costs.

#### **2.2 Depreciation**

- a. Depreciation is provided on Written down value method at rates specified in Schedule XIV to the Companies Act, 1956
- b. Items of Fixed Assets costing upto Rs.5,000/- are depreciated fully in the year of purchase
- c. Leasehold improvements are being written-off over the lease period

#### **2.3 Borrowing Costs**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

#### **2.4 Investments**

Investments are classified as Current and Long-term Investments, Current Investments are stated at lower of cost and fair value. Long-term Investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of Long-term Investments.

#### **2.5 Inventory**

- Work-in-progress including materials at sites is valued at cost.
- Stock in Trade is valued at lower of cost and net realizable value.

#### **2.6 Revenue & Expenditure Recognition**

Revenue from construction is recognized as follows:

Contract revenue represents the cost of work performed on the contract plus proportionate margin using the percentage of completion method. Percentage of completion is determined as a proportion of cost of work performed to date to the total estimated contract costs.

Full provision is made for any loss in the period in which it is foreseen. Project and construction related work in progress is reflected at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. The above policy is not materially different from the policy hitherto being followed and therefore there is no material variation in revenue booked.

#### **2.7 Use of Estimates**

The preparation of financial statements is in conformity with generally accepted accounting principals. It requires estimates and assumptions to be made which affect the reported amounts of assets and liabilities on the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Difference between actual results and estimates are recognized in the year in which the results are known /materialized.

#### **2.8 Employees Retirement Benefits**

The company has accounted for liability towards Gratuity and Leave Encashment on the basis of actuarial valuation.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012****2.9 Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration various benefits and disallowances as per the Income Tax Act, 1961. Deferred tax in accordance with AS-22 is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent periods.

**2.10 Cash Flow Statement**

Cash Flows are reported as per the indirect method as specified in the Accounting Standard (AS-3), 'Cash Flow Statement'.

**2.11 Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

**2.12 Foreign Currency Transactions****(I) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction

**(II) Conversion**

Foreign Currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction and non- monetary items which are carried at fair value or similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**(III) Exchange Difference**

Exchange difference arising on settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**Note 3- Notes on Accounts****Contingent Liabilities :****3.1.1 Claims against the company not acknowledged as debts:**

(a) Out of Income Tax demand raised in Assessment proceedings for the year 2002-2003 to 2009-2010 u/s 153A/143(3) of Rs. 915,038,827/-, Rs. 321,800,170/- has been deposited. The Company has filed appeals before The Commissioner of Income Tax (Appeals) II, New Delhi and is expecting substantial relief from appellate authorities as most of the additions are on technical issues and on adhoc basis.

(b) Other demands not acknowledged as payables:- **(Rs.in Lacs)**

Income Tax TDS	13.10
Service Tax	13.18
VAT	100.60

(c) Additional Demand of Rs. 592.76 Crores from Provident Fund Authorities for the period from 1-4-2005 to 31-12-2010. The Company has contested the demand and the matter is pending before Employees Provident Fund Appellate Tribunal, New Delhi.

(d) Additional tax liability, if any pending assessments is indeterminate.

(e) No disputed/legal cases which may have any material and adverse financial implication are pending against the company.

**3.1.2 Guarantees :**

(a) Liability in respect of Bank Guarantees is Rs. 1,750,717,446/- (Previous year Rs. 2,014,534,474/-)

(b) Liability in respect of Letter of Credits is Rs. 64,818,538/- (Previous year Rs. 270,402,417/-)

(c) Corporate Guarantees' of Rs. 1,531,071,762/- (Previous year Rs. 1,513,647,071/-) in favour of:-

- Clients Rs. 991,071,762/-,

- Subsidiaries Rs. 540,000,000/-



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 3.1.3 Other Money for which the Company is liable :

Estimated amount of contracts remaining to be executed on Capital Account and not provided for. Rs. 1,14,16,248/-  
Previous Year (Rs. 3,39,72,129/-)

### Related Party Disclosure

#### 3.2.1 List of Related Parties

##### A. Enterprises in which the Company has control

	<b>Relationship</b>
i Security Information Systems (India) Ltd.	Wholly owned subsidiary
ii B.L.K. Lifestyle Ltd.	Wholly owned subsidiary
iii BLK. Infrastructure Ltd.	Wholly owned subsidiary
iv Soul Space Projects Ltd.	Subsidiary
v Soul Space Realty Ltd.	Step Down Subsidiary
vi Soul Space Hospitality Ltd.	Step Down Subsidiary

##### B. Other related Parties

###### (i) Joint Ventures

BLK NCC Consortium

###### (ii) Associates

###### Status

(a) B.L.K. Financial Services Limited	Limited Company
(b) B.L.K. Securities Private Limited	Private Limited Company
(c) Ahuja Kashyap Malt Pvt. Ltd.	Private Limited Company
(d) Bezel Investments & Finance Pvt. Ltd.	Private Limited Company
(e) B.L. Kashyap & Sons	Partnership Firm
(f) Kasturi Ram Herbal Industries	Partnership Firm
(g) Aiyana Trading Pvt. Ltd.	Private Limited Company
(h) Chrysalis Trading Pvt. Ltd.	Private Limited Company
(i) Chrysalis Realty Projects (P) Ltd	Private Limited Company
(j) EON Auto Industries Pvt. Ltd.	Private Limited Company
(k) Suryakant Kakade & Soul Space	Partnership Firm
(l) Asha Jyoti Software Pvt.Ltd	Private Limited Company

###### (iii) Key Management Personnel

(a) Mr. Vinod Kashyap	Chairman
(b) Mr. Vineet Kashyap	Managing Director
(c) Mr. Vikram Kashyap	Joint Managing Director

###### (iv) Relatives of Key Management Personnel

(a) Mr. Mohit Kashyap	Son of Mr. Vinod Kashyap
(b) Mrs. Malini Kashyap Goyal	Daughter of Mr. Vinod Kashyap
(c) Mr. Saurabh Kashyap	Son of Mr. Vineet Kashyap
(d) Mrs. Anjoo Kashyap	Wife of Mr. Vinod Kashyap
(e) Mrs. Aradhana Kashyap	Wife of Mr. Vineet Kashyap
(f) Mrs. Amrita Kashyap	Wife of Mr. Vikram Kashyap
(g) Mrs. Nitika Nayar Kashyap	Wife of Mr. Mohit Kashyap
(h) Mrs. Shruti Chaudhari	Daughter of Mr. Vineet Kashyap
(i) Mrs. Sanjana Kashyap Kapoor	Daughter of Mr. Vikram Kashyap
(j) Mr. Sahil Kashyap	Son of Mr. Vikram Kashyap
(k) Mrs. Ishita Kashyap	Wife of Mr. Saurabh Kashyap

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**3.2.2 Transactions with related parties during the year :**

(Rs. in Lakhs)

Description	Subsidiaries		Joint Venture		Associates		Key Management		Relatives	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Job Works Dealing Expenses	1,377.53	550.91	153.58	-	-	4.24	-	-	-	-
<i>Previous Year</i>	2,655.91	1,319.69	3,973.48	-	-	-	-	-	-	-
Inter-Corporate Deposits	1,536.64	984.00	-	-	-	-	-	-	-	-
<i>Previous Year</i>	6,697.97	-	-	-	-	-	-	-	-	-
Interest on ICD	4,084.13	-	-	-	-	-	-	-	-	-
<i>Previous Year</i>	3,727.12	-	-	-	-	-	-	-	-	-
Remuneration Paid	-	-	-	-	-	-	-	259.20	-	38.27
<i>Previous Year</i>	-	-	-	-	-	-	-	518.40	-	43.53
Rent Paid	-	-	-	-	-	-	-	12.00	-	-
<i>Previous Year</i>	-	-	-	-	-	-	-	14.40	-	-
Medical Expenses	-	-	-	-	-	-	-	1.99	-	-
<i>Previous Year</i>	-	-	-	-	-	-	-	1.36	-	-
<b>Closing Balance</b>	<b>48,391.36</b>	<b>-</b>	<b>255.81</b>	<b>-</b>	<b>-</b>	<b>2.55</b>	<b>-</b>	<b>0.80</b>	<b>-</b>	<b>3.26</b>
<i>Previous Year</i>	42,745.12	-	994.40	-	-	-	-	4.32	-	3.79

In respect of above parties there is no provision for doubtful debts as on 31-03-2012 and no amount is written off or written back during the year in respect of debt/loan & advances due from/to them.

**3.3 Impairment of Assets**

In accordance with the Accounting Standard – 28 on “Impairment of Assets” issued by the Institute of Chartered Accountants of India, no Asset has been identified for impairment by the Company during the year.

3.4 All borrowing costs have been charged to revenue; hence no cost is attributable to acquisition or Construction of qualifying assets.

**3.5 DEFERRED TAX**

(Amount in Rs.)

Deferred Tax Liability (Assets) on account of :	As at March 31, 2012	As at March 31, 2011
- Depreciation	32,842,100	35,817,377
- Accrued Gratuity & Leave Encashment provision	(21,947,474)	(5,469,281)
- Prepaid Processing Fee	4,429,975	(3,401,055)
- Long Term Capital Loss	(3,154,820)	(3,788,408)
- Bonus	(8,705,350)	-
<b>Net Deferred Tax Liability (Asset)</b>	<b>3,464,430</b>	<b>23,158,633</b>

In accordance with “Accounting Standard-22” the Company has recognised the deferred tax Asset as at 31<sup>st</sup> March 2012 amounting to Rs. 1,96,94,203/- and has charged the same to Profit & Loss Appropriation Account.(Previous year deferred tax Liability Rs. 34,62,926/-)

**3.6 Earning per Share (EPS)**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Net Profit available for Equity Shareholders	15,881,652	494,015,263
b. Number of Equity Shares used as denominator for calculation of EPS	205,440,000	205,440,000
c. Basic and Diluted Earnings per Share of Rs.1 each	0.08	2.40

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

- 3.7 Balances with the Parties are subject to Confirmations.
- 3.8 In the opinion of the board of directors all its assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.
- 3.9 Additional information pursuant to Para 5 of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable.

(Amount in Rs.)

Expenditure in Foreign Currency on account of	2011-2012	2010-2011
a. Traveling Expenses	1,233,812	810,575
b. CIF Value of Imports of Assets	10,811,302	89,024,200

- 3.10 On the basis of confirmation obtained from suppliers who have registered themselves under the Micro Small Medium Enterprise Development Act, 2006(MSMED Act, 2006) and based on the information available with the company, the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 are as follows:-

(Amount in Rs.)

S.No.	Details of dues to Micro, Small and Medium Enterprises As per MSMED Act ,2006	2011-2012	2010-2011
1	The Principal amount and the interest due thereon remaining unpaid to any Suppliers as at the end of Year. - Principal Amount Un Paid - Interest Due	3,036,031 102,636	3,225,416 34,482
2	The amount of interest paid by the buyer in terms of section-16 of the Micro Small and Medium Enterprises Development Act,2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year Payment made beyond the Appointed date Interest paid beyond the Appointed date : - Principal Amount Paid - Interest Paid	6,962,345 -	95,966 1,841
3	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year,) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	-	640
4	The amount of interest accrued and remaining unpaid at the end of the year	251,210	34,163
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above or actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 Micro Small and Medium Enterprises Development Act, 2006	-	-

- 3.11 The following table sets out the status of the gratuity/leave encashment plan and other benefits as required under the revised Accounting Standard -15 issued by The Institute of Chartered Accountants of India.

a) Gratuity Liability As Recognized in The Balance Sheet:-

(Amount in Rs.)

Sl. No	Particulars	March 31, 2012
a	Present value of obligation	(62,853,352)
b	Fair value of plan assets	-
c	Net assets(liability) recognized in balance sheet as provision	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**
**b) Gratuity Expense recognized in the statement of Profit and Loss Account:-**
**(Amount in Rs.)**

Sl. No	Particulars	March 31, 2012
a)	Present value of obligation as at the beginning of the period (1st April, 2011)	57,858,522
b)	Acquisition adjustment	-
c)	Interest cost	4,917,974
d)	Past service cost	-
e)	Current service cost	10,663,211
f)	Benefits paid	(21,807)
g)	Actuarial (gain)loss on obligation	(10,564,548)
h)	Expenses recognized in the statement of profit & losses	-
i)	Present value of obligation as at the end of period (31st March, 2012)	62,853,352

**c) Leave Encashment Liability Recognized in The Balance Sheet:-**
**(Amount in Rs.)**

Sl. No	Particulars	March 31, 2012
a)	Present value of obligation as at the end of the period	4,791,813
b)	Fair value of plan assets as at the end of the period	-
c)	Funded status	(4,791,813)
d)	Excess of actual over estimated	-
e)	Unrecognized actuarial (gain)loss	-
f)	Net asset(liability) recognized in balance sheet	(4,791,813)

**d) Leave Encashment Expense recognized in the statement of Profit and Loss:-**
**(Amount in Rs.)**

Sl. No	Particulars	March 31, 2012
a)	Current service cost	1,311,478
b)	Past service cost	-
c)	Interest cost	473,331
d)	Expected return on plan assets	-
e)	Curtailement cost(credit)	-
f)	Settlement cost(credit)	-
g)	Net actuarial (gain)loss recognized in the period	(2,561,601)
h)	Expenses recognized in the statement of profit & loss	(776,792)

**3.12 Auditors Remuneration**
**(Amount in Rs.)**

Sl. No	Particulars	Year Ended-31.03.2012	Year Ended-31.03.2011
a)	Audit Fees	650,000	650,000
b)	Tax Audit Fees	150,000	150,000
c)	Other Certification Charges	200,000	200,000
d)	Other Charges	100,000	-
e)	Service Tax Reimbursement	113,300	103,000
<b>Total</b>		<b>1,213,300</b>	<b>1,103,000</b>

**3.13 Segmental Reporting**

The company has only one reportable business segment i.e. civil contracts. The company also operates a hotel in Mussourie and also trades in residential flats. However, these are not "Reportable Segments" as per clause 27 of AS-17, as the revenue from these sources is less than 10% of the total revenue. The company operates in only one geographical segment viz. India.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

- 3.14** The Company has paid remuneration to Whole Time Directors amounting to Rs. 2,61,26,756/- which exceeds the amount calculated as per the provisions of the Sec. 198 read with Sec. 309 of the Companies Act, 1956 by Rs. 2,24,01,893/-. The company is applying to the Central Government for waiver / regularisation of the excess remuneration of Rs. 2,24,01,893/- paid to the Whole Time Directors.
- 3.15** Disclosure pursuant to Accounting Standard-7 as prescribed under Companies Accounting Standards Rules on Accounting in respect of the contracts in progress at the reporting date:-

(Amount in Rs.)

Sl. No	Particulars	2011-12	2010-11
a.	The contract revenue recognized as revenue during the year on the basis of physical measurement of work actually completed as at balance sheet date.	17,377,691,920	14,206,161,359
b.	The aggregate of cost incurred and recognized profit (less recognized losses) up to the balance sheet date	38,912,724,327	31,534,031,769
c.	Retention money retained	850,476,621	765,975,633
d.	Mobilization advance received	3,075,909,990	2,840,228,760
e.	Gross amount due from customers	4,348,722,905	5,248,114,575
f.	Gross amount due to customers	-	-
g.	Share in Capital Commitment	-	-
h.	Share in contingent liability	-	-

- 3.16** Previous year's figures have been re-grouped, rearranged to make them comparable with figures of current year, wherever considered necessary.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 4 - Share Capital**

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
Equity Shares of Rs 1/- each	250,000,000	250,000,000	250,000,000	250,000,000
<b>Issued</b>				
Equity Shares of Rs 1/- each	205,440,000	205,440,000	205,440,000	205,440,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs 1/- each	205,440,000	205,440,000	205,440,000	205,440,000
<b>Total</b>	<b>205,440,000</b>	<b>205,440,000</b>	<b>205,440,000</b>	<b>205,440,000</b>

**a. Reconciliation of shares outstanding at the beginning and at the end of reporting period**

Particulars	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	205,440,000	205,440,000	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	205,440,000	205,440,000	-	-

**b. Details of Shareholders holding more than 5% shares in company**

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vinod Kashyap	48,566,600	23.64	48,556,600	23.63
Vineet Kashyap	48,752,330	23.73	48,752,330	23.73
Vikram Kashyap	48,616,750	23.66	48,586,750	23.65

**c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

Particulars	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	102,720,000	-	-	-
Shares bought back	-	-	-	-	-
<b>Preference Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 5 - Reserves and Surplus

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>a. Securities Premium Account</b>		
Opening Balance	1,899,480,000	2,002,200,000
Less: Premium Utilised For Issuing Bonus Shares	-	102,720,000
Closing Balance	1,899,480,000	1,899,480,000
<b>b. General Reserves</b>		
Opening Balance	1,055,309,350	957,309,350
(+) Current Year Transfer	-	98,000,000
Closing Balance	1,055,309,350	1,055,309,350
<b>c. Surplus</b>		
Opening balance	2,472,888,656	2,100,750,143
(+) Net Profit/(Net Loss) For the current year	15,881,652	494,015,263
(-) Proposed Dividends	10,272,000	20,544,000
(-) Transfer to Reserves	-	98,000,000
(-) Dividend Tax	1,666,375	3,332,750
Closing Balance	2,476,831,933	2,472,888,656
<b>Total</b>	<b>5,431,621,283</b>	<b>5,427,678,006</b>

### Note 6 - Long Term Borrowings

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Secured</b>		
<b>(a) Term loans</b>		
- From Banks	1,503,550,062	1,372,972,818
- From Other Parties	360,512,564	283,599,859
1. Period of default		
2. Amount		
[Refer to note (a) and (b) below]		
	<b>1,864,062,626</b>	<b>1,656,572,677</b>
<b>Unsecured</b>		
<b>(a) Term loans</b>		
from other parties	-	176,035,827
(Refer to note (c) below)		
	-	176,035,827
<b>Total</b>	<b>1,864,062,626</b>	<b>1,832,608,504</b>

#### Secured Loans

##### (a) Term Loans From Banks

1. Union Bank of India - Rs. 12,85,71,425/- Previous Year Rs. 19,28,57,141/-  
Principal Amount Rs. 2,14,28,572/- & Interest Rs. 37,98,378/- delayed by 23 days & 37 days respectively.
2. State Bank of Patiala - Rs. 2,41,49,229/- Previous Year Rs. 5,00,00,000/-  
Principal Amount Rs. 1,41,49,229/- & Interest Rs. 4,04,265/- delayed by 87 days & 1 day respectively.
3. Oriental Bank of Commerce - Rs. 7,50,00,000/- Previous Year Rs. 17,50,00,000/-  
Principal Amount Rs. 2,50,00,000/- & Interest Rs. 27,69,503/- delayed by 89 days & 61 days respectively.
4. IndusInd Bank - Rs. 7,00,00,000 /- Previous Year Rs. 21,00,00,000 /-  
(Loan from Union bank of India, State Bank of Patiala, Oriental Bank of Commerce & IndusInd Bank (Point no. 1-4) are secured by way of first pari passu charge on Fixed Assets of Company except those specifically charged to financial Institutions/bank for term loans of machinery & vehicles and personal Guarantees of Whole Time Directors)
5. Syndicate Bank - Rs. 100,00,00,000/- Previous Year Rs. 100,00,00,000 /-  
Interest Rs. 2,30,37,754/- delayed by 60 days.  
(Loan from Syndicate Bank secured by Subservient charge by way of hypothecation on all the Movable Assets, Current Assets, receivables and fixed assets & personal guarantees of Whole Time Directors)
6. State Bank of India - Rs. 49,05,30,418/- Previous Year Rs. Nil/-  
(Loan from State Bank of India is secured by First pari passu charge over entire present & future Current Assets)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

7. From Kotak Mahindra Bank Ltd - Loans outstanding as at 31<sup>st</sup> March 2012 Rs. 2,19,69,077/- (Previous Year - Rs. 5,82,25,983/-)  
*(Loans Secured Against Hypothecation of Plant And Machinery And Personal Guarantee of Whole Time Directors)*
8. From HDFC Bank Ltd. - Loans outstanding as at 31<sup>st</sup> March 2012 - Rs. -18,05,54,653/- (Previous Year Rs. 16,84,15,514/-)  
 Principal Amount Rs. 1,89,765/- & Interest Rs. 39,490/- delayed by 30 days.  
*(Loans Secured Against Hypothecation of Plant And Machinery And Personal Guarantee of Whole Time Directors)*
9. From Dhanlaxmi Bank Ltd. - Loans outstanding as at 31<sup>st</sup> March 2012 - Rs. 1,27,40,026 /- (Previous Year Rs. nil/-)  
*(Loans Secured Against Hypothecation of Plant And Machinery And Personal Guarantee of Whole Time Directors)*
10. From ICICI Bank Ltd. - Loans outstanding as at 31<sup>st</sup> March 2012 - Rs. 10,70,652/- (Previous Year Rs. 17,71,131/-)  
*(Loans Secured Against Hypothecation of Cars And Personal Guarantee of Whole Time Directors)*
11. From HDFC Bank Ltd. - Loans outstanding as at 31<sup>st</sup> March 2012 - Rs.22,44,482/- (Previous Year Rs. 24,34,394/-)  
*(Loans Secured Against Hypothecation of Cars And Personal Guarantee of Whole Time Directors)*
12. From Kotak Mahindra Bank Ltd - Loans outstanding as at 31<sup>st</sup> March 2012 Rs. 15,24,659/- (Previous Year - Rs. 32,23,841/-)  
*(Loans Secured Against Hypothecation of Cars And Personal Guarantee of Whole Time Directors)*

**(b) Term Loans From Other Parties**

1. From L & T Infrastructure Finance Company Ltd. - Rs. 29,73,68,228/- Previous Year Rs. 40,27,77,777 /-  
 Principal Amount Rs. 4,73,68,230/- & Interest Rs. 7,12,687/- delayed by 121 days & 1 day respectively.  
*(Loans secured by Subservient charge by way of hypothecation on all the Movable Assets, Current Assets, receivables and fixed assets & personal guarantees of Whole Time Directors)*
2. From Reliance Capital Ltd. - Loans outstanding as at 31<sup>st</sup> March 2012 - Rs. 4,20,76,917 /- (Previous Year Rs. 4,90,58,038/-)  
*(Loans Secured Against Hypothecation of Plant And Machinery And Personal Guarantee of Whole Time Directors)*
3. From Bajaj finance Limited. - Loans outstanding as at 31<sup>st</sup> March 2012 - Rs. 1,10,51,144 /- (Previous Year Rs. nil/-)  
*(Loans Secured Against Hypothecation of Plant And Machinery And Personal Guarantee of Whole Time Directors)*
4. From Srei Equipment Finance Limited. - Loan outstanding as at 31<sup>st</sup> March 2012 - Rs. 39,81,02,897/- (Previous Year Rs. 23,02,48,200/-)  
 Principal Amount Rs. 1,51,10,198/- & Interest Rs. 31,01,438/- delayed by 45 days.  
*(Loans Secured Against Hypothecation of Plant And Machinery And Personal Guarantee of Whole Time Directors)*

**(c) Unsecured**

1. ECL Finance Limited - Rs. 6,75,00,000/- Previous Year Rs. 15,00,00,000/-  
*(Secured by Personal Guarantee of Directors & Pledge of Share from Whole Time Directors)*  
 The above lone of Rs. 6,75,00,000/- is repayable in less than 1 year and therefore has been shown as part of the Current maturities of long-term debt.  
 The above break up of total loans as shown in a, b & c is Rs. 2,824,453,807/- in aggregate. Out of which, an amount of Rs. 1,864,062,626/- is shown under Long Term Loans as per Note 6 and the balance of Rs. 960,391,181/- is shown as part of the Current maturities of long-term debt under other Current Liabilities as per Note 10 in terms of requirements of Schedule VI to the Companies Act, 1956.

**Note 7 - Long Term Provisions**

**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(a) Provision for employee benefits</b>		
Gratuity (unfunded)	62,853,352	57,858,522
Leave Encashment (unfunded)	4,791,813	5,568,605
<b>Total</b>	<b>67,645,165</b>	<b>63,427,127</b>

**Note 8 - Short Term Borrowings**

**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Secured</b>		
<b>Loans repayable on demand</b>		
from banks	3,036,204,285	2,346,173,223
[Refer to note (a) below]	3,036,204,285	2,346,173,223.00
<b>Unsecured</b>		
<b>Loans repayable on demand</b>		
from other parties	-	229,827,993.00
[Refer to note (b) below]	-	229,827,993.00
<b>Total</b>	<b>3,036,204,285</b>	<b>2,576,001,216.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (a) Secured Loans

#### 1. Working Capital Facility From Banks

*(Secured by way of first pari passu charge on Current Assets of the company and Second pari passu charge on Fixed Assets of the Company except those specifically charged to Financial Institutions/banks/others for term Loans of machinery & vehicles and Personal Guarantees of Whole Time Directors)*

#### 2. Indusind Bank - Rs. 30,00,00,000/-Previous Year Rs. Nil/-

*(Loan from IndusInd Bank is secured by First pari passu charge over entire present & future Current Assets & Movable Fixed Assets, excluding Specifically charged to term lenders from machinery loans)*

### (b) Unsecured Loans

Tata Capital Limited - Balance Nil as at 31st March 2012 (Previous Year Rs. 22,98,27,993/-)

*(Secured against personal guarantee of Whole Time Directors & pledge of shares from Whole Time Directors)*

### Note 9 - Trade Payables

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Sundry Creditors (MSME)	12,982,358	3,259,898
Sundry Creditors (Others)	3,780,431,871	3,054,037,878
<b>Total</b>	<b>3,793,414,229</b>	<b>3,057,297,776</b>

### Note 10 - Other Current Liabilities

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Current maturities of long-term debt	960,391,180	863,203,514
(b) Interest accrued but not due on borrowings	1,665,208	1,742,463
(c) Interest accrued and due on borrowings	39,522,143	11,855,602
(d) Unclaimed dividends	150,029	124,225
(e) Application money received for allotment of securities and due for refund *	295,425	-
(f) Other payables		
- Statutory Dues	375,185,662	177,629,416
- Mobilisation Advance	3,221,816,042	2,882,556,270
- Others	296,969,156	203,325,903
<b>Total</b>	<b>4,895,994,846</b>	<b>4,140,437,393</b>

\*Note : During the year company has recognised application money received & due for refund lying in Escrow Account with Bank.

### Note 11 - Short Term Provisions

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(a) Others</b>		
Income Tax Provisions	23,717,327	254,082,631
Proposed Dividend	10,272,000	20,544,000
Provision for Dividend Tax	1,666,375	3,332,750
Provision for Wealth Tax	278,612	336,501
<b>Total</b>	<b>35,934,314</b>	<b>278,295,882</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

ITEMS	GROSS BLOCK AT COST				DEPRECIATION				WRITTEN DOWN VALUE	
	AS AT 01.04.2011	ADDITIONS	SALES/ ADJUSTMENTS	TOTAL	AS AT 01.04.2011	SALES/ ADJUSTMENTS	FOR THE YEAR	TOTAL	AS AT 31-03-2012	AS AT 31.03.2011
<b>TANGIBLE ASSETS</b>										
Buildings	300,000	-	-	300,000	195,594	-	5,222	200,816	99,184	104,406
Asset Under Lease	37,409,342	-	-	37,409,342	12,473,220	-	4,156,020	16,629,240	20,780,102	24,936,122
Leasehold Improvements										
<b>PLANT &amp; MACHINERY</b>										
Machinery	686,614,874	154,495,639	29,190,847.37	811,919,666	266,929,754	18,035,639	72,429,803	321,323,918	490,595,748	419,685,120
Office Equipments	7,427,980	1,413,428	1,223,759.86	7,617,648	3,543,708	806,401	642,269	3,379,576	4,238,071	3,884,272
Cellular Phones	5,510,704	67,175	121,365.00	5,456,514	2,738,760	57,150	387,235	3,068,845	2,387,669	2,771,944
Electrical Equipments	3,422,897	121,394	858.00	3,543,433	1,805,629	805	253,042	2,057,867	1,485,566	1,617,268
Computer Systems	37,037,268	1,580,988	735,364.78	37,882,891	30,712,704	687,512	2,864,858	32,890,049	4,992,842	6,324,564
Air Conditioners	10,481,808	1,142,666	35,061.33	11,589,413	4,909,612	25,866	900,439	5,784,185	5,805,228	5,572,196
Refrigerators	688,400	131,100	-	819,500	301,540	-	67,435	368,975	450,525	386,860
Coolers	1,480,051	650,716	-	2,130,767	1,170,987	-	464,893	1,635,880	494,887	309,064
Fans	2,897,342	684,055	304,795.71	3,276,601	2,530,174	279,606	694,014	2,944,582	332,019	367,167
Generators	35,276,368	629,047	1,943,060.00	33,962,355	11,953,881	1,461,543	3,282,309	13,774,647	20,187,708	23,322,487
Vehicles	100,190,573	5,711,616	2,980,447.00	102,921,742	57,563,581	2,299,454	11,956,653	67,220,780	35,700,961	42,626,992
Cycle	98,541	8,300	1,182.35	105,658	91,362	1,182	9,736	99,915	5,743	7,179
Shuttering Material	1,432,944,589	273,388,579	30,265,457.58	1,676,067,711	472,584,332	14,632,190	154,996,385	612,948,527	1,063,119,184	960,360,257
Furniture & Fixtures	17,797,265	2,710,961	599,124.46	19,909,102	11,961,685	484,461	1,783,717	13,260,941	6,648,161	5,835,580
<b>HOTEL UNIT</b>										
Computer	83,607	-	-	83,607	81,871	-	695	82,566	1,041	1,736
Kitchen Equipments	347,740	-	-	347,740	298,024	-	6,915	304,939	42,800	49,716
Televisions	273,828	-	-	273,828	273,742	-	35	273,777	51	86
Furniture & Fixtures	372,299	-	-	372,299	351,437	-	3,776	355,213	17,086	20,862
Capital Work in Progress	-	44,772,307	-	44,772,307	-	-	-	-	44,772,307	-
<b>INTANGIBLE ASSETS</b>										
Computer Software	16,367,503	1,201,575	NIL	17,569,078	12,161,844	-	1,899,259	14,061,103	3,507,975	4,205,660
<b>Total</b>	<b>Rs. 2,397,022,978</b>	<b>488,709,547</b>	<b>67,401,323</b>	<b>2,818,331,201</b>	<b>894,633,441</b>	<b>38,771,809</b>	<b>256,804,710</b>	<b>1,112,666,343</b>	<b>1,705,664,859</b>	<b>1,502,389,537</b>
<b>Previous Year</b>	<b>Rs. 1,838,911,968</b>	<b>655,719,917</b>	<b>97,608,907</b>	<b>2,397,022,978</b>	<b>723,873,234</b>	<b>29,149,132</b>	<b>199,909,366</b>	<b>894,633,468</b>	<b>1,502,389,510</b>	

Note 12 - FIXED ASSETS AS AT 31<sup>st</sup> MARCH, 2012

(AMOUNT IN RS.)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 13 - Non Current Investments -at Cost

(Amount in Rs.)

	Particulars	As at March 31, 2012	As at March 31, 2011
<b>A</b>	<b>Trade Investments (Refer A below)</b>		
	(a) Investment in Equity instruments- Unquoted	88,842,000	88,842,000
	(b) Investments in preference shares-unquoted	50,000,000	50,000,000
	<b>Total (A)</b>	<b>138,842,000</b>	<b>138,842,000</b>
<b>B</b>	<b>Other Investments (Refer B below)</b>		
	(a) Investment in Equity instruments-quoted	52,411,893	52,411,893
	(b) Investment in Equity instruments-unquoted	95,735	95,735
	(c) Investments in Government or Trust securities-unquoted	79,672	74,672
	<b>Total (B)</b>	<b>52,587,300</b>	<b>52,582,300</b>
	<b>Grand Total (A + B)</b>	<b>191,429,300</b>	<b>191,424,300</b>
	Less : Provision for diminution in the value of Investments	-	-
	<b>Total</b>	<b>191,429,300</b>	<b>191,424,300</b>

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
(i) Aggregate amount of quoted investments (Market value )	34,716,765	37,049,124
(ii) Aggregate amount of unquoted investments	139,017,407	139,012,407

#### A. Details of Trade Investments

(Amount in Rs.)

Sr. No	Name of the Body Corporate	Relation	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No
			2012	2011			2012	2011	2012	2011	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(a)	<b>Investment in Equity Instruments</b>										
	B L K Lifestyle Ltd	Subsidiary	5000000	5,000,000	Unquoted	Fully Paid	100	100	54,092,000	54,092,000	Yes
	Security Information Systems India Ltd	Subsidiary	680000	680,000	Unquoted	Fully Paid	100	100	4,250,000	4,250,000	Yes
	Soul Space Project Ltd	Subsidiary	2050000	2,050,000	Unquoted	Fully Paid	97.90	97.90	20,500,000	20,500,000	Yes
	B L K Infrastructure Ltd	Subsidiary	1000000	1,000,000	Unquoted	Fully Paid	100	100	10,000,000	10,000,000	Yes
(b)	<b>Investments in Preference Shares</b>										
	B L K Lifestyle Ltd	Subsidiary	5000000	5,000,000	Unquoted	Fully Paid	100	100	50,000,000	50,000,000	Yes
	<b>Total</b>								<b>138,842,000</b>	<b>138,842,000</b>	

#### B. Details of Other Investments

(Amount in Rs.)

Sr. No	Name of the Body Corporate	Relation	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No
			2012	2011			2012	2011	2012	2011	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(a)	<b>Investment in Equity Instruments at cost</b>										
	Bajaj Finance Ltd	Others	1,100	1,100	Quoted	Fully Paid			210,960	210,960	Yes
	GR Cables Ltd	Others	1,300	1,300	Quoted	Fully Paid			13,000	13,000	Yes
	Northland Sugar Ltd	Others	4,800	4,800	Quoted	Fully Paid			48,000	48,000	Yes
	Reliance Capital Ltd	Others	500	500	Quoted	Fully Paid			88,550	88,550	Yes
	Somdatt Finance Corporation Ltd	Others	2,000	2,000	Quoted	Fully Paid			20,000	20,000	Yes
	Tata Steel Ltd	Others	750	750	Quoted	Fully Paid			85,426	85,426	Yes
	UCO BANK	Others	5,000	5,000	Quoted	Fully Paid			124,937	124,937	Yes
	Vijaya Bank	Others	2,500	2,500	Quoted	Fully Paid			130,911	130,911	Yes
	Crew B.O.S Products Ltd	Others	1,000	1,000	Quoted	Fully Paid			59,160	59,160	Yes
	Hotel Leela Venture Ltd	Others	10,000	10,000	Quoted	Fully Paid			305,920	305,920	Yes
	ITC LTD	Others	30,000	30,000	Quoted	Fully Paid			1,094,281	1,094,281	Yes
	Petronet LNG Limited	Others	1,000	1,000	Quoted	Fully Paid			34,900	34,900	Yes
	Strides Acro Lab Ltd	Others	1,000	1,000	Quoted	Fully Paid			200,548	200,548	Yes
	Jay Pee Infratech Ltd	Others	490,150	490,150	Quoted	Fully Paid			49,995,300	49,995,300	Yes
	GI Power Corporation Ltd	Others	4,000	4,000	Un-Quoted	Fully Paid			42,549	42,549	Yes
	GTZ Securities Ltd	Others	5,000	5,000	Un-Quoted	Fully Paid			53,186	53,186	Yes
	<b>Total</b>								<b>52,507,628</b>	<b>52,507,628</b>	
(b)	<b>Investments in Government or Trust securities</b>										
	Kisan Vikas Patra	Others							7,282	7,282	Yes
	6 Year Nsc VIII issue	Others							72,390	67,390	Yes
	<b>Total</b>								<b>79,672</b>	<b>74,672</b>	
	<b>Total</b>								<b>52,587,300</b>	<b>52,582,300</b>	

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 14 - Long Term Loans and Advances**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>a. Security Deposits</b>		
Unsecured, considered good	92,846,602	90,223,065
	<b>92,846,602</b>	<b>90,223,065</b>
<b>b. Loans and advances to related parties</b>		
Unsecured, considered good	4,165,492,940	3,745,514,514
	<b>4,165,492,940</b>	<b>3,745,514,514</b>
<b>c. Other loans and advances</b>		
Inter Corporate Deposits		
Unsecured, considered good	278,540,270	288,291,947
	<b>278,540,270</b>	<b>288,291,947</b>
<b>Total</b>	<b>4,536,879,812</b>	<b>4,124,029,526</b>

**Note 15 - Inventories**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Raw Materials and components (Valued at lower of cost and net realisable value)	694,319,488	871,109,982
b. Work-in-progress (Valued at cost)	4,336,578,528	3,640,945,697
c. Stock-in-trade (Valued at lower of cost and net realisable value)	91,646,871	118,348,875
<b>Total</b>	<b>5,122,544,887</b>	<b>4,630,404,554</b>

**Note 16 - Trade Receivables**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	2,353,371,381	3,197,208,517
Retention Money Unsecured, considered good	625,867,127	544,822,215
	<b>2,979,238,508</b>	<b>3,742,030,731</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	2,382,176,020	1,449,073,198
Retention Money Unsecured, considered good	502,066,326	378,574,803
	<b>2,884,242,346</b>	<b>1,827,648,001</b>
<b>Total</b>	<b>5,863,480,854</b>	<b>5,569,678,732</b>

For the purpose of classification of Trade Receivables, the due date has been taken as the date of billing.

**Note 17 - Cash and Cash Equivalents**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Balances with banks	46,825,784	218,299,282
This includes Earmarked Balances Rs. 20,57,192/- (Previous Year Rs. 24,03,933/-)		
b. Cash on hand	35,076,833	42,470,733
<b>Total</b>	<b>81,902,616</b>	<b>260,770,015</b>

**Note 18 - Short-Term Loans and Advances**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Others		
Unsecured, considered good	480,080,455	432,085,803
<b>Total</b>	<b>480,080,455</b>	<b>432,085,803</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 19 - Other Current Assets**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
Advance Tax	430,309,407	397,635,763
Income Tax Refund Receivable	438,612,992	294,095,230
Value Added Tax- Recoverable	332,875,997	201,831,078
Others	150,000,000	-
<b>Total</b>	<b>1,351,798,396</b>	<b>893,562,071</b>

**Note 20 - Revenue from Operations**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
Construction Job Work -Net	19,050,287,659	15,223,885,118
Other operating revenues	161,716,280	102,772,714
<b>Total</b>	<b>19,212,003,939</b>	<b>15,326,657,832</b>

**Note 21 - Other Income**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
Interest Income	455,183,807	422,062,495
Dividend Income	686,322	558,463
Other non-operating income (net of expenses directly attributable to such income)	27,610,655	43,596,242
<b>Total</b>	<b>483,480,785</b>	<b>466,217,200</b>

**Note 22 - Cost of Materials Consumed**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Opening Stock-Materials</b>	<b>871,109,982</b>	<b>497,654,893</b>
<b>Add: Purchases</b>		
Basic Materials	1,627,365,126	1,644,884,268
Cement and Cement Products	3,015,602,054	2,119,506,641
Doors and Windows	167,399,086	133,895,262
Flooring, Cladding and Paving	177,118,358	184,783,784
Reinforcement Steel	3,659,612,357	3,131,780,166
Structural Steel	523,033,577	775,349,607
Other Materials	1,434,230,505	1,758,758,341
<b>Less: Closing Stock-Materials</b>	<b>694,319,488</b>	<b>871,109,982</b>
<b>Consumption of materials</b>	<b>10,781,151,556</b>	<b>9,375,502,980</b>
<b>Total</b>	<b>10,781,151,556</b>	<b>9,375,502,980</b>

**Note 23 - Changes in Inventories of Work-in-Progress and Stock in Trade**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Work-in-Progress</b>		
Opening	3,640,945,697	1,998,966,958
Closing	4,336,578,528	3,640,945,697
Changes-Increase/(Decrease)	(695,632,831)	(1,641,978,739)
<b>Stock in trade</b>		
Opening	160,269,531	91,646,871
Closing	91,646,871	160,269,531
Changes-Increase/(Decrease)	68,622,660	(68,622,660)
<b>Total</b>	<b>(627,010,171)</b>	<b>(1,710,601,399)</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 24 - Employees Benefit Expenses**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Salaries &amp; Wages - staff</b>		
Salaries & Wages	3,615,891,319	2,763,830,962
Contribution to Provident Fund	65,697,501	42,726,613
Contribution to ESI	7,225,437	8,528,364
Staff Welfare	24,249,949	21,017,422
Gratuity	8,289,622	18,522,058
Leave Encashment	(776,792)	189,939
Bonus	31,809,313	32,295,021
Medical Expenses	9,966,911	9,763,026
<b>Salaries &amp; Wages - Directors</b>		
Remuneration	25,928,000	51,840,000
Sitting fees	99,000	205,000
Medical expenses	198,756	135,355
<b>Total</b>	<b>3,788,579,017</b>	<b>2,949,053,759</b>

**Note 25 - Finance Cost**

Amount in Rs.

Particulars	As at March 31, 2012	As at March 31, 2011
Interest expense	822,545,630	554,755,624
Other borrowing costs	90,118,982	96,298,468
<b>Total</b>	<b>912,664,611</b>	<b>651,054,092</b>

**Note 26 - Other Expenses**

Amount in Rs.

Particulars	As at March 31, 2012	As at March 31, 2011
Consumption of stores and spare parts	71,474,701	65,278,969
Power and Fuels	598,725,700	420,526,199
Hire Charges	492,996,426	388,461,172
Repairs to Machineries	16,467,956	18,235,725
Security Charges	68,789,227	62,034,697
Rent	54,114,068	47,770,715
Repairs and Maintenance of Office Buildings	9,796,896	11,116,946
Insurances	30,051,930	26,210,722
Rates And Taxes	767,225	1,062,102
Travelling Expenses	11,649,148	13,892,766
Vehicle Runiing and Maintances Expesnses	18,767,439	18,240,721
Tender Fees	1,368,366	2,362,451
Legal And Professional expenses	23,257,616	23,706,696
Printing And Stationery Expenses	10,309,579	11,099,474
Advertisement Expenses	211,806	901,350
Business Promotiion Expenses	3,162,901	2,599,302
Auditors Remmuneration	1,000,000	1,103,000
Other Expenses	65,916,865	70,659,670
<b>Total</b>	<b>1,478,827,848</b>	<b>1,185,262,677</b>

**SOOD BRIJ & ASSOCIATES, CHARTERED ACCOUNTANTS, NEW DELHI - 110 049**

**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF  
B.L. KASHYAP AND SONS LIMITED AND ITS SUBSIDIARIES**

To the Board of Directors, New Delhi

B.L. Kashyap And Sons Limited

**Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of B. L. Kashyap And Sons Limited ("the Company"), and its subsidiaries companies (together the "Group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2012, the Consolidated Statement of Profit and Loss of the Company for the year ended on that date, the Consolidated Cash Flow Statement of the Company for the year ended on that date and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these Consolidated 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 subsection (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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud, error or otherwise.

**Auditor's Responsibility**

We did not audit the financial statements of Security Information Systems (India) Limited and BLK Infrastructure Limited, subsidiaries, included herein, with total assets as at 31<sup>st</sup> March, 2012 of Rs 227.42 Lacs, revenue loss of Rs. 15.21 Lacs and cash flow of Rs. 1.72 Lacs for the year ended on that date. This financial information's have been audited by other Auditors, whose report we have relied upon for the purpose of consolidation.

Our responsibility is to express an opinion on these Consolidated 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 Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 Consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012;
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by section 227(3) of the Act, we report that:

- a. 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;
- b. 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;
- c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account; and
- d. in our opinion, the Consolidated Balance Sheet, Consolidated Statement of Consolidated Profit and Loss and Consolidated Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.

**For Sood Brij & Associates**  
**Chartered Accountants**  
**Firm Regn. no. 00350N**

**A.K. Sood**  
**Partner**

**Membership No. 14372**

**Place: New Delhi**  
**Dated: 30<sup>th</sup> May, 2012**

**BALANCE SHEET (CONSOLIDATED)**  
**AS AT MARCH 31, 2012**

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	4	205,440,000	205,440,000
(b) Reserves and surplus	5	5,217,485,275	5,283,262,414
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	6	2,256,382,626	2,224,568,504
(b) Deferred tax liabilities (Net)		-	892,736
(c) Other Long term liabilities	7	126,083,976	68,079,384
(d) Long-term provisions	8	70,841,814	66,240,904
<b>3 Current liabilities</b>			
(a) Short-term borrowings	9	3,066,618,223	2,653,549,589
(b) Trade payables	10	3,951,153,231	3,164,738,757
(c) Other current liabilities	11	5,254,095,307	4,416,476,726
(d) Short-term provisions	12	52,384,083	292,633,109
<b>4 Minority Interest</b>		-	1,473,872
<b>TOTAL</b>		<b>20,200,484,535</b>	<b>18,377,355,996</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>			
(i) Tangible assets	13	1,787,716,145	1,610,194,813
(ii) Intangible assets		7,737,861	8,472,005
(iii) Capital work-in-progress		1,448,363,713	3,456,912,578
(b) Non-current investments	14	2,561,927,289	53,615,300
(c) Deferred tax assets (net)		58,925,557	-
(d) Long-term loans and advances	15	925,313,793	942,292,556
<b>2 Current assets</b>			
(a) Inventories	16	5,765,412,791	5,126,233,789
(b) Trade receivables	17	5,309,043,334	5,147,400,618
(c) Cash and cash equivalents	18	118,771,442	308,721,082
(d) Short-term loans and advances	19	727,507,623	697,583,608
(e) Other current assets	20	1,489,764,987	1,025,929,648
<b>TOTAL</b>		<b>20,200,484,535</b>	<b>18,377,355,996</b>

General Information and Significant Accounting Policies  
Notes on Accounts  
The Notes are an integral part of these financial statements

1 & 2  
3

For and on behalf of the Board of Director

**Pushpak Kumar**  
**Company Secretary**

**Vinod Kashyap**  
**Chairman**  
**DIN-00038854**

**Vineet Kashyap**  
**Managing Director**  
**DIN-00038897**

**Ashok Bansal**  
**Vice President (Finance)**

**Vikram Kashyap**  
**Joint Managing Director**  
**DIN-00038937**

This is the Balance Sheet referred to in our report of even date

**For Sood Brij & Associates**  
**Chartered Accountants**  
**Firm Regn. no. 00350N**

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2012

**A.K. Sood**  
**Partner**  
**Membership No. 14372**

**PROFIT & LOSS STATEMENT (CONSOLIDATED)  
FOR THE YEAR ENDED MARCH 31, 2012**

(Amount in Rs.)

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
I. Revenue from operations	21	19,598,126,215	15,948,795,133
II. Other income	22	188,475,844	109,678,318
<b>III. Total Revenue (I + II)</b>		<b>19,786,602,059</b>	<b>16,058,473,452</b>
IV. Expenses:			
Cost of materials consumed	23	10,952,633,118	9,249,260,509
Project direct expenses	24	1,395,237	545,210,702
Changes in inventories of finished goods work-in-progress and stock-in-trade	25	(667,627,949)	(1,700,146,813)
Sub contract work		3,139,756,769	2,465,248,092
Other manufacturing expenses	26	39,272,466	26,208,671
Employee benefits expenses	27	3,841,988,698	2,981,503,340
Finance costs	28	746,022,036	345,883,133
Depreciation and amortization expense	13	272,556,003	216,855,521
Other expenses	29	1,528,005,464	1,173,202,920
Total expenses		<b>19,854,001,841</b>	<b>15,303,226,074</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>(67,399,782)</b>	<b>755,247,378</b>
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>(67,399,782)</b>	<b>755,247,378</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>(67,399,782)</b>	<b>755,247,378</b>
X Tax expense:		<b>(12,087,146)</b>	<b>266,900,497</b>
(1) Current tax		29,573,869	263,594,841
(2) Deferred tax		(59,818,291)	7,478,758
(3) Wealth Tax Provision		278,612	336,501
(4) Prior Period Tax Adjustments		17,878,664	4,509,603
<b>XI Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(55,312,636)</b>	<b>488,346,881</b>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>Minority Interest</b>		<b>-</b>	<b>246,472</b>
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>(55,312,636)</b>	<b>488,100,409</b>
XVI Earnings per equity share:			
(1) Basic		(0.27)	2.40
(2) Diluted		(0.27)	2.40

General Information and Significant Accounting Policies

1 & 2

Notes on Accounts

3

The Notes are an integral part of these financial statements

For and on behalf of the Board of Director

**Pushpak Kumar**  
Company Secretary

**Vinod Kashyap**  
Chairman  
DIN-00038854

**Vineet Kashyap**  
Managing Director  
DIN-00038897

**Ashok Bansal**  
Vice President (Finance)

**Vikram Kashyap**  
Joint Managing Director  
DIN-00038937

This is the Profit and Loss Statement referred to in our report of even date

For Sood Brij & Associates  
Chartered Accountants  
Firm Regn. no. 00350N

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2012

A.K. Sood  
Partner  
Membership No. 14372

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED MARCH 31, 2012**

(Amount in Rs.)

Particulars	As at March 31, 2012		As at March 31, 2011	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax & extra-ordinary items		(67,399,782)		755,247,378
Adjustment for :				
- Depreciation	272,556,003		216,855,521	
- Miscellaneous /Preliminary Expenditure written off			360,837	
- Profit From Partnership Firm	(710,833)		(719,978)	
- Foreign Exchange Fluctuation				
- Excess Provision Written Off			(742,661)	
- Interest Expenses	746,022,036		1,390,622,977	
- Loss/(Profit) on Fixed Assets / Investments sold	(26,746,495)		(48,855,579)	
- Interest Received	(55,664,132)		(56,412,200)	
- Dividend Received	(686,322)		(558,463)	
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE</b>		<b>934,770,257</b>		<b>1,500,550,454</b>
Adjustment for :				
- Decrease/(Increase) in Trade and Other Receivables	(638,423,308)		(1,100,109,370)	
- Decrease/(Increase) in Inventories	(639,179,001)		(2,026,797,105)	
- Increase/(Decrease) in Trade and Other Payables	1,458,327,905		2,553,315,125	
<b>CASH GENERATED FROM OPERATIONS</b>		<b>180,725,596</b>		<b>(573,591,350)</b>
Less: Advance Tax/Wealth tax/ FBT Paid	(29,852,481)		-	
Less: Prior Period Expense	(17,878,664)		-	
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1,000,364,925</b>		<b>1,682,206,482</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
- Proceeds from Sale of Fixed Assets	2,593,306,988		35,039,431	
- Proceeds from Sale of Investments	-		-	
- Profit From Partnership Firm	710,833		-	
- Interest Received	55,664,132		56,412,200	
- Dividend Received	686,322		558,463	
- Purchase of Fixed Assets	(1,007,354,821)		(1,725,545,122)	
- Purchase of Investments	(2,508,311,989)		(50,012,056)	
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>		<b>(865,298,535)</b>		<b>(1,683,547,084)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
- Proceeds from Borrowings	444,882,756		1,218,451,035	
- Redemption of Debentures	-		-	
- Dividends paid (including tax thereon)	(23,876,750)		(24,035,453)	
- Interest and Finance Charges Paid	(746,022,036)		(1,390,622,977)	
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>		<b>(325,016,030)</b>		<b>(196,207,395)</b>
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>		<b>(189,949,639)</b>		<b>(197,547,997)</b>
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>		<b>308,721,082</b>		<b>506,269,078</b>
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>		<b>118,771,442</b>		<b>308,721,081</b>
Notes :				
1) Cash and cash equivalents include :-				
Cash		39,980,330		44,434,179
Balance with Scedule Bank		67,492,913		249,552,575
Cheques In hand		9,283		99,270
Fixed Deposits		11,288,917		14,635,058
<b>Total</b>		<b>118,771,442</b>		<b>308,721,081</b>

General Information and Significant Accounting Policies  
Notes on Accounts  
The Notes are an integral part of these financial statements

1 & 2  
3

For and on behalf of the Board of Director

**Pushpak Kumar**  
**Company Secretary**

**Vinod Kashyap**  
**Chairman**  
**DIN-00038854**

**Vineet Kashyap**  
**Managing Director**  
**DIN-00038897**

**Ashok Bansal**  
**Vice President (Finance)**

**Vikram Kashyap**  
**Joint Managing Director**  
**DIN-00038937**

In terms of our audit report of even date

**For Sood Brij & Associates**  
**Chartered Accountants**  
**Firm Regn. no. 00350N**

**A.K. Sood**  
**Partner**  
**Membership No. 14372**

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2012

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Basis of Consolidation

- The Consolidated Financial statements included the financial statements of B. L. Kashyap And Sons Ltd., its Subsidiary Companies and Joint Ventures as at 31<sup>st</sup> March, 2012 which are as follows:

Name of Subsidiary	Controlling Stake
B L K Lifestyle Limited	100%
Soul Space Projects Limited (Consolidate)	97.91%
Security Information Systems (India) Limited	100%
BLK Infrastructure Limited	100%
Name of Joint Ventures	
BLK -NCC Consortium	

The consolidated financial statements comply with the requirements of AS-21 & AS-27.

- The financial statements of the parents company, its subsidiaries and joint ventures have combined on a line by line basis by adding together the book values of like items, after eliminating intra-group balances/ transaction and resulting unrealized profits in full.
- Minority interest's share of net profit of consolidated subsidiaries and joint venture partner for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

### Note 1 General Information

B.L. Kashyap And Sons Ltd (BLK) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Founded in 1978 as a partnership firm, BLK owes its success to Shri B L Kashyap, a veteran construction professional. Incorporated as a limited company in 1989. Today, BLK is one of India's most respected construction and infra-structure development companies with a pan India presence. Our service portfolio extends across the construction of factories and manufacturing facilities, IT campuses, commercial & residential complexes, malls and hotels.

### Note 2 Significant Accounting Policies

The Company follows mercantile basis of accounting. The accounts are prepared on historical cost on going concern basis and are consistent with generally accepted accounting principles and materially comply with the notified Accounting Standards by the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions thereof. The significant Accounting policies followed by the Company are as stated below:

#### 2.1 Fixed Assets

Fixed Assets are shown at cost less accumulated depreciation. Cost comprises of purchase price, import duties and other non refundable taxes or levies and any other directly attributable costs.

#### 2.2 Depreciation

- Depreciation is provided on Written down value method at rates specified in Schedule XIV to the Companies Act, 1956
- Items of Fixed Assets costing upto Rs. 5,000/- are depreciated fully in the year of purchase
- Leasehold improvements are being written-off over the lease period

#### 2.3 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

#### 2.4 Investments

Investments are classified as Current and Long-term Investments, Current Investments are stated at lower of cost and fair value. Long-term Investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of Long-term Investments.

#### 2.5 Inventory

- Work-in-progress including materials at sites is valued at cost.
- Stock in Trade is valued at lower of cost and net realizable value.



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## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

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### **2.6 Revenue & Expenditure Recognition**

Revenue from construction is recognized as follows:

- Contract revenue represents the cost of work performed on the contract plus proportionate margin using the percentage of completion method. Percentage of completion is determined as a proportion of cost of work performed to date to the total estimated contract costs.

Full provision is made for any loss in the period in which it is foreseen. Project and construction related work in progress is reflected at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. The above policy is not materially different from the policy hitherto being followed and therefore there is no material variation in revenue booked.

- The Revenue/expenditure are recognized on the basis of the lower of the percentage of total project expenditures or project revenues incurred/due, subject to the minimum of 30% following the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) of ICAI. Until previous year the Company was taking lower of 35% of the project expenditure and revenues incurred/due as the basis of revenue recognition. During the year the such percentage has been changed from 35% to 30% in terms of the said Guidance Note. However, all the running projects of the company had already crossed the limit of 35% of their respective expenditure and revenue during the previous year itself, therefore the change of such percentage has no impact in Current Year's Revenue and Profits.

### **2.7 Use of Estimates**

The preparation of financial statements is in conformity with generally accepted accounting principals. It requires estimates and assumptions to be made which affect the reported amounts of assets and liabilities on the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Difference between actual results and estimates are recognized in the year in which the results are known /materialized.

### **2.8 Employees Retirement Benefits**

The company has accounted for liability towards Gratuity and Leave Encashment on the basis of actuarial valuation.

### **2.9 Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration various benefits and disallowances as per the Income Tax Act 1961. Deferred tax in accordance with AS-22 is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent periods.

### **2.10 Cash Flow Statement**

Cash Flows are reported as per the indirect method as specified in the Accounting Standard (AS-3), 'Cash Flow Statement'.

### **2.11 Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

### **2.12 Foreign Currency Transactions**

#### **(i) initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction

#### **(ii) Conversion**

Foreign Currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction and non- monetary items which are carried at fair value or similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### **(iii) Exchange Difference**

Exchange difference arising on settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 3- Notes on Accounts

#### Contingent Liabilities :

##### 3.1.1 Claims against the company not acknowledged as debts:

- (a) Out of Income Tax demand raised in Assessment proceedings for the year 2002-2003 to 2009-2010 u/s 153A/143(3) of Rs. 915,038,827/-, Rs. 321,800,170/- has been deposited. The Company has filed appeals before The Commissioner of Income Tax (Appeals) II, New Delhi and is expecting substantial relief from appellate authorities as most of the additions are on technical issues and on ad-hoc basis.
- (b) Other demands not acknowledged as payables:- **(Rs. in Lacs)**
- |                |        |
|----------------|--------|
| Income Tax TDS | 13.10  |
| Service Tax    | 13.18  |
| VAT            | 100.60 |
- (c) Additional Demand of Rs. 592.76 Crores from Provident Fund Authorities for the period from 1-4-2005 to 31-12-2010. The Company has contested the demand and the matter is pending before Employees Provident Fund Appellate Tribunal, New Delhi.
- (d) Additional tax liability, if any pending assessments is indeterminate.
- (e) No disputed/legal cases which may have any material and adverse financial implication are pending against the company.
- (f) Soul Space Projects Limited - In respect of Income Tax Assessment year 2006-07 to 2009-10, Income Tax & Fringe Benefit Tax demand of Rs. 54,814,230/- has been raised by the Income Tax Department. As against the above demand, the Company has since adjusted/deposited a Sum of Rs. 8,068,470/- and shown as advance tax paid. The Company has not made provision for the demand of Income Tax raised and has filed appeal before the Commissioner of Income Tax (Appeal) II, New Delhi. The appeal is yet pending for hearing for its disposal.
- (g) Soul Space Projects Limited - There are certain legal disputes in respect of titles to the land acquired at Pune for the purpose of Joint Development. The Legal cases are at different stages of hearings. At this stage it is difficult to ascertain and/or quantify additional liability towards any claims arising on account of such legal disputes.
- (h) BLK Lifestyle Ltd. - In respect of Income Tax Assessment year 2002-03 to 2009-10, Income Tax demand of Rs. 4,906,250/- (Previous Year Rs. 2,718,470/-) has been raised by the Income Tax Department. As against the above demand, the Company has since adjusted/deposited entire amount. The Company has not made provision for the demand of Income Tax raised and has filed appeal before the Commissioner of Income Tax (Appeal) II, New Delhi. The appeal is yet pending for hearing for its disposal.
- (i) BLK Lifestyle Ltd. - Liability in respect of Sales Tax Demand not acknowledged Rs. 346,401/- (Previous Year Rs. 346,401/-)
- (j) Security Information Systems (India) Limited - Out of Income tax demand raised in Assessment proceedings for the A.Y. 2002-03 to 2008-09 u/s 153A / 143(3) of Rs. 1,048,861/-, Rs. 100,000/- has been deposited. The said amount has been shown under advance taxes paid and no provision has been made. Further in respect of in respect of Assessment year 2004-05 to 2008-09, returned losses of the company had been reduced and penalty proceeding had also been initiated. Amount in dispute Rs. 3,305,928/-, Amount of liability arising not ascertainable and not provided. Company had filed appeal before CIT (A), II, New Delhi.

##### 3.1.2 Guarantees :

- (a) Liability in respect of Bank Guarantees is Rs. 1,765,105,439/- (Previous year Rs. 2,042,773,620/-)
- (b) Liability in respect of Letter of Credits is Rs. 68,934,486/- (Previous year Rs. 280,013,982/-)
- (c) Corporate Guarantees of Rs. 1,531,071,762/- (Previous year Rs. 1,513,647,071/-) in favour of:-
- Clients Rs. 991,071,762/-,
  - Subsidiaries Rs. 540,000,000/-

##### 3.1.3 Other Money for which the Company is liable :

Estimated amount of contracts remaining to be executed on Capital Account and not provided for. Rs. 11,416,248/- Previous Year (Rs. 33,972,129/-)

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

#### Related Party Disclosure

##### 3.2.1 List of Related Parties

(i) Associates	Status
(a) B.L.K. Financial Services Limited	Limited Company
(b) B.L.K. Securities Private Limited	Private Limited Company
(c) Ahuja Kashyap Malts Pvt. Ltd.	Private Limited Company
(d) Bezel Investments & Finance Pvt. Ltd.	Private Limited Company
(e) B.L. Kashyap & Sons	Partnership Firm
(f) Kasturi Ram Herbal Industries	Partnership Firm
(g) Aiyana Trading Pvt. Ltd.	Private Limited Company
(h) Chrysalis Trading Pvt. Ltd.	Private Limited Company
(i) Chrysalis Realty Projects (P) Ltd	Private Limited Company
(j) EON Auto Industries Pvt. Ltd.	Private Limited Company
(k) Suryakant Kakade & Soul Space	Partnership Firm
(l) Asha Jyoti Software Pvt. Ltd	Private Limited Company

(ii) Key Management Personnel	
(a) Mr. Vinod Kashyap	Chairman
(b) Mr. Vineet Kashyap	Managing Director
(c) Mr. Vikram Kashyap	Joint Managing Director

(iii) Relatives of Key Management Personnel	
(a) Mr. Mohit Kashyap	Son of Mr. Vinod Kashyap
(b) Mrs. Malini Kashyap Goyal	Daughter of Mr. Vinod Kashyap
(c) Mr. Saurabh Kashyap	Son of Mr. Vineet Kashyap
(d) Mrs. Anjoo Kashyap	Wife of Mr. Vinod Kashyap
(e) Mrs. Aradhana Kashyap	Wife of Mr. Vineet Kashyap
(f) Mrs. Amrita Kashyap	Wife of Mr. Vikram Kashyap
(g) Mrs. Nitika Nayar Kashyap	Wife of Mr. Mohit Kashyap
(h) Mrs. Shruti Chaudhari	Daughter of Mr. Vineet Kashyap
(i) Mrs. Sanjana Kashyap Kapoor	Daughter of Mr. Vikram Kashyap
(j) Mr. Sahil Kashyap	Son of Mr. Vikram Kashyap
(k) Mrs. Ishita Kashyap	Wife of Mr. Saurabh Kashyap

##### 3.2.2 Transactions with related parties during the year :

(Rs. in Lakhs)

Description	Associates		Key Management		Relatives	
	Debit	Credit	Debit	Credit	Debit	Credit
Job Works Dealing Expenses		-	0.51	-	-	-
<i>Previous Year</i>	-	-	-	-	-	-
Sale					5.00	
<i>Previous Year</i>	-					
Inter-Corporate Deposits	-	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-	-
Interest on ICD	-	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-	-
Remuneration Paid	-	-	-	259.20	-	38.27
<i>Previous Year</i>	-	-	-	518.40	-	43.53
Rent Paid	-	13.96	-	12.00	-	-
<i>Previous Year</i>	-	-	-	14.40	-	-
Medical Expenses	-	-	-	1.99	-	-
<i>Previous Year</i>	-	-	-	1.36	-	-
<b>Closing Balance</b>	-	10.09	0.22	0.80	5.00	3.26
<i>Previous Year</i>	-	-	-	4.32	-	3.79

In respect of above parties there is no provision for doubtful debts as on 31.03.2012 and no amount is written off or written back during the year in respect of debt/loan & advances due from/to them.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 3.3 Impairment of Assets

In accordance with the Accounting Standard – 28 on “Impairment of Assets” issued by the Institute of Chartered Accountants of India, no Asset has been identified for impairment by the Company during the year.

3.4 All borrowing costs have been charged to revenue; hence no cost is attributable to acquisition or Construction of qualifying assets.

### 3.5 DEFERRED TAX

(Amount in Rs.)

Deferred Tax Liability (Assets) on account of :	As at March 31, 2012	As at March 31, 2011
- Depreciation	34,986,408	42,795,167
- Carried Forwards losses	(60,522,052)	(27,234,981)
- Accrued Gratuity & Leave Encashment provision	(22,963,786)	(6,382,211)
- Prepaid Processing Fee	4,429,975	(3,401,055)
- Long Term Capital Loss	(3,154,820)	(3,788,408)
- Tax Provision (MAT)	(2,995,932)	(1,095,777)
- Bonus	(8,705,350)	-
	(58,925,557)	892,735

#### Net Deferred Tax Liability / (Assets)

In accordance with “Accounting Standard 22” the Company has recognised the deferred tax Assets as at 31<sup>st</sup> March 2012 amounting to Rs. 5,98,18,292/- and has charged the same to Profit & Loss Appropriation Account.(Previous year Rs. deferred tax liability Rs. 74,78,739/-)

### 3.6 Earning per Share (EPS)

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Net Profit available for Equity Shareholders	(55,312,636)	488,100,409
b. Number of Equity Shares used as denominator for calculation of EPS	205,440,000	205,440,000
c. Basic and Diluted Earnings per Share of Re. 1 each	(0.27)	2.38

3.7 Balances with the Parties are subject to Confirmations.

3.8 In the opinion of the board of directors all its assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.

3.9 Additional information pursuant to Para 5 of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable.

(Amount in Rs.)

Expenditure in Foreign Currency on account of	2011-2012	2010-2011
a. Traveling Expenses	1,233,812	810,575
b. CIF Value of Import of Material	2,316,689	30,222,147
c. CIF Value of Imports of Assets	10,811,302	107,728,725

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

- 3.10 On the basis of confirmation obtained from suppliers who have registered themselves under the Micro Small Medium Enterprise Development Act, 2006(MSMED Act, 2006) and based on the information available with the company, the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 are as follows:-

(Amount in Rs.)

S.No.	Details of dues to Micro, Small and Medium Enterprises As per MSMED Act, 2006	2011-2012	2010-2011
1	The Principal amount and the interest due thereon remaining unpaid to any Suppliers as at the end of Year. - Principal Amount Un Paid - Interest Due	6,569,442 456,112	3,517,096 65,290
2	The amount of interest paid by the buyer in terms of section-16 of the Micro Small and Medium Enterprises Development Act,2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year Payment made beyond the Appointed date Interest paid beyond the Appointed date : - Principal Amount Paid - Interest Paid	6,962,345 -	95,966 1,841
3	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year,) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	-	640
4	The amount of interest accrued and remaining unpaid at the end of the year	604,686	34,163
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above or actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 Micro Small and Medium Enterprises Development Act,2006	-	-

- 3.11 The following table sets out the status of the gratuity/leave encashment plan and other benefits as required under the revised Accounting Standard -15 issued by The Institute of Chartered Accountants of India.

**a) Gratuity Liability As Recognized in The Balance Sheet:-**

(Amount in Rs.)

Sl. No	Particulars	March 31, 2012
a	Present value of obligation	(65,681,291)
b	Fair value of plan assets	-
c	Net assets/(liability) recognized in balance sheet as provision	-

**b) Gratuity Expense recognized in the statement of Profit and Loss Account**

(Amount in Rs.)

Sl. No	Particulars	March 31, 2012
a)	Present value of obligation as at the beginning of the period (1st April, 2011)	60,299,171
b)	Acquisition adjustment	-
c)	Interest cost	5,125,429
d)	Past service cost	-
e)	Current service cost	11,321,493
f)	Benefits paid	(21,807)
g)	Actuarial (gain)loss on obligation	(11,042,995)
h)	Expenses recognized in the statement of profit & losses	-
i)	Present value of obligation as at the end of period (31st March, 2012)	65,681,291

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### c) Leave Encashment Liability Recognized in The Balance Sheet:-

(Amount in Rs.)

Sl. No	Particulars	March 31, 2012
a)	Present value of obligation as at the end of the period	(5,160,523)
b)	Fair value of plan assets as at the end of the period	-
c)	Funded status	(5,160,523)
d)	Excess of actual over estimated	-
e)	Unrecognized actuarial (gains)/losses	-
f)	Net asset/(liability) recognized in balance sheet	(5,160,523)

### d) Leave Encashment Expense Recognized in the Statement of Profit and Loss:-

(Amount in Rs.)

Sl. No	Particulars	March 31, 2012
a)	Current service cost	1,415,113
b)	Past service cost	-
c)	Interest cost	505,047
d)	Expected return on plan assets	-
e)	Curtailement cost / (Credit)	-
f)	Settlement cost / (credit)	-
g)	Net actuarial (gain)/ loss recognized in the period	(2,701,370)
h)	Expenses recognized in the statement of profit & losses	(781,210)

### 3.12 Auditors Remuneration

(Amount in Rs.)

Sl. No	Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
a)	Audit Fees	910,000	910,000
b)	Tax Audit Fees	150,000	150,000
c)	Other Certification Charges	200,000	200,000
d)	Other Charges	101,500	1,500
e)	Service Tax Reimbursement	140,595	126,690
	<b>Total</b>	<b>1,502,095</b>	<b>1,388,190</b>

### 3.13 Segmental Reporting

- B. L. Kashyap And Sons Limited - The company has only one reportable business segment i.e. civil contracts. The company also operates a hotel in Mussourrie and also trades in residential flats. However, these are not "Reportable Segments" as per clause 27 of AS-17, as the revenue from these sources is less than 10% of the total revenue. The company operates in only one geographical segment viz. India
- BLK LifeStyle Limited - The company has one reportable segment namely reveue from manufacturing and executing contracts of hard furnishing in India.
- Soul Space Projects Limited - The company has one reportable segment of activity namely realty and its geographical segment in India.

**3.14** The Company has paid remuneration to Whole Time Directors amounting to Rs. 2,61,26,756/- which exceeds the amount calculated as per the provisions of the Sec. 198 read with Sec.309 of the Companies Act, 1956 by Rs. 2,24,01,893/-. The company is applying to the Central Government for waiver / regularisation of the excess remuneration of Rs. 2,24,01,893/- paid to the Whole Time Directors.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

- 3.15 Disclosure pursuant to Accounting Standard-7 as prescribed under Companies Accounting Standards Rules on Accounting in respect of the contracts in progress at the reporting date:-

(Amount in Rs.)

Sl. No	Particulars	2011-12	2010-11
a.	The contract revenue recognized as revenue during the year on the basis of physical measurement of work actually completed as at balance sheet date.	17,405,686,644	14,312,235,139
b.	The aggregate of cost incurred and recognized profit (less recognized losses) up to the balance sheet date	34,931,954,100	31,738,821,949
c.	Retention money retained	853,189,261	767,401,049
d.	Mobilization advance received	3,112,332,031	2,921,583,604
e.	Gross amount due from customers	4,407,950,126	6,082,002,646
f.	Gross amount due to customers	-	-
g.	Work In Progress	14,198,450	19,461,599
h.	Share in Capital Commitment	-	-
i.	Share in contingent liability	-	-

- 3.16 Previous year's figures have been re-grouped, rearranged to make them comparable with figures of current year, wherever considered necessary



## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 4 - Share Capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
8 % Non- Cumulative Preference Shares of Rs 10/- each	5,000,000	50,000,000	5,000,000	50,000,000
Equity Shares of Rs 1/- each	250,000,000	250,000,000	250,000,000	250,000,000
<b>Issued Subscribed &amp; Paid up</b>				
8% preference shares of Rs 10/- each	-	-	-	-
Equity Shares of Rs 1/- each	205,440,000	205,440,000	205,440,000	205,440,000
Equity Shares of Rs 10/- each	-	-		
<b>Total</b>	<b>205,440,000</b>	<b>205,440,000</b>	<b>205,440,000</b>	<b>205,440,000</b>

#### a. Reconciliation of shares outstanding at the beginning and at the end of reporting period

Particulars	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	205,440,000	205,440,000	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	205,440,000	205,440,000	-	-

#### b. Details of Shareholders holding more than 5% shares in company

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vinod Kashyap	48566600	23.64	48566600	23.63
Vineet Kashyap	48752330	23.73	48752330	23.73
Vikram Kashyap	48616750	23.66	48586750	23.65

#### c. Aggregate Number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	102,720,000	-	-	-
Shares bought back	-	-	-	-	-
<b>Preference Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

**CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 5 - Reserves and Surplus**

**(Amount in Rs.)**

<b>Particulars</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
<b>Capital Reserves</b>		
Opening Balance	2,550,000	2,550,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	2,550,000	2,550,000
<b>Securities Premium Account</b>		
Opening Balance	1,903,424,250	2,006,144,250
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
For Issuing Bonus Shares	-	102,720,000
Closing Balance	1,903,424,250	1,903,424,250
<b>General Reserves</b>		
Opening Balance	1,091,809,350	957,309,350
(+) Current Year Transfer	-	134,500,000
(-) Written Back in Current Year	-	-
Closing Balance	1,091,809,350	1,091,809,350
<b>Surplus</b>		
Opening Balance	2,286,514,436	1,920,833,454
(+) Net Profit/(Net Loss) For the current year	(55,312,636)	488,100,409
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	10,272,000	20,544,000
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	98,000,000
(-) Dividend Tax	1,666,375	3,332,750
Closing Balance	2,219,263,425	2,286,514,436
<b>Minority Interest</b>		
Opening Balance	(1,035,622)	(789,150)
(+) Net Profit/(Net Loss) For the current year	1,473,872	(246,472)
Closing Balance	438,250	(1,035,622)
<b>Total</b>	<b>5,217,485,275</b>	<b>5,283,262,414</b>

**Note 6 - Long Term Borrowings**

**Amount in Rs.**

<b>Particulars</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
<b>Secured</b>		
<b>(a) Term loans</b>		
- From Banks	1,820,270,062	1,721,132,818
- From Other Parties	360,512,564	283,599,859
1. Period of default		
2. Amount		
[Refer to note (a) and (b) below]		
	2,180,782,626	2,004,732,677
<b>Unsecured</b>		
<b>(a) Term loans</b>		
from other parties	75,600,000	219,835,827
(Refer to note (c) below)		
	75,600,000	219,835,827
<b>Total</b>	<b>2,256,382,626</b>	<b>2,224,568,504</b>

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTES:

#### Secured Loans

##### (a) Term Loans From Banks

1. Union Bank of India - Rs. 12,85,71,425/- Previous Year Rs. 19,28,57,141/-  
Principal Amount Rs. 2,14,28,572/- & Interest Rs. 37,98,378/- delayed by 23 days & 37 days respectively.
2. State Bank of Patiala - Rs. 2,41,49,229/- Previous Year Rs. 5,00,00,000/-  
Principal Amount Rs. 1,41,49,229/- & Interest Rs. 4,04,265/- delayed by 87 days & 1 day respectively.
3. Oriental Bank of Commerce - Rs. 7,50,00,000/- Previous Year Rs. 17,50,00,000/-  
Principal Amount Rs. 2,50,00,000/- & Interest Rs. 27,69,503/- delayed by 89 days & 61 days respectively.
4. Indusind Bank - Rs. 7,00,00,000/- Previous Year Rs. 21,00,00,000/-  
(Loan from Union bank of India, State Bank of Patiala, Oriental Bank of Commerce & Indusind Bank (Point no. 1-4) are secured by way of first pari passu charge on Fixed Assets of Company except those specifically charged to financial Institutions/bank for term loans of machinery & vehicles and personal Guarantees of Whole Time Directors)
5. Syndicate Bank - Rs. 100,00,00,000/- Previous Year Rs. 100,00,00,000/-  
Interest Rs. 2,30,37,754/- delayed by 60 days.  
(Loan from Syndicate Bank secured by Subservient charge by way of hypothecation on all the Movable Assets, Current Assets, receivables and fixed assets & personal guarantees of Whole Time Directors)
6. State Bank of India - Rs. 49,05,30,418/- Previous Year Rs. Nil/-  
(Loan from State Bank of India is secured by First pari passu charge over entire present & future Current Assets)
7. ICICI Bank Ltd. - Rs. 37,62,40,000/- Previous Year Rs. 40,00,00,000/-  
(Secured against land & Building, Corporate Guarantee from Holding Co.)  
Principal Amount Rs. 21,60,000/- & Interest Rs. 48,81,652/- delayed by 1 day.
8. From Kotak Mahindra Bank Ltd - Loans outstanding as at 31<sup>st</sup> March, 2012 Rs. 2,19,69,077/- (Previous Year Rs. 5,82,25,983/-)  
Loans Secured Against Hypothecation of Plant and Machinery and Personal Guarantee of Whole Time Directors
9. From HDFC Bank Ltd. - Loans outstanding as at 31<sup>st</sup> March, 2012 - Rs. 18,05,54,653/- (Previous Year Rs. 16,84,15,514/-)  
Principal Amount Rs. 1,89,765/- & Interest Rs. 39,490/- delayed by 30 days.  
Loans Secured Against Hypothecation of Plant and Machinery and Personal Guarantee of Whole Time Directors
10. From Dhanlaxmi Bank Ltd. - Loans outstanding as at 31<sup>st</sup> March, 2012 - Rs. 1,27,40,026/- (Previous Year Rs. nil/-)  
Loans Secured Against Hypothecation of Plant and Machinery and Personal Guarantee of Whole Time Directors
11. From ICICI Bank Ltd. - Loans outstanding as at 31<sup>st</sup> March, 2012 - Rs. 10,70,652/- (Previous Year Rs. 17,71,131/-)  
(Loans Secured Against Hypothecation of Cars and Personal Guarantee of Whole Time Directors)
12. From HDFC Bank Ltd. - Loans outstanding as at 31<sup>st</sup> March, 2012 - Rs. 22,44,482/- (Previous Year Rs. 24,34,394/-)  
(Loans Secured Against Hypothecation of Cars and Personal Guarantee of Whole Time Directors)
13. From Kotak Mahindra Bank Ltd - Loans outstanding as at 31<sup>st</sup> March, 2012 Rs. 15,24,659/- (Previous Year - Rs. 32,23,841/-)  
(Loans Secured Against Hypothecation of Cars and Personal Guarantee of Whole Time Directors)

##### (b) Term Loans From Other Parties

1. From L & T Infrastructure Finance Company Ltd. - Rs. 29,73,68,228/- (Previous Year Rs. 40,27,77,777/-)  
Principal Amount Rs. 4,73,68,230/- & Interest Rs. 7,12,687/- delayed by 121 days & 1 day respectively.  
(secured by Subservient charge by way of hypothecation on all the Movable Assets, Current Assets, receivables and fixed assets & personal guarantees of Whole Time Directors)
2. From Reliance Capital Ltd. - Loans outstanding as at 31<sup>st</sup> March, 2012 - Rs. 4,20,76,917 /- (Previous Year Rs. 4,90,58,038/-)  
(Loans Secured Against Hypothecation of Plant and Machinery and Personal Guarantee of Whole Time Directors)
3. From Bajaj Finance Limited - Loans outstanding as at 31<sup>st</sup> March, 2012 - Rs. 1,10,51,144/- (Previous Year Rs. nil/-)  
(Loans Secured Against Hypothecation of Plant and Machinery and Personal Guarantee of Whole Time Directors)
4. From Srei Equipment Finance Limited - Loans outstanding as at 31<sup>st</sup> March, 2012 - Rs. 39,81,02,897/- (Previous Year Rs. 23,02,48,200/-)  
Principal Amount Rs. 1,51,10,198/- & Interest Rs. 31,01,438/- delayed by 45 days.  
(Loans Secured Against Hypothecation of Plant and Machinery and Personal Guarantee of Whole Time Directors)

##### (c) Unsecured

1. ECL Finance Limited - Rs. 6,75,00,000/- Previous Year Rs. 15,00,00,000/-  
Secured by Personal Guarantee and pledge of share from Whole Time Directors.
2. BLK RBS Projects Pvt. Ltd. - Rs. 7,56,00,000/- Previous Year Rs. 4,38,00,000/-

The above lone of Rs. 6,75,00,000/- and Rs. 7,56,00,000/- are repayable in less than 1 year and therefore has been shown as part of the Current maturities of long-term debt.

The above break up of total loans as shown in a,b & c is Rs. 3,27,62,93,807/- in aggregate. Out of which, an amount of Rs. 2,25,63,82,626/- is shown under Long Term Loans as per Note 6 and the balance of Rs. 1,01,99,11,181/- is shown as part of the Current maturities of long-term debt under other Current Liabilities as per Note 10 in terms of requirements of Schedule VI to the Companies Act, 1956.

**CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 7 - Other Long Term Liabilities**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(a) Others</b>		
Security Deposit Taken From Tenants	117,364,592	62,725,400
Interest Payable (Net of Tax)	8,719,384	5,353,984
<b>Total</b>	<b>126,083,976</b>	<b>68,079,384</b>

**Note 8 - Long Term Provisions**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(a) Provision for employee benefits</b>		
Gratuity (unfunded)	65,681,291	60,299,171
Leave Encashment (unfunded)	5,160,523	5,941,733
<b>Total</b>	<b>70,841,814</b>	<b>66,240,904</b>

**Note 9 - Short Term Borrowings**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Secured</b>		
<b>Loans repayable on demand</b> from banks [Refer to note (a) below]	3,066,618,223	2,423,721,596
	3,066,618,223	2,423,721,596
<b>Unsecured</b>		
<b>Loans repayable on demand</b> from other parties [Refer to note (b) below]	-	229,827,993
	-	229,827,993
<b>Total</b>	<b>3,066,618,223</b>	<b>2,653,549,589</b>

**(a) Secured Loans**

- Working Capital Facility From Banks  
(Secured by way of first pari passu charge on Current Assets of the Company and Second pari passu charge on Fixed Assets of the Company except those specifically charged to Financial Institutions/banks/others for term Loans of machinery & vehicles and Personal Guarantees of Whole-Time Directors)
- IndusInd Bank - Rs. 30,00,00,000/-Previous Year Rs. Nil/-  
(Loan from IndusInd Bank is secured by First pari passu charge over entire present & future Current Assets & Movable Fixed Assets, excluding Specifically charged to term lenders from machinery loans)
- IndusInd Bank - Rs. 3,04,13,938/-Previous Year Rs. 2,57,08,373/-  
(Loan from IndusInd Bank is secured against hypothecation of Stocks, Work in Progress, Book Debts and on personal guarantee of Whole Time Directors)

**(b) Unsecured Loans**

Tata Capital Limited - Balance Nil as at 31st March 2012 (Previous Year Rs. 22,98,27,993/-)  
(Secured against personal guarantee of Whole Time directors & pledge of shares from Whole Time Directors)

**Note 10 - Trade payables**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Trade Payable (MSME)	16,515,769	3,551,578
Trade Payable (Others)	3,934,637,462	3,161,187,179
<b>Total</b>	<b>3,951,153,231</b>	<b>3,164,738,757</b>

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 11 - Other Current Liabilities**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Current maturities of long-term debt	1,019,911,181	863,203,514
(b) Interest accrued but not due on borrowings	1,665,208	1,742,463
(c) Interest accrued and due on borrowings	39,522,143	11,909,743
(d) Unclaimed dividends	150,029	124,225
(e) Application money received for allotment of securities and due for refund **	295,425	-
(f) Other payables		
- Statutory Dues	546,865,349	310,468,860
- Advance from Customer	3,303,113,401	2,954,930,415
- Others	342,572,572	274,097,506
<b>Total</b>	<b>5,254,095,307</b>	<b>4,416,476,726</b>

\*Note : During the year company has recognised application money received & due for refund lying in Escrow Account with Bank.

**Note 12 - Short Term Provisions**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
Income Tax Provisions	40,167,096	268,053,196
Proposed Dividend	10,272,000	20,544,000
Provision for Dividend Tax	1,666,375	3,332,750
Provision for Wealth Tax	278,612	336,501
Provision for Fringe Benefit Tax	-	366,662
<b>Total</b>	<b>52,384,083</b>	<b>292,633,109</b>

**CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

ITEMS	GROSS BLOCK AT COST					DEPRECIATION				WRITTEN DOWN VALUE	
	AS AT 01.04.2011	ADDITIONS	SALES/ ADJUSTMENTS	TOTAL	AS AT 01.04.2011	SALES/ ADJUSTMENTS	FOR THE YEAR	TOTAL	AS AT 31.03.2012	AS AT 31.03.2011	
<b>TANGIBLE ASSETS</b>											
Land	400,000	25,595,773	-	25,995,773	-	-	-	-	25,995,773	400,000	
Building	48,686,878	5,800,000	10,515,000	43,971,878	14,612,371	2,321,314	2,925,079	15,216,136	28,755,741	34,074,506	
Leasehold Improvements	40,237,778	-	-	40,237,778	14,508,894	-	4,638,801	19,147,695	21,090,083	25,728,884	
Machinery	80,252,129	163,619,743	29,190,847	935,681,025	313,310,603	18,035,639	82,683,755	377,958,719	557,722,306	487,941,526	
Office Equipments	8,729,983	1,614,186	1,223,760	9,120,409	4,013,852	806,401	769,714	3,977,165	5,143,243	4,716,131	
Cellular Phones	6,030,791	67,175	121,365	5,976,601	3,025,914	57,150	419,637	3,388,401	2,588,200	3,004,877	
Electrical Equipments	3,499,898	121,394	858	3,620,434	1,850,839	805	253,042	2,103,077	1,517,357	1,649,059	
Computer Systems	41,271,892	2,191,697	735,365	42,728,225	34,416,880	687,512	3,180,096	36,909,463	5,818,761	6,855,012	
Air Conditioners	10,902,038	1,162,866	35,061	12,029,843	5,118,743	25,866	931,924	6,024,801	6,005,042	5,783,295	
Refrigerators	688,400	131,100	-	819,500	301,540	-	67,435	368,975	450,525	386,860	
Coolers	1,627,663	650,716	-	2,278,379	1,294,331	-	464,893	1,759,224	519,155	333,332	
Fans	2,972,211	729,779	304,796	3,397,194	2,594,008	279,606	712,858	3,027,260	369,934	378,202	
Generators	35,584,493	629,047	1,943,060	34,270,480	12,091,629	1,461,543	3,306,008	13,936,094	20,334,386	23,492,864	
Vehicles	109,161,284	6,491,001	2,980,447	112,671,838	63,120,259	2,299,454	12,846,060	73,666,865	39,004,972	46,041,025	
Cycle	98,541	8,300	1,182	105,658	91,362	1,182	9,736	99,915	5,743	7,179	
Shuttering Material	1,432,944,589	273,388,579	30,265,458	1,676,067,711	472,584,332	14,632,190	154,996,385	612,948,527	1,063,119,184	960,360,257	
Furniture & Fixtures	24,941,341	2,710,961	599,124	27,053,178	15,971,936	484,461	2,350,941	17,838,416	9,214,762	8,969,405	
<b>HOTEL UNIT</b>											
Computer	83,607	-	-	83,607	81,871	-	695	82,566	1,041	1,736	
Kitchen Equipments	240,720	-	-	240,720	204,155	-	5,086	209,241	31,478	36,565	
Sports Equipments	107,020	-	-	107,020	93,869	-	1,829	95,698	11,322	13,151	
Televisions	273,828	-	-	273,828	273,743	-	35	273,778	50	85	
Furniture & Fixtures	372,299	-	-	372,299	351,437	-	3,776	355,213	17,086	20,862	
<b>A) Total-Tangible Assets</b>	<b>2,570,107,381</b>	<b>484,912,318</b>	<b>77,916,323</b>	<b>2,977,103,376</b>	<b>959,912,569</b>	<b>41,093,123</b>	<b>270,567,785</b>	<b>1,189,387,231</b>	<b>1,787,716,145</b>	<b>1,610,194,813</b>	
<b>INTANGIBLE ASSETS</b>											
Computer Softwares	17,101,767	1,254,075	-	18,355,842	12,721,763	-	1,988,218	14,709,981	3,645,861	4,380,005	
Goodwill	4,092,000	-	-	4,092,000	-	-	-	-	4,092,000	-	
<b>B) Total-Intangible Assets</b>	<b>21,193,767</b>	<b>1,254,075</b>	<b>-</b>	<b>22,447,842</b>	<b>12,721,763</b>	<b>-</b>	<b>1,988,218</b>	<b>14,709,981</b>	<b>7,737,861</b>	<b>8,472,005</b>	
<b>Capital Work in Progress</b>											
Capital Advance	11,740,930	-	11,040,930	700,000	-	-	-	-	700,000	11,740,930	
Capital Work in Progress	3,444,951,775	521,188,427	2,518,696,362	1,447,443,840	-	-	-	-	1,447,443,840	3,444,951,775	
Pre - Operative Expenses	219,873	-	-	219,873	-	-	-	-	219,873	-	
<b>C) Total-Capital Work in Progress</b>	<b>3,456,912,578</b>	<b>521,188,427</b>	<b>2,529,737,292</b>	<b>1,448,363,713</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,448,363,713</b>	<b>3,456,912,578</b>	
<b>Grand Total (A+B+C)</b>	<b>6,048,213,727</b>	<b>1,007,354,820</b>	<b>2,607,653,615</b>	<b>4,447,914,931</b>	<b>972,634,331</b>	<b>41,093,123</b>	<b>272,556,003</b>	<b>1,204,097,212</b>	<b>3,243,817,719</b>	<b>5,075,579,395</b>	
Previous Year	4,431,855,230	1,725,545,123	113,278,628	6,044,121,725	788,625,186	32,846,353	216,855,521	972,634,330	3,243,817,719	5,075,579,395	

Note 13 - Fixed Assets

(Amount in Rs.)

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 14 - Non Current Investments -at Cost

(Amount in Rs.)

	Particulars	As at March 31, 2012	As at March 31, 2011
<b>A</b>	<b>Trade Investments (Refer A below)</b>		
	(a) Investments Properties	2,508,306,989	-
	<b>Total (A)</b>	2,508,306,989	-
<b>B</b>	<b>Other Investments (Refer B below)</b>		
	(a) Investment in Equity instruments-quoted	52,411,893	52,411,893
	(b) Investment in Equity instruments-unquoted	95,735	95,735
	(c) Investments in Government or Trust securities-unquoted	92,672	87,672
	(d) Investments in partnership firms	1,020,000	1,020,000
	<b>Total (B)</b>	53,620,300	53,615,300
	<b>Total</b>	2,561,927,289	53,615,300

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Aggregate amount of quoted investments (Market value )	34,716,765	37,049,124
Aggregate amount of unquoted investments	2,509,515,396	1,203,407

#### A. Details of Trade Investments

(Amount in Rs.)

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/Controlled Entry/Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No
			2012	2011			2012	2011	2012	2011	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(a)	<b>Investment Properties</b>										
	50% Share in Spirit - Bangalore (Land & Building)								997,508,858	-	Yes
	50% Undivided Share in Arena - Bangalore (Land & Building)								1,180,396,461	-	Yes
	50% Undivided Share in Paradigm - Bangalore (Land & Building)								330,401,669	-	Yes
	<b>Total</b>								2,508,306,989	-	
(b)	<b>Investments in Partnership firms</b>										
	Soul space & Surkant Kakade						51%	51%	1,020,000	1,020,000	Yes
	<b>Total</b>								1,020,000	1,020,000	
	<b>Total</b>								2,509,326,989	1,020,000	

#### B. Details of Other Investments

(Amount in Rs.)

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/Controlled Entry/Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No
			2012	2011			2012	2011	2012	2011	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(a)	<b>Investment in Equity Instruments at cost</b>										
	Bajaj Finance Ltd	Others	1,100	1,100	Quoted	Fully Paid up			210,960	210,960	Yes
	GR Cables Ltd	Others	1,300	1,300	Quoted	Fully Paid up			13,000	13,000	Yes
	Northland Sugar Ltd	Others	4,800	4,800	Quoted	Fully Paid up			48,000	48,000	Yes
	Reliance Capital Ltd	Others	500	500	Quoted	Fully Paid up			88,550	88,550	Yes
	Somdatt Finance Corporation Ltd	Others	2,000	2,000	Quoted	Fully Paid up			20,000	20,000	Yes
	Tata Steel Ltd	Others	750	750	Quoted	Fully Paid up			85,426	85,426	Yes
	UCO BANK	Others	5,000	5,000	Quoted	Fully Paid up			124,937	124,937	Yes
	Vijaya Bank	Others	2,500	2,500	Quoted	Fully Paid up			130,911	130,911	Yes
	Crew B.O.S Products Ltd	Others	1,000	1,000	Quoted	Fully Paid up			59,160	59,160	Yes
	Hotel Leela Venture Ltd	Others	10,000	10,000	Quoted	Fully Paid up			305,920	305,920	Yes
	ITC LTD	Others	30,000	30,000	Quoted	Fully Paid up			1,094,281	1,094,281	Yes
	Petronet LNG Limited	Others	1,000	1,000	Quoted	Fully Paid up			34,900	34,900	Yes
	Strides Acro Lab Ltd	Others	1,000	1,000	Quoted	Fully Paid up			200,548	200,548	Yes
	Jay Pee Infratech Ltd	Others	490,150	490,150	Quoted	Fully Paid up			49,995,300	49,995,300	Yes
	<b>Total</b>								52,411,893	52,411,893	
	GI Power Corporation Ltd	Others	4,000	4,000	Un-Quoted	Fully Paid up			42,549	42,549	Yes
	GTZ Securities Ltd	Others	5,000	5,000	Un-Quoted	Fully Paid up			53,186	53,186	Yes
	<b>Total</b>								95,735	95,735	
(b)	<b>Investments in Government or Trust securities</b>										
	Kisan Vikas Patra	Others							7,282	7,282	Yes
	6 Year Nsc VIII issue	Others							72,390	67,390	Yes
	National Saving Certificate	Others							13,000	13,000	Yes
	<b>Total</b>								92,672	87,672	
(b)	<b>Investments in partnership firms</b>										
	Soul space & Surkant Kakade						51%	51%	1,020,000	1,020,000	Yes
	<b>Total</b>								1,020,000	1,020,000	
	<b>Total</b>								53,620,300	53,615,300	



**CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Statement of investment in partnership firm

Name of the Firm	Name of Partners	Capital Investments	Profit Sharing Ratio
SURYAKANT KAKADE & SOUL SPACE	1. Soul Space Projects Limited	1020000	51%
	2.Suryakant Kakade & Associates	980000	49%
	<b>Total</b>	<b>2000000</b>	<b>100%</b>

**Note 15 - Long Term Loans and Advances**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at 31 March, 2011
<b>a. Security Deposits</b>		
Unsecured, considered good	646,274,420	651,056,986
	<b>646,274,420</b>	<b>651,056,986</b>
<b>b. Loans and advances to related parties (refer Note 2)</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
	-	-
<b>b. Other loans and advances</b>		
Inter Corporate Deposits	279,039,373	291,235,570
Unsecured, considered good		
	<b>279,039,373</b>	<b>291,235,570</b>
<b>Total</b>	<b>925,313,793</b>	<b>942,292,556</b>

**Note 16 - Inventories**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Raw Materials and components (Valued at lower of cost and Net realisable value)	794,484,590	926,228,923
b. Work-in-progress (Valued at lower of cost and Net realisable value)	4,851,680,593	4,070,263,937
c. Finished goods (Valued at lower of cost and Net realisable value)	27,600,737	11,392,054
d. Stock-in-trade (Valued at lower of cost or net realisable value)	91,646,871	118,348,875
<b>Total</b>	<b>5,765,412,791</b>	<b>5,126,233,789</b>

**Note 17 - Trade Receivables**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Trade receivables outstanding for a period less than six months Unsecured, considered good	3,004,024,127	3,815,351,521
Trade receivables outstanding for a period exceeding six months Unsecured, considered good	2,305,019,207	1,332,049,096
<b>Total</b>	<b>5,309,043,334</b>	<b>5,147,400,618</b>

For the purpose of classification of Trade Receivables, the due date has been taken as the date of billing.

**Note 18 - Cash and Cash Equivalents**

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Balances with banks	67,492,913	249,552,575
Earmarked balances	4,311,905	4,658,646
Bank deposits with more than 12 months maturity	6,977,011	9,976,412
Cheques, drafts on hand	9,283	99,270
Cash on hand	39,980,330	44,434,179
<b>Total</b>	<b>118,771,442</b>	<b>308,721,082</b>

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 19- Short-Term Loans and Advances**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
a. Loans and advances to related parties Unsecured, considered good	101,634,301	100,981,931
b. Others Unsecured, considered good	625,873,322	596,601,677
<b>Total</b>	<b>727,507,623</b>	<b>697,583,608</b>

**Note 20- Other Current Assets**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
Advance Tax	438,549,589	410,350,924
Income Tax Refund Receivable	481,154,643	330,751,874
Value Added Tax- Recoverable	419,970,527	284,646,394
Others	150,090,228	180,456
<b>Total</b>	<b>1,489,764,987</b>	<b>1,025,929,648</b>

**Note 21 - Revenue from Operations**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
Construction Job Work -Net	19,221,462,391	15,246,285,433
Other operating revenues	219,801,265	97,146,507
Sale of Plotted Land & Flat	162,117,679	614,491,150
Sub-Total	19,603,381,336	15,957,923,090
Less: Excise Duty	5,255,121	9,127,957
<b>Total</b>	<b>19,598,126,215</b>	<b>15,948,795,133</b>

**Note 22 - Other Income**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
Interest Income	55,664,132	56,412,200
Dividend Income	686,322	558,463
Net gain/loss on sale of Fixed Assets	26,746,495	48,855,579
Share of Profit from Partnership Firm	710,833	719,978
Other non-operating income (net of expenses directly attributable to such income)	104,668,062	3,132,099
<b>Total</b>	<b>188,475,844</b>	<b>109,678,318</b>

**Note 23 - Cost of Materials Consumed**
**(Amount in Rs.)**

Particulars	As at March 31, 2012	As at March 31, 2011
Opening Stock-Materials	926,228,923	534,639,928
Add: Purchases		
Basic Materials	1,627,365,126	1,644,884,268
Cement and Cement Products	3,015,602,054	2,119,506,641
Doors and Windows	167,399,086	133,895,262
Flooring, Cladding and Paving	177,118,358	184,783,784
Reinforcement Steel and Accessories	3,659,612,357	3,131,780,166
Structural Steel	523,033,577	775,349,607
Other Materials	1,549,252,541	1,547,393,139
Aluminium	16,645,357	21,496,099
Upvc	15,425,832	15,955,010
Steel	9,045,361	6,481,108
Wood	33,030,044	19,429,931
Board	23,380,503	25,124,982
Less: Closing Stock	790,506,000	911,459,416
<b>Total</b>	<b>10,952,633,118</b>	<b>9,249,260,509</b>

**CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 24 - Project Direct Expenses**

**(Amount in Rs.)**

<b>Particulars</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
Opening Balance	2,230,789,386	1,638,741,581
Purchases	8,587,630	164,349,460
Elevators & Escalators	28,003,558	25,493,505
Sewage Treatment Plant	240,855	344,872
Survey Charges	8,000	8,000
Freight & Octroi	47,017	1,670,701
Transfer of Input Credit	-	166,650,922
Development Expenses	113,070,355	414,246,036
Testing Charges	850	12,300
Brokerage & Commission	5,840,478	1,722,759
Electricity and Water Expenses	1,998,739	2,320,779
Security Charges	309,516	152,946
Repair & Maintenance	181,631	-
Food Court Expenses	8,778,553	-
Security Deposit DA	9,806,103	-
Labour Cess	-	3,357,977
Land Conversion Charges	-	9,093,346
Advertisements	1,876,584	970,309
Air Cooled Screw Chillers	1,024,797	8,986,581
Custom Duty	-	4,486,723
Legal & Professional Expenses	4,410,838	11,920,624
Processing Charges	3,788,705	5,082,293
Entry Tax	-	1,436,362
<b>Total</b>	<b>2,418,763,594</b>	<b>2,461,048,077</b>
Less: Transferred to Work in Progress	10,941,737	12,790,533
Transferred to Land and Building	1,935,327,355	-
Transferred to Capital Work in Progress	574,186,868	2,221,319,466
Balance Transferred to Profit & Loss Account	(101,692,366)	226,938,077
Joint Development Cost (Plotted Land)	103,087,603	205,685,419
Joint Development Cost (Flats)	-	112,587,205
<b>Total</b>	<b>(1,395,273)</b>	<b>(545,210,702)</b>

**Note 25 - Changes in Inventories of Work-in-Progress and Stock in Trade**

**(Amount in Rs.)**

<b>Particulars</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
<b>Work-In-Progress</b>		
Opening	3,673,354,907	1,950,183,883
Closing	4,409,605,516	3,673,354,907
Changes-Increase/(Decrease)	(736,250,609)	(1,631,524,153)
<b>Stock In trade</b>		
Opening	160,269,531	91,646,871
Closing	91,646,871	160,269,531
Changes-Increase/(Decrease)	68,622,660	(68,622,660)
<b>Total</b>	<b>(667,627,949)</b>	<b>(1,700,146,813)</b>

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 26 - Other Manufacturing Expenses

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Wages including Welfare Expenses	19,761,549	13,158,735
Purchase Consumables	3,584,544	2,572,787
Power & Fuel	5,112,417	4,055,990
Repair & Maintenance- Machine	1,134,546	500,445
Other Direct Expenses	9,679,410	5,920,713
<b>Total</b>	<b>39,272,466</b>	<b>26,208,671</b>

### Note 27 - Employees Benefit Expenses

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Salaries &amp; Wages - Staff</b>		
Opening Balance	80,413,082	61,374,209
Salaries & Wages	3,666,873,173	2,809,693,765
Contribution to Provident Fund	67,079,869	43,576,508
Contribution to ESI	7,259,787	8,528,364
Staff Welfare	25,390,646	21,812,939
Gratuity	8,743,893	19,050,028
Leave Encashment	(781,210)	350,097
Bonus	33,229,593	33,818,015
Medical Expenses	10,046,791	9,784,642
<b>Salaries &amp; Wages - Directors</b>		
Remuneration	27,728,000	53,587,500
Sitting Fees	99,000	205,000
Medical Expenses	198,756	135,355
<b>Total</b>	<b>3,926,281,381</b>	<b>3,061,916,422</b>
Less: Transferred to Work in Progress	1,082,758	291,575
Transferred to Land and Building	68,342,807	-
Transferred to Capital Work in Progress	14,867,118	80,121,508
<b>Total</b>	<b>3,841,988,698</b>	<b>2,981,503,340</b>

### Note 28 - Finance Cost

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Opening Balance	949,105,335	673,595,492
Interest Expense	893,187,948	620,727,398
Other Borrowing Costs	90,834,705	96,300,087
<b>Total</b>	<b>1,933,127,988</b>	<b>1,390,622,977</b>
Less: Transferred to Work in Progress	122,466,440	166,170,267
Transferred to Land and Building	448,425,348	-
Transferred to Capital Work in Progress	616,214,164	878,569,578
<b>Total</b>	<b>746,022,036</b>	<b>345,883,133</b>

**CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 29 - Other Expenses**

**(Amount in Rs.)**

<b>Particulars</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
Opening Balance	72,657,772	45,028,089
Consumption of stores and spare parts	71,474,701	65,278,969
Power and Fuels	598,725,700	355,424,673
Rent	62,345,899	56,331,688
Office Maintenance	23,975,829	11,826,126
Repairs to Machine	16,538,741	18,294,574
Insurances	32,041,628	27,657,722
Rates And Taxes	1,715,891	11,370,065
Hire Charges	493,424,301	389,452,446
Travelling Expenses	13,236,313	15,686,267
Vehicle Runing and Maintances Expesnses	21,122,129	20,279,491
Security Charges	70,950,227	63,049,486
Tender Fees	1,378,366	2,378,481
Legal And Professional expenses	31,339,128	50,740,347
Printing And Stationery Expenses	10,963,227	11,573,384
Advertisement Expenses	221,970	901,350
Business Promotion Expenses	3,180,850	2,607,707
Auditors Remmuneration	1,278,495	1,390,190
Other Expenses	82,102,612	97,078,707
<b>Total</b>	<b>1,608,673,778</b>	<b>1,246,349,762</b>
Less: Transferred to Work in Progress	1,006,393	1,063,708
Transferred to Land and Building	56,211,479	-
Transferred to Capital Work in Progress	23,450,442	72,083,134
<b>Total</b>	<b>1,528,005,464</b>	<b>1,173,202,920</b>

For and on behalf of the Board of Director

**Pushpak Kumar**  
**Company Secretary**

**Vinod Kashyap**  
**Chairman**  
**DIN-00038854**

**Vineet Kashyap**  
**Managing Director**  
**DIN-00038897**

**Ashok Bansal**  
**Vice President (Finance)**

**Vikram Kashyap**  
**Joint Managing Director**  
**DIN-00038937**

In terms of our audit report of even date

**For Sood Brij & Associates**  
**Chartered Accountants**  
**Firm Regn. no. 00350N**

**A.K. Sood**  
**Partner**  
**Membership No. 14372**

**Place : New Delhi**  
**Dated : 30<sup>th</sup> May, 2012**

**Financial Information of Subsidiary Companies**
**(Rs. in Lakhs)**

Name of the Subsidiary Company	Issued, Subscribed & Paid-up Share Capital	Reserves/ Profit & Loss Account	Total Assets	Total Liabilities	Investment	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
B.L.K Lifestyle Ltd.	1000.00	(93.64)	5094.34	5094.34	-	4145.11	292.71	134.92	157.79	-
Soul Space Projects Ltd.	209.38	(290.04)	54097.82	54097.82	25293.40	26.67	(1237.65)	471.42	(766.23)	-
Security Information Systems (India) Ltd.	68.00	(118.49)	168.41	168.41	-	0.08	(20.32)	5.84	(14.48)	-
BLK Infrastructure Ltd.	100.00	(41.86)	59.01	59.01	-	-	(1.07)	0.33	(0.74)	-
*Soul Space Realty Ltd.	100.00	-	6119.33	6119.33	-	-	-	-	-	-
*Soul Space Hospitality Ltd.	100.00	-	709.87	709.87	-	-	-	-	-	-

\*Step down Subsidiary Companies

**For and on behalf of the Board of Directors**

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2012

**Vinod Kashyap**  
Chairman  
DIN-00038854

**Vineet Kashyap**  
Managing Director  
DIN-00038897

**(This space has been intentionally left blank)**



B. L. KASHYAP AND SONS LIMITED  
Registered Office:  
B-1 Extension/E-23, Mohan Co-operative Industrial Estate  
Mathura Road, New Delhi - 110044



**ATTENDANCE SLIP**  
**23<sup>rd</sup> Annual General Meeting – 21<sup>st</sup> September, 2012**

I certify that I am a member / proxy for the member of the Company.  
I hereby record my presence at the 23<sup>rd</sup> ANNUAL GENERAL MEETING of B. L. KASHYAP AND SONS LIMITED at PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016, at 10.00 a.m. on Friday, the 21<sup>st</sup> September, 2012.

Name of the member / proxy : \_\_\_\_\_  
(in BLOCK letters)

No. of Share held: \_\_\_\_\_ Folio No. \_\_\_\_\_

DP Id No. \_\_\_\_\_ Client Id No. \_\_\_\_\_

Signature \_\_\_\_\_

*Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.*

B. L. KASHYAP AND SONS LIMITED  
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**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being member/members of B. L. KASHYAP AND SONS LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 23<sup>rd</sup> ANNUAL GENERAL MEETING of the Company to be held at PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016, at 10.00 a.m. on Friday, the 21<sup>st</sup> September, 2012 and at any adjournment thereof.

No. of Share held: \_\_\_\_\_ Folio No. \_\_\_\_\_

DP Id No. \_\_\_\_\_ Client Id No. \_\_\_\_\_

Affix  
Re. 1/-  
Revenue  
Stamp

Signature of the Member(s) across the stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

*Note: The proxy form, in order to be effective, should be duly stamped, completed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.*







