



SHRISTI

WELCOME TO LIFE



A N N U A L R E P O R T 2 0 0 7 - 2 0 0 8



Corporate builders

BOARD OF DIRECTORS

Chairman

Mr. Dipak Kumar Banerjee

Managing Director

Mr. Sujit Kanoria

Directors

Mr. Kailash Nath Bhandari

Mr. Vinod Juneja

Chief Mentor

Mr. Hari Prasad Kanoria

BOARD COMMITTEES

Audit Committee

Mr. Dipak Kumar Banerjee

Mr. Sujit Kanoria

Mr. Kailash Nath Bhandari

Shareholders/Investors Grievance Committee

Mr. Dipak Kumar Banerjee

Mr. Sujit Kanoria

Mr. Kailash Nath Bhandari

Remuneration Committee

Mr. Dipak Kumar Banerjee

Mr. Kailash Nath Bhandari

Mr. Vinod Juneja

Chief Financial Officer

Mr. Sanjay Kumar Garodia

Company Secretary

Mr. Saptarshi Ganguly

Share Transfer Agents

MCS Limited

77/2A Hazra Road

Kolkata 700 029

Auditors

S.S.Kothari & Co.

Chartered Accountants

Kolkata

Principal Bankers

UCO Bank

Indian Bank

Oriental Bank of Commerce

Yes Bank

Registered Office

Ganga Jamuna Building

28/1 Shakespeare Sarani

Kolkata 700 017



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About the company

Created from the belief that the five elements form the basis of all creation, SHRISTI is a group engaged in infrastructure development with a deep-rooted commitment to creating 'spaces for life', in harmony with the elements.

One of the leading Construction and Infrastructure Development Companies in India, Shristi Infrastructure Development Corporation Ltd. started commercial operations in 1999 and is today a pan-Indian company in the fields of Infrastructure Construction, Infrastructure Development and Infrastructure Consultancy.

SHRISTI'S INFRASTRUCTURE CONSTRUCTION activities include roads, power, hotels, hospitals, buildings and urban water systems.

SHRISTI INFRASTRUCTURE DEVELOPMENT has created its mark in projects like integrated townships, healthcare, hospitality, retail malls, logistics hub, entertainment & sports facilities, commercial & residential complex, industrial parks and Special Economic Zones.

SHRISTI INFRASTRUCTURE CONSULTANCY includes city development plans, Detailed Project Reports for schemes of rehabilitation as well as urban development.

SHRISTI has several companies under Public-Private partnership models with various State and Central Govt. Organizations.

SHRISTI's focus is to be a creator of new age urban & social infrastructure, achieve & develop holistic environment, which go beyond today's imagination. Exploring traditional wisdom as well as the science of design and planning, SHRISTI includes cultural contexts and combines the strength of professionalism, environment-friendly practices as well as modern technological innovations to deliver sustainable development.

SHRISTI has continuously been working to expand the umbrella of companies, products and services to provide a comprehensive mix of infrastructure development solutions. From individuals or institutions to government bodies, SHRISTI offers the benefit of experience as well as a seamless and complementary combination of resources and expertise of its own and its group companies. Listed on the Kolkata and Mumbai stock exchanges, the ISO 9001:2000 certified company, presently handling projects worth over US \$1 billion, focuses on creating value and ensuring timely delivery for clients. Indeed, SHRISTI aims to become a benchmark in quality and customer satisfaction and be a name synonymous with trust, excellence and partnership for growth. *Welcome to life.*

SHRISTI

has deep-rooted foundations, based on which it continues to grow by integrating wisdom and modern innovations of technology. In the process we focus on creating new age urban and social infrastructure to develop a roadmap for the future development of India based on the philosophy Welcome to life.

DIPAK KUMAR BANERJEE
CHAIRMAN

WE BELIEVE

that it is time for us all to see the wave of urban development across the world from a new perspective. Indeed, it is time to look at all development as an inclusive process in complete harmony within the environment it is being created in.

SUJIT KANORIA
MANAGING DIRECTOR



VISION

To evolve and deliver new paradigms of living that create a fusion of Indian wisdom blended with the best of global innovations.

MISSION

To develop and achieve holistic environment for generations, in order to bequeath a legacy across all economic segments, which will transcend the limits of present global lifescapes.



THE IDEA PRECEDES CREATION

SHRISTI innovates a series of firsts:

- First Integrated Township in West Bengal (Shristinagar - The New Asansol)
- First International Sports City in India (The Arena - Haldia International Sports City)
- First Logistics Hub in South Bengal (Raniganj Square)
- First City Centre in West Bengal outside Kolkata (Durgapur City Centre)

RESOURCES TEACH RESPONSIBILITY

SHRISTI has the infrastructure, technology, finance and equipment to undertake mega projects and engineering challenges. Alliances with international architects and strategic joint ventures with government bodies are aimed to bolster the group's internal strengths.



SKILLS GIVE FREEDOM

SHRISTI is a team of highly skilled, dedicated and dynamic people, who are specialists in their own domains. The team comprises efficient managers, innovative engineers, financial experts and design wizards with proven track records of creating structures for life.

KNOWLEDGE LENDS DIRECTION

SHRISTI is also highly respected as an infrastructure consultant whose expertise is sought for city development plans, rehabilitation schemes and urban renewal projects. The company employs its experience and expertise to usher in sustainable infrastructure development.



ORGANISATION DELIVERS RESULTS

SHRISTI is geared for fast response to construction challenges without compromising on construction quality. Specialised teams of managers, engineers and workers smoothly undertake projects in the field while centralized support personnel lend expertise in architecture, logistics, finance and marketing. Together the group delivers the best value to the customer, optimising cost and time.

INFRASTRUCTURE CONSTRUCTION - STRUCTURING LIFE

In the fields of Infrastructure Construction, SHRISTI has created its mark through the completion of the successful projects and some more are in the process of completion:



- State Highway 7 in Bardhaman & Hoogly District for PWD
- Road & Bridge over Krishnapur Canal for NBCC Ltd.
- Road from Bandangacha to Syamsunder in Bardhaman Zilla
- Road from Bulandi to Kanaria in Hoogly District
- Library for R.E College, Durgapur
- Phase II of University Institute of Technology for Bardhaman University, Effluent & Sewage Treatment Plant for EPIP, Durgapur

- Kurseong Sub-divisional Hospital, Darjeeling
- Earth Embankment Work at Tehri Dam for Jai Prakash Industries Ltd.
- Substations at New Delhi for Reliance Energy Ltd.
- Eye Hospital at Haldia
- Low Dam Project at Teesta
- Water Supply Project for Kolkata Municipal Corporation



- Dwelling Units with complete external services, roads, drainage, etc. in Bareilly
- Dwelling Units for Ministry of Defence in Bhopal
- Office Building at Tangra, Kolkata
- School at Rajarhat, Kolkata
- Road projects at various places

INFRASTRUCTURE DEVELOPMENT - DESIGNING LIFE

To take lifestyle to the next level, SHRISTI began by joining hands with the elements of creation - the building blocks for a better life. From apartment towers and housing estates, shopping and commercial complexes to hotels and hospitality plus setting up of logistics hubs, SHRISTI has created landmarks, each one conceptualised and designed in harmony with the elements.



SHRISTI IS GIVING INDIAN REALTY A NEW FACE BY
DEVELOPING A VARIETY OF PROJECTS ACROSS THE COUNTRY.



Financial Year 2007

KEY AREAS

INTEGRATED TOWNSHIPS | HEALTHCARE | HOSPITALITY

RETAIL MALLS | LOGISTICS HUB | ENTERTAINMENT & SPORTS FACILITIES

COMMERCIAL & RESIDENTIAL COMPLEX | INDUSTRIAL PARKS & SEZs

PROJECTS

THE ARENA - Haldia International Sports City, Haldia

Haldia International Sports City is an integrated township with an international multi-functional stadium. The International Sports City has a Lifestyle Residential Estate along with a Shopping Mall with Multiplex, a Business Hotel, a Healthcare Facility, Commercial Area and an Educational Facility.



KRISHNAGAR CENTRUM, Krishnagar

The project has a natural water body. It consists of 5 premium Housing Towers going upto 15 floors covering 400,000 Sq.ft., a Lifestyle Mall and Commercial Complex covering 150,000 Sq.ft., a Business Hotel of over 40,000 Sq.ft., a Leisure Club of 10,000 Sq.ft. and other Infrastructure Facilities.

LIFESCAPE - Hospitality & Mixed Use Complex at Kolkata

A 625,000 Sq.ft. premium Five Star Hotel and a 683,000 Sq.ft. Mixed Use Hotel Facility is being built in Rajarhat, Kolkata. A combination of colonial design and modern architecture integrated with all the features and facilities which one could expect in an international standard project. The tallest structure in the Eastern Region with the bionic concept building, makes this a world class "project of the future".



SHANTI SHRISTI - Bungalow Estate at Santiniketan

Shanti Shristi is a designer bungalow estate in Santiniketan amidst nature and is an abode of peace. Nestled among lush green surroundings, one can find his dream retreat at Shanti Shristi. The single & double storied Luxurious Bungalows come with gardens and well tended lawns. Each bungalow is designed leaving enough open space, so that one can savor his oneness with nature.

JOINT VENTURES

BENGAL SHRISTI Infrastructure Development Ltd. is a joint venture with Asansol Durgapur Development Authority (ADDA). It is developing **Integrated Township at Asansol, Highway Hub at Raniganj** and has developed the **Durgapur City Centre**.



The Mega Integrated Township at Asansol comprises of Lifestyle Apartments, Group Housing, Plots, Bungalows & Row Housing, Central Business District - Asansol Centrum, Club, Amusement Park, Business Hotel and IT Park. It will house approximately 5,000 families.



Raniganj Square has a Wholesale Market, Shopping Mall with Multiplex, Commercial Spaces, Warehouses and Godowns, Auto Mall, Motel, Truck Terminal, Service Station, Petrol Pump, Dhaba, Weigh Bridge and will provide Integrated Transport Facilities at a common location.



Durgapur City Centre houses a Commercial Plaza, Shopping Mall with Multiplex and a Lifestyle Residential Tower. It is a modern multi-utility, multi-facility urban plaza, and can be best defined as a mini world and confluence of shopping, commerce, entertainment, recreation, hospitality and lifestyle living.

TSCCF - SHRISTI Infrastructure Development Ltd. is a Joint Venture with Tripura State Co-operative Consumers' Federation Ltd. It is developing an **Urban plaza at Agartala** in the state of Tripura.

Agartala Centrum is the first of its kind shopping mall complex in the State of Tripura. It aspires to fulfill the requirement of a good quality commercial as well as cultural complex.



BORDER TRANSPORT Infrastructure Development Ltd. is a joint venture with West Bengal Transport Infrastructure Development Corporation Ltd. It is implementing the development of **Multi-facility Dry Port** and **Logistic Centre** at Bongaon at the border of Bangladesh.

SPECIAL PURPOSE VEHICLES

SHRISTI HOTELS Pvt Ltd. is instrumental in developing hospitality & mixed use complex:

- **LIFESCAPE - Hospitality & Mixed Use Complex at Kolkata**



- **VIPANI - Retail Mall & Hospitality at Udaipur, Rajasthan**

A Mixed-Use Development, with Shopping, Hospitality, Culture, Health and Well-being and Entertainment options in one of India's most happening places, Udaipur.



INFRASTRUCTURE CONSULTANCY - PLANNING LIFE

SHRISTI URBAN Infrastructure Development Ltd. is a joint venture with Housing and Urban Development Corporation Ltd. (HUDCO), a Public Sector Company wholly owned by Government of India. SHRISTI URBAN has a pan-India presence, specializing in the field of Infrastructure, Housing, Commercial, Social & Urban Development and Transportation.



The Company specializes in town planning projects and has successfully completed the following:

- **City Development Plan of Gangtok City, Sikkim**
- **Preparation of DPR for Scheme of Rehabilitation of 12 towns in Uttar Pradesh**



Several challenging projects in various parts of the country are on the anvil:

- **Master Plans of 2 towns of Jharkhand**
- **Planning of District Centre at Pratap Nagar, Jaipur for Rajasthan Housing Board**
- **Preparation of DPR for Scheme of Rehabilitation of 11 towns in Uttar Pradesh**



ARCHITECTS

SHRISTI has a long-term strategy based on mutual hand-holding where all architects are able to realise their corporate aims and objectives as well as contribute to the growth of the partnership and industry as a whole. SHRISTI not only recognizes but underscores the importance of global and local partnership to emerge as a truly worldclass company. The group's alliances with internationally renowned infrastructure development bodies and professionals such as consultants, architects, designers as well as companies in hospitality and retail allow SHRISTI to envision a cross-continent canvas to develop and promote growing market opportunities worldwide.



INTERNATIONAL



SembCorp Engineers
and Constructors

• SEMBCORP, SINGAPORE



• SAA, SINGAPORE



TOWNLAND

• TOWNLAND, HONGKONG

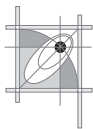


• AWP, SINGAPORE



• CERVERA & PIOZ, SPAIN

NATIONAL



INNATE

ARCHITECTS, PLANNERS, ENGINEERS

• INNATE

STEIN • MANI • CHOWFLA

• STEIN MANI CHOWFLA

EDIFICE

Edifice Architects Pvt. Ltd.

• EDIFICE

C.P. Kukreja
Associates

• C.P. KUKREJA ASSOCIATES

ORTEGA SHAH STEINMANN & ASSOCIATES

• OS2 ASSOCIATES

Kerr & Associates

• KERR & ASSOCIATES



NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Shristi Infrastructure Development Corporation Limited will be held at '**Purbashree Auditorium**' of **Eastern Zonal Cultural Centre at Bharatiyam Cultural Multiplex, IB - 201, Sector - III, Salt Lake, Kolkata - 700106** on **Monday, the 22nd day of September, 2008** at **10.30 a.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the financial year ended 31st March, 2008, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended on 31st March, 2008.
3. To elect a Director in place of Mr. Kailash Nath Bhandari, who retires by rotation and being eligible, offers himself for re-election.
4. To re-appoint M/s. S. S. Kothari & Co., Chartered Accountants, Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on a remuneration to be fixed by the Board of Directors.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including statutory modification(s) or re-enactment thereof for the time being in force) Mr. Dipak Kumar Banerjee, who was appointed as Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retirement by rotation in terms of the provisions of the Articles of Association of the Company."
6. To consider and, if thought fit, to pass with or without modification, the following Resolution as **Ordinary Resolution**:
"RESOLVED THAT the consent of the Company be and is hereby accorded in accordance with 293(1)(d) and other provisions of the Companies Act, 1956 and other applicable statutes and / or rules and regulations framed thereunder and in force during the relevant time(s), to the Board of Directors of the Company for borrowing from time to time from such Financial Institutions, Government, Government Bodies, Companies, Bankers and/or other persons, or Bodies Corporate, whether by way of Term Loans, Cash Credit, Advance, Deposits, Bills Discounting or otherwise, and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movables or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) or work-in-progress or others and all or any of immovables / undertakings of the Company such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that money to be borrowed together with money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which money may be borrowed by the Board of Directors (apart from temporary loans obtained from the Company's Bankers) shall not exceed Rs 1000 crores outstanding at anytime."

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as **Ordinary Resolution**:
“RESOLVED THAT the consent of the Company be and is hereby accorded in accordance with Section 293(1)(a) and other provisions of the Companies Act, 1956 and other applicable statutes and / or rules and regulations framed thereunder and in force during the relevant time(s), to mortgaging and / or charging by the Board of Directors of the Company all or any of the movable and / or immovable properties both present and future of the whole or substantially the whole of the undertaking or undertakings of the Company for securing any loan obtained or as may be obtained from any bank(s), financial institution(s) or person or persons together with interest, costs, charges, expenses and any other money payable by the Company.”
8. To consider and, if thought fit, to pass with or without modification, the following Resolution as **Special Resolution**:
“RESOLVED THAT the consent of the Company be and is hereby accorded in accordance with Section 372A and other provisions of the Companies Act, 1956 and other applicable statutes and / or rules and regulations framed thereunder and in force during the relevant time(s), to make investment(s), provide guarantee(s) and / or provide counter-guarantee(s) upto a sum not exceeding Rs 250 crores, notwithstanding that such investment(s) / guarantee(s) / counter-guarantee(s) together with the Company’s existing investment(s) / guarantee(s) / counter-guarantee(s) in all other bodies corporate shall be in excess of the limits prescribed under section 372A of the Companies Act, 1956 and the Board of Directors of the Company be and is hereby authorised to determine the actual sums to be so invested / guaranteed / counter – guaranteed and all matters arising out of or incidental to such investment(s) / guarantee(s) / counter-guarantee(s) and to do all such acts and things as may be deemed necessary.”

Registered Office:

Ganga Jamuna Building
28/1, Shakespeare Sarani
Kolkata - 700017.

Dated: 30th June, 2008

By Order of the Board of Directors
Shristi Infrastructure Development Corporation Limited
Saptarshi Ganguly
(Company Secretary)

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting.

2. Members / proxies should fill - in the attendance slip for attending the Meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of their membership at the meeting. Members are also requested to bring their copy of Annual Report to the Meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 16th September, 2008 to Monday, 22nd September, 2008 (both days inclusive).
4. Members are requested to notify their change of address, if any, to the Company/Share Transfer Agent, M/s MCS Limited, 77/2A, Hazra Road, Kolkata - 700029.
5. At the ensuing Annual General Meeting Mr. Dipak Kumar Banerjee and Mr. Kailash Nath Bhandari seek appointment / reappointment as Directors. The details pertaining to these Directors are enclosed herewith.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business is annexed.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement setting out all material facts relating to the business mentioned under Item Nos. 5 to 8 of the accompanying Notice dated 30th June, 2008.

Item No. 5

The Board of Directors at its meeting held on 21st January 2008, had pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 119 of the Article of Association of the Company, appointed Mr. Dipak Kumar Banerjee as Additional Director of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Dipak Kumar Banerjee will hold the office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member of the Company along with deposit of Rs 500/- from the member proposing the candidature of Mr. Dipak Kumar Banerjee, liable to retirement by rotation under provisions of Section 257 of the Act.

Brief resume of Mr. Banerjee, nature of expertise in specific functional area, names of companies in which he holds directorships, number of shares held in the Company and Memberships/Chairmanships of Board Committees,

as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided forming part of the Annual Report.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 5 of the accompanying notice for the approval of the Members.

Except Mr. Dipak Kumar Banerjee, no other director is concerned or interested in the resolution.

Item No. 6

Since the company is presently embarking upon a policy envisaging steady growth coupled with all round development and expansion, the requirement of increased infusion of funds from different financial institutions, banks etc. has become a necessity. As such it has become imperative to increase the maximum borrowing limit as sanctioned by the shareholders of the Company in their earlier General Meeting.

Hence, fresh sanction of the shareholders is sought to permit the Board to borrow money in excess of the earlier sanctioned borrowing limit, which in turn also exceeds Company's capital and free reserves. This is permissible under Section 293(1)(d) of the Companies Act, 1956, if the shareholders approve. In view of Company's various forthcoming expansion programmes, your Board thinks it necessary to acquire this power and commends passing of this resolution.

None of the Directors is in anyway concerned or interested in this resolution proposed to be passed.

Item No.7

As a security for the loans to be sanctioned by banks and / or financial institutions with whom the Company is negotiating for financial assistance for its various projects, the Company would be required to give mortgage / charge of all the movable and immovable properties of the Company present and future.

Section 293(1)(a) of the Companies Act, 1956, provides, inter alia, that the Board of Directors of a public company, shall not, without the consent of the shareholders in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Since the mortgaging / charging by the merged entity of its immovable or movable properties as aforesaid in favour of the financial institutions / banks can be considered to be disposal of the Company's properties, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage / charge on the movable and immovable properties.

The Board commends the resolution for approval.

None of the Directors is in anyway concerned or interested in this resolution proposed to be passed.

Item No.8

As a part of the expansion activities currently undertaken by the Company, your directors feel that the Company may be required to explore opportunities of acquisition(s) and make strategic investments in such bodies corporate and others which are engaged in activities similar, complementary or incidental and / or ancillary, to those carried on by the Company, which in turn is likely to generate surplus funds which could be utilized by the Company profitably.

Section 372A of the Companies Act, 1956, provides, inter alia, that a company may make investment or provide loan, guarantee or security in / to any other body corporate even if the aggregate of the loans / investments proposed to be made or guarantee / security proposed to be provided alongwith the loans / investments so far made or guarantee / security so far provided exceeds the aggregate of sixty percent of its paid up share capital and free reserves or one hundred percent of its free reserves whichever is greater, if the Company has obtained sanction from its shareholders by way of a special resolution passed in a general meeting.

Since the Company proposes to, invest in securities of / provide guarantee or counter - guarantee based on its business requirements, the Board hence recommends the passing of this resolution as it will help in the expansion of Company's business.

None of the Directors is in anyway concerned or interested in this resolution proposed to be passed.

Registered Office:

Ganga Jamuna Building
28/1, Shakespeare Sarani
Kolkata - 700017.
Dated: 30th June, 2008

By Order of the Board of Directors
Shristi Infrastructure Development Corporation Limited
Saptarshi Ganguly
(Company Secretary)

**Details of Directors seeking re-appointment / appointment at the forthcoming Annual General Meeting
(In pursuance of Clause 49IV(G)(i) of the Listing Agreement)**

Name of Director	Mr. Dipak Kumar Banerjee	Mr. Kailash Nath Bhandari
Date of birth	19.02.1946	01.03.1942
Date of Appointment	21.01.2008	03.08.2007
Expertise in specific functional area	Finance & Accounts Management	Insurance & Financial Services
Qualification	B.Com(Hons), F.C.A.	B.A., L.L.B.
Shareholding in the Company	Nil	Nil
List of other Public Limited Companies in which directorship held	<ol style="list-style-type: none"> 1. Tata Metaliks Limited 2. DIC India Limited 3. TM International Logistics Limited 4. Tata Sponge Iron Limited 5. Tata Pigments Limited 6. Mjunction Services Limited 7. Tinplate Co. of India Limited 	<ol style="list-style-type: none"> 1. Andhra Cements Limited 2. Hindalco Industries Limited 3. Agriculture Insurance Co. of India Limited 4. Bank of Rajasthan Limited 5. Saurashtra Cement Limited 6. Su-Raj Diamonds and Jewellery Limited 7. Credence Logistics Limited
Chairman / Member of the Committees of the Board across all public companies of which he is a Director	<ol style="list-style-type: none"> 1. Member of Audit Committee and Member of Remuneration Committee – Tata Metaliks Limited 2. Chairman of Audit Committee and Chairman of Remuneration Committee – DIC India Limited 3. Chairman of Audit Committee – TM International Logistics Limited 4. Member of Audit Committee and Member of Shareholders' Grievance Committee – Tata Sponge Iron Limited 5. Member of Audit Committee – Mjunction Services Limited 6. Member of Remuneration Committee – Tinplate Co. of India Limited 	<ol style="list-style-type: none"> 1. Member of Audit Committee – Andhra Cements Limited 2. Chairman of Audit Committee – Agriculture Insurance Co. of India Limited
Chairman / Member of the Committees of the Board of Directors of the Company	<p style="text-align: center;">Chairman - Audit Committee Member - Remuneration Committee Member - Shareholders' Grievance Committee</p>	<p style="text-align: center;">Member - Audit Committee Member - Remuneration Committee Member - Shareholders' Grievance Committee</p>

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors are pleased to present the Eighteenth Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March, 2008. The summarised Standalone and Consolidated financial performance of your Company is as under:

Financial Results (Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended 31st March, 2008	Year Ended 31st March, 2007	Year Ended 31st March, 2008	Year Ended 31st March, 2007
Total Income	8,666	8,166	10,476	8,696
Gross Profit before Depreciation	779	278	1,049	381
Less : Depreciation	26	92	56	118
Profit Before Tax	753	186	993	263
Less : Goodwill written off	-	-	200	-
Provision for :				
Current Tax	108	NIL	115	28
Fringe Benefit Tax	8	8	13	11
Deferred Tax Liability	-	(1)	-	(1)
Profit After Tax	637	179	665	225
Adjustment relating to earlier years	NIL	NIL	1	NIL
Balance brought forward from previous year	6	(1,187)	33	-
Amount available for appropriations	643	(1,007)	697	225
Adjustment as per Scheme of Amalgamation	-	1013	-	1,013
Appropriations				
Transfer to General Reserve	38	NIL	38	(5)
Proposed Dividend	333	NIL	333	(30)
Dividend Tax	75	NIL	75	(5)
Balance carried to Balance Sheet (being amount transferred to Reserve & Surplus)	495	267	557	304

AMALGAMATION OF SHRISTI INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED WITH PEERLESS ABASAN FINANCE LIMITED AND RE – LISTING OF THE SHARES IN THE STOCK EXCHANGE(S)

The Directors are pleased to inform that subsequent to successful implementation of the Scheme of Amalgamation of Shristi Infrastructure Development Corporation Limited with Peerless Abasan Finance Limited as sanctioned by the Hon'ble High Courts at Kolkata & New Delhi, the shares of your Company has been re-listed in Bombay Stock Exchange and Calcutta Stock Exchange. Trading in the shares of your Company in Bombay Stock Exchange commenced on and from 10th December, 2007.

During the year under review, the sanctioned Scheme of Amalgamation resulted in the following:

1. The Authorized Share Capital of the Company stood increased from Rs 20.00 crores to Rs 30.50 crores divided into 3.05 crores Equity Shares of Rs 10/- each.

2. 2 crores new Equity Shares of Rs 10/- each fully paid – up has been issued, thereby, increasing the subscribed and paid – up share capital base by Rs 20 crores.
3. The name of the Company changed from “Peerless Abasan Finance Limited” to “Shristi Infrastructure Development Corporation Limited” upon receipt of a Fresh Certificate of Incorporation dated 23rd August, 2007 from Registrar of Companies, West Bengal.

CHANGE OF REGISTERED OFFICE OF THE COMPANY

During the year under review, the registered office of your Company has been shifted from ‘7 & 8, C.I.T.Road, 2nd Floor, Kolkata – 700 014’ to ‘Ganga Jamuna Building, 28/1, Shakespeare Sarani, Kolkata – 700 017’. This has been made because considering the increased scale of operation, a larger office space was required. A notification to this effect has already been published in leading Vernacular and English newspapers on 7th September, 2007. You are further requested to make future correspondence at the changed registered office address of the company.

OPERATIONAL REVIEW

The Government of India has continued to accelerate the pace of infrastructure creation in the country leading to substantial growth in investments in this sector. As your Company is involved with the infrastructure sector, it has continued to grow in strength and size. Its financial performance in the year under review displays sustainable growth in earning, even in an increasingly competitive environment.

Your Company specializes in construction and development of infrastructure projects like roads, highways, integrated townships, health & wellness centers, commercial complexes, shopping malls etc in major cities as well as upcoming urban towns.

Shristi is committed to continuously reviewing and updating processes, systems, technology also benchmarking of policies, strategies and programs to encourage continuous improvement in all areas of activity.

Your Company strongly emphasizes on construction of infrastructure projects through Public-Private-Partnership (PPP) model. Shristi has already entered into Joint Venture Partnerships (JVs) with the following public entities in India:

- Asansol Durgapur Development Authority, Government of West Bengal – JV Company Bengal Shristi Infrastructure Development Limited
- Tripura State Co-operative Consumers’ Federation Limited, a Government of Tripura Enterprise – JV Company TSCCF Shristi Infrastructure Development Limited
- Housing and Urban Development Corporation Limited, a Government of India Enterprise – JV Company Shristi Urban Infrastructure Development Limited, which is also a subsidiary of your company

Your Company is executing large number of projects in the infrastructure sector in the country and with its strong credentials, expects to be able to construct projects profitably.

Some of the highlights of the Company’s performance during the year under review are:

- The gross profit (before depreciation and tax) grew to Rs 779 lakhs from Rs 278 lakhs last year, a jump of 180%
- The profit before taxation increased to Rs 753 lakhs as against Rs 186 lacs in the last year, an increase of around 303%
- Net profit after taxation increased to Rs 637 lakhs as against Rs 179 lakhs in the last year, an increase of around 255%

DIVIDEND

In view of the improved financial results, your Board recommended a Dividend of 10% (Re 1.00 per Equity Share) for the financial year 2007-08 as against NIL for the previous year to the equity shareholders of the Company. The Dividend Distribution Tax will be paid on top by your Company and will be tax – free in the hands of the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s) in India is presented in a separate section forming part of the Annual Report as Annexure I.

CORPORATE GOVERNANCE

Your Directors affirm their commitment to good Corporate Governance practices. The report on Corporate Governance as per the requirement of the Listing Agreement with the Stock Exchange forms part of this report as Annexure II.

FIXED DEPOSITS

Deposits amounting to Rs. 20 lakhs matured and remain unclaimed by the depositors as on 31st March, 2008 and the said amount is lying in Escrow Account with HDFC Bank. The depositors are regularly intimated about the maturity of their deposits.

SUBSIDIARY COMPANIES

The audited statement of accounts along with the report of the Board of Directors relating to your Company's subsidiaries viz., Shristi Urban Infrastructure Development Limited, Vivekananda Skyroad Limited, Shristi Hotel Private Limited (formerly Shristi Hotel Limited), Shristi Hotelciti Private Limited and Shristi Udaipur Hotels and Resorts Private Limited (subsidiary of Shristi Urban Infrastructure Development Limited) for the financial year ended 31st March, 2008 alongwith the statement pursuant to Section 212 of the Companies Act, 1956 are annexed.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared by your Company in accordance with the requirements of the Accounting Standards issued by The Institute of Chartered Accountants of India. The audited Consolidated Financial Statements together with Auditors' Report forms part of the Annual Report.

The group recorded a consolidated profit before tax of Rs 993 lakhs for the financial year 2007-08 as compared to Rs 263 lakhs during the financial year 2006 – 07.

PARTICULARS OF EMPLOYEES

Your Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

SHRISTI WEBSITE

The website of your company, www.shristicorp.com carries a comprehensive database of information of interest to the investors including the corporate profile and business activities of your company and various projects which are handled by your company.

DIRECTORS

During the year under review, Mr. Dipak Kumar Banerjee has been appointed as Additional Director of your Company w.e.f. 21st January, 2008.

In accordance with the provisions of the Companies Act, 1956 and your Company's Articles of Association, Mr. Kailash Nath Bhandari retires by rotation at the ensuing Annual General Meeting and is eligible for re – appointment. The brief resume/ details relating to Director who is to be re-appointed/appointed, is furnished in the Notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956(Act), your directors confirm:

- (i) that in the preparation of the Annual Accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the directors have prepared the Annual Accounts for the financial year ended 31st March, 2008 on a going concern basis.

AUDITOR AND AUDITOR'S REPORT

M/s S.S.Kothari & Co., Chartered Accountants, retire as Auditors of your Company at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Members are requested to consider their re-appointment for financial year ending 31st March 2009 and authorize the Board to decide on their remuneration.

The notes to Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption are not given as the Company has not undertaken any manufacturing activity.

During the period under review, the Company earned Rs NIL in foreign exchange and utilized foreign exchange worth Rs 7.37 lakhs.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the excellent support and co – operation received from the Financial Institutions, Banks, Government Authorities, Stock Exchanges, Customers, Suppliers, Depositors and Shareholders during the year under review. Your Directors also place on record their deep appreciation of the valuable contribution of the employees at all levels for the progress of your Company during the year and look forward to their continued co – operation in realization of the corporate goals in the years ahead.

Place : Kolkata
Date: 30th June, 2008

For and on behalf of the Board of Directors
Mr. Dipak Kumar Banerjee
(Chairman)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Infrastructure is an integral part of economic development and the availability of quality infrastructure services is the key to sustained growth of any economy. There are tremendous opportunities in the areas of Power Generation, Port development, Urban Development, Construction of Roads and Airport Development in the years to come due to the increased thrust of government in bettering the basic infrastructure of the country. Provision of quality and efficient infrastructure services is essential to realise the full potential of the growth impulses surging through the economy. There is now a widespread consensus that exclusive dependence on government for the provision of all infrastructure services introduces difficulties concerning adequate scale of investment, technical efficiency, proper enforcement of user charges and competitive market structure. The trickle of private equity into the country's infrastructure sector is now turning into a deluge, with a slew of billion-dollar funds dedicated to core sector financing on the anvil.

India, while stepping up public participation in infrastructure, has been actively engaged in finding the appropriate policy framework, which gives the private sector adequate confidence and incentives to invest on a massive scale, but simultaneously preserves adequate checks and balances through transparency, competition and regulation. The government of India has indicated that India has the potential to absorb US \$ 150 billion of FDI in infrastructure sector over the next five years. For bringing in greater efficiency in the process and mobilizing this huge resource requirement, the government has provided a large number of incentives to attract private sector investment. This includes creation of Special Purpose Vehicles and a Viability Gap Funding Scheme for financing infrastructure projects. Barring aviation, all infrastructure sectors have also been opened up for 100 per cent FDI. There is a growing trend of Public-Private Partnership (PPP) in implementation of infrastructure projects in India. Response of the private players in setting up of SEZs in India has also been tremendous. A large number of Indian as well as foreign companies are in the process of setting up SEZs. The growing interest of private players in developing SEZs has been primarily on account of the new legislation, which provides a uniform policy in terms of operation, establishment and fiscal regime.

The Indian infrastructure sector comprising six core industries, grew at 9.6 percent in the fiscal year ended in 31st March, 2008. The infrastructure sector grew at 10.5 percent in the same period in 2007. The present economic environment envisages an immediate investment of Rs 50,000 crores for the infrastructure sector alone. This is going to grow exponentially during the next five years and we expect a cumulative investment of over Rs 500,000 crores, with annualized GDP growth rate of 8%.

SEGMENTS

The Company is operating only in the Infrastructure segment, which consists of sub sectors like Roads & Bridges, Dams, Power, Ports, Airports, Housing and Urban Infrastructure.

The Government of India (GOI) has already taken initiatives to boost investment in the aforementioned sectors by way of Private Investment, easing of FDI, formation of various Regulatory and Monitoring Bodies, reducing Import Duties, increasing Budgetary Outlays, announcing Tax Incentives and Concessions etc.

The Infrastructure sector being the main thrust area of Central and various State Government's initiatives, coupled with the lack of adequate infrastructure, has led to the conversion of this sector into one with extraordinary growth. The various methodologies adapted by GOI, have all been aimed at opening up of this sector.

The above-mentioned factors clearly indicate that the infrastructure sector is presently undergoing rapid changes, which will have a positive bearing on the key players of this area. Given this backdrop, the companies shall also grow through additional revenue generations by way of new infrastructure development projects. Also, entrance of other players, both in the same line and related spheres of activities, will allow scope for diversification and backward integration.

In a nutshell, the infrastructure sector being one of the focal areas of the Central Government, envisages potential in the

form of new development projects ready to be undertaken, healthy profits, quality outputs and foreign investments for the major players in this area.

The various sectors in which your company is engaged into are depicted below:

Transport sector

The Transport sector owes its intensity to the vast size of our nation and the level of integration of the regional markets, although the lack of adequate roads and their proper maintenance has restricted the same to a great extent. However, the transportation costs are presently increasing at a much faster rate than the affordability levels prevailing in rural markets, resulting in decline in market intensity.

Besides having undertaken adequate exposure in the highway sector on its own, your company has, in collaboration with Sembcorp Corporation of Singapore, participated in the 30 km bypass for Jaipur under the BOT Model. Shristi is in the midst of developing long-term collaborations in the area of cost effective pavement components, which would provide a competitive platform to compete successfully in the roads, highways and expressway sectors.

Water Resource development

Water resource development has two dimensions. While the first relates to sustaining food production, the other concentrates on generation of power from impounded water. For providing services in the said water resource segment, Shristi has worked along with Jai Prakash Industries, the sector leader in India.

Urban Development

As is the case with other Asian nations, India is also undergoing rapid urbanization and as against the forecasted figure of 24%, over 30% level of urbanization is expected to be attained by the middle of the next decade. Shristi's focus on the sector emanates from the basic needs of the population, namely access to housing, water, transportation, energy and other social facilities, which also has a synergistic relationship with the inherent strengths and goals of Shristi. To provide world-class services in this sector, Shristi has tied up with JTC (Jurong Town Corporation) of Singapore, the internationally acclaimed organisation, credited with the creation of the comprehensive Jurong Urban and Industrial Complex.

A good track record is always a prerequisite for qualification. The company has till date executed many projects. It has executed major infrastructure projects in various parts of country, some of these being landmark projects. Number of other major projects in different sectors is under construction. Shristi carries its operations, primarily through its three main verticals.

1. Construction

The construction projects which the company is presently carrying out includes:

- a. Dwelling Units with complete external services, roads, drainage etc in Bareilly
- b. Dwelling Units for Ministry of Defense in Bhopal
- c. Five Star Hotel at Rajarhat through a Special Purpose Vehicle (SPV) named Shristi Hotel Private Limited (formerly Shristi Hotel Limited)

2. Infrastructure Development

Your Company is carrying out various infrastructure development projects, some of which are:

- a. International Sports City, Haldia
- b. Krishnanagar Centrum, Krishnanagar
- c. Hotel Complex at Rajarhat, Kolkata
- d. Integrated Township at Asansol
- e. Logistics Hub at Raniganj

3. Infrastructure Consultancy

Your Company is also engaged in the work of Infrastructure Consultancy. The projects which have already been completed includes City Development Plan of Gangtok City, Sikkim and Preparation of DPR for Scheme of Rehabilitation of 12 towns in Uttar Pradesh. The projects which are in the pipeline includes Master Plans of 2 towns of Jharkhand, Planning of District Centre at Pratap Nagar, Jaipur for Rajasthan Housing Board and Preparation of DPR for Scheme of Rehabilitation of 11 towns in Uttar Pradesh

OPPORTUNITIES & THREATS

Shristi, plays an important role in making the infrastructure of the country comparable to the best in the world. Available resources and expertise combined with seamless and mutually complimentary collaboration with the best groups in the world has been envisaged as the means to achieve this objective.

The areas of thrust initiated by the GOI has opened up the infrastructure sector and major players like Shristi can now add value to the Nation, not only by way of identification, creation and maintenance of necessary infrastructure, but also by way of world-class outputs.

Given the present investment surge in the said sector, efficient players can grow very rapidly. Shristi's financial projections also speak of the aforesaid conducive outlook.

Shristi has managed associated risk and difficult market conditions through well-defined business processes and risk management tools and techniques geared to protect interest of stakeholders at all levels. Your Company's business exposure to the normal financial and market risks continue to be monitored and managed by experienced personnel at all levels duly strengthened from time to time by systems and processes commensurate with the volume of business activities and the perceived risk requirements. Internal control systems and process level checks and balances are duly analyzed, reviewed and updated on a continuous basis.

STRENGTHS

Though your Company has many strengths, some of the notable ones are accessibility to financial markets including capital markets for funding its business requirements, concentration in certain geographics for better engagement of its resources, creativity in financial structure to limit financial exposure and yet unlock business potential and stakeholders including Joint Venture Partners and Business Associates.

OUTLOOK

The potential for growth in the industry is significant. The infrastructure development activity is progressing with great strides and large volumes of such contracts are likely to be awarded in the near future. Substantial growth for construction industry for next fifteen years is almost a certainty. During last few years main thrust is being given to construction activities in the Infrastructure Sector viz. Roads, Hydro & Thermal Power, Ports, Housing, Mass Rapid Transit Systems, New Airports and renewal of old ones, Construction and revamping of urban infrastructure such as water supply, sewage conveyance and treatment etc.

Shristi has been active in all these fields and is confident of securing projects under many of these segments. The Government has granted industry status to construction & infrastructure, which would help companies in mobilizing funds at competitive rates. Given the various fiscal incentives offered by the Government, the industry is poised for a major boom and Shristi is fully geared to secure its share of the phenomenally growing market.

The range of services offered by Shristi inter-alia includes:

- Design and/or Build Option, which is the primary area of specialization founded on the "Single Window" principle providing complete customer satisfaction and single point accountability along with identification of suitable investment areas for the clients. The Company caters to "end-to-end" needs of clients, starting from conceptualization to completion

of a Project, including forming project-based alliances wherever necessary with emphasis on allowing maximum freedom, quality assurance and value for money.

- Tailor-made Comprehensive Construction Management to meet client needs.
- Complete Project Management to deliver high value solutions.
- Project Financing and Construction Option, which includes conceptualization and implementation of BOT and other market accepted mechanisms in collaboration with world leaders in the areas of project designing, technology transfer and project management.

The current economic scenario with high inflation is expected to slow the growth rate of Indian economy. Increase in input costs as also hike in interest rate is expected to impact most of the industries including construction and infrastructure development. Your Company is therefore seized of the issues at hand and has taken remedial steps in this direction to mitigate the attendant risk. Your company is still confident of achieving the objectives envisaged in its annual business plan for the financial year ending on 31st March, 2009.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has in operation a stringent as well as comprehensive internal control system to provide a high degree of assurance regarding the effectiveness and efficiency of operation. Adequacy of safeguards for assets, reliability of financial records and compliance with applicable laws and regulations are the essence of it.

The organisation is well structured and the policy guidelines are defined to ensure safeguard for assets and adherence to provisions of applicable laws.

The company has put in place extensive checks and measures to deliver products with highest quality to its customers. The top management and Audit Committee of the Board review the findings evolved during checking of system and operation.

RISK MANAGEMENT

Your company's ability to deliver shareholder value depends on the projects it handles and the ability of the company to manage risks, both internal and external. We focus our energies in de-risking our business to each of the projects by way of taking various steps e.g. limiting our financial exposure in geographies well known to us, limiting overheads budget, building up strategic alliances etc.

We have undertaken measures to prudently spread our risk by diversifying across three business segments that are distinct from each other and yet have a common thread, like, construction, infrastructure development and infrastructure consultancy. We create value by using our knowledge to make risks work in our favour.

Risk minimization is also achieved by way of strict adherence to established guidelines and continuous monitoring of the projects and risk systems by Internal Audit Teams.

The various types of risks that your Company faces in course of its activities are Economic Risk, Industry Risk, Credit Risk, Interest Risk, and Liquidity Risk.

COMPETITION

Though there are many players in the field of construction and infrastructure development, your company has carved a niche for itself by providing infrastructure facilities at reasonable cost.

In addition to the above, there is enough space for each company to grow given the size of the infrastructure requirement as also the construction and infrastructure activities carried out in India. Hence, your company does not envisage any adverse impact on its growth due to competitive pressure.

FINANCE

Your company follows a comprehensive resource mobilization process which involves strategic planning for programmed funding, close communication and effective negotiation with Banks, Financial Institutions, Investors etc. thereby improving image and credibility of the Organization and ensuring good coordination among all partners. Proper resource and finance mobilization ensures efficient meeting of required project cost and proper funding of the projects for timely completion.

HUMAN RESOURCE ACTIVITIES

- (a) Shristi's core competence lies in its Human Resources, which comprises of highly experienced professionals in the fields of Engineering, Project Management and Financial Management headed by professionals with excellent academic background and over 24 years of senior management level experience with domestic and international leaders in construction and infrastructure development sector. The priority lies on close teamwork, quality management, and long-term relationships. This type of relationship with clients, consultants and suppliers, further strengthened by strategic implementation of cost control & cost reduction methodologies and timely completion of projects, adds unmatched value for money for the clients. Ability to facilitate high value cost effective solutions for customers has paved the way for diligence, innovation and excellence.
- (b) Shristi's operational structure allows for participation in core sector projects and the association with global leaders in the said area ensures quality output.

Creation of synergistic routes to access capital, technology and human resources enables Shristi to operate in a wide array of construction and BOT related services to suit client needs, especially in road, pipeline, water resource management, urban development and construction sectors.

CORPORATE GOVERNANCE REPORT

GOVERNANCE PHILOSOPHY

The SHRISTI Group is committed to adhering to the best governance practices at all times in the true spirit. Corporate Governance practices in our organization springs from the pristine desire to innovate and cultivate the culture of trusteeship, which is deeply rooted in our value system. Such philosophy forms the base of our strategic thought process. The Corporate Governance philosophy in our organization is built on five important principles –

1. The Boards Accountability to the Company and its shareholders
2. Strategic guidance and perfect monitoring by the Board
3. Protecting the interest of minority shareholders
4. Equal treatment of all shareholders based on transparency, and
5. Quick and effective disclosures.

The Shristi Group is tirelessly striving to achieve heights of excellence by adhering to best governance and exquisite disclosure policy. In terms of clause 49 of The Listing Agreement of the Stock Exchanges, Code of Corporate Governance applicable from 31st December, 2005, your Company is complying with all provisions and the details of such compliance are outlined below:

BOARD OF DIRECTORS

The Board has a total strength of 4 directors as on 31st March, 2008. The Board comprises of Executive and Non – Executive Directors. One director is Executive and the remaining three (including the Chairman) are Non – Executive.

None of the Directors on the Board is a member of more than 15 committees and Chairman of more than 5 committees across all companies in which he is a Director. All the Directors have made necessary disclosures regarding committee positions occupied by them in other Companies.

The Composition of the Board of Directors as on 31st March, 2008 is in conformity with the provisions of the revised Clause 49 of the Listing Agreement.

The details of the Board of Directors as on 31st March, 2008 are as under:

Sl. No.	Directors	Designation	Category
1	Mr. Dipak Kumar Banerjee	Chairman	Non – Executive & Independent
2	Mr. Sujit Kanoria	Managing Director	Whole – time
3	Mr. K. N. Bhandari	Director	Non – Executive & Independent
4	Mr. Vinod Juneja	Director	Non – Executive & Independent
5	Mr. K. K. Chaudhuri*	Director	Non – Executive & Independent
6	Mr. P. P. Ray **	Director	Non – Executive & Independent
7	Mr. S. Bhattacharyya**	Director	Non – Executive & Independent
8	Mr. S. Dutta **	Director	Non – Executive & Independent
9	Mr. N. Saha**	Director	Non – Executive & Independent

* Mr. K.K.Chaudhuri resigned from the Board of Directors w.e.f 21st January, 2008.

** Mr. P.P. Ray, Mr. S. Bhattacharyya, Mr. S. Dutta and Mr. N. Saha resigned from the Board of Directors w.e.f 3rd August, 2007.

Mr. Sujit Kanoria holds 1,00,600 equity shares in the Company. None of the other existing Directors hold any equity shares in the Company.

Attendance of each Director at Board Meetings and at the last AGM

Sl. No.	Directors	No. of Board Meetings attended	Attendance during last AGM held on 29th September, 2007
1	Mr. Dipak Kumar Banerjee	1	N.A.
2	Mr. Sujit Kanoria	4	Yes
3	Mr. K. N. Bhandari	4	-
4	Mr. Vinod Juneja	-	-
5	Mr. K. K. Chaudhuri	2	Yes
6	Mr. P. P. Ray	3	N.A.
7	Mr. S. Bhattacharyya	4	N.A.
8	Mr. S. Dutta	4	N.A.
9	Mr. N. Saha	4	N.A.

Number of other companies or committees in which the director is a Director / Chairman

Sl. No.	Directors	No. of other Public Limited Companies in which Director	No. of Committees (other than Shristi Infrastructure Development Corporation Limited) in which Member
1	Mr. Dipak Kumar Banerjee	7*	9 (Chairman – 3)
2	Mr. Sujit Kanoria	5*	NIL
3	Mr. K. N. Bhandari	7	2 (Chairman – 1)
4	Mr. Vinod Juneja	2	NIL

* In addition (a) Mr. Dipak Banerjee is a director of one Private Limited Company and one Overseas Company; and (b) Mr. Sujit Kanoria is a director of three Private Limited Companies.

Number of Board Meetings held and dates on which held

Seven Board Meetings were held during the year 2007 – 08 on 17th April, 2007, 29th June, 2007, 28th July, 2007, 3rd August, 2007, 27th August, 2007, 31st October, 2007 and 21st January, 2008.

AUDIT COMMITTEE

Terms of Reference, Composition, Name of Members and Chairman

The Terms of Reference of this Audit Committee includes overview of the Company's financial reporting process and ensuring proper disclosures in the financial statements, recommending re – appointment of External Auditors and fixation of their remuneration, reviewing Annual Financial Statements before submission to the Board, reviewing adequacy of Internal Control Systems and other matters specified for Audit Committees in Section 292A of the Companies Act, 1956 and under the Listing Agreements.

The Audit Committee presently comprises of Mr. Dipak Kumar Banerjee, Mr. Sujit Kanoria and Mr. Kailash Nath Bhandari out of which Mr. Dipak Kumar Banerjee & Mr. Kailash Nath Bhandari are Non – Executive & Independent Directors. All the members of the Audit Committee are financially literate. The Audit Committee is Chaired by a Non – Executive and Independent Director. The Chief Mentor and Chief Financial Officer of the Company attend the meeting of the Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. A representative of the Statutory

Auditors, is invited to the Audit Committee Meeting. The Committee also invites Senior Executives, as it considers appropriate to be present at the meetings of the Committee.

Meetings and attendance during the year

Five meetings of the Audit Committee were held during the year 2007 – 08 on 29th June, 2007, 28th July, 2007, 27th August, 2007, 31st October, 2007 and 21st January, 2008. The attendance of each member of the Committee is given below:

Sl. No.	Directors	No. of meetings attended
1	Mr. Dipak Kumar Banerjee***	N.A.
2	Mr. Sujit Kanoria	3
3	Mr. K. N. Bhandari	1
4	Mr. K. K. Chaudhuri*	2
5	Mr. S. Bhattacharyya **	2
6	Mr. S. Dutta**	2
7	Mr. N. Saha**	2

* Mr. K.K.Chaudhuri ceased to be a member of the Committee w.e.f 21st January, 2008.

** Mr. S. Bhattacharyya, Mr. S. Dutta and Mr. N. Saha ceased to be a member of the Committee w.e.f 3rd August, 2007.

*** Mr. Dipak Banerjee was appointed as member of the Committee w.e.f. 21st January, 2008

REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors of the Company presently comprises of Mr. Dipak Kumar Banerjee, Mr. K. N. Bhandari and Mr. Vinod Juneja all being Non-Executive and Independent Directors.

The Remuneration Committee has been constituted to recommend / review remuneration of the Managing Director and Whole Time Director. Since all the Directors on the Board are non- executive, only sitting fee for attending each meeting is paid to them.

Details of remuneration paid/payable to Directors for the year ended 31st March, 2008 are as follows:

Sl. No.	Directors	Sitting Fees (Rs.)	Salary and perquisites (Rs.)
1	Mr. Dipak Kumar Banerjee	8,000/-	
2	Mr. Sujit Kanoria*	7,000/-	1,75,000/-
3	Mr. K. N. Bhandari	14,500/-	
4	Mr. Vinod Juneja	-	
5	Mr. K. K. Chaudhuri	32,000/-	
6	Mr. P. P. Ray	6,500/-	
7	Mr. S. Bhattacharyya	6,500/-	
8	Mr. S. Dutta	3,000/-	
9	Mr. N. Saha	7,000/-	

* Mr. Sujit Kanoria was appointed as Managing Director with effect from 27th August, 2007. Siting fees paid by the Company to Mr. Kanoria pertains to the meetings of the Board and Committees thereof, attended by him prior to such appointment.

The appointment of Managing Director is governed by resolution passed by the Remuneration Committee of the Board of Directors of the Company, resolution passed by the Board of Directors and the Shareholders of the Company, which covers the terms and conditions of such appointment.

The Non – Executive Directors are paid remuneration by way of sitting fees for each meeting of the Board or any Committee thereof attended by them. No pecuniary transactions have been entered into by the Company with any of the Non – Executive Directors of the Company, save and except the payment of sitting fees to them.

One meeting of the Remuneration Committee was held on 27th August, 2007 which was attended by Mr. K.N.Bhandari and Mr. K.K.Chaudhuri.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Details of the Members, Compliance Officer and no. of complaints received

To expedite the process of share transfers, the Board of your Company has delegated the power of share transfers to the Shareholders/Investors Grievance Committee. The Committee meets at least once in a fortnight to approve share transfer and other matters. The Committee comprises of Mr. Dipak Kumar Banerjee, Mr. Sujit Kanoria and Mr. K. N. Bhandari. During the year 2007 – 08, the Committee met 24 times. Mr. Saptarshi Ganguly, Company Secretary is the Compliance Officer of the Company and assigned with the responsibilities of overseeing investor grievances.

During the financial year ended 31st March, 2008, the Company received 11 complaints from the shareholders and none of the complaints received were pending as on that date.

GENERAL BODY MEETING

The last three Annual General Meetings were held as under

Financial Year	Date	Time	Location
2006 – 07	29.09.2007	10.30 A.M.	'Purbashree Auditorium' Eastern Zonal Cultural Centre at Bharatiyam Cultural Multiplex, IB – 201, Sector – III, Salt Lake, Kolkata – 700 106
2005 – 06	29.08.2006	12.00 Noon	Kala Kunj (Basement of Kalamandir) 48, Shakespeare Sarani, Kolkata – 17
2004 – 05	12.08.2005	10.30 A.M.	Kala Kunj (Basement of Kalamandir) 48, Shakespeare Sarani, Kolkata – 17

Court convened Meeting for approval of Scheme of Amalgamation of erstwhile Shristi Infrastructure Development Corporation Limited with your Company.

Financial Year	Date	Time	Location
2005 – 06	29.08.2006	10.00 A.M.	Kala Kunj (Basement of Kalamandir) 48, Shakespeare Sarani, Kolkata – 17

No Special Resolution was required to be passed last year through postal ballot.

DISCLOSURE

No Transaction of material nature has been entered into by the Company with its directors or management and their relatives etc. that may have a potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.

Transactions effected with the related parties are disclosed in Note No. 4 of Schedule 22 to the Accounts in the Annual Report, in accordance with the requirements of Accounting Standard AS 18 issued by The Institute of Chartered Accountants of India.

Details of non – compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

During the last three years, there were no strictures or penalties imposed by either Stock Exchanges or SEBI or any statutory authority for non – compliance of any matter related to capital markets.

MEANS OF COMMUNICATION

Quarterly Results	The quarterly results of the Company are published in leading newspapers having wide circulation.
Newspapers in which results are normally published	Financial Express and Aajkaal.
Any website, where displayed	Yes, at the website of the Bombay Stock Exchange at www.bseindia.com . The Company is in the process of displaying the quarterly / annual results in the Company's own website i.e. www.shristicorp.com
Whether it also displays official news releases	The official news releases are displayed in the Company's website www.shristicorp.com
The presentations made to institutional investors or to the analysts	Yes
Whether Management Discussion and Analysis is a part of Annual Report or not	Yes

GENERAL SHAREHOLDERS INFORMATION

A section on the Shareholders' Information is separately provided in the Annual Report.

SHAREHOLDERS' INFORMATION

- 1 Annual General Meeting**
- a. Date & Time : Monday, 22nd September 2008 at 10.30 a.m.
- b. Venue : 'Purbashree Auditorium' of Eastern Zonal Cultural Centre at Bharatiyam Cultural Multiplex, IB-201, Sector-III, Salt Lake, Kolkata – 700 106
- 2 Financial Calendar (Tentative)**
- a. **Financial reporting for 2008 - 09**
- Quarter ending 30th June, 2008 : July, 2008
- Quarter / Half-year ending 30th September, 2008 : October, 2008
- Quarter ending 31st December, 2008 : January, 2009
- Year ending 31st March, 2009 : May / June, 2009
- b. **Annual General Meeting for the year**
- Ending on 31st March, 2009 : August / September, 2009
- 3 Book Closure Date** : Tuesday, 16th September, 2008 to Monday, 22nd September, 2008
- 4 Date of Payment of Dividend** : On or after 24th September, 2008
- 5 Listing on Stock Exchanges** : The equity shares of the Company are presently listed on the following Stock Exchanges
- a. The Calcutta Stock Exchange Association Limited
7, Lyons Range, Kolkata - 700 001
- b. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai - 400 001
- 6 Listing Fees** : Listing fees for 2008 - 09 have been paid to all the abovementioned Stock Exchanges as per the Listing Agreement
- 7 ISIN Number** : INE472C01027
- 8 Stock Codes** : The Calcutta Stock Exchange Association Limited
10026027
The Stock Exchange, Mumbai
511411

9 Stock Market Data : Month			Calcutta		Mumbai		BSE SENSEX	
			High	Low	High	Low	High	Low
April	2007	–	–	26.00	19.25	14383.72	12425.52	
May	2007	–	–	28.90	22.65	14576.37	13554.34	
June	2007	–	–	62.90	28.50	14683.36	13946.99	
July	2007	–	–	71.95	49.10	15868.85	14638.88	
August	2007	–	–	93.00	65.30	15542.4	13779.88	
September	2007	–	–	–	–	17361.47	15323.05	
October	2007	–	–	–	–	20238.16	17144.58	
November	2007	–	–	–	–	20204.21	18182.83	
December	2007	–	–	889.10	471.70	20498.11	18886.4	
January	2008	–	–	1029.00	532.25	21206.77	15332.42	
February	2008	–	–	806.85	528.00	18895.34	16457.74	
March	2008	–	–	797.95	585.00	17227.56	14677.24	

Source : BSE website

10 Registered Office

- a. Address : 'Ganga Jamuna Building', 28/1, Shakespeare Sarani, Kolkata - 700 017
- b. Telephone Number : 91-33-2281 5589
- c. Fascimile Nos. : 91-33-2287 8379
- d. Website : www.shristicorp.com
- e. E-mail : kolkata@shristicorp.com

11 Registrar & Share Transfer

Agent's Detail

- a. Name & Address : MCS Limited
77/2A, Hazra Road, Kolkata - 700 029
- b. Telephone Number : 91-33-2476 7350 - 54
- c. Fascimile Nos. : 91-33-2454 1961, 91-33-2474 7674
- d. E-mail : mcscal@cal2.vsnl.net.in; mcskol@rediffmail.com

12 Financial Year

: 1st April to 31st March

13 Distribution of Shareholding

as on 31st March, 2008

	No. of Shareholders		No. of Shares	
	Total	%	Total	%
Upto 500	14585	98.96	497249	2.24
501 to 1000	59	0.40	48614	0.22
1001 to 2000	40	0.27	58506	0.26
2001 to 3000	11	0.08	27116	0.12
3001 to 4000	8	0.05	28186	0.13
4001 to 5000	5	0.03	24196	0.11
5001 to 10000	7	0.05	50240	0.23
10001 to 50000	16	0.11	348744	1.57
50001 to 100000	2	0.01	160465	0.72
100001 & above	6	0.04	20956684	94.4
Total	14739	100.00	22200000	100.00

14 Dividend History

: No dividend was declared since Financial Year 1998-99

15 Categories of Shareholders

as on 31st March, 2008

Category	No. of shares held		% of shareholding
	Total no. of shares	No. of shares in demat form	
Promoters (including promoter group)	9920600	9920000	44.69
Foreign Institutional Investor	39980	39980	0.18
Mutual Funds / UTI and Financial Institutions/Banks }	20700	20	0.09
Public			
Bodies Corporate	1352276	1346596	6.10
Individual Shareholders	783977	503671	3.53
Trust	10079400	10079400	45.40
Educational Institution	3067	3067	0.01
GRAND TOTAL	22200000	21892734	100.00

16. Measures adopted to protect the interests of the Shareholders

- | | |
|--------------------------------------|---|
| a Share Transfer Processing | Requests for share transfers are cleared and advices mailed within a time period of 30 days from the date of receipt, if the same are found to be valid in all respects. The Shareholders / Investors Grievance Committee meets at least once in a fortnight. During the year 2007 – 08, the Committee met 24 times. |
| b Bad Delivery | In case of Bad Delivery, the relevant documents are sent immediately after specifying the defects through a covering letter |
| c Redressal of Grievances | Necessary steps are taken to attend with promptness any grievance or queries by the Shareholders. The shareholders can also email their queries / grievances to write2cs.sidcl@rediffmail.com |
| d Dematerialization of shares | The equity shares of the company are permitted to be traded only in dematerialized form and are available for demat under both the Depository Systems in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2008, a total of 2,18,92,734 equity shares of the company, which forms 98.62% of Share Capital, stand dematerialized. |

17 Address for Shareholders' correspondence

The Company Secretary
Shristi Infrastructure Development Corporation Limited
'Ganga Jamuna Building'
28/1, Shakespeare Sarani,
Kolkata – 700 017

The shareholders could send their correspondence to the Company at the aforesaid address or the office of the Company's Registrars and Share Transfer Agents, MCS Limited at 77/2A, Hazra Road, Kolkata – 700 029

18 Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye – laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents.

19 Secretarial Audit for reconciliation of capital

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total Listed and Paid – up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

30th June, 2008

The Board of Directors
Shristi Infrastructure Development Corporation Limited
'Ganga Jamuna Building'
28/1, Shakespeare Sarani
Kolkata – 700 017

We, Sujit Kanoria, Managing Director (CEO) and Sanjay Kumar Garodia, Chief Financial Officer (CFO) of Shristi Infrastructure Development Corporation Limited both certify to the Board that we have reviewed the Financial Statements and Cash Flow Statement of the Company for the twelve months ended 31st March, 2008 and to the best of our knowledge and belief, we certify that -

1. The Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; that the 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;
2. There are no fraudulent or illegal transactions;
3. For the purposes of financial reporting, we accept the responsibility for establishing and maintaining the internal controls which are monitored by the Company's Internal Audit Team and have evaluated based on feedbacks received from the Company's Internal Audit Team, the effectiveness of the Internal Control Systems of the Company and have reported to the Auditors and the Audit Committee, the deficiencies, if any, in the internal controls;
4. We have indicated to the Auditors and the Audit Committee significant changes, if any in the Internal Controls, Accounting Policies and the same have also been disclosed in the notes to the Financial Statements; and
5. There have been no instances of frauds, of which we are aware during the year.

Sujit Kanoria
Managing Director (CEO)

Sanjay Kumar Garodia
Chief Financial Officer (CFO)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
SHRISTI INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance of **SHRISTI INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** for the year ended on 31st March, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the Conditions of Corporate Governance. It is neither an audited 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, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the abovementioned Listing Agreement.

We 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.

Place : Kolkata
Date : 30th June, 2008

For and on behalf of
S.S.Kothari & Co.
Chartered Accountant
A. Datta
(Partner)
Membership No. 05634

**STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956,
RELATING TO SUBSIDIARY COMPANIES**

Name Of The Subsidiary Companies	Shristi Urban Infrastructure Development Corporation Limited	Vivekananda Skyroad Limited	Shristi Hotel Private Limited (formerly Shristi Hotel Limited)	Shristi Hotelciti Private Limited	Shristi Udaipur Hotels And Resorts Private Limited
Accounting Year of the Subsidiary Company	1st April 2007 to 31st March, 2008	1st April 2007 to 31st March, 2008	1st April 2007 to 31st March, 2008	1st April 2007 to 31st March, 2008	1st April 2007 to 31st March, 2008
Number and Face Value	50,00,000 Equity Shares of Rs.10/- each fully paid up	50,000 Equity Shares of Rs.10/- each fully paid up	1,60,00,000 Equity Shares of Rs.10/- each fully paid up	10,000 Equity Share of Rs.10/- each fully paid up	20,10,000 Equity Shares of Rs.10/- each fully paid up
Extent of holding	60%	98.80%	100%	98%	100% held by Shristi Urban Infrastructure Development Limited and its nominees
Net Aggregate amount of Profit/(Loss) of the Subsidiary Company so far as it concerns the members of Shristi Infrastructure Development Corporation Limited					
a	Not dealt with in the Account of Shristi Infrastructure Development Corporation Limited for the year ended 31st March, 2008				
i	for the Subsidiary's financial year ended 31st March, 2008	Rs. 8,91,424	NIL	NIL	NIL
ii	for the previous financial years of the Subsidiary Company since it became the Holding Company's Subsidiary	Rs. 1,49,684	NIL	N.A.	N.A.
b	Dealt with in the Account of Shristi Infrastructure Development Corporation Limited for the year ended 31st March, 2008				
i	for the Subsidiary's financial year ended 31st March, 2008	NIL	NIL	NIL	NIL
ii	for the previous financial years of the Subsidiary Company since it became the Holding Company's Subsidiary	NIL	NIL	N.A.	N.A.

Auditors' Report

To The Members

Shristi Infrastructure Development Corporation Limited

1. We have audited the attached Balance Sheet of Shristi Infrastructure Development Corporation Limited as at 31st March, 2008 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Amended Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that:
 - (a) We have obtained all 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, has complied with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts had together with notes thereto and statement on Significant Accounting Policies appearing on the schedule 22 give in the prescribed manner the information required by the Companies Act, 1956, and also subject to footnote to note 4(A) of schedule 22 regarding the expenses of Chief Mentor of the Company 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 31st March, 2008;
 - (ii) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

S. S. Kothari & Co.
Chartered Accountants
A. Datta
(Partner)
Membership No. 05634

Place : Kolkata
Date : 30th June, 2008

Annexure to the Auditors' Report

[Referred to in paragraph 5 of our report of even date]

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
 - (b) As explained to us, the fixed assets has been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) The fixed assets disposed of during the financial year were not substantial compared to total value of assets.
2.
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the records of inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material. The same have properly dealt with the books of accounts.
3. The Company has not granted any loan, secured or unsecured during the year to companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

The Company has not taken any loans secured or unsecured from companies, firms or other parties covering register maintained under Section 301 of the Companies Act, 1956.

Accordingly clause 4(iii) (f) and (g) of the order are not applicable. We have relied in this regard upon the entries recorded in the register maintained under Section 301 of the Companies Act, 1956 and Management's representation in this regard.
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 the purchase of fixed assets and inventory items and for the contract work done. During the course of our audit, no major weakness has been noticed in the internal controls, nor has there been any continuing failure on the part of the Company to rectify any major weakness.
5. According to the information and explanations given to us, there are no transactions made in pursuance of contract or arrangements, that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly clause 4(v)(b) of the order is not applicable.
6. The Company has not accepted any public deposit during the year.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 is not applicable to the Company.

9. In respect of Statutory Dues:

- (a) According to the records of the Company, in general undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Customs Duty, Cess and other Statutory Dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2008 for period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, Cess as at 31st March, 2008 which have not been deposited on account of dispute, is as follows:

Name of the statute	Name of the dues	Amount (Rs.)	Period to which the amount relates	Forum where pending
Income Tax Act,1961	Income Tax	16,710/-	a) Assessment Year 1999-2000	Commissioner of Income Tax (Appeals)
		78,378/-	b) Assessment Year 2000-2001	
		175,045/-	c) Assessment Year 2004-2005	

10. As per records, the Company has no accumulated losses at the end of financial year and has not incurred cash losses during the current financial year or in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
12. The Company has maintained adequate documents and records in cases where the Company has granted loans and advances in nature of inter corporate deposits on the basis of security by way pledge of shares.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others, from banks and financial institutions.
16. As per records, the Company has not raised any term loan during the financial year covered under audit and therefore the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion the funds raised on a short-term basis have not been used for long-term investment.
18. During the year under audit, the Company has not made a 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 any debentures. Accordingly, the provisions of Clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issue during the financial year covered under audit.
21. During the course of our examination of books of account carried out in accordance with generally accepted practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.

Place : Kolkata
Date : 30th June, 2008

S. S. Kothari & Co.
Chartered Accountants
A. Datta
(Partner)
Membership No. 05634

BALANCE SHEET AS AT 31st MARCH, 2008

Particulars	Schedule	As at 31st March, 2008		As at 31st March, 2007	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
SOURCES OF FUNDS :					
Shareholders' Funds					
Share Capital	1		222,000,000		222,000,000
Reserves and Surplus	2		64,348,777		26,721,696
Loan Funds	3		508,155,262		643,062,290
Deferred Tax Liability			23,940		53,528
			794,527,979		891,837,514
APPLICATION OF FUNDS :					
Goodwill	4		80,000,000		100,000,000
Fixed Assets	5				
Gross Block		30,205,500		30,470,305	
Less : Depreciation		19,234,617		20,197,276	
Net Block			10,970,883		10,273,029
Capital Work-in-progress at cost			–		2,053,084
Investments	6		224,481,100		69,661,600
Current Assets, Loans and Advances					
Inventories	7	136,828,091		43,688,459	
Sundry Debtors	8	208,998,553		362,590,290	
Cash and Bank Balances	9	24,242,116		43,918,989	
Other Current Assets	10	1,513,625		252,318	
Loans and Advances	11	507,948,744		533,407,926	
			879,531,129		983,857,982
Less : Current Liabilities and Provisions	12	400,613,323		274,324,558	
Net Current Assets			478,917,806		709,533,424
Miscellaneous Expenditure (To the extent not written off or adjusted)	13		158,190		316,377
			794,527,979		891,837,514

Significant Accounting Policies
and Notes on Accounts

22

As per our report of even date

On behalf of the Board

Place: Indian Steamship House
21, Old Court House Street
Kolkata-700001

For S. S. KOTHARI & CO.
Chartered Accountants

A. DATTA
(Partner)

Date: 30th June, 2008

Membership No. 05634

Sanjay Garodia
(Chief Financial Officer)

Saptarshi Ganguly
(Company Secretary)

Dipak Kumar Banerjee
(Chairman)

Sujit Kanoria
(Managing Director)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

Particulars	Schedule	For the Year Ended 31st March, 2008 (Rs.)	For the Year Ended 31st March, 2007 (Rs.)
Income			
Contract Income	15	856,271,071	813,167,179
Other Income	16	10,371,818	3,305,868
Profit on Sale of Investments		–	94,500
Increase/(Decrease) in Work in Progress	17	84,693,901	(23,907,181)
		951,336,790	792,660,366
Expenditure			
Construction Expenses	18	691,661,122	646,339,301
Personnel Expenses	19	29,110,788	34,237,462
Administrative, Selling and Other Expenses	20	54,643,630	38,910,251
Finance Cost	21	72,682,914	43,516,433
Interest on Deposits		–	9,849
Loss on Sale of Investments		–	473,910
Loans and Advances written off		5,415,747	2,019,918
Depreciation		2,631,927	9,175,630
Provisions for Contingencies		–	(311,968)
Provision for Diminution in value of Investments		–	(357,093)
		856,146,128	774,013,693
Profit / (Loss) Before Tax		95,190,662	18,646,673
Less: Goodwill written off		20,000,000	–
Provision for Tax:			
- Income Tax (Minimum Alternate Tax)		10,785,102	–
- Fringe Benefit Tax		835,177	780,222
- Deferred Tax		(29,588)	(110,929)
Profit / (Loss) After Tax		63,599,971	17,977,380
Appropriation of Profit:			
Transfer to General Reserve		3,800,000	–
Proposed Dividend		22,200,000	–
Provision for Dividend Tax		3,772,890	–
Balance carried forward to Schedule 14		33,827,081	17,977,380

Basic and Diluted Earnings Per Share of face value of
Rs. 10/- each (in Rupees)

2.86

0.81

Significant Accounting Policies and Notes on Accounts 22

As per our report of even date

On behalf of the Board

For S. S. KOTHARI & CO.

Sanjay Garodia
(Chief Financial Officer)

Dipak Kumar Banerjee
(Chairman)

Place: Indian Steamship House
21, Old Court House Street
Kolkata-700001

Chartered Accountants
A. DATTA
(Partner)

Saptarshi Ganguly
(Company Secretary)

Sujit Kanoria
(Managing Director)

Date: 30th June, 2008

Membership No. 05634

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008

Particulars	2007-08		2006-07	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items		95,190,662		18,646,673
Adjusted for:				
Depreciation and Amortisation	2,631,927		9,175,630	
Miscellaneous Expenditure written off	158,187		158,187	
Provision for Contingencies	–		(311,968)	
Provision for Diminution in Investment	–		(357,093)	
Profit on sale of Investments	–		(94,500)	
Profit on sale of Fixed Assets	(10,013)		(5,860)	
Loss on sale of Investments	–		473,910	
Loss on sale of Fixed Assets	–		15,418	
Liabilities no longer required written back	(1,797,426)		(12,142)	
Interest expenses	70,740,206		38,255,247	
Interest income	(2,260,680)		(1,648,411)	
		69,462,201		45,648,418
Operating Profit before working capital changes		164,652,863		64,295,091
Adjusted for:				
Sundry Debtors	153,591,737		(205,044,826)	
Inventories	(93,139,632)		26,727,821	
Loans, Advances & Other Current Assets	25,459,182		(251,187,729)	
Other Current Assets	1,261,307		–	
Provision for Contingencies	(1,694,677)		(1,342,259)	
Current Liabilities and Provisions	91,154,265		20,689,380	
		176,632,182		(410,157,613)
Cash generated from operations		341,285,045		(345,862,523)
Income Tax paid		–		(571,044)
Taxes paid		(43,484)		(348,137)
Net cash flow from Operating Activities		341,241,561		(346,781,704)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008 (Contd.)

Particulars	2007-08		2006-07	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(3,482,228)		(11,441,204)	
Proceeds from sale of Fixed Assets	162,461		23,551	
Purchase of Investments	(154,819,500)		(7,375,000)	
Proceeds from sale of Investments	–		7,163,490	
Dividend received	2,969,400		–	
Interest received	999,374		1,648,411	
Net cash flow from Investing Activities		(154,170,493)		(9,980,752)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Receipt of Borrowings	443,873,880		897,870,747	
Repayment of Borrowings	(794,169,415)		(520,843,732)	
Long Term Borrowings-Public Borrowings	–		(9,430,355)	
Increase in Cash Credit Facilities	212,002,203		7,851,254	
Interest paid	(68,454,607)		(38,255,247)	
Net cash flow from Financing Activities		(206,747,939)		337,192,667
Net Increase / (Decrease) in Cash and Cash Equivalents		(19,676,872)		(19,569,789)
Opening Balance of Cash and Cash Equivalents		43,918,989		63,488,778
Closing Balance of Cash and Cash Equivalents		24,242,117		43,918,989

On behalf of the Board

Place: Indian Steamship House
21, Old Court House Street
Kolkata-700001

Date: 30th June, 2008

For S. S. KOTHARI & CO.

Chartered Accountants

A. DATTA

(Partner)

Membership No. 05634

Sanjay Garodia
(Chief Financial Officer)**Saptarshi Ganguly**
(Company Secretary)**Dipak Kumar Banerjee**
(Chairman)**Sujit Kanoria**
(Managing Director)

Schedules forming part of the Balance Sheet

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule-1		
SHARE CAPITAL		
Authorised		
30,500,000 Equity Shares of Rs. 10/- each	305,000,000	305,000,000
Issued , Subscribed and Paid-up		
22,200,000 Equity Shares of Rs. 10/- each fully paid -up (Previous year 2,200,000 Equity Shares of Rs.10/- each fully paid-up)	222,000,000	22,000,000
Share Capital Suspense		
- (Previous year 20,000,000 Equity Shares of Rs.10/- each fully paid-up)	-	200,000,000
	222,000,000	222,000,000
Schedule-2		
RESERVES AND SURPLUS		
Special Reserve		
(In terms of Sec. 36(1)(viii) of the Income Tax Act,1961) As per last Balance Sheet	26,108,244	26,108,244
General Reserve		
Transfer from Profit and Loss Account	3,800,000	-
Profit and Loss Account		
(Refer to Schedule - 14)	34,440,533	613,452
	64,348,777	26,721,696

Schedules forming part of the Balance Sheet

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule-3		
LOAN FUNDS		
Secured Loan		
Working Capital Loan from Banks	262,403,709	50,401,506
Term Loan from Bank	305,095	446,008
Unsecured Loan		
Public Deposits:		
Unclaimed	943,413	1,461,259
Not Due	–	11,000
Unclaimed Interest Accrued and Due	1,137,451	1,396,710
Short Term Loans from Bodies Corporate	243,365,594	589,345,807
	508,155,262	643,062,290
Note: (i) Working Capital Loan from Banks are secured by first charge on the Company's Current Assets & Fixed Assets		
(ii) Term Loan is secured against the asset purchased from the loan		
Schedule- 4		
Goodwill		
As per Last Balance Sheet	100,000,000	100,000,000
Less:- Written off During the Year	20,000,000	–
	80,000,000	100,000,000

Schedules forming part of the Balance Sheet

Schedule 5

FIXED ASSETS

(figures in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 1.4.2007 (1)	Additions (2)	Deductions / Adjustments (3)	As at 31.3.2008 (4)	As at 1.4.2007 (5)	For the year (6)	Adjustment during the year (7)	As at 31.3.2008 (7)	As at 31.3.2008 (8)	As at 31.3.2007 (9)
Building Temporary Structure	8,830,550	-	-	8,830,550	8,830,550	-	-	8,830,550	-	-
Plant & Machineries	10,580,480	157,109	90,960	10,646,629	2,826,311	1,088,053	23,701	3,890,663	6,755,966	7,754,169
Office Equipment	1,591,186	183,200	140,569	1,633,817	950,447	165,457	102,296	1,013,607	620,210	640,739
Computers	5,648,390	1,164,553	3,078,968	3,733,975	4,743,717	756,997	3,072,783	2,427,931	1,306,044	904,673
Vehicles	2,179,999	-	-	2,179,999	1,476,144	182,228	-	1,658,372	521,627	703,855
Furniture & Fixture	1,639,700	1,977,366	436,536	3,180,530	1,370,107	439,192	395,804	1,413,495	1,767,035	269,593
TOTAL	30,470,305	3,482,228	3,747,033	30,205,500	20,197,276	2,631,926	3,594,585	19,234,618	10,970,883	10,273,029
Previous year figure	4,818,923	25,839,064	187,682	30,470,305	11,176,219	9,175,630	154,573	20,197,276	10,273,029	-

Schedules forming part of the Balance Sheet

Schedule - 6

INVESTMENT - other than trade

(at cost fully paid -up unless otherwise specified)

Particulars		As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
QUOTED			
Equity Shares			
Sterling Guarantee & Finance Limited @ 15,100 Equity Shares of Rs.10/- each fully paid up	#	226,500	226,500
		226,500	226,500
UNQUOTED			
Equity Shares			
Telerama (India) Limited (in liquidation) 9,500 Equity Shares of Rs.10/- each fully paid up	#	109,022	109,022
Continental Commercial Company Limited 14,200 Equity Shares of Rs.100/- each fully paid up	#	1,420,000	1,420,000
		1,529,022	1,529,022
In Subsidiary			
Shristi Urban Infrastructure Development Limited 2,999,960 Equity Shares of Rs.10/- each fully paid up		29,999,600	29,999,600
Shristi Hotel Private Limited (Formerly Shristi Hotel Limited) 1,59,93,300 (P. Y. 539,300) Equity Shares of Rs.10/- each fully paid up		159,993,000	5,393,000
Shristi Hotelciti Private Limited 9,800 Equity Shares @Rs.10/- each fully paid up		98,000	-
Vivekananda Skyroad Limited 49,400 (P. Y. 42,250) Equity Shares of Rs.10/- each fully paid up		494,000	422,500
		190,584,600	35,815,100
In Associates			
Domina Hotels Private Limited 5,000 Equity Shares @Rs.10/- each fully paid up		50,000	-
In Others			
Bengal Shristi Infrastructure Development Limited 989,800 Equity Shares of Rs.10/- each fully paid up		9,898,000	9,898,000
Asian Health Care Services Limited 2,100,000 Equity Shares of Rs.10/- each fully paid up		21,000,000	21,000,000
TSCCF Shristi Infrastructure Development Limited 247,500 Equity Shares of Rs.10/- each fully paid up		2,475,000	2,475,000
National Savings Certificate		473,500	473,500
		33,846,500	33,846,500
Total Investment		226,236,622	71,417,122
Less : Provision for diminution in value		1,755,522	1,755,522
Net Investment		224,481,100	69,661,600

@ Market Value Not Available

Provision made for diminution in value

Aggregate Market Value of Quoted Investments

Schedules forming part of the Balance Sheet

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule - 7		
INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	37,349,310	28,903,579
Work in Progress	99,478,781	14,784,880
	136,828,091	43,688,459
Schedule - 8		
SUNDRY DEBTORS (Unsecured, Considered good)		
Due for a period exceeding six months	74,276,611	106,760,798
Other Debts	134,721,942	255,829,492
	208,998,553	362,590,290
Schedule - 9		
CASH AND BANK BALANCES		
Cash in Hand	2,720,380	1,285,368
Balances with Schedule Banks :		
In Current Accounts	10,399,502	6,349,003
In Special Account (Relating to Public Deposit)	2,029,109	2,930,807
In Fixed Deposits Accounts	9,093,125	33,353,811
	24,242,116	43,918,989
Schedule - 10		
OTHER CURRENT ASSETS		
Interest Accrued on Others	1,513,625	252,318
	1,513,625	252,318

Schedules forming part of the Balance Sheet

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule - 11		
LOANS AND ADVANCES		
Unsecured - (considered good unless otherwise stated)		
Loans		
Bodies Corporate		
- Fully Secured	3,000,000	3,000,000
- Others	9,079,533	9,079,533
Others (Fully Secured)	339,903	339,903
Housing Loan	12,932,721	20,509,479
Advances recoverable in cash or in kind or for value to be received	418,642,731	413,479,099
Share Application Money	18,838,000	65,017,000
Advance Fringe Benefit Tax	71,036	788,638
Advance Income Tax including Tax Deducted at Source	31,156,986	20,457,211
Prepaid Expenses	609,853	19,983
Security Deposits and Other Deposits:		
- Government Authorities	112,150	130,433
- Others	13,165,830	586,647
	507,948,744	533,407,926
Schedule - 12		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	170,831,099	100,860,205
Interest Accrued but not due for payment	2,298,916	13,317
Liabilities for Expenses	2,629,180	1,090,239
Advance from Customer	5,105,925	495,745
Tax Deducted at Sources (Payable)	4,024,065	1,422,319
Other Liabilities	148,366,731	139,418,827
	333,255,917	243,300,652
PROVISIONS		
Provisions for Contingencies	26,620,085	28,314,762
Provisions for Gratuity	643,000	-
Provisions for Leave Encashment	556,000	-
Provision for Dividend	22,200,000	-
Provision for Dividend Tax	3,772,890	-
Provisions for Fringe Benefit Tax	870,407	799,222
Provision for Taxation	12,695,024	1,909,922
	67,357,406	31,023,906
	400,613,323	274,324,558

Schedules forming part of the Balance Sheet

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule - 13		
MISCELLANEOUS EXPENSES		
(To the extent not written off or adjusted)		
Preliminary Expenses	17,783	35,566
Pre Operative Expenditure	140,407	280,811
	158,190	316,377
Schedule-14		
PROFIT AND LOSS ACCOUNT		
As per last Balance Sheet	613,452	(118,627,838)
Less: Adjustment on Capital Reduction as per Scheme	–	88,000,000
	613,452	(30,627,838)
Add: Balance of Profit and Loss Account of erstwhile Transferor Company of earlier years	–	13,263,910
Add: Balance of Profit and Loss Account for the year	33,827,081	17,977,380
Credit Balance of Profit and Loss Account Transferred to Reserve and Surplus (Refer to Schedule 2)	34,440,533	613,452

Schedules forming part of the Profit and Loss Account

Particulars	Year ended 31st March, 2008 (Rs.)	Year ended 31st March, 2007 (Rs.)
Schedule 15		
CONTRACT INCOME		
Income from Contract	856,271,071	813,167,179
	856,271,071	813,167,179
Schedule 16		
OTHER INCOME		
Interest		
Fixed Deposits / National Savings Certificates (includes TDS of Rs.4,22,121/- P.Y. Rs.3,68,987/-)	2,055,598	1,648,411
Others	205,082	291,147
Profit on sale of Fixed Assets	10,013	5,860
Dividend received on Long Term Investments	2,969,400	–
Provision for contingencies written back	1,797,426	1,342,259
Liability no longer required written back	–	12,142
Miscellaneous Receipt	3,334,299	6,049
	10,371,818	3,305,868
Schedule 17		
INCREASE/(DECREASE) IN WORK IN PROGRESS		
Closing Stock:		
Work in Progress	99,478,781	14,784,880
Less : Opening Stock:		
Work in Progress	14,784,880	38,692,061
	84,693,901	(23,907,181)

Schedules forming part of the Profit and Loss Account

Particulars	Year ended 31st March, 2008 (Rs.)	Year ended 31st March, 2007 (Rs.)
Schedule 18		
CONSTRUCTION EXPENSES		
Opening Stock	28,903,579	31,724,219
Add : Purchases	103,998,290	194,328,099
Less : Closing Stock	37,349,310	28,903,579
	95,552,559	197,148,739
Sub Contractors' Expenses	2,629,376	36,372,749
Equipment Operating Expenses	285,693,585	283,564,528
West Bengal Contract Sales Tax	–	1,158,167
Repairs and Maintenance-Plant and Machineries	86,640	274,088
Construction Expenses	293,061,321	59,508,729
Consumable and Fuel Expenses	2,899,410	27,876,684
Insurance Cost	1,460,154	2,580,152
Miscellaneous Site Expenses	10,278,077	37,855,465
	691,661,122	646,339,301
Schedule 19		
PERSONNEL EXPENSES		
Salaries, Wages and Allowances	25,532,112	31,287,922
Contribution to Provident Funds	1,988,640	1,432,766
Staff Welfare Expenses	1,590,036	1,516,774
	29,110,788	34,237,462

Schedules forming part of the Profit and Loss Account

Particulars	Year ended 31st March, 2008 (Rs.)	Year ended 31st March, 2007 (Rs.)
Schedule 20		
ADMINISTRATIVE , SELLING AND OTHER EXPENSES		
Business Developmental Expenses	2,840,859	1,998,168
Consultancy, Professional Fees and Other Service Charges	16,215,570	7,516,925
Director's Sitting Fees	84,500	72,500
Rent	1,628,104	2,422,749
Rates and Taxes	1,068,523	1,390,436
Electricity Charges	346,033	734,798
Insurance Cost	174,962	175,607
Printing and Stationery	911,136	1,092,935
Postage, Telephone and Telegram Expenses	2,248,178	2,103,901
Travelling and Conveyance Expenses	14,234,794	12,026,508
Repairs and Maintenance	3,465,986	1,344,611
Remuneration to Auditor:		
Audit Fee (Including Tax Audit)	84,270	60,000
In Other Capacity (including Service Tax)	–	43,053
Advertisement	2,107,060	393,846
Loss on Sale of Fixed Assets	–	15,418
Amalgamation Expenses	–	324,825
Deferred and Preliminary Expenses written off	158,187	158,187
Tender Fee and Documents	–	738,700
Miscellaneous Expenses	9,075,468	6,297,084
	54,643,630	38,910,251
Schedule 21		
FINANCE EXPENSES		
Interest	70,740,206	38,255,247
Bank Charges	672,757	709,644
Up Front Fees	447,360	1,325,000
Bank Guarantee Commission	822,591	3,226,542
	72,682,914	43,516,433

Schedule – 22

(A) Significant Accounting Policies

1. Basis of Accounting:

The financial statements have been prepared in accordance with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 in all material respects. The financial statements have been prepared under the historical cost convention on an accrual basis. Except in the case of interest on National Savings Certificate, which has been accounted for on cash basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Investments:

Investments are stated at cost inclusive of brokerage and stamp charges. Unquoted investments are valued at cost. Investments held/intended to be held for a period exceeding one year are classified as long-term investments. Provision for diminution in the value of Long Term Investments is made only if such a decline is other than temporary in the opinion of the Management.

3. Fixed Assets:

Fixed Assets are stated at cost of acquisition less accumulated depreciation.

4. Depreciation:

Depreciation on fixed assets is provided on Written Down Value method as per Schedule XIV of the Companies Act, 1956.

5. Impairment of Assets:

At each Balance Sheet date the Company assesses whether there is any indication that assets may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognized in the accounts to the extent the carrying amount exceeds the recoverable amount. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

6. Revenue Recognition:

Contract receipts are recognized under percentage completion method in respect of work contract business. Interest revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Claims are accounted for on acceptance by client or evidence of such acceptance.

7. Retirement Benefits:

- a) Gratuity liability and Compensated leave encashment to employees is accounted for on the basis of actuarial valuation using Projected Unit Credit Method.
- b) Company's Contributions to Provident Funds are charged to Profit & Loss Account in the year where the contributions to the respective funds are due.

8. Inventories:

Raw Materials are valued at weighted average cost and Work-in-Progress is valued at lower of cost and estimated net realizable value.

9. Miscellaneous Expenditure:

- (a) Preliminary Expenses are amortized over a period of ten years from the year in which the company commenced its business activity.
- (b) Preoperative Expenses incurred up to the date of commencement of business is treated as Deferred Revenue Expenditure being written off over the period of ten years.

10. Borrowing Cost:

These are charged to revenue, being in respect of borrowings not related to Capital items.

11. Taxation:

Current Tax is provided on assessable income as per Income Tax Act, 1961. Deferred Tax is recognized subject to consideration of prudence in respect of timing difference, which are capable of being reversed in future.

(B) Notes on Accounts:

1. Contingent Liabilities:

(a) Disputed ESI claim:

Disputed ESI Claim pending for settlement Rs. 44,078/- (Previous Year – Rs. 44,078/-). Employees' State Insurance (ESI) vides its Notice No. C/INS-VI/41-22614-102/846/7718 dated 06.11.2000 had claimed a sum of Rs.1,86,720/- on an adhoc basis towards contribution of ESI for the period 01.11.1991 to 31.12.2006. However, the said claim of Rs. 1,86,720/- was not acceptable to the company and as such the company preferred appeal for the same. During the hearing, ESI Authority advised to submit a detailed employee wise contribution chart for the said period. The company prepared and submitted the same before ESI Authority for verification. As per the company's calculation the figure worked out to Rs. 1,42,642/-. After going through the details, ESI Authority advised the company to deposit the same immediately. They also advised that the shortfall, if any, would be claimed later.

Accordingly, the company deposited Rs.1,42,642/- to ESI Authority resulting in reduction of disputed claim to Rs. 44,078/-. No necessary provision has been considered in respect of the said claim.

(b) Income Tax:

- i) In respect of Income Tax matters for the Assessment Year 1999-2000 under dispute – Rs. 16,710/- (Previous Year – Rs. 16710/-).
- ii) In respect of Interest Tax matters for the Assessment Year 2000-2001 under dispute – Rs. 78,378/- (Previous Year – Rs. 78,378/-)
- iii) In respect of Income Tax matters for the Assessment Year 2004-2005 under dispute – Rs. 175,045/- (Previous Year – Rs. 175045/-).

(c) Bank Guarantee:

Guarantees given by bank on behalf of the company amounting to Rs. 394.58 lacs (Previous Year – Rs. 1,950.21 lacs).

2. Managerial Remuneration:

	Year ended 31st March, 2008 Rs.	Year ended 31st March, 2007 Rs.
Salary and House Rent Allowance	1,75,000/-	135,484/-
Contribution to Provident and Pension Funds	21,000/-	10,839/-
Other Benefits	1,33,581/-	21,591/-

3. As per available information, there are no amounts outstanding to SSI undertakings as on 31st March, 2008.

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2008. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

4. Related Party Transactions

The Company has transactions with the following related parties:

A. Key Management Person : Sujit Kanoria : Managing Director
Hari Prasad Kanoria : Chief Mentor

Summary of transactions with the above-related parties is as follows:

Nature of Transactions	Transactions for the year ended on 31.03.2008 (Rs.)	Balance as at 31.03.2008 (Rs.)	Transactions for the year ended on 31.03.2007 (Rs.)	Balance as at 31.03.2007 (Rs.)
Remuneration to Managing Director	1,75,000/-	-	167,914/-	-
Rent	-	-	64,800/-	-
Reimbursement of Expenses to Managing Director	1,33,581/-	-	92,806/-	50,000/-
Reimbursement of Expenses to Chief Mentor	5,51,888/-	-	-	-

- B. Subsidiary Companies -**
1. Shristi Urban Infrastructure Development Limited (SUIDL)
 2. Vivekananda Skyroad Limited
 3. Shristi Hotel Private Limited (Formerly Shristi Hotel Limited)
 4. Shristi Hotelciti Private Limited
 5. Shristi Udaipur Hotels & Resorts Private Limited (Subsidiary of SUIDL)

Transactions with above companies is as below:

Nature of Transactions	Balance as on 01.04.2007 (Rs.)	Paid during the year (Rs.)	Received during the year (Rs.)	Balance as on 31.03.2008 (Rs.)
SUIDL				
Short Term Advance	-	57,59,734/-	57,59,734/-	-
Shristi Hotel Private Limited (formerly Shristi Hotel Limited)				
Short Term Advance	-	1,54,98,484/-	1,56,89,044/-	1,90,560/-
Security Deposit (Against Leasehold Land)	4,50,00,000/-	-	7,50,00,000/-	12,00,00,000/-
Shristi Hotelciti Private Limited				
Short Term Advance	-	42,217/-	-	42,217/-
Shristi Udaipur Hotels & Resorts Private Limited				
Share Application Money	-	82,78,000/-	-	82,78,000/-
Reimbursement of expense	-	27,542/-	-	-

5. The contract income & other income have been accounted inclusive of TDS of Rs. 1,06,99,775/- (Previous year TDS Rs. 1,00,84,874/-).

6. Expenditure in Foreign Currency:

	During 2007- 08	During 2006 - 07
Travelling (Rs.)	7,37,934/-	10,77,026/-

7. Deferred Tax has been recognized as per AS 22 in respect of timing difference relating to accumulated depreciation, which is capable of being reversed in future

8. Keeping in view the nature of operations of the Company, the requirements for quantitative details are not applicable to construction business and accordingly not furnished.

9. Cash Credit Accounts with UCO Bank, Indian Bank and Yes Bank are collaterally secured by mortgage of land belonging to a third party.

10. Earnings Per Share (EPS):

	2007 – 2008	2006 – 2007
Net profit after tax as per Profit and Loss Account (Rs.)	6,35,99,971	1,79,77,380
Number of Shares	2,22,00,000	2,22,00,000
Basic and Diluted Earnings Per Share (Rs.)	2.86	0.81
Face Value per Equity Share (Rs.)	10.00	10.00

11. (a) The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standard) Rules 2006 are given below :

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

(b) Employer's Contribution to Provident Fund Rs.19,88,640/-

The company makes contribution to Govt. Statutory Fund.

(c) Defined Benefit Plan

The employer's gratuity fund scheme is a defined benefit plan. The present value of obligation is determined on the basis of actuarial valuation using Projected Unit Credit actuarial method. The obligations for leave encashment is recognized in the same manner as gratuity.

(d)	Gratuity Compound (Rs./Lacs)	Leave Encashment Compound (Rs./Lacs)
Defined obligation at the beginning of the year	2.79	3.14
Current Service Cost	2.94	1.29
Interest Cost	0.37	0.35
Actuarial (Gain)/Loss	0.33	0.78
Benefits Paid	0.00	0.00
Present Value of obligation at the end of period	6.43	5.56

(e) Reconciliation of fair opening and closing balances of Fair Value of Plan Assets.

Fair value of plan assets at the beginning of the year	0.00	0.00
Actual Return on Plan Assets	0.00	0.00
Employees Contribution	0.00	0.00
Benefits Paid	0.00	0.00
Plan Assets at the end of the period	0.00	0.00

(f) Reconciliation of fair value of plan assets and obligations

Fair Value of Plan Assets as at 31.3.2008	0.00	0.00
Present value of Obligation as at 31.3.2008	6.43	5.56
Recognized in Accounts	6.43	5.56

(g) Consequent on the valuation of Gratuity and Leave Encashment, the amount charged to Profit & Loss Account as follows:

Included in Salaries, Wages & Allowances	Rs.
Gratuity for the year	3,64,000
Leave Encashment for the year	2,42,000
Included under Miscellaneous Expenses (Under the head Administrative, Selling & Other Expenses)	
Gratuity relating to Past Period	2,79,000
Leave Encashment to Past Period	3,14,000

12. Previous year's figures have been regrouped / rearranged wherever necessary.

On behalf of the Board			
Place: Indian Steamship House 21, Old Court House Street Kolkata-700001 Date: 30th June, 2008	For S. S. KOTHARI & CO. Chartered Accountants A. DATTA (Partner) Membership No. 05634	Sanjay Garodia (Chief Financial Officer) Saptarshi Ganguly (Company Secretary)	Dipak Kumar Banerjee (Chairman) Sujit Kanoria (Managing Director)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	L65922WB1990PLC049541		
Balance Sheet Date	31.03.2008	State Code	21

II. Capital raised during the year : (Amount in thousand Rs.)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of mobilisation and deployment of funds : (Amount in thousand Rs.)

Total Liabilities	794,528	Total Assets	794,528
Sources of Funds			
Paid up Capital	222,000	Reserves & Surplus	64,349
Secured Loans	262,709	Unsecured Loans	245,446
Deferred Tax Liability	24		
Application of Funds			
Goodwill	80,000	Investments	224,481
Net Fixed Assets	10,971	Misc. Exp.	158
Net Current Assets	478,918		

IV. Performance of the Company : (Amount in thousand Rs.)

Turnover	866,643	Total Expenditure	771,452
Profit before Tax	95,191	Profit after Tax	63,600
Earning per Share	2.86	Dividend	22,200

V. Generic names of the three principal products of the Company :

ITC Code	Not Applicable
Product Description	Construction & Infrastructure Contracts

	On behalf of the Board		
	For S. S. KOTHARI & CO.	Sanjay Garodia	Dipak Kumar Banerjee
Place: Indian Steamship House	Chartered Accountants	(Chief Financial Officer)	(Chairman)
21, Old Court House Street	A. DATTA	Saptarshi Ganguly	Sujit Kanoria
Kolkata-700001	(Partner)	(Company Secretary)	(Managing Director)
Date: 30th June, 2008	Membership No. 05634		

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Third Annual Report and Audited Accounts for the financial year ended March 31, 2008.

FINANCIAL RESULTS

The financial highlights of the Company for the year ending March 31, 2008 are given herein below :

Amount (Rs.)

Particulars	2007-08	2006-07
Operating Income	17,459,402	15,745,394
Other Income	1,206,518	610,227
Gross Income	18,665,920	16,355,621
Operational Expenses	16,810,315	15,273,659
Profit before depreciation and amortization	1,855,605	1,081,962
Less : Preliminary Expenses written off	–	456,225
Depreciation	306,623	142,995
Profit before Tax	1,548,982	482,742
Less : Provision for Tax	657,558	333,058
Profit after Tax	891,424	149,684
Balance brought forward	912,394	762,710
Employee Benefit Adjustment	10,178	–
Profit carried to Balance Sheet	1,793,640	912,394

BUSINESS

The Company's business in urban infrastructure and consultancy has been doing well. Some of the projects completed in the year 2007-08 are DPR for State Urban Development Agency, Lucknow, DPR for Municipal Corporation, Jalandhar, Concept Plan for District Centre Complex at Jaipur, Master Plan of Deoghar and Bokaro, etc.

The Business Plan for the year 2008-09 includes expression of interest for Preparation of CDP for Mohali, EOI for consultancy services for the creation of a port based SEZ / Export Processing Zone at JNPT, expression of interest for improvement of Urban Transport of Meerut City, etc.

The management of your Company is optimistic about the future performance of your Company.

DIVIDEND

The Company being in the initial years of its existence, no dividend is recommended by the management of your Company.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public under Section 58A of the Companies Act, 1956.

DIRECTORS

During the year under review, Mr. Tarun Das vacated the office of Director under Section 260 of the Companies Act, 1956 on the 2nd Annual General Meeting i.e. 29/09/2007 as he had been appointed as Additional Director.

During the year under review, Mr. Hemant Kumar Dubey, nominee of HUDCO vacated the office of Director as Mr. Ravinder Lal Batta was appointed as Nominee Director of HUDCO on the Board of the Company.

During the year under review, Mr. Manchery Veettil Ramachandran vacated the office of Director under Section 313 of the Companies Act, 1956 as he was acting as Alternate Director to Mr. Tarun Das.

During the year under review, Mr. Ravinder Lal Batta who was acting as Additional Director, ceased to be Director of the Company on the Second Annual General Meeting, i.e. 29/09/2007 but was re-appointed as Director of the Company in the same meeting.

AUDITORS

The Statutory Auditors of the Company, M/s S.S. Kothari Mehta & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. A certificate has been received from them confirming therein that their appointment, if made, will be within the limits prescribed under 224(1B) of the Companies Act, 1956.

Yours directors recommend their re-appointment as Statutory Auditors.

AUDITORS' REPORT

The Auditors' observation being self-explanatory have been duly explained in the notes to accounts.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of your Company, to the best of their knowledge and belief, confirm the following :

- i) That, the applicable Accounting Standards, as issued by the Institute of Chartered Accountants of India, have been followed in the preparation of the Annual Accounts for the year ended on 31st March, 2008
- ii) That the accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2008 and of the Profit & Loss Account of the Company for the year ended on that date.
- iii) That proper and sufficient care has been taken 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.
- iv) That the Annual Accounts of the Company for the year ended 31st March, 2008 have been prepared on a going concern basis.

HUMAN RESOURCE

Your Company places great importance on development of its human resources for their evolution. Special developmental efforts have been initiated to sharpen the knowledge / skills and customer focus of its committed team of employees at all levels.

Besides, your Company is committed to facilitate the development of a vibrant and proactive work environment where individual needs and aspirations are not only met but exceed beyond that. Your Company's core strength as emerged, is innovation by human resource in the competitive market.

PARTICULARS OF EMPLOYEES

There was no employee in the Company, in receipt of remuneration in excess of the amount prescribed under Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1988 as amended.

PARTICULARS OF CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO :

The Company has no activity relating to conservation of energy and technology absorption during the year under review.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to the Bankers, various agencies / departments of Government and the employees for their continued co-operation and support.

Place : New Delhi
Date : 5th August, 2008

For and on behalf of the Board of Directors

Sujit Kanoria
(Managing Director)

Rajinder Paul
(Director)

AUDITORS' REPORT

To
THE MEMBERS,
**SHRISTI URBAN INFRASTRUCTURE
DEVELOPMENT LIMITED**

1. We have audited the attached Balance Sheet of **SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED** as at 31st March, 2008, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 {as amended by the Companies (Auditors Report) (Amendment) Order, 2004} [hereinafter referred to as 'Order'] issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
 - (v) On the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S. S. KOTHARI MEHTA & CO
Chartered Accountants

YOGESH K. GUPTA
(Partner)
Membership No. 93214

Place : New Delhi
Date : 26th June, 2008

ANNEXURE TO THE AUDITOR'S REPORT

(As referred in paragraph 3 of our report to the members of Shristi Urban Infrastructure Development Limited on the accounts for the year ended 31st March 2008)

- (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the management has carried out a physical verification of its fixed assets during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No discrepancies were noticed on such verification as compared to book records.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company does not hold any inventory of finished goods, stores, spares parts and raw material. Hence, the provisions of Clause 4 (ii) [(a), (b) & (c)] of the Order are not applicable to the Company.
- (iii) (a) As per the information & explanations given to us, the Company has granted interest free unsecured loan to its 100% subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.142.22 lacs and the year-end balance of such parties was Rs. NIL.
- (b) No interest has been charged on loan given to its 100% subsidiary company and other terms and conditions are not, prima facie, prejudicial to the interest of the Company.
- (c) The loans were repaid and loan was interest free. Hence, the provisions of Clause 4(iii) (c) & (d) of the Order are not applicable to the company.
- (d) The Company has taken an unsecured loan from one of the companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.47.44 lacs & the year-end balance from such party was Rs.NIL.
- (e) According to the information and explanations given to us, loan was given interest free and other terms and conditions of the aforesaid unsecured loan taken by the Company are not, prima facie, prejudicial to the interest of the Company.
- (f) The loan was fully re-paid during the year by the company. Hence, the provisions of Clause 4(iii) (g) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and with regard to rendering of services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system of the Company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that all the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) According to the information and explanations given to us, in respect of transactions made in pursuance of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, and exceeding the value of 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public, and consequently, the directives issued by the Reserve bank of India, the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable to the Company.
- (vii) In our opinion, the Company has an in house departmental internal audit system commensurate with the size and nature of its business and activities.
- (viii) According to the information and explanations given to us, the Central government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956 in respect of business carried out by the Company. Therefore, provisions of Clause 4(viii) of the Order are not applicable to the Company.
- (ix) (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, Service Tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears as at 31st March, 2008 for a period of more than six months from the date they become payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has not completed 5 years from its incorporation as it was incorporated on 20th June, 2005. Therefore, the provisions of clause 4(x) of the Order are not applicable to the Company.
- (xi) The Company has not taken any loans from any banks or financial institutions and has not issued debentures. Accordingly the clause 4(xi) of the Order is not applicable to the Company.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Hence, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the clause 4(xiv) of the Order is not applicable to the Company.
- (xv) As informed to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not taken any term loans from any banks or financial institutions. Accordingly the clause 4(xvi) of the Order is not applicable to the Company.

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- (xvii) The Company has not taken any short term or long term loans. Accordingly the clause 4(xvii) of the Order is not applicable to the Company.
 - (xviii) The Company has not issued any further Equity Shares during the year. Hence, the clause 4(xviii) of the Order is not applicable to the Company.
 - (xix) The Company has not issued any debentures during the year.
 - (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
 - (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S. S. KOTHARI MEHTA & CO

Chartered Accountants

YOGESH K. GUPTA

(Partner)

Membership No. 93214

Place : New Delhi

Date : 26th June, 2008

Balance Sheet as at 31st March, 2008

Particulars	Schedule	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	50,000,000	50,000,000
Reserve & Surplus	2	1,793,640	912,394
		51,793,640	50,912,394
APPLICATION OF FUNDS			
Fixed Assets	3		
Gross Block		998,696	923,121
Less : Depreciation		462,678	156,055
Net Block		536,018	767,066
Pre operative Expenses	4	–	–
Investments	5	30,000,000	22,600,000
Deferred Tax Assets		101,550	159,846
CURRENT ASSETS, LOANS & ADVANCES	6		
Sundry Debtors		25,766,452	12,667,356
Cash & Bank Balances		254,108	2,448,682
Loans and Advances		1,869,692	21,579,847
	(A)	27,890,252	36,695,885
Less : Current Liabilities and Provisions	7		
Liabilities		6,327,269	8,638,222
Provisions		406,911	672,181
	(B)	6,734,180	9,310,403
Net Current Assets	(A)-(B)	21,156,072	27,385,482
Miscellaneous Expenditure (To the extent not written off or adjusted)	8	–	–
TOTAL		51,793,640	50,912,394
Significant Accounting Policies & Notes to the Accounts The Schedules referred above form an integral part of the Balance Sheet.	12		

As per our report of even date attached.

For S. S. KOTHARI MEHTA & CO
Chartered Accountants

YOGESH K. GUPTA
(Partner)

Membership No. 93214

On behalf of the Board

Sujit Kanoria **R. L. Batta** **K. N. Pandey**
(Managing Director) (Director) (Director)

Yogesh Kr. Upadhyay
(Company Secretary)

Place : New Delhi
Date : 26th June, 2008

Profit & Loss Account for the year ended 31st March, 2008

Particulars	Schedule	Year ended 31st March, 2008 (Rs.)		Year ended 31st March, 2007 (Rs.)	
INCOME					
Operating Income	9		17,459,402		15,745,394
Other Income	10		1,206,518		610,227
			18,665,920		16,355,621
EXPENDITURE					
Operational and other expenses	11		16,810,315		15,273,659
Profit before Amortisation, Depreciation and Taxation			1,855,605		1,081,962
Preliminary Expenses written off			–		456,225
Depreciation	3		306,623		142,995
Profit Before Tax			1,548,982		482,742
Provision for taxation :					
- Current		422,801		335,000	
- Deferred		62,848		(159,846)	
- Fringe Benefit		175,903		140,000	
- Earlier		(3,994)	657,558	17,904	333,058
Profit After Tax			891,424		149,684
Balance brought forward			912,394		762,710
Employee Benefits Adjustments (Net of Tax)			10,178		–
Balance carried to Balance Sheet			1,793,640		912,394
Earnings per Share (Face value of Rs. 10/- each)					
Basic and Diluted			0.18		0.03
Significant Accounting Policies & Notes to the Accounts	12				
The Schedules referred above form an integral part of the Profit & Loss Account.					

As per our report of even date attached.

For S. S. KOTHARI MEHTA & CO
Chartered Accountants

YOGESH K. GUPTA
(Partner)
Membership No. 93214

On behalf of the Board

Sujit Kanoria **R. L. Batta** **K. N. Pandey**
(Managing Director) (Director) (Director)

Yogesh Kr. Upadhyay
(Company Secretary)

Place : New Delhi
Date : 26th June, 2008

Cash Flow Statement Annexed to the Balance Sheet for the year ended 31st March, 2008

Particulars	Year ended 31st March, 2008 (Rs.)	Year ended 31st March, 2007 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	1,548,982	482,742
Adjusted for :		
Depreciation	306,623	142,995
Dividend Received	–	(65,515)
Profit/(Loss) on Sale of Investments	–	(544,712)
Interest received	(1,206,518)	–
Interest paid-other	16,946	6,230
Pre-operative Expenses written off	–	4,119,617
Miscellaneous Expenses written off	–	456,225
Operating Profit before working capital changes	666,033	4,597,582
Adjusted for :		
Trade and other Receivables	6,611,059	(32,469,748)
Trade payables & Other Liabilities	(2,321,953)	7,917,508
Cash generated from operations	4,955,139	(19,954,658)
Income Taxes paid (including FBT) (net of refund, if any)	(863,710)	(235,494)
NET CASH FROM OPERATING ACTIVITIES	4,091,429	(20,190,152)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(75,575)	(689,725)
Refund of amount of Hotel Projects at Kolkatta	–	32,700,000
Purchases of Investments	(30,000,000)	(62,665,515)
Sales of Investments	22,600,000	41,761,453
Dividend received	–	65,515
Interest received	1,206,518	–
NET CASH USED IN INVESTING ACTIVITIES	(6,269,057)	11,171,728
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(16,946)	(6,230)
NET CASH USED IN FINANCING ACTIVITIES	(16,946)	(6,230)
Net Increase / (Decrease) in Cash and Cash Equivalents	(2,194,574)	(9,024,654)
Opening Balance of Cash and Cash Equivalents	2,448,682	11,473,336
Closing Balance of Cash and Cash Equivalents	254,108	2,448,682

As per our report of even date attached.

For S. S. KOTHARI MEHTA & CO
Chartered Accountants

YOGESH K. GUPTA
(Partner)

Membership No. 93214

On behalf of the Board

Sujit Kanoria **R. L. Batta** **K. N. Pandey**
(Managing Director) (Director) (Director)

Yogesh Kr. Upadhyay
(Company Secretary)

Place : New Delhi
Date : 26th June, 2008

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2008

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
SCHEDULE 1		
SHARE CAPITAL		
Authorised :		
5,000,000 (Previous year 5,000,000) Equity Shares of Rs.10/- each	50,000,000	50,000,000
Issued, Subscribed & Paid-Up		
5,000,000 (Previous year 5,000,000) Equity Shares of Rs.10/- each fully paid up	50,000,000	50,000,000
[Out of the above 2,999,960 (Previous Year 2,999,960) Equity Shares are held by Shristi Infrastructure Development Corporation Limited, the holding company]		
	50,000,000	50,000,000
SCHEDULE 2		
RESERVE & SURPLUS		
Surplus, being balance in Profit & Loss Account	1,793,640	912,394
	1,793,640	912,394

Schedule - 3

FIXED ASSETS

(figures in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.07	Additions during the year	Deductions during the year	As at 31.03.08	As at 01.04.07	For the year	As at 31.03.08	As at 31.03.08	As at 31.03.07
Computers	844,969	24,020	–	868,989	146,368	286,476	432,844	436,145	698,601
Office Equipments	78,152	51,555	–	129,707	9,687	20,147	29,834	99,873	68,465
Total	923,121	75,575	–	998,696	156,055	306,623	462,678	536,018	767,066
Previous Year	233,396	689,725	–	923,121	13,060	142,995	156,055	767,066	–

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2008

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
SCHEDULE 4 - PRE-OPERATIVE EXPENSES		
Opening Balance	–	5,214,067
Add: Incurred during the Year:		
Salaries , Wages and other benefits	–	1,942,600
Festival Expenses	–	49,300
Telecommunication	–	34,556
Travelling & Coveyance Expenses	–	1,343,348
Hotel Expense	–	152,165
Advertisement Expenses	–	8,352
Miscellaneous Expenses	–	54,597
Legal & Professional Charges	–	683,250
ROC Charges	–	27,710
Consultancy Charges	–	2,283,641
Project Application Fee	–	561,200
Security Charges	–	109,220
	–	12,464,006
Less :		
Transferred to Subsidiary Company	–	8,344,389
Transferred to Profit & Loss Account	–	4,119,617
Closing Balance	–	–
SCHEDULE 5 : INVESTMENTS (Fully paid unless otherwise specified)		
- In Subsidiary Company		
- Unquoted		
Shristi Udaipur Hotels & Resorts Private Limited		
2010,000 (P.Y. 10,000) Equity Shares of Rs. 10/- each fully paid up	20,100,000	100,000
In Share Application Money	9,900,000	–
Current, Non-Trade		
- Quoted		
Sardar Sarovar Narmada Nigam Limited		
- (P.Y. 425) Bonds of Rs. 3,600/- each	–	22,500,000
Total	30,000,000	22,600,000
Aggregate value of unquoted Investments	30,000,000	100,000
Book Value of Investment- Quoted	–	22,500,000
Market Value of Investments - Quoted	–	22,500,000

Detail of Investements Purchased and Sold during the year :

NAME OF THE COMPANY	NUMBER OF UNITS (Nos.)	PURCHASE VALUE (Rs.)	SALES VALUE (Rs.)
Sardar Sarovar Narmada Nigam Limited	– (600)	– (30,000,000)	– (30,540,771)
JM Floater Fund - Short Term Plan - Daily Dividend	– (998,917)	– (10,065,515)	– (10,086,685)

Figures in brackets represents previous year amounts.

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2008

Particulars	As at 31st March, 2008		As at 31st March, 2007	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
SCHEDULE 6				
CURRENT ASSETS, LOANS & ADVANCES				
Sundry Debtors (Unsecured, Considered good)				
- Debts outstanding over a period of six months	11,226,281		—	
- Other Debts	14,540,171	25,766,452	12,667,356	12,667,356
Cash & Bank Balances				
Cash-in-hand	1,822		350,542	
Balances with scheduled banks				
- in Current Accounts	252,286	254,108	2,098,140	2,448,682
		26,020,560		15,116,038
Loans & Advances (Unsecured, Considered good)				
Recoverable from Subsidiary		469,032		20,275,404
Advance recoverable in cash or in kind or for value to be received		273,641		864,762
Advances to staff and other		147,019		129,681
Earnest Money Deposit		980,000		310,000
		1,869,692		21,579,847
SCHEDULE 7				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors :				
- Micro, Small and Medium Enterprises		—		—
- Others		3,399,840		4,197,741
Advance received from clients		—		1,932,000
Other Liabilities		2,927,429		2,508,481
		6,327,269		8,638,222
Provisions				
- Provision for Income Tax (Net of adv tax/TDS of Rs.623,506, previous year Rs.160,711)		145,908		316,911
- Provision for FBT (Net of adv tax of Rs.271900, previous year Rs.82,862)		42,003		140,000
- Provision for Gratuity		101,000		133,615
- Provision for Leave Encashment		118,000		81,655
		406,911		672,181
		6,734,180		9,310,403
SCHEDULE 8				
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
Preliminary Expenses		—		456,225
Less : Written off during the year		—		456,225
		—		—

Schedules annexed to and forming part of the Profit and Loss Account for the year ended 31st March, 2008

Particulars	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
SCHEDULE 9 : OPERATING INCOME		
Consultancy Income	17,459,402	15,745,394
	17,459,402	15,745,394
SCHEDULE 10 : OTHER INCOME		
Dividend Income on Current Investment (Non -Trade)	–	65,515
Interest Income on Current Investment (Non-Trade) (Gross) (Tax deducted at Source Rs.2,48,543/- (Previous year NIL)	1,206,518	–
Profit/(Loss) on sale of Current Investments (Non-Trade)	–	544,712
	1,206,518	610,227
SCHEDULE 11 : OPERATIONAL EXPENSES		
Payment to and Provsions for employees :		
- Salaries, wages & Gratuity etc.	5,228,221	4,008,614
- Staff Welfare	121,165	180,698
Professional Consultancy Fees	4,424,256	2,784,792
Tender Expenses	136,217	145,000
Books & Periodicals	12,759	10,461
Festival Expenses	9,500	60,375
Repair & Maintenance	489,643	97,403
Postage, Telephone & Internet Charges	524,245	444,175
Travelling, Boarding & Conveyance Expenses	2,882,533	1,643,379
Advertisement & Business Promotion	623,803	551,719
Meeting & Conference Expenses	4,899	110,584
Membership & Subscription	145,064	123,069
Printing & Stationery Expenses	174,831	289,561
Bank Charges	29,990	59,281
Interest - other	16,946	6,230
Miscellaneous Expenses	492,021	202,714
Office Expenses	12,757	13,549
Electricity Charges	241,273	–
Office Rent	240,000	83,162
Legal & Professional Charges	917,352	234,942
Payment to Auditors :		
- Statutory Audit Fee	75,000	75,000
- Out of Pocket Expenses	–	6,734
Filing Fees	7,840	22,600
Pre-operative Expenses written off	–	4,119,617
	16,810,315	15,273,659

SCHEDULE – 12

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008

A. BACKGROUND AND NATURE OF OPERATIONS

The company was incorporated on June 20th, 2005 as a joint venture (JV) in the ratio of 60:40 between Shristi Infrastructure Development Corporation Limited ("SIDCL") and Housing And Urban Development Corporation Limited ("HUDCO") respectively, in order to promote, establish, monitor, collaborate, construct, either through public and/or private participation, and to act as special purpose vehicle (SPV) for entering into understanding and joint ventures with various Central and State Governments, their corporations, technology and domain experts, in and outside India, for development, creation, expansion and modernization of housing, commercial, social and Urban Development facilities.

B. SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 1956 and in compliance with the applicable accounting standards referred to in sub-section (3C) of the section 211 of the said Act. The accounting policies, except otherwise stated, have been consistently applied by the Company.

2. USE OF ESTIMATES

The presentations of financial statements is in conformity with the generally accepted accounting principles which requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend is recognized when shareholders' right to receive payment is established by the balance sheet date.

4. FIXED ASSETS

Fixed Assets are stated at cost of acquisition /purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, etc. up to the date the asset is ready for its intended use. Credit of duty, if availed is adjusted in the acquisition cost of the respective fixed assets.

5. DEPRECIATION

a. Depreciation on fixed assets is provided on Written Down Value Method as per the rates specified in Schedule XIV to the Companies Act, 1956.

b. Depreciation on additions/deductions is provided from the date of their acquisition/ up to the date of their disposal.

c. Assets individually costing below Rs.5,000/- are fully depreciated during the year they are put to use.

6. FOREIGN EXCHANGE TRANSACTIONS

a. Foreign currency transactions are recorded at exchange rates prevailing on the date of such transactions.

b. Foreign currency monetary assets and liabilities remaining unsettled at the year end are translated at the closing exchange rate. Gain and losses on account of exchange difference either on settlement or on translation is recognized in the relevant head of Profit & Loss account.

c. Non-monetary items denominated in foreign currency are reported using exchange rate prevailing on the date of transactions.

7. EMPLOYEE BENEFITS

Gratuity and Leave Encashment Liabilities are accounted for on accrual basis computed as per actuarial valuation made at the end of each financial year in accordance with AS-15 (Revised).

8. INVESTMENTS

Investments are classified into long term or current. Long-term investments are stated at acquisition cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Current investments are valued at lower of cost and market rate on individual investment basis.

9. TAXATION

Income tax expense is accounted for in accordance with AS-22 "Accounting for Taxes on Income" for both Current Tax and Deferred Tax as stated below

a) **Current Tax**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of Income Tax Act, 1961.

b) **Deferred Tax**

i. Deferred tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

ii. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

c) **Fringe Benefit Tax**

Fringe Benefit Tax is provided on the aggregate amount of fringe benefits determined in accordance with the provisions of Income Tax Act, 1961.

10. LEASES

Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

11. EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

12. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

C. NOTES TO ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.NIL (previous year Rs.NIL).

2. Contingent Liabilities:

Claims against the company not acknowledged as debt – Rs. NIL.

3. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

4. Information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

5. **Change in Accounting Policy**

During the year, the Company has changed the accounting policy relating to Employees Benefits on account of Gratuity and Leave Encashment from actual/ accrual basis to actuarial valuation in compliance

of Accounting Standard – 15 (Revised) 'Employee Benefits'. Had the same policy been followed, the current year profit would have been lower by Rs.61,135/- with a corresponding increase in current liability and provisions.

6. Employee Benefits

Consequent upon adoption of Accounting standard on "Employee Benefits" (AS-15) (Revised 2005) issued by Institute of Chartered Accountants of India, as required by the standard, the following disclosures are made:

a) **Expenses recognized for the year ended 31st March, 2008 :**

(Rs. in lacs)

Particulars	Gratuity	Earned leave
- Current service cost	0.47	0.44
- Interest cost	0.08	0.10
- Expected return on plan assets	-	-
- Curtailment cost/(credit)	-	-
- Settlement cost/(credit)	-	-
- Past Service Cost	-	-
- Actuarial (gain)/loss on obligation	(0.49)	(0.71)
Total	0.06	(0.17)

Principal Actuarial Assumption	Gratuity	Earned leave
- Discount rate (based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities)	7.50%	7.50%
- Salary increase (Taking into account inflation, seniority, promotion and other relevant factors)	5.00%	5.00%
- Expected rate of return on assets	N.A	N.A
- Expected Average remaining working lives of employees (years)	22.29 Yrs	22.29 Yrs

b) **Net Asset/ (Liability) recognized in the Balance Sheet as at 31st March, 2008 :**

Particulars	Gratuity	Earned leave
- Present value of Defined Benefit Obligation	1.01	1.18
- Fair value of plan assets	-	-
- Funded status [Surplus/(Deficit)]	(1.01)	(1.18)
- Unrecognized Past Service Costs	-	-
- Estimated Net asset/(liability) recognized in balance sheet	(1.01)	(1.18)

c) **Change in the obligation for the year ended 31st March, 2008 :**

Particulars	Gratuity	Earned leave
- Present value of Defined Benefit Obligation as at the beginning of the year (01.04.2007)	0.95	1.35
- Interest cost	0.08	0.10
- Past service cost	-	-
- Current service cost	0.47	0.44
- Curtailment cost/(credit)	-	-
- Settlement cost/(credit)	-	-
- Benefits paid	-	-
- Actuarial (gain)/loss on obligation	(0.49)	(0.71)
- Present value of Defined Benefit Obligation as at the end of the year (31.03.2008)	1.01	1.18

Note:

1. In accordance with the transitional provision of Accounting Standard 15 (Revised) on Employee Benefits, an amount of Rs 10,178 (net of deferred tax of Rs.4,552) being the difference between relevant liability as on 31st March, 2007 and that computed in accordance with this Accounting Standard as on 1st April, 2007 has been adjusted against the opening balance of Revenue Reserve (i.e. Profit and Loss Account).
2. Being first year of adoption of Accounting Standard 15 (Revised 2005) previous year's figures and disclosures required under Para 120 (n) have not been furnished / disclosed.
7. The Company dealt in rendering "Consultancy Services" in India. The company has considered "Consultancy Services" as only business segment for disclosure in the context of Accounting Standard (AS – 17) issued by The Institute of Chartered Accountants of India and the conditions prevailing in India being uniform, no separate geographical disclosure considered necessary.

8. **Related Party Transactions:**

As per Accounting Standard-18 issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

a. **List of related parties & relationships, where control exists:**

- i. **Holding company of Reporting Enterprise**
Shristi Infrastructure Development Corporation Limited (SIDCL)
- ii. **Subsidiary company of Reporting Enterprise**
Shristi Udaipur Hotels & Resorts Private Limited (SUHRPL)

b. **Related parties & relationships with whom transactions have taken place during the year:**

- i. **Key Management Personnel**
Mr. Sujit Kanoria (Managing Director)

c. **Transactions with Related Parties**

S. No.	Relationship	Nature of Expenses	Current Year (Rs.)	Previous Year (Rs.)
1.	Holding Company (Interest free)	Temporary Advance taken and refunded back	57,59,734/-	44,71,453/-
		Closing Balance	NIL	NIL
2.	Subsidiary Company	Transfer of : - Expenditure incurred for Udaipur Project - Security Deposits Investment in Equity Share Application Money Temporary Advance Given and Refund back (Interest free)	21,28,531/- (15,56,200/-) 2,00,00,000/- 99,00,000/- 1,42,21,297/-	2,07,63,404/- (4,88,000/-) 1,00,000/- - -
		Closing Balance Amount Payable Investment in Equity Share Application Money	4,69,032/- 2,01,00,000/- 99,00,000/-	2,02,75,404/- 1,00,000/- -
3.	Key Management Personnel	Managerial Remuneration	6,12,000/-	6,12,000/-
		Closing Balance Amount Payable	42,122/-	51,000/-

9. Operating Lease

The company has taken building on cancelable operating lease. Minimum Lease Payments of Rs. 2,40,000/- are charged to profit & loss account during the year.

10. Earnings Per Share

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Profit after tax as per P & L A/c	8,91,424	1,49,684
Weighted average number of Equity Shares outstanding	50,00,000	50,00,000
Basic & Diluted Earning per share (Rs.)	0.18	0.03

11. The company has recognized following deferred tax assets and liabilities determined on account of timing differences in accordance with Accounting Standard – 22 “Accounting of taxes on Income” issued by the Institute of Chartered Accountants of India:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Fixed assets	68,046	59,967
Deferred Tax Liability (A)	68,046	59,967
Preliminary Expenses U/s35D	84,584	1,12,779
Difference due to Sec.43B *	67,671	66,518
Disallowance of Expenses u/s 40 (a) (ia)	17,341	40,516
Deferred Tax Asset (B)	1,69,596	2,19,813
NET DEFERRED TAX ASSETS/(LIABILITY) (B-A)	1,01,550	1,59,846

* After adjustment of Rs.4,552 on account of deferred tax assets on employee benefits for which adjustment is made in opening balance of Revenue Reserve (i.e., Profit and Loss Account) as per AS-15(R)

12. Managerial Remuneration \$

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Salaries and Allowances	6,12,000	6,12,000
Provision for Retirement Benefits	Nil *	58,846
Perquisites	Nil	Nil

\$ The remuneration has been paid in accordance with Schedule XIII of the Companies Act, 1956.

* Does not include the value of Gratuity and Leave Encashment since it is determined on the basis of actuarial valuation for all employees, including Managing Director.

13. Auditor's Remuneration (Excluding Service Tax) :

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Audit Fee	75,000	75,000
Out of Pocket Expenses	—	6,734

14. Additional information pursuant to the provisions of part II of Schedule VI to the Companies Act, 1956 (to the extent applicable) - NIL

15. Previous year figures have been regrouped/ rearranged wherever necessary to conform to this year's classification.

16. Schedule 1 to 12 are annexed to and form an integral part of the Balance Sheet as at 31st March, 2008 and Profit & Loss accounts for the year ended on that date.

As per our report of even date attached

For S. S. KOTHARI MEHTA & CO
Chartered Accountants

YOGESH K. GUPTA
(Partner)

Membership No. 93214

Place : New Delhi
Date : 26th June, 2008

On behalf of the Board

Sujit Kanoria **R. L. Batta** **K. N. Pandey**
(Managing Director) (Director) (Director)

Yogesh Kr. Upadhyay
(Company Secretary)

Part IV of Schedule VI of the Companies Act, 1956 (As amended)
Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	U45203DL2005PLC137777	State Code	21
Balance Sheet Date			

II. Capital raised during the year : (Amount in thousand Rs.)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Issue	NIL

III. Position of Mobilisation and deployment of Funds : (Amount in thousand Rs.)

Total Liabilities	51,794	Total Assets	51,794
Sources of Funds			
Paid up Capital	50,000	Reserves & Surplus	1,794
Secured Loans	NIL	Unsecured Loans	NIL
Deferred Tax Liability	NIL		
Application of Funds			
Net Fixed Assets	536	Investments	30,000
Net Current Assets	21,156	Miscellaneous Expenses	NIL
Deferred Tax Assets	102		

IV. Performance of the Company : (Amount in thousand Rs.)

Turnover	18,666	Total Expenditure	17,117
Profit before Tax	1,549	Profit after Tax	891
Earning per Share	0.18	Dividend	NIL

V. Generic names of the three principal products of the Company :

ITC Code	N.A.
Product Description	Consultancy in infrastructure development

For S. S. KOTHARI MEHTA & CO
Chartered Accountants

YOGESH K. GUPTA
(Partner)

Membership No. 93214

On behalf of the Board

Sujit Kanoria (Managing Director)	R. L. Batta (Director)	K. N. Pandey (Director)
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Yogesh Kr. Upadhyay
(Company Secretary)

Place : New Delhi
Date : 26th June, 2008

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Sixth Annual Report together with the Audited Accounts of your Company for the Financial Year ended 31st March, 2008.

FINANCIALS

The Company is yet to commence its commercial operations. Hence no Profit & Loss Account has been prepared. The Company has incurred pre-operative expenses amounting to Rs. 2,94,466/- during the year and the total amount of pre-operative expenses incurred on cumulative basis stood at Rs. 85,04,416/- as on 31.03.2008.

PERFORMANCE

The Company still continues to negotiate with the Government Authorities for obtaining clearance for the flyover project in Kolkata on Vivekananda Road. The construction of the fly over work could not start owing to non- receipt of clearances/permission from the appropriate authorities. Despite continuous follow-up no positive development has taken place.

FIXED DEPOSIT

The Company has not accepted any fixed deposits under section 58A of the Companies Act, 1956 during the year under review.

STATUTORY STATEMENT

Particulars of the Statement under section 217 for the conservation of energy, technology absorption and foreign exchange earnings and outgo and remuneration of employees is annexed.

DIRECTORS

Mr Rahul Varma and Mr Shankar Mukherjee were appointed as additional director of the company w.e.f. 28.03.2008.

Mr. Amitava Chatterjee retires by rotation, and being eligible, offers himself for reappointment.

Mr. Supriya Gupta and Mr. P. K. Pandey resigned from the directorships of the company with effect from 28.03.2008 & 14.04.2008 respectively. The directors place on record the valuable services rendered by them during the tenure of their service.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies (Amendment) Act, 2000, the Board of Directors of the Company confirms that:

- a) In the Preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departures;
- b) The selected Accounting Policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008.
- c) Proper and sufficient care has been taken 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 frauds and other irregularities.
- d) The Annual Accounts have been prepared on a going concern basis.

AUDITORS

M/s. R. Kothari & Co., Chartered Accountants, retire as Auditors of your Company at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors, if reappointed on a remuneration to be fixed by the Board with the approval of the Shareholders at the ensuing Annual General Meeting.

For and on behalf of the Board

Place : Kolkata
Date : 28th June, 2008

Rahul Varma **Amitava Chatterjee**
(Director) (Director)

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS OF STATEMENT U/S 217 FOR CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AND REMUNERATION OF EMPLOYEES:

As required u/s 217(1)(e) and 217(2A) of the Companies Act, 1956 the particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo and particulars of employees in respect of remuneration in terms of Section 217(2A) of the Companies Act, 1956, are as follows:

Under Section 217(1)(e) of the Companies Act, 1956

- A. Conservation of Energy : Not Applicable
- B. Technology Absorption
Research & Development(R&D) : Nil
Technology absorption, adoption
and innovation : None
- C. Foreign Exchange Earnings : Nil
- D. Foreign Exchange Outgo : Nil

Under Section 217(2A) of the Companies Act, 1956

The Company does not have any employee coming under the purview of Section 217(2A) of the Companies Act, 1956.

For and on behalf of the Board

Place : Kolkata
Date : 28th June, 2008

Rahul Varma
(Director)

Amitava Chatterjee
(Director)

AUDITORS' REPORT

TO
THE MEMBERS
VIVEKANANDA SKYROAD LIMITED

We have audited the attached Balance Sheet of **M/s. VIVEKANANDA SKYROAD LIMITED** as at 31st March 2008, the Cash Flow Statement on that date and state that no **Profit & Loss Account of the Company for the period ended on that date has been prepared refer Note: 2.1 – of Schedule - 8**. These financial statements are the responsibilities of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
 2. Further to our comments in the Annexure referred to in paragraph (1) above:
 - (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 accounts as required by the law have been kept by the Company so far as it appears from our examination of the books;
 - (c) the Balance Sheet and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d) in our opinion, the Balance Sheet and the Cash Flow Statement dealt with by this report complies with the Accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;
 - (e) on the basis of written representations received from the directors and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as a Director of the Company under Clause (g) of Sub-Section 1 of Section 274 of the Companies Act, 1956.
 - (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes as per Schedule '8' annexed give the information required by the Companies Act, 1956, 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 Balance Sheet, of the state of the affairs of the Company as at 31st March 2008;
- AND
- (ii) in the case of Cash Flow Statement, of the cash flows of the Company as at 31st March 2008.

For **R. Kothari & Company**
Chartered Accountants

CA K. C. Soni
(Partner)

Membership No : 57620

Place : Kolkata
Date : 28th June, 2008

Annexure to the Auditors' Report

Referred to in Paragraph 1 of our Report of even date

With reference to the annexure referred to in paragraph (1) of the Auditors' Report to the Members of M/s VIVEKANANDA SKYROAD LIMITED on the financial statements for the year ended 31st March, 2008, we report the following:

- (i) According to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (ii) The Fixed Assets have been physically verified by the management during the year, and in our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (iii) During the year the company has not disposed off any substantial part of the fixed assets, which would effect the going concern of the Company.
- (iv) According to the information and explanation given to us, there are no companies, firms or other parties of the nature required to be covered in the register maintained under section 301 of the Companies Act, 1956.
- (v) The Company has neither taken nor given any secured or unsecured Loan from/ to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (vi) 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. In our opinion and according to information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
- (vii) The Company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India and provisions of Section 58A, 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules framed there under are not applicable.
- (viii) According to the information and explanations given to us and on the basis of our examination of the books of account, there are no dues of Income Tax, wealth tax and any other statutory dues.
- (ix) The Company has not accumulated losses at the end of the year.
- (x) According to the records examined by us, and according to the information and explanations given to us on an overall basis funds raised on short term basis, have, prima facie, not been used during the year for long term investments.
- (xi) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) The Company has maintained proper records of its dealing in shares and securities and the investments are held in the name of the Company except to the extent of exemption granted under section 49 of the Companies Act, 1956.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.
- (xv) Our comments on matters are given herein above to the extent applicable to the Company for the period under review.

For **R. Kothari & Company**
Chartered Accountants

CA K. C. Soni
(Partner)

Membership No : 57620

Place : Kolkata

Date : 28th June, 2008

Balance Sheet as at 31st March, 2008

Particulars	Schedule	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	500,000	500,000
Shares pending Allocation		8,310,000	8,310,000
		8,810,000	8,810,000
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	2	432,134	432,134
Less : Depreciation		161,277	133,923
Net Block		270,857	298,211
Pre-operative Expenses	3	8,504,416	8,209,917
Current Assets, Loans & Advances			
Cash & Bank Balances	4	33,851	41,384
Loans & Advances	5	250,000	250,000
		283,851	291,384
Less : Current Liabilities & Provisions	6	274,224	14,612
Net Current Assets		9,627	276,772
Miscellaneous Expenditure (to the extent not written off or adjusted)	7	25,100	25,100
		8,810,000	8,810,000

Accounting policies and Notes on Accounts 8

The Schedules referred to above form an integral part of the Balance Sheet

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

For **R. Kothari & Company**
Chartered Accountants

CA K. C. Soni
(Partner)
Membership No : 57620

On behalf of the Board

Rahul Varma **Amitava Chatterjee**
(Director) (Director)

Place : Kolkata
Date : 28th June, 2008

Cash Flow Statement Annexed to the Balance Sheet for the Year ended 31st March 2008

Particulars	Year ended 31st March, 2008 (Rs.)	Year ended 31st March, 2007 (Rs.)
A. CASH FLOW OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation and Extraordinary Activities	–	–
Adjustments for Profit & Loss Account	–	–
Increase / (decrease) in Depreciation	27,354	27,354
Operating Profit Before Working Capital Changes	27,354	27,354
Adjustments for:		
(Increase) / decrease in Trade Receivable	–	–
Increase / (decrease) in Trade Payable	259,612	(4,918)
Net Cash From Operating Activities	286,966	22,436
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / decrease in Pre-operative Activities	(294,499)	(62,767)
	(294,499)	(62,767)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issue of Shares	–	–
D. Net Increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	(7,533)	(40,331)
Opening Cash and Cash Equivalents	41,384	81,715
Closing Cash and Cash Equivalents	33,851	41,384
Note :		
1 Figures in brackets denote cash outflow		

For **R. Kothari & Company**
Chartered Accountants

CA K. C. Soni
(Partner)
Membership No : 57620

On behalf of the Board

Rahul Varma **Amitava Chatterjee**
(Director) (Director)

Place : Kolkata
Date : 28th June, 2008

Schedules forming part of Balance Sheet as at 31st March, 2008

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule -1		
Share Capital		
Authorised Share Capital		
10,00,000 Equity Shares of Rs. 10/- each	10,000,000	10,000,000
	10,000,000	10,000,000
Issued & Subscribed		
8,81,000 Equity Shares @ Rs.10/- each fully paid-up	8,810,000	8,810,000
	8,810,000	8,810,000
Paid Up		
50,000 Equity Shares of Rs. 10/- each fully paid up in Cash (Out of above 49,400 (P Y 42,250) Equity Shares held by its holding Company namely M/s Shristi Infrastructure Development Corporation Ltd.)	500,000	500,000
	500,000	500,000

Schedule - 2

FIXED ASSETS

(figures in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01-04-07	Additions	As at 31.03.08	As at 01-04-07	Depreciation for the year	As at 31.03.08	As at 31.03.08	As at 31.03.07
Furniture & Fixture	432,134	–	432,134	133,923	27,354	161,277	270,857	298,211
Total	432,134	–	432,134	133,923	27,354	161,277	270,857	298,211
Previous Year	432,134	–	432,134	106,569	27,354	133,923	298,211	–

Schedules forming part of Balance Sheet as at 31st March, 2008

Particulars		As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule- 3			
Pre-operative Expenses			
a) Balance b/f	Sub-total - a	8,209,917	8,147,150
b) Administrative Expenses			
Audit Fees		9,000	9,000
Depreciation		27,354	27,354
Filing Fees		4,000	1,000
Professional Fees		1,000	3,495
Rates & Taxes		3,112	3,918
Sitting Fees		–	18,000
Doubtful Debts		250,000	–
	Sub-total - b	294,466	62,767
c) Finance Cost			
Bank Charges		33	–
	Sub-total - c	33	–
Total of Pre-operative Expenses	(a+b+c)	8,504,416	8,209,917

Schedules forming part of Balance Sheet as at 31st March, 2008

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule - 4		
Cash & Bank Balances		
Cash in hand	1,550	4,549
Balance with Scheduled Banks In Current Accounts	32,302	36,835
	33,851	41,384
Schedule - 5		
Loans & Advances		
(Unsecured Advances, recoverable in cash or in kind or for value to be received)	250,000	250,000
	250,000	250,000
Schedule - 6		
Current Liabilities & Provision		
Current Liabilities		
Sundry Creditors	4,000	4,500
Liability for Expenses	20,224	10,112
Provision for Doubtful Debts	250,000	–
	274,224	14,612
Schedule - 7		
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary Expenses	25,100	25,100
	25,100	25,100

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008**Schedule - 8****ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES:****1.1 Basis of Accounting**

The Company prepares its financial statements in accordance with generally accepted accounting practices and also in accordance with requirements of Companies Act, 1956.

1.2 Revenue Recognition

1. Expenses and Income recognized on accrual basis except rates & taxes.
2. All expenses incurred up to the date of commercial operation are recognized as Pre-operative Expenses.

1.3 Fixed Assets

Fixed Assets are stated at cost inclusive of taxes and other attributable costs up to the date the asset is ready for intended use.

Depreciation on fixed assets is provided on Straight Line Method at the rates and manner specified in Schedule XIV to the Companies Act, 1956.

1.4 Miscellaneous Expenditure

Miscellaneous Expenditure (to the extent not written off) is carried forward to be charged to revenue over ten years starting from the year of commencement of commercial production.

1.5 Contingent Liability

No provision is made for liabilities which are contingent in nature, unless it is probable that future events will confirm that an asset has been impaired or a liability incurred as at the balance sheet date and a reasonable estimate of the revenue loss can be made. However, all known material contingent liabilities are disclosed by way of separate note.

2. NOTES TO THE ACCOUNTS:

- 2.1 Since the Company is yet to start its commercial activity hence all expenses has been treated as Pre-operative Expenses shown under Schedule 3. No Profit & Loss Account have been prepared during the year under report.
- 2.2 Contingent Liabilities not provided for – NIL.
- 2.3 The Company has not paid any Managerial remuneration of any kind to the Directors for the period.
- 2.4 Since the company has not yet started any commercial activities and no profit & loss account has been prepared, hence earning per share as per AS – 20, issued by the Institute of Chartered Accountants of India is not considered.
- 2.5 Since the company has not having any timing difference and permanent difference as prescribed in AS – 22 issued by the Institute of Chartered Accountants of India, hence provision of deferred tax is not required.

2.6 Related Party Transactions:

a. List of related parties & relationships, where control exists:

i. Holding company of Reporting Enterprise:

Shristi Infrastructure Development Corporation Limited (SIDCL)

b. Related parties & relationships with whom transactions have taken place during the year:

i. Key Management Personnel

Amitava Chatterjee - Director

c. Transactions with related parties

The Company has not entered any transaction with the related parties during the year.

2.7 The Company has identified real estate construction as its sole operating segment and the same has been treated as the primary segment. As such no separate segment has been provided.

2.8 Previous year's figures have been regrouped and / or rearranged wherever necessary.

2.9 Construction of Flyover could not start till date due to awaiting permission from the concerned government authorities; the Management has followed up time-to-time with M/s Kolkata Municipal Corporation and other concerned authorities in this matter.

2.10 Parties balance with respect to Sundry Creditors, Advances subject to confirmation.

Signatories to Schedules 1 to 8

As per our attached Report of even date

For **R. Kothari & Company**
Chartered Accountants

CA K. C. Soni
(Partner)

Membership No : 57620

On behalf of the Board

Rahul Varma
(Director)

Amitava Chatterjee
(Director)

Place : Kolkata

Date : 28th June, 2008

PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (AS AMENDED)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	94231	State Code	21
Balance Sheet Date	31.03.2008		

II. Capital raised during the year : (Amount in thousand Rs.)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of mobilisation and deployment of funds : (Amount in thousand Rs.)

Total Liabilities	8,810	Total Assets	8,810
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Sources of Funds

Paid up Capital	500	Reserves & Surplus	–
Share Application	8,310	Unsecured Loans	–

Application of Funds

Net Fixed Assets	271	Investments (Pre-op. Exp.)	8,504
Net Current Assets	10	Misc. Exp	25

IV. Performance of the Company : (Amount in thousand Rs.)

Turnover	–	Total Expenditure	–
Profit before Tax	–	Profit after Tax	–
Earning per Share	–	Dividend	–

V. Generic names of the three principal products of the Company :

ITC Code	Not Applicable
Product Description	Infrastructure Development & Construction Work

For **R. Kothari & Company**
Chartered Accountants

CA K. C. Soni
(Partner)
Membership No : 57620

On behalf of the Board

Rahul Varma **Amitava Chatterjee**
(Director) (Director)

Place : Kolkata
Date : 28th June, 2008

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Fourth Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2008.

CHANGE OF NAME OF THE COMPANY

Your Company has been rechristened as "Shristi Hotel Private Limited", to mirror its transformed nature and status from a Public Limited Company to a Private Limited Company and a Fresh Certificate of Incorporation, dated 22nd May, 2008, to this effect has been obtained from the Registrar of Companies, West Bengal.

FINANCIAL RESULTS

The Company has not yet started its operation; as such no Profit & Loss Account has been prepared during the year under review. The Company has incurred pre-operative expenses amounting to Rs. 1,55,66,811/- during the year and the total amount of pre-operative expenses incurred on cumulative basis stood at Rs. 2, 27,81,682/- as on 31.03.2008.

PERFORMANCE

The Company has been incorporated for the purpose of setting up and running the Five Star Hotel at Newtown, Kolkata and thereafter become a Hotel chain. The concept, master plan and designs have been prepared and submitted to authorities for sanctions. Permission for piling has already been received from authorities and the piling work is going on.

FIXED DEPOSIT

The Company has not accepted any fixed deposits u/s 58A of the Companies Act, 1956 during the year under review.

STATUTORY STATEMENT

Particulars of the Statement u/s 217 for the conservation of energy, technology absorption and foreign exchange earnings and outgo and remuneration of employees is annexed.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sunil Jha, Director of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer himself for reappointment.

None of the Directors of the Company is disqualified from being appointed as Directors pursuant to Section 274(1)(g) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies (Amendment) Act, 2000, the Board of Directors of the Company confirms that:

- a) In the Preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departures;
- b) The selected Accounting Policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2008.

- c) Proper and sufficient care has been taken 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 frauds and other irregularities.
- d) The Annual Accounts have been prepared on a going concern basis.

AUDITORS

M/s R. Kothari & Co., Chartered Accountants, retire as Auditors of your Company at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to the Bankers, State Government and the employees for their continued co-operation and support.

For and on behalf of the Board

Place : Kolkata
Date : 28th June, 2008

Sunil Jha
(Director)

Rahul Varma
(Director)

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS OF STATEMENT U/S 217 FOR CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AND REMUNERATION OF EMPLOYEES:

As required u/s 217(1)(e) and 217(2A) of the Companies Act, 1956 the particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo and particulars of employees in respect of remuneration in terms of Section 217(2A) of the Companies Act, 1956, are as follows:

Under Section 217(1)(e) of the Companies Act, 1956

- A. Conservation of Energy : Not Applicable
- B. Technology Absorption
Research & Development(R&D) : Nil
Technology absorption, adoption
and innovation : None
- C. Foreign Exchange Earnings : Nil
- D. Foreign Exchange Outgo : Rs. 69,431/-

Under Section 217(2A) of the Companies Act, 1956

The Company does not have any employee coming under the purview of Section 217(2A) of the Companies Act, 1956.

For and on behalf of the Board

Place : Kolkata
Date : 28th June, 2008

Sunil Jha
(Director)

Rahul Varma
(Director)

AUDITORS' REPORT

**TO
THE MEMBERS
SHRISTI HOTEL PRIVATE LIMITED
(Formerly Shristi Hotel Limited)**

We have audited the attached Balance Sheet of M/S. SHRISTI HOTEL PRIVATE LIMITED (Formerly Shristi Hotel Limited) as at 31st March, 2008 and the Cash Flow Statement on that statement. The Profit & Loss Account has not been drawn refer Note 2.1 of Schedule – '10'. These financial statements are the responsibilities of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

1. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us. We enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the Order
2. Further to our comments in the Annexure referred to in paragraph (1) above:
 - (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 accounts as required by the law have been kept by the Company so far as it appears from our examination of the books;
 - (c) The Balance Sheet and the Cash Flow Statement, dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet and the Cash Flow Statement dealt with by this report complies with the Accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable
 - (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as a Director of the Company under Clause (g) of Sub-Section 1 of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts except Note No: 2.5 of Schedule-10 regarding liability of gratuity and leave encashment provided on cash basis, read together with the other notes appearing as per Schedule –'10' annexed give the information required by the Companies Act, 1956, 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 Balance Sheet, of the state of the affairs of the Company as at 31st March, 2008;
 - (ii) in the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

For R. Kothari & Company
Chartered Accountants

Place : Kolkata
Date : 28th June, 2008

CA K. C. Soni
(Partner)
Membership No: 57620

Annexure to the Auditors' Report

Referred to in Paragraph 1 of our Report of even date

With reference to the annexure referred to in paragraph (1) of the Auditors' report to the members of **M/s SHRISTI HOTEL PRIVATE LIMITED** (Formerly Shristi Hotel Limited) on the financial statements for the year ended 31st March 2008, we report the following:

- i) According to the information and explanations given to us, the Company has maintained records showing full particulars including quantitative details and situation of its fixed assets.
- ii) The Fixed Assets have been physically verified by the management during the year, and in our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- iii) During the year the company has not disposed off any substantial part of the fixed assets, which would affect the going concern of the Company.
- iv) The company has neither taken nor given secured or unsecured loan from/ to companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- v) In our opinion and in accordance with the information and explanations given to us, there are adequate Internal Control Procedure commensurate with the size of the company and the nature of its business. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
- vi) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered in the register maintained u/s 301 of the Companies Act 1956, have been so entered.
- vii) According to the information and explanation given to us the transactions made in pursuance of contracts or arrangement entered in the registers maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- viii) The company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India and provisions of Section 58A & 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- ix) The Company has an internal audit system during the year under review which is commensurate with its size and nature of its business.
- x) According to the information and explanations given to us and on the basis of examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues.
- xi) According to the information and explanations given to us and on the basis of examination of the books of accounts, there are no dues of Income Tax, Sales Tax, Wealth Tax, Excise Duty, Service Tax and other statutory dues which have not been deposited on account of any dispute.
- xii) According to the information and explanations given to us and on the basis of examination of the books of accounts, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) According to the information and explanations given to us and on the basis of examination of the books of accounts, the Company has not given guarantee for loans taken by others from banks and financial institutions.
- xiv) According to the information and explanations given to us, funds raised by the Company on short-term basis have not been used for long-term investments.
- xv) To the best of our knowledge and belief and according to the information's and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.
- xvi) Our comments on matters are given here in above to the extent applicable to the Company for the year under review.

For **R. Kothari & Company**
Chartered Accountants

CA K. C. Soni
(Partner)

Membership No: 57620

Place : Kolkata

Date : 28th June, 2008

Balance Sheet as at 31st March, 2008

Particulars	Schedule	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	160,000,000	10,900,000
Secured Loan	2	50,700,000	-
		210,700,000	10,900,000
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	645,755	38,000
Less-Depreciation		50,897	2,029
Net Block		594,858	35,971
Capital Work in Progress	4	59,252,623	13,240,706
Pre-operative Expenses	5	22,781,682	7,214,871
Current Assets, Loans & Advances			
Cash & Bank Balances	6	11,387,187	646,757
Loans & Advances	7	125,048,235	46,642,464
		136,435,422	47,289,221
Less : Current Liabilities & Provisions	8	8,585,434	57,101,619
Net Current Assets		127,849,988	(9,812,398)
Miscellaneous Expenditure (to the extent not written off or adjusted)	9	220,850	220,850
		210,700,000	10,900,000

Accounting Policies and Notes on Accounts

10

As per our attached report of this date annexed

For **R. Kothari & Company**
Chartered Accountants

CA K. C. Soni
(Partner)
Membership No: 57620

On behalf of the Board

Sunil Jha
(Director)

Rahul Varma
(Director)

Place : Kolkata
Date : 28th June, 2008

Cash Flow Statement Annexed to the Balance Sheet For the Year ended 31st March, 2008

Particulars	Year ended 31st March, 2008 (Rs.)	Year ended 31st March, 2007 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Taxation and Extraordinary Activities	–	–
Adjustments for Profit & Loss Accounts	–	–
Operating Profit Before Working Capital Changes	–	–
Adjustments for:		
(Increase) / Decrease in Trade Receivable		
Increase / (Decrease) in Trade Payable	(48,516,185)	56,094,306
Net Cash From Operating Activities	(48,516,185)	56,094,306
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Fixed Assets (net of depreciation)	(558,887)	(35,971)
(Increase) / Decrease in Capital Work in Progress	(46,011,917)	(13,240,706)
(Increase) / Decrease in Pre-operative Activities	(1,55,66,810)	(4,369,738)
(Increase) / Decrease in Loans & Advances	(78,405,771)	(43,003,152)
Net Cash from Investing Activities	(14,05,43,385)	(60,649,567)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from Issue of Shares	149,100,000	4,900,000
Proceed from Loan Fund	50,700,000	–
Net Cash from Financing Activities	199,800,000	4,900,000
D. Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	1,07,40,430	344,739
Opening Cash and Cash Equivalents	646,757	302,018
Closing Cash and Cash Equivalents	1,13,87,187	646,757

Note :

- 1 Figures in brackets denote cash outflow

For **R. Kothari & Company**
Chartered Accountants

CA K. C. Soni
(Partner)

Membership No: 57620

On behalf of the Board

Sunil Jha
(Director)

Rahul Varma
(Director)

Place : Kolkata
Date : 28th June, 2008

Schedules forming part of Balance Sheet as at 31st March, 2008

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule - 1		
Share Capital		
Authorised		
2,00,00,000 (P. Y.20,00,000) Equity Shares of Rs. 10/- each	200,000,000	20,000,000
	200,000,000	20,000,000
Issued, Subscribed & Paid up		
1,60,00,000 (P. Y. 10,90,000) Equity Shares of Rs. 10/- each fully paid up in cash [Out of above 1,59,99,300 (P.Y.5,39,300) Equity Shares held by its Holding Co. M/s Shristi Infrastructure Development Corporation Ltd.]	160,000,000	10,900,000
	160,000,000	10,900,000
Schedule - 2		
Term Loan from - HUDCO (Secured against Land at Rajarhat, Kolkata)	50,700,000	-
	50,700,000	-

Schedule - 3

FIXED ASSETS

(figures in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1.04.07	Additions / (Deductions) during the year	As at 31.03.08	As at 1.04.07	Depreciation during the year	As at 31.03.08	As at 31.03.08	As at 31.03.07
Computer	38,000	304,809	342,809	2,029	35,671	37,700	305,109	35,971
Furniture & Fixture	-	252,357	252,357	-	11,061	11,061	241,296	-
Office Equipment	-	50,589	50,589	-	2,137	2,137	48,452	-
Total	38,000	607,755	645,755	2,029	48,869	50,898	594,857	35,971
Previous Year	-	38,000	38,000	-	2,029	2,029	35,971	-

Schedules forming part of Balance Sheet as at 31st March, 2008

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule-4		
Capital Work In Progress		
As per last Balance Sheet	13,240,706	–
Architect & Professional Fees	2,400,000	12,678,616
Construction Cost	31,515,107	562,090
Finance Cost	12,096,810	–
	59,252,623	13,240,706
Schedule - 5		
Pre-operative Expenses (Pending Allocation)		
As per last Balance Sheet	7,214,871	2,845,133
Advertisement Charges	980,220	109,087
Auditor's Fees	28,090	16,545
Bank Charges	27,724	4,001
Boarding and Lodging	8,215	–
Books & Periodicals	128,296	43,332
Business Promotion Expenses	312,700	79,559
Conveyance & Travelling Expenses	2,202,440	1,299,743
Depreciation	48,869	2,029
Donation and Subscriptions	21,450	–
EDP Expenses	8,410	–
Electricity Expenses	27,462	–
Employees Cost	7,169,362	1,980,704
Entertainment Expenses	107,812	–
Establishment Expenses	42,918	–
Filing Fees	905,696	1,280
Foreign Exchange Fluctuation	2,500	–
Fringe Benefit Tax	134,990	69,089
General Expenses	86,806	44,095
Guest House Mess Expenses	50,496	–
Interest Other	828	–
Meeting Expenses	19,885	57,800
Membership Fees	79,567	34,970
Postage, Stamp & Courier Charges	20,425	–
Printing and Stationery	170,249	96,760
Professional & Consultancy Fees	2,292,417	424,042
Puja and Festival Expenses	670	–
Repairs & Maintenance	57,715	9,834
Security Charges	218,989	–
Service Charges	18,850	–
Staff Welfare	39,467	14,499
Telephone Expenses	353,293	82,369
	(B)	4,369,738
	(A+B)	7,214,871

Schedules forming part of Balance Sheet as at 31st March, 2008

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule - 6		
Cash & Bank Balances		
Cash in hand	219,541	112,764
Balance with Scheduled Banks in Current Account	11,167,646	533,993
	11,387,187	646,757
Schedule - 7		
Loans & Advances		
Advances recoverable in cash or kind or value to be recovered	2,211,201	3,990
Security Deposit -Land	120,000,000	45,000,000
Security Deposit -Electricity	30,000	—
Service Tax Recoverable	2,807,034	1,638,474
	125,048,235	46,642,464
Schedule - 8		
Current Liabilities & Provision		
Current Liabilities		
Sundry Creditors	5,636,781	353,228
Liabilities for Expenses	2,512,097	570,293
Provision for FBT	78,925	18,338
Retention & Holding Money	308,658	—
Bank overdraft due to reconciliation	48,973	52,760
Share Application Money	—	56,107,000
	8,585,434	57,101,619
Schedule - 9		
Miscellaneous Expenditure		
Preliminary Expenses (To the extent not written off or adjusted)	220,850	220,850
	220,850	220,850

SCHEDULES FORMING PART OF THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2008

Schedule - 10

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES :

1.1 Basis of Accounting

The Company prepares its financial statements in accordance with generally accepted accounting practices and also in accordance with requirements of Companies Act, 1956.

1.2 Revenue Recognition

The total expenditure incurred during the year has been transferred to Pre-operative Expenses. The Company follows mercantile method of accounting except for rates & taxes, which is provided on cash basis.

1.3 Fixed Assets

Fixed Assets as stated at cost less depreciation.

1.4 Depreciation

Depreciation is provided on written down value method as per Schedule XIV of the Companies Act, 1956.

1.5 Pre-operative Expenditure

Expenses incurred in the nature of administrative shown under pre-operative expenditure since the project is under process.

1.6 Borrowing costs

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

1.7 Retirement Benefits

Liability in respect of Gratuity and Leave Encashment is provided on payment basis.

1.8 Miscellaneous Expenditure

Miscellaneous Expenditure is carried forward, to be charged to revenue over five years starting from the year of commencement of commercial activity.

1.9 Contingent Liability

No provision is made for liabilities which are contingent in nature, unless it is probable that future events will confirm that an asset has been impaired or a liability incurred as at the balance sheet date and a reasonable estimate of the revenue loss can be made. However, all known material contingent liabilities are disclosed by way of separate note.

2. NOTES TO THE ACCOUNTS :

2.1 The Company is setting up a hotel at Rajarhat, Kolkata, West Bengal. No Profit & Loss Account has been prepared since the Company has not commenced revenue operations. The expenditure incurred during the construction period is treated as pre-operative expenditure (shown under schedule no. 5) pending capitalization and will be apportioned to the assets on the completion of the project.

2.2 The name of the Company has been changed from "Shristi Hotel Limited" to "Shristi Hotel Private Limited", w.e.f. 22.05.2008 as per fresh certificate received from Registrar of Companies, West Bengal.

- 2.3 Estimated amounts of contracts remaining to be executed on Capital Account and not provided for (net of advance) Rs. 425.13 lacs (P.Y. Rs. 332.50 lacs)
- 2.4 Contingent liabilities not provided for – NIL.
- 2.5 Liability of Gratuity and Leave Encashment has been determined on Actuarial valuation basis as per revised AS 15 issued ICAI is amounting Rs. 55,564/- and Rs. 70,558/- respectively. The same will be accounted for as and when paid.
- 2.6 Since the company is not having any timing difference and permanent difference as prescribed under Accounting Standard - 22 issued by ICAI hence provision of Deferred Tax is not required.
- 2.7 The Company has not started any commercial activities and no profit & loss account has been prepared, hence Earning Per Share as per AS - 20 issued by ICAI is not applicable.

2.8 Related Party Transactions

As per Accounting Standard - 18 issued by ICAI, the Company's related parties and transactions are discussed below.

a. List of related parties & relationships, where control exists:

- i. Holding company of Reporting Enterprise:**
Shristi Infrastructure Development Corporation Limited (SIDCL)

b. Related parties & relationship with whom transactions have taken place during the year;

- i. Key Management Personnel**
Sunil Jha - Director

a. Transactions with related parties

S. No.	Relationship	Nature of Receipt Amount	Current Year (Rs.)	Previous Year (Rs.)
1.	Holding Company	Interest free Loan	1,56,89,044/-	–
		Security Deposit against Lease hold land	12,00,00,000/-	4,50,00,000/-
		Total	1,56,89,044/-	4,50,00,000/-
		Nature of payment Amount		
		Interest free Loan	1,57,56,613/-	–
		Lease Rent	2,40,000/-	–
		Total	4,59,96,613/-	–

- 2.9 The Company has identified real estate construction as its sole operating segment and the same has been treated as the primary segment. As such no separate segment information has been provided as per AS 17 issued by ICAI.
- 2.10 Since the project is under progress, hence impairment of assets as required under A28 issued by ICAI is not considered.
- 2.11 In the opinion of the board, Current Assets and Loans & Advances have been shown at value that will be realized in the ordinary course of business at least equal to the amount at which they have been stated in the accounts.

-
- 2.12 The Company has not received intimation from vendors regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to their outstanding amount and interest have not been made.
- 2.13 Borrowing cost incurred upto commencement of commercial operation has been treated as capital work in progress.
- 2.14 Expenditure incurred in foreign currency for travelling Rs. 69,431/- (P.Y. Rs. 2,05,775/-)
- 2.15 During the year the company has taken Service Tax credit is amounting Rs. 28,07,012/- (including Rs. 15,46,002/- for 2006-07 and Rs. 92,472/- for 2005-06)
- 2.16 Current years figures have been regrouped and rearranged wherever necessary.
- 2.17 Additional information pursuant to Part IV of the Schedule VI to the Companies Act, 1956 is as per Annexure - A
- 2.18 Schedule 1 to 10 form an integral part of the Balance Sheet have been duly authenticated.

For **R. Kothari & Company**
Chartered Accountants

CA K. C. Soni
(Partner)
Membership No: 57620

On behalf of the Board

Sunil Jha
(Director)

Rahul Varma
(Director)

Place : Kolkata
Date : 28th June, 2008

PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (AS AMENDED)
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	98787	State Code	21
Balance Sheet Date	31.03.2008		

II. Capital raised during the year : (Amount in thousand Rs.)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	149,100

III. Position of mobilisation and deployment of funds : (Amount in thousand Rs.)

Total Liabilities	210,700	Total Assets	210,700
Sources of Funds			
Paid up Capital	160,000	Reserves & Surplus	NIL
Share Application	NIL	Unsecured Loans	NIL
		Secured Loans	50,700
Application of Funds			
Net Fixed Assets	595	Capital work in progress	59,253
Net Current Assets	127,850	Investments (Pre-op.Exp.)	22,782
		Miscellaneous Expenses	220

IV. Performance of the Company : (Amount in thousand Rs.)

Turnover	NIL	Total Expenditure	NIL
Profit before Tax	NIL	Profit after Tax	NIL
Earning per Share	NIL	Dividend	NIL

V. Generic names of the three principal products of the Company :

ITC Code	Not Applicable
Product Description	Development of hotels
As per our Reort of this date annexed	

For **R. Kothari & Company**
Chartered Accountants

CA K. C. Soni
(Partner)
Membership No: 57620

Place : Kolkata
Date : 28th June, 2008

On behalf of the Board

Sunil Jha (Director)	Rahul Varma (Director)
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DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the First Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2008.

FINANCIAL RESULTS

The company has not yet started its operation; as such no Profit & Loss Account has been prepared during the year under review. The Preoperative Expenses incurred by the Company during the year under review amounted to Rs. 1500/- (Rupees One thousand five hundred only).

PERFORMANCE

The Company is yet to start its business.

FIXED DEPOSIT

The Company has not accepted any fixed deposits u/s 58A of the Companies Act, 1956 during the year under review.

STATUTORY STATEMENT

Particulars of the Statement u/s 217 for the conservation of energy, technology absorption and foreign exchange earnings and outgo and remuneration of employees is annexed.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sunil Jha, Director of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer himself for reappointment.

None of the Directors of the Company is disqualified from being appointed as Directors pursuant to Section 274(1)(g) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies (Amendment) Act, 2000, the Board of Directors of the Company confirms that:

- a) In the Preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departures;
- b) The selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008.

- c) Proper and sufficient care has been taken 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 frauds and other irregularities.
- d) The Annual Accounts have been prepared on a going concern basis.

AUDITORS

M/s H. R. Agarwal & Associates, Chartered Accountants, retire as Auditors of your Company at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to the Bankers, State Government, various other agencies and the employees for their continued co-operation and support.

Place : Kolkata
Date : 25th June, 2008

For and on behalf of the board
Sunil Jha **Rahul Varma**
(Director) (Director)

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS OF STATEMENT U/S 217 FOR CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AND REMUNERATION OF EMPLOYEES:

As required u/s 217(1)(e) and 217(2A) of the Companies Act, 1956 the particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo and particulars of employees in respect of remuneration in terms of Section 217(2A) of the Companies Act, 1956, are as follows:

u/s 217(1)(e)

- A. Conservation of Energy : Not Applicable
- B. Technology Absorption
Research & Development(R&D) : Nil
- Technology absorption, adoption
and innovation : None
- C. Foreign Exchange Earnings : Nil
- D. Foreign Exchange Outgo : Nil

u/s 217(2A)

The Company does not have any employee coming under the purview of Section 217(2A) of the Companies Act, 1956

Place : Kolkata
Date : 25th June, 2008

For and on behalf of the board
Sunil Jha **Rahul Varma**
(Director) (Director)

AUDITOR'S REPORT

TO
THE MEMBERS
SHRISTI HOTELCITI PRIVATE LIMITED

We have audited the attached Balance Sheet of **M/s. SHRISTI HOTELCITI PRIVATE LIMITED** as at 31st March, 2008 and the Cash Flow Statement for the year ended as on that date annexed thereto, which we have signed under reference to this report. This financial statements is the responsibility of the management of the Company. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As per sub clause (iv) of clause 2 of paragraph 1 of the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, the order is not applicable to the company because it is a Private Limited Company with a paid up capital and reserves not more than Rupees Fifty Lakhs and does not have loan outstanding exceeding Rupees Twenty Five Lakhs from any bank or financial institution and does not have a turnover exceeding Rupees Five Crores at any point of time during the financial year. Therefore, this report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003 as amended subsequently.

Further to our comments in the Annexure referred to above, we report that :

1. 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.
2. 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.
3. The Balance Sheet and Cash Flow Statement referred to in this report is in agreement with the books of account.
4. In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from the directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act. 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - (b) In the Case of Cash Flow Statement of the Cash Flows for the year ended on that date.

For **H. R. Agarwal & Associates**
Chartered Accountants
CA Hariram Agarwal
(Partner)
Membership No. : 057625

Place : Kolkata
Date : 25th June, 2008

Balance Sheet as at 31st March, 2008

Particulars	Schedule	As at 31st March, 2008 (Rs.)
Sources of Funds		
Shareholders' Fund		
Share Capital	1	100,000
Loan Funds		
Unsecured Loan	2	42,216
		142,216
Application of Funds		
Current Assets, Loan & Advances		
Cash & Bank Balances	3	100,000
Less: Current Liabilities & Provisions		
Current Liabilities	4	1,500
Net Current Assets		98,500
Miscellaneous Expenditure (to the extent not written off)		
Preliminary Expenses	5	42,216
Preoperative Expenses	6	1,500
		142,216

Accounting Policies and Notes on Accounts

7

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For **H. R. Agarwal & Associates**

Chartered Accountants

CA Hariram Agarwal

(Partner)

Membership No. 057625

On behalf of the Board

Sunil Jha

(Director)

Rahul Varma

(Director)

Place : Kolkata

Date : 25th June, 2008

Cash Flow Statement Annexed to the Balance Sheet for the period from 12.02.2007 to 31.03.2008

Particulars	Period ended 31st March, 2008 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit/(Loss) before Taxation and Extraordinary Items	–
Adjustments for Profit & Loss Account	–
Increase / (Decrease) in depreciation	–
Operating Profit Before Working Capital charges	–
Adjustments for:	
Increase / (Decrease) in Trade Receivable	–
Increase / (Decrease) in Trade Payable	1,500
Net Cash from Operating Activities	1,500
B. CASH OUTFLOW	
Preliminary Expenses	(42,216)
Pre-operative Expenses	(1,500)
	(43,716)
C. CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of Shares	100,000
Increase / (Decrease) in Loans & Advances	42,216
	142,216
D. Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	
	100,000
Opening Cash and Cash Equivalents	–
Closing Cash and Cash Equivalents	100,000
Note:	
1 Figures in brackets denote cash outflow	

As per our report of even date attached

For **H. R. Agarwal & Associates**

Chartered Accountants

CA Hariram Agarwal

(Partner)

Membership No. 057625

On behalf of the Board

Sunil Jha

(Director)

Rahul Varma

(Director)

Place : Kolkata

Date : 25th June, 2008

Schedules forming part of Balance Sheet as at 31st March, 2008

Particulars	As at 31st March, 2008 (Rs.)
Schedule - 1	
Share Capital	
Authorised	
1,00,000 Equity Shares of Rs.10/- each	1,00,000
Issued, Subscribed & Paid up	
10,000 Equity Shares of Rs.10/- each fully paid up in cash	100,000
	100,000
Schedule -2	
Loan Funds	
Unsecured Short Term Loan	42,216
(From its holding Company M/s Shristi Infrastructure Development Corporation Limited)	
	42,216
Schedule - 3	
Cash & Bank Balances	
Cash in hand	2,000
Cheque in hand	98,000
	100,000
Schedule 4	
Current Liabilities	
Sundry Creditors for Expenses	1,500
	1,500
Schedule 5	
Preliminary Expenses	
Preliminary Expenses	42,216
	42,216
Schedule 6	
Preoperative Expenses	
Audit Fees	1,500
	1,500

SCHEDULES FORMING PART OF THE STATEMENT OF ACCOUNTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2008

Schedule - 7:

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of Accounting

The Company prepares its financial statements in accordance with generally accepted accounting practices and also in accordance with requirements of Companies Act, 1956.

1.2 Revenue Recognition

All expenses incurred up to the date of commercial operation are recognized as pre-operative Expenses.

1.3 Miscellaneous Expenditure

Miscellaneous Expenditure to the extent not written off is carried forward to be charged to revenue over five years starting from the year of commencement of commercial activity.

1.4 Contingent Liability

No provision is made for liabilities which are contingent in nature, unless it is probable that future events will confirm that an asset has been impaired or a liability incurred as at the balance sheet date and a reasonable estimate of the revenue loss can be made. However, all known material contingent liabilities are disclosed by way of separate note.

2. NOTES TO THE ACCOUNTS:

2.1 No Profit & Loss Account have been prepared as the company is yet to commence the commercial operations.

2.2 The Company has not paid any Managerial remuneration of any kind to the Directors for the period.

2.3 Bank balance as on Balance Sheet date represents cheque in hand of Rs.98,000/-.

2.4 Contingent liabilities not provided for – NIL.

2.5 Related Party Transactions

As per the Accounting Standard – 18, issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are discussed below:

a. List of related parties & relationships, where control exists:

Holding Company of Reporting Enterprise

Shristi Infrastructure Development Corporation Limited (SIDCL)

b. Related parties & relationships with whom transactions have taken place during the period:

i. Key Management Personnel

Mr. Sunil Jha: Director

Mr. Rahul Verma: Director

c. Transactions with Related Parties:

S. No.	Relationship	Nature of Expense Amount	Current Year (Rs.)
1.	Holding Company	Temporary Advance taken (interest free)	42,216/-
		Share Capital (subscriber to Memorandum)	98,000/-
		Closing balance	1,40,216/-

- 2.6 The Company has identified real estate construction as its sole operating segment and the same has been treated as the primary segment. As such no separate segment information has been provided.
- 2.7 Since the company is not having any timing difference and permanent difference as prescribed under Accounting Standard – 22 issued by the ICAI hence, provision of Deferred Tax is not required.
- 2.8 This being the first year of the Company since the date of incorporation, i.e., 12th day of February 2007, hence figure for previous year is not given.
- 2.9 Additional information pursuant to Part IV of the Schedule VI to the Companies Act, 1956 is as per Annexure – A.

As per our report of even date attached

For **H. R. Agarwal & Associates**

Chartered Accountants

CA Hariram Agarwal

(Partner)

Membership No. 057625

On behalf of the Board

Sunil Jha

(Director)

Rahul Varma

(Director)

Place : Kolkata

Date : 25th June, 2008

PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (AS AMENDED)
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details			
Registration No.	113303	State Code	21
Balance Sheet Date	31.03.2008		
II. Capital raised during the year : (Amount in thousand Rs.)			
Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
III. Position of mobilisation and deployment of funds : (Amount in thousand Rs.)			
Total Liabilities	142	Total Assets	142
Sources of Funds			
Paid up Capital	100	Reserves & Surplus	NIL
Share Application	NIL	Unsecured Loans	42
Application of Funds			
Net Fixed Assets	NIL	Investments (Pre-op.Exp.)	NIL
Net Current Assets	98	Miscellaneous Expenses	44
IV. Performance of the Company : (Amount in thousand Rs.)			
Turnover	NIL	Total Expenditure	NIL
Profit before Tax	NIL	Profit after Tax	NIL
Earning per Share	NIL	Dividend	NIL
V. Generic names of the three principal products of the Company :			
ITC Code	:	Not Applicable	
Product Description	:	Development of Hotels	

As per our report of even date attached

For **H. R. Agarwal & Associates**

Chartered Accountants

CA Hariram Agarwal

(Partner)

Membership No. 057625

On behalf of the Board

Sunil Jha

(Director)

Rahul Varma

(Director)

Place : Kolkata

Date : 25th June, 2008

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the First Annual Report and Audited Accounts for the financial year ended 31st March, 2008.

PERFORMANCE & OPERATIONS

The Company was incorporated on 2nd February, 2007 and accordingly, financial accounts are drawn for the duration starting from 2nd February, 2007 till 31st March, 2008. No Profit & Loss Account has been prepared since the Company has not commenced commercial operations. However, the Company has incurred a sum of Rs. 1,26,54,544/- as Pre-operative expenses.

The Company has been working on a Hotel-Mall-Multiplex project at Udaipur, Rajasthan which is progressing satisfactorily.

YEAR IN RETROSPECT

As the Company has not commenced any commercial operation till 31st March, 2008, it has not been able to earn any profits. However, your Directors are hopeful that after successful completion of its projects in the coming years, the prospect of Company's earning and profitability is going to be one of the best in the industry.

DIVIDEND

The Company being in the initial years of its existence, no dividend is recommended by the management of your Company.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public under Section 58A of the Companies Act, 1956.

MATERIAL CHANGES SINCE THE CONCLUSION OF THE FINANCIAL YEAR

The Company increased its Paid-Up Share Capital from Rs. 2,01,00,000/- (Rupees Two Crore One Lac only) divided into 20,10,000 (Twenty Lac Ten Thousand) Equity Shares of Rs. 10/- each to Rs. 3,82,78,000/- (Rupees Three Crore Eighty Two Lac and Seventy Eight Thousand only) divided into 38,27,800 (Thirty Eight Lac Twenty Seven Thousand Eight Hundred) Equity Shares of Rs. 10/- each.

DIRECTORS

During the year under review, Mr. Atul Bhalla was appointed as Additional Director of the Company under Section 260 of the Companies Act, 1956. A notice under Section 257 of the Companies Act, 1956 was also received by the Company from Mr. Atul Bhalla signifying his candidature for the office of Director. His appointment as a Director was made in the Board Meeting held on 8th August, 2007 and the appointment was confirmed in the next Extra-Ordinary General Meeting.

During the year under review, Mr. Sujit Kanoria was appointed as Additional Director of the Company under Section 260 of the Companies Act, 1956 who shall hold office upto the date of 1st Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 was also received by the Company from Mr. Sujit Kanoria signifying his candidature for the office of Director at the forthcoming Annual General Meeting.

During the year under review, Mr. Ashok Jain resigned from directorship due to certain pre-occupation.

AUDITORS

The Statutory Auditors of the Company, M/s S.S. Kothari Mehta & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. A certificate has been received from them confirming therein that their appointment, if made, will be within the limits prescribed under 224(1B) of the Companies Act, 1956.

Your Directors recommend their re-appointment as Statutory Auditors.

AUDITORS' REPORT

The Auditors' observation being self-explanatory have been duly explained in the notes to accounts.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of your Company, to the best of their knowledge and belief, confirm the following :

- i) That, the applicable Accounting Standards, as issued by the Institute of Chartered Accountants of India, have been followed in the preparation of the Annual Accounts for the year ended on 31st March, 2008
- ii) That the accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2008.
- iii) That proper and sufficient care has been taken 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.
- iv) That the Annual Accounts of the Company for the year ended 31st March, 2008 have been prepared on a going concern basis.

HUMAN RESOURCE

Your Company places great importance on development of its human resources for their evolution. Special developmental efforts have been initiated to sharpen the knowledge / skills and customer focus of its committed team of employees at all levels.

Besides, your Company is committed to facilitate the development of a vibrant and proactive work environment where individual needs and aspirations are not only met but exceed beyond that. Your Company's core strength as emerged, is innovation by human resource in the competitive market.

PARTICULARS OF EMPLOYEES

There was no employee in the Company, in receipt of remuneration in excess of the amount prescribed under Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1988 as amended.

PARTICULARS OF CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO :

The Company has no activity relating to conservation of energy and technology absorption during the year under review.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to the Bankers, various agencies / Departments of Government and the employees for their continued co-operation and support.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 26th June, 2008

SUJIT KANORIA
(Director)

R. L. BATT
(Director)

AUDITORS' REPORT

To,
The Members,
Shristi Udaipur Hotels & Resorts Pvt. Ltd.

1. We have audited the attached Balance Sheet of Shristi Udaipur Hotels & Resorts Pvt. Ltd. ('the Company') as at 31st March, 2008, and the Cash Flow Statement for the year ended as on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. No Profit and Loss Account has been prepared since the Company is yet to commence its commercial operations and necessary details as per part II of Schedule VI of Companies Act, 1956 have been disclosed in Schedule -3 of the Balance Sheet as "Preoperative Expenses".
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 {as amended by the Companies (Auditors Report) (Amendment) Order, 2004} {hereinafter referred to as 'Order'} issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
 - (v) On the basis of written representation received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - (b) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
YOGESH K. GUPTA
(Partner)
Membership No.93214

Place : New Delhi
Date : 26th June, 2008

ANNEXURE TO THE AUDITORS' REPORT

(As referred in paragraph 3 of our report to the Members of Shristi Udaipur Hotels & Resorts Pvt. Ltd. on the accounts for the year ended 31st March, 2008)

- (i) The Company is not carrying any fixed assets as on the date of Balance Sheet. Consequently, the provisions of clause 4(i) (a), (b) and (c) of the Order are not applicable to the Company.
- (ii) The Company does not hold any inventory. Hence, the provisions of clause 4(ii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iii) (a) As per the information and explanations provided to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act 1956, therefore provisions of Clause 4(iii) (a), (b), (c) & (d) of the Order are not applicable to the Company.
(b) The Company has taken an unsecured loan from one of the companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.142.22 lacs & the year-end balance from such party was Rs.NIL.
(c) According to the information and explanations given to us, loan was given interest free and other terms and conditions of the aforesaid unsecured loan taken by the Company are not, prima facie, prejudicial to the interest of the Company.
(d) The loan was paid by the Company. Hence, the provisions of Clause 4(iii) (g) of the Order are not applicable to the Company.
- (iv) The Company has neither purchased any inventory nor fixed asset during the year under report. Consequently, clause 4(iv) of the Order is not applicable to the Company.
- (v) (a) As per information and explanations given to us by the management, we are of the opinion that all the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 and needed to be entered in to the register maintained under that section have been so entered.
(b) According to the information and explanations given to us, no transactions have been made in pursuance of aforesaid contracts or arrangements and exceeding the value of Rs. five lakhs.
- (vi) The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the Company has an in house departmental internal audit system commensurate with the size and nature of its business and activities.
- (viii) As the Company is not engaged in manufacturing activities, the question of the Central Government prescribing maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 does not arise, and accordingly, Clause 4(viii) of the Order requiring to comment thereon is not applicable.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March, 2008 for a period of more than six months from the date they become payable.
(c) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.

-
- (x) The Company has not completed 5 years from its incorporation as it was incorporated on 2nd February 2007, therefore, the provisions of clause 4(x) of the order are not applicable to the Company.
 - (xi) The Company has not availed any loan from any financial institution or bank. Further, the Company has not issued any debentures during the year under report.
 - (xii) In our opinion and according to the information & explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - (xiii) The Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
 - (xiv) The Company has not dealt or traded in shares, securities and other investments, therefore provisions of Clause 4(xiv) of the Order are not applicable to the Company.
 - (xv) As per the information and explanations given to us, during the year the Company has not given any guarantee for loans taken by others from banks or financial institutions.
 - (xvi) The Company has not taken any term loan, therefore provisions of Clause 4 (xvi) of the Order are not applicable to the Company.
 - (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
 - (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
 - (xix) As per the information and explanations given to us the Company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
 - (xx) The Company has not raised any money by means of public issue.
 - (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place : New Delhi
Date : 26th June, 2008

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
YOGESH K. GUPTA
(Partner)
Membership No.93214

Balance Sheet as at 31st March, 2008

	Schedule	As at 31st March, 2008		
		(Rs.)	(Rs.)	(Rs.)
Sources of Funds				
Shareholders' Fund				
Share Capital	1		20,100,000	
Share Application Money (Pending Allotment)			18,178,000	38,278,000
				38,278,000
Application of Funds				
Fixed Assets				
Capital Work in Progress including Capital Advances	2			22,956,087
Preoperative Expenses (pending capitalization/allocation)	3			12,654,544
Current Assets, Loans & Advances				
Cash & Bank Balances	4	768,244		
Loans & Advances	5	6,634,771		
Other Current Assets	6	4,968	7,407,983	
Less : Current Liabilities & Provisions	7			
Current Liabilities		4,677,952		
Provisions		103,622	4,781,574	
Net Current Assets				2,626,409
Miscellaneous Expenditure (to the extent not written off or adjusted)				
Preliminary Expenses				40960
				38,278,000

Significant Accounting Policies and
Practices & Notes to Accounts

8

The schedules referred to above and notes to accounts form an integral part of the Accounts.

As per our report of even date attached

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

Yogesh K. Gupta

(Partner)

Membership No.93214

On behalf of the Board

SUJIT KANORIA

(Director)

R. L. BATTA

(Director)

Place : New Delhi

Date : 26th June, 2008

Cash Flow Statement for the Period 02.02.2007 to 31.03.2008

Particulars	For the period ended 31st March, 2008 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit/(Loss) Before Taxation and Extraordinary Items	–
Adjustments for:	–
Interest Income	–
Operating Profit Before Working Capital Changes	–
Adjustments for:	
(Increase) / Decrease in Trade Receivable	(6,634,771)
Increase / (Decrease) in Trade Payable	4,741,952
Preliminary Expenses	(40,960)
	(1,933,779)
Fringe Benefit Tax Paid	(126,297)
Net Cash From Operating Activities	(2,060,076)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Capital Work in Progress	(22,956,087)
Pre-operative Expenses	(12,493,593)
	(35,449,680)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceed from Issue of Shares	20,100,000
Temporary Advance Received	14,221,297
Temporary Advance Refunded Back	(4,321,297)
Share Application Money	8,278,000
	38,278,000
D. Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	768,244
Opening Cash and Cash Equivalents	–
Closing Cash and Cash Equivalents	768,244

Note :

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on cash flow statement issued by ICAI

2 Figures in brackets denote cash outflow

As per our report of even date attached

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

Yogesh K. Gupta

(Partner)

Membership No.93214

On behalf of the Board

SUJIT KANORIA

(Director)

R. L. BATTÀ

(Director)

Place : New Delhi

Date : 26th June, 2008

Schedules forming part of the Balance Sheet as at 31st March, 2008

Particulars	As at 31st March, 2008 (Rs.)
Schedule - 1	
Share Capital	
Authorized	
5,000,000 Equity Shares of Rs.10/- each	50,000,000
Issued, Subscribed & Paid up	
2,010,000 Equity Shares of Rs.10/- each fully paid up (All the shares are held by the holding Company Shristi Urban Infrastructure Development Ltd.)	20,100,000
	20,100,000
Schedule-2	
Capital Work in Progress	
Sub-lease Hold Land:	
-Land Conversion / Regularisation Charges	7,419,015
-Sub Lease Deed Registration Fee	25,360
-Stamp Duty	6,812,900
Building:	
- Architecture Fee & Project Consultancy	2,846,903
- Plan Approval Charges	5,851,909
	22,956,087
Schedule-3	
Preoperative Expenses	
(pending capitalization/allocation)	
Payment to Provisions for Employees	
-Salary & Allowances	3,781,141
- Leave Encashment	27,000
- Gratuity	37,000
- Staff Welfare	378,729
Travelling & Conveyance Expenses	2,785,178
Sub-lease Rental	776,452
Consultancy & Professional Charges	2,673,009
Payment to Auditors :	
-Statutory Audit Fee	28,090
-Certification Fee	2,809
Security Charges	231,922
Loan Processing Fee	561,200
Fees & Subscription	339,887
Printing & Stationery	89,392
Office Rent	240,000
Books & Periodicals	51,080
Repair & Maintenance Expenses Others	27,459
Telephone Expenses, Postage & Courier Charges	89,100
Bank Charges	22,976
Miscellaneous Expenses	351,169
Less:	
Interest Accrued on Fixed Deposits	(4,968)
Add :	
Provision for Taxation:	
Current	-
Deferred	-
Fringe Benefit Tax	165,919
	12,654,544

Schedules forming part of the Balance Sheet as at 31st March, 2008

Particulars	As at 31st March, 2008 (Rs.)
Schedule - 4	
Cash & Bank Balances	
Cash in hand	5,689
Balance in Scheduled Bank in current account	462,555
Fixed Deposit*	300,000
*Deposited as security with Urban Improvement Trust, Udaipur.	
	768,244
Schedule - 5	
Loans & Advances	
(Unsecured, Considered Good)	
Advance recoverable in cash or in kind or for value to be received	1,634,771
Security Deposits	5,000,000
	6,634,771
Schedule - 6	
Other Current Assets	
Interest accrued but not due	4,968
	4,968
Schedule 7	
Current Liabilities & Provisions	
Current Liabilities	
Sundry Creditors:	
- Micro, Small and Medium Enterprises suppliers	-
- Others	1,640,383
Payable to Holding Company	469,032
Deposits - Others	2,496,850
Other Liabilities	71,687
	4,677,952
Provisions	
Provision for Fringe Benefit Tax (Net of Advance Tax of FBT Rs.126,297/-)	39,622
Provision for Leave Encashment	27,000
Provision for Gratuity	37,000
	103,622

Schedule 8**Significant Accounting Policies & Practices and Notes to Accounts for the period ended 31st March, 2008****A. BACKGROUND AND NATURE OF OPERATION**

The Company was incorporated on 2nd February, 2007 as promoted by Shristi Urban Infrastructure Development Ltd. to carry on the business of hotels, motels, resorts, restaurants, shopping complex, commercial complex, multiplex etc. and related activities.

B. SIGNIFICANT ACCOUNTING POLICIES & PRACTICES**1. ACCOUNTING CONVENTIONS**

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 1956 and in compliance with the applicable accounting standards referred to in sub-section (3C) of the section 211 of the said Act.

2. USE OF ESTIMATES

The presentations of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. FIXED ASSETS

- a. Fixed Assets are stated at cost of acquisition/ purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, interest etc. up to the date the asset is ready for its intended use.
- b. Capital Work in Progress (CWIP) is carried at cost, comprising direct cost and related incidental expenses and interest on borrowings to the extent attributed to them including capital advances.
- c. Pre-operative expenses shall be allocated to fixed assets on the completion of construction, pending which the accumulated amount is disclosed as "Pre-operative Expenses" under fixed asset.

4. MISCELLANEOUS EXPENDITURE

Preliminary Expenses shall be written off in the year, the company commences the commercial Operations.

5. EMPLOYEE BENEFITS

Gratuity and Leave Encashment are provided for on accrual basis computed as per Actuarial Valuation made at the end of each financial year in accordance with AS-15 (Revised).

6. LEASES

Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

7. TAXATION**a. Current Tax**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of Income Tax Act, 1961.

b. Deferred Tax

- i) Deferred Tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years timing differences.
- ii) Deferred Tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

c. Fringe Benefit Tax

Fringe Benefit Tax is provided on the aggregate amount of fringe benefits determined in accordance with the provisions of Income tax Act, 1961.

8. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

C. NOTES TO THE ACCOUNTS

- 1. The company was incorporated on 2nd February, 2007. Accordingly accounts are drawn up from 2nd February 2007 to 31st March 2008. No Profit & Loss A/c has been prepared since the company has not commenced commercial operations. This being the first year of accounts hence previous year figures do not arise.
- 2. **Capital Commitment**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance, if any) -Rs.NIL
- 3. **Contingent Liabilities**
Claims against the Company not acknowledged as debt - Rs. NIL.
- 4. Information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- 5. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.
- 6. During the year, an amount of Rs.2,08,47,735/- incurred by Holding Company - Shristi Urban Infrastructure Development Limited has been transferred to the Company as follows:

Particulars	Amount (Rs.)
Land Conversion / Regularization Charges	74,19,015
Loan Processing Fee	5,61,200
Security Charges	1,61,470
Loans & Advances	56,33,889
Staff Cost	26,78,800
Advertisement	8,352
Miscellaneous Expenses	54,597
Printing & Stationery	58,217
Business Promotion	9,702
Telephone Expenses	34,556
Preliminary Expenses	40,960
ROC Fees	3,30,000
Consultancy & Professional Expenses	41,23,954
Travelling & Conveyance	16,61,471
Bank Charges	3,372
Security Deposit with UTI	1,12,380
Total Amount Incurred	<u>2,28,91,935</u>
Less: Deposit - Others	20,44,200
Net Amount transferred	<u>2,08,47,735</u>
7. Directors Remuneration	
Salary (Including allowances and perquisites)#	2,15,948
Total	<u>2,15,948</u>

* from 1st September 2007 to 22nd February 2008

Excluding contribution towards retirement benefits.

8. Operating Lease

The company has taken office space on cancelable operating lease. Lease Payments of Rs.2,40,000/- are being included in Preoperative Expenses.

9. Employee Benefits

As required by the Accounting standard on "Employee Benefits" (AS-15) (Revised 2005), the following disclosures are made:

a) Expenses recognized for the year ended 31st March, 2008 :

Particulars	Gratuity Rs.	Earned leave Rs.
- Current service cost	37,000	3,000
- Interest cost	1,000	1,000
- Expected return on plan assets	—	—
- Curtailment cost/(credit)	—	—
- Settlement cost/(credit)	—	—
- Past Service Cost	—	—
- Actuarial (gain)/loss on obligation	(1,000)	23,000
Total	37,000	27,000

Principal Actuarial Assumption	Gratuity	Earned leave
- Discount rate (based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities)	7.5%	7.5%
- Salary increase (Taking into account inflation, seniority, promotion and other relevant factors)	5%	5%
- Expected rate of return on assets	0%	0%
- Expected Average remaining working lives of employees (years)	19.88	19.88

b) Net Asset/ (Liability) recognized in the Balance Sheet as at 31st March, 2008 :

Particulars	Gratuity Rs.	Earned leave Rs.
- Present value of Defined Benefit Obligation	37,000	27,000
- Fair value of plan assets	—	—
- Funded status [Surplus/(Deficit)]	(37,000)	(27,000)
- Unrecognized Past Service Costs	—	—
- Estimated Net asset/(liability) recognized in balance sheet	(37,000)	(27,000)

c) **Change in the obligation for the year ended 31st March, 2008 :**

Particulars	Gratuity Rs.	Earned leave Rs.
- Present value of Defined Benefit Obligation as at the beginning of the period (02.02.2007)	N.A.	N.A.
- Interest cost	1,000	1,000
- Past service cost	-	-
- Current service cost	37,000	3,000
- Curtailment cost/(Credit)	-	-
- Settlement cost/(Credit)	-	-
- Benefits paid	-	-
- Actuarial (gain)/loss on obligation	(1,000)	23,000
- Present value of Defined Benefit Obligation as at the end of the year (31.03.2008)	37,000	27,000

10. **Related Party Transactions:**

As per Accounting Standard 18, the companys related parties transactions are disclosed below:

a. **List of Related parties & relationships where control exists:**

- (1) Holding Company
Shristi Urban Infrastructure Development Limited (since incorporation)
- (2) Ultimate Holding Company
Shristi Infrastructure Development Corporation Limited (SIDCL) (since incorporation)

b. **Related party & relationship with whom transactions have taken place during the year**

- (1) Investing party of the Holding Company of the reporting enterprise
Housing & Urban Development Corporation Limited (since incorporation)
- (2) Key Management Personnel
Mr. Aneet Mehrotra (Director) (1st September 2007 to 22nd February 2008)

c. Transaction with Related Parties

S. No.	Name of the Party	Relationship	Nature of Expenses	Amount (Rs)
1	Shristi Urban Infrastructure Development Ltd.	Holding Company	(a) Transfer of : i. Amount incurred for Udaipur project ii. Security Deposits (b) Subscription in Equity(converted from amount payable) (c) Temporary advance taken (Interest Free) and: -Refunded back -Converted in Share Application Money Closing Balance: Investment in Equity Share Application Money Amount Payable	(2,28,91,935) 20,44,200/- 2,01,00,000/- 43,21,297/- 99,00,000/- 2,01,00,000/- 99,00,000/- 4,69,032/-
2.	Shristi Infrastructure Development Corporation Ltd.	Ultimate Holding Company	Share Application Money Reimbursement of Expenses Closing Balance: Share Application Money	82,78,000/- 27,542/- 82,78,000/-
3.	Housing & Urban Development Corporation Limited	Investing Party	Project Application Fee	5,61,200/-
4.	Mr. Aneet Mehrotra	Director	Director Remuneration	2,15,948/-

11. Earning per Share

In view of no profit & loss statement for the period the calculation of EPS is not applicable.

12. In Accordance with Accounting Standard 22 " Accounting for Taxes on Income" , issued by the Institute of Chartered Accountants of India, the company has not recognized the deferred tax assets in its books in the absence of reasonable certainty.

13. Additional information pursuant to the provisions of paras 3, 4 C and 4 D of Part II of Schedule VI to the companies Act, 1956 (to the extent applicable):

Particulars	Current Period (Rs.)
Expenditure in foreign currency (on accrual Basis):	
i. Travelling Expenses	56,100/-
ii. Consultancy	13,09,403/-

Signatories to Schedules "1 to 8"

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

Yogesh K. Gupta

(Partner)

Membership No.93214

On behalf of the Board

SUJIT KANORIA

(Director)

R. L. BATT

(Director)

Place : New Delhi

Date : 26th June, 2008

PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (AS AMENDED)**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration details**

Registration No.	U55101WB2007PTC112974	State Code	21
Balance Sheet Date	31/3/2008		

II. Capital raised during the year : (Amount in thousand Rs.)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Issue	20100

III. Position of Mobilisation and deployment of Funds : (Amount in thousand Rs.)

Total Liabilities	38,278	Total Assets	38,278
Sources of Funds			
Paid up Capital	20100	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Share Application Money	18,178		
Application of Funds			
Net Fixed Assets	35611	Investments	NIL
Net Current Assets	2,626	Miscellaneous Expenses	41

IV. Performance of the Company : (Amount in thousand Rs.)

Turnover	NIL	Total Expenditure	NIL
Profit before Tax	NIL	Profit after Tax	NIL
Earning per Share	NIL	Dividend	NIL

V. Generic names of the three principal products of the Company

ITC Code	N.A
Product Description	Hospitality Activities

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

Yogesh K. Gupta

(Partner)

Membership No.93214

On behalf of the Board

SUJIT KANORIA

(Director)

R. L. BATTA

(Director)

Place : New Delhi

Date : 26th June, 2008

Auditor's Report

Consolidated Financial Statements

TO THE BOARD OF DIRECTORS SHRISTI INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

We have audited the attached Consolidated Balance Sheet of Shristi Infrastructure Development Corporation Limited, its subsidiaries and its interests in joint ventures and associate company as at 31st March, 2008, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Subsidiary Companies

We did not audit the financial statements of subsidiary companies whose financial statements reflect total Net Assets of Rs 2,631 lacs as at 31st March, 2008 and total revenues of Rs 187 lacs for the year ended and cash Inflows amounting to Rs 77 lacs. These financial statements have been audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

Joint Ventures

We did not audit the financial statements of a joint venture Bengal Shristi Infrastructure Development Ltd., based on which the Company's share of Net Assets as on 31st March, 2008 works out Rs1,331 lacs and share of revenue Rs 837 lacs for the year ended 31st March 2008. These financial statements have been audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the joint venture, based solely on the report of the other auditors.

We did not audit the financials statements of remaining joint ventures, based on which the Company's share of Net Assets as on 31st march, 2008 works out Rs 23 lacs and share of revenue Rs. 2 lacs for the year ended. The audited financial statements as reviewed by the management, have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the joint ventures, based solely on the report of the managements.

Associate Company

We did not audit the financials statements of Domina Hotels Pvt Ltd as at 31st March, 2008 in which no profit and loss has been prepared as the company is yet to commence the commercial operations. The financial statements have been audited by the other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the associate company, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures, issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company, its subsidiaries and its interests in joint ventures and associate company as at 31st March, 2008.
- b) in the case of the Consolidated Profit and Loss Account, of the consolidated profits of the Company, its subsidiaries and its interests in joint ventures and associate company for the ended on that date, and
- c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries, its interests in joint ventures and associate company for the year ended on that date.

Place : Kolkata
Date : 30th June, 2008

S. S. KOTHARI & CO.
Chartered Accountants
A. DATTA
(Partner)
Membership No. 05634

CONSOLIDATED BALANCE SHEET AS AT 31st March, 2008

Particulars	Schedule	Consolidated As at 31st March, 2008 (Rs.)	Consolidated As at 31st March, 2007 (Rs.)
I SOURCES OF FUNDS :			
Shareholders' Funds			
Share Capital	1	222,000,000	222,000,000
Reserves and Surplus	2	70,543,694	30,412,492
Minority Interest		20,732,871	20,442,865
Loan Funds	3	676,667,693	882,360,526
		989,944,258	1,155,215,883
II APPLICATION OF FUNDS :			
Goodwill	4	80,000,000	100,000,000
Fixed Assets	5		
Gross Block		46,043,892	44,114,373
Less : Depreciation		20,807,226	21,132,862
Net Block		25,236,666	22,981,511
Capital Work-in-progress		89,867,249	8,129,692
Pre Operative Expenses		45,648,638	9,769,209
Development Rights	6	19,992,242	22,199,993
Deferred Tax Assets		199,009	127,001
Investments	7	30,571,378	42,443,593
Current Assets, Loans and Advances			
Inventories	8	193,912,876	120,438,363
Sundry Debtors	9	291,380,074	412,097,836
Cash and Bank Balances	10	38,983,758	52,321,158
Other Current Assets	11	1,571,862	302,165
Loans and Advances	12	643,562,123	593,426,174
		1,169,410,693	1,178,585,696
Less : Current Liabilities and Provisions	13	471,787,266	229,688,168
Net Current Assets		697,623,427	948,897,528
Miscellaneous Expenditure (To the extent not written off or adjusted)	14	805,649	667,356
		989,944,258	1,155,215,883

Significant Accounting Policies and Notes on Accounts 25
As per our report of even date

Place : Kolkata
Date : 30th June, 2008

For **S. S. KOTHARI & CO.**
Chartered Accountants
A. DATTA
(Partner)
Membership No. 05634

On behalf of the Board
Sanjay Garodia (Chief Financial Officer)
Dipak Kumar Banerjee (Chairman)
Saptarshi Ganguly (Company Secretary)
Sujit Kanoria (Managing Director)

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2008

Particulars	Schedules	For the year ended 31st March, 2008 Rs.	For the year ended 31st March, 2007 Rs.
Income			
Contract Income	16	856,271,071	813,167,179
Operating Income	17	95,236,111	76,584,429
Other Income	18	17,779,560	6,855,556
Profit on Sale of Investments		–	94,500
Increase/(Decrease) in Work in Progress	19	78,304,583	(27,074,259)
		1,047,591,324	869,627,405
Expenditure			
Construction Expenses	20	737,212,037	672,700,059
Personnel Expenses	21	41,498,104	43,289,244
Administrative, Selling and Other Expenses	22	75,393,429	62,725,132
Finance Cost	23	83,134,248	50,941,182
Interest on Deposits		–	9,849
Loss on Sale of Investments		–	473,910
Loans and Advances written off		5,415,747	2,019,918
Depreciation / Amortisation	24	5,609,958	11,753,706
Provisions for Contingencies and Doubtful Advances		–	(245,940)
Provision for Diminution in value of Investments		–	(357,093)
		948,263,523	843,309,967
Profit / (Loss) Before Tax		99,327,801	26,317,438
Less : Goodwill Written off		20,000,000	–
- Provision for Taxation		11,536,647	2,788,848
- Fringe Benefit Tax		1,258,507	1,121,094
- Deferred Tax		(18,560)	(89,221)
- Earlier year		94,610	–
Profit / (Loss) after Tax		66,456,597	22,496,717
Adjustment relating to earlier years		–	(17,904)
Transfer to General Reserve		(3,800,000)	(497,837)
Proposed Dividend		(22,200,000)	(2,969,400)
Provision for Dividend Tax		(3,772,890)	(504,650)
Balance carried forward to Schedule 15		36,683,707	18,506,926
Basic and Diluted Earnings Per Share of face value of Rs.10/- each (in Rupees)		2.99	1.01

Significant Accounting Policies and Notes on Accounts
As per our report of even date

25

For **S. S. KOTHARI & CO.**
Chartered Accountants
A. DATTA
(Partner)
Membership No. 05634

Place : Kolkata
Date : 30th June, 2008

On behalf of the Board
Sanjay Garodia **Dipak Kumar Banerjee**
(Chief Financial Officer) (Chairman)
Saptarshi Ganguly **Sujit Kanoria**
(Company Secretary) (Managing Director)

Consolidated Cash Flow Statement For the year ended 31st March, 2008

Particulars	2007 - 08		2006 - 07	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items		99,327,833		26,317,438
Adjusted for:				
Depreciation and Amortisation	5,637,312		11,753,706	
Miscellaneous Expenditure written off	165,712		621,937	
Provision for Contingencies	–		(245,940)	
Provision for Diminution in Investment	–		(357,093)	
Profit on sale of Investment	–		(1,553,594)	
Profit on sale of Fixed Asset	(10,013)		(5,860)	
Loss on sale of Investment	–		473,910	
Loss on sale of Fixed Asset	–		15,418	
Liabilities no longer required written back	(1,797,426)		(12,142)	
Dividend Received	–		(65,515)	
Interest Expenses	81,159,065		45,562,844	
Interest Income	(8,862,852)		(1,677,801)	
Pre-operative Expenses written off	–		4,119,617	
		76,291,798		58,629,487
Operating profit before working capital changes		175,619,631		84,946,925
Adjusted for:				
Sundry Debtors	169,556,659		(239,701,757)	
Inventories	(87,886,372)		30,301,551	
Investments	–		–	
Loans, Advances & Other Current Assets	(49,952,070)		(309,364,958)	
Other Current Assets	1,261,307		–	
Provision for Contingencies	(1,694,677)		–	
Current Liabilities and Provisions	27,573,876		38,637,337	
		58,858,723		(480,127,827)
Cash generated from Operations		234,478,354		(395,180,902)
Income tax paid	(4,611,436)		(1,808,518)	
Fringe Benefit Tax Paid	(409,101)		–	
		(5,020,538)		(1,808,518)
Net Cash Flow from Operating Activities		229,457,816		(396,989,420)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(4,841,642)		(13,092,183)	
Proceeds from sale of Fixed Assets	162,461		23,551	
Purchase of Investments	(190,650,098)		(125,065,712)	
Proceeds from sale of Investments	22,600,000		102,567,838	
Refund of Amount of Hotel Projects	–		32,700,000	
Capital Work in Progress	(70,970,646)		(3,331,744)	
Pre-operative Expenses	(28,837,300)		(768,887)	
Dividend Received	2,969,400		65,515	
Interest received	4,704,792		2,125,878	
Net Cash Flow from Investing Activities		(264,863,033)		(4,775,744)

Consolidated Cash Flow Statement For the year ended 31st March, 2008

Particulars	2007 - 08		2006 - 07	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds on receipt of Share Application Money	178,077,490		–	
Receipt of borrowings	531,845,030		960,000,830	
Repayment of borrowings	(817,559,692)		(538,328,407)	
Long Term Borrowing - Public Borrowings	–		(9,430,355)	
Increase in Cash Credit Facilities	212,002,204		7,851,254	
Interest Paid	(78,823,167)		(43,802,703)	
Dividend Paid	(2,969,399)		–	
Dividend Tax Paid	(504,649)		–	
Net cash flow from financing activities		22,067,816		376,290,619
Increase / (Decrease) in Cash and Cash Equivalents		(13,337,400)		(25,474,545)
Opening Balance of Cash and Cash Equivalents		52,321,158		77,795,703
Closing Balance of Cash and Cash Equivalents		38,983,758		52,321,158

As per our report of even date

		On behalf of the Board	
	For S. S. KOTHARI & CO.	Sanjay Garodia	Dipak Kumar Banerjee
	Chartered Accountants	(Chief Financial Officer)	(Chairman)
	A. DATTA		
	(Partner)	Saptarshi Ganguly	Sujit Kanoria
Place : Kolkata	Membership No. 05634	(Company Secretary)	(Managing Director)
Date : 30th June, 2008			

Schedules forming part of the Consolidated Balance Sheet

Particulars	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
Schedule-1		
SHARE CAPITAL		
Authorised		
30,500,000 Equity Shares of Rs. 10/- each	305,000,000	305,000,000
Issued , Subscribed and Paid-up		
2,22,00,000 (P.Y.22,00,000) Equity Shares of Rs. 10/- each fully paid -up	222,000,000	22,000,000
Share Capital Suspense		
20,000,000 Equity Shares of Rs.10/- each fully paid-up	–	200,000,000
	222,000,000	222,000,000
Schedule-2		
RESERVES AND SURPLUS		
Special Reserve		
[In terms of Sec. 36(1)(viii) of the Income Tax Act,1961]		
As per last Balance Sheet	26,108,244	26,108,244
General Reserve	4,795,674	995,674
Profit and Loss Account		
[Refer to Schedule - 15]	39,639,776	3,308,574
	70,543,694	30,412,492

Schedules forming part of the Consolidated Balance Sheet

Particulars	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
Schedule-3		
LOAN FUNDS		
Secured Loan		
Working Capital Loan from Banks	262,403,709	50,401,506
Term Loan		
Car loan	305,095	446,008
Financial Institution	146,691,969	99,478,691
	409,400,773	150,326,205
Unsecured Loan		
Public Deposits		
- Unclaimed	943,412	1,461,259
- Not Due	–	11,000
- Unclaimed Interest Accrued and Due	1,137,451	1,396,710
Short Term Loan from Bodies Corporate	265,186,057	729,165,352
	676,667,693	882,360,526
Note: (i) Working Capital Loan from Banks are secured by first charge on the Company's Current Asset & Fixed Assets		
(ii) Term Loan is secured against the asset purchased from the loan		
(iii) Loan from Financial Institution is secured by charge of land & the structure standing there upon		
Schedule- 4		
Goodwill		
As per last Balance Sheet	100,000,000	100,000,000
Less : Written off during the year	20,000,000	–
	80,000,000	100,000,000

Schedules forming part of the Consolidated Balance Sheet

Schedule 5

FIXED ASSETS

(Figures in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2007 (1)	Additions (2)	Deductions/ Adjustments (3)	As at 31.3.2008 (4) (1+2-3)	As at 1.4.2007 (5)	For the year (6)	Adjustment during the year (7)	As at 31.3.2008 (8) (5+6-7)	As at 31.3.2008 (9) (4-8)	As at 31.3.2007 (10) (1-5)
Land	10,475,063	-	-	10,475,063	-	-	-	-	10,475,063	10,475,063
Building	8,830,550	649,677	-	9,480,227	8,830,550	21,725	-	8,852,276	627,951	-
Plant & Machineries	11,018,516	171,088	90,960	11,098,644	2,864,264	1,109,421	23,701	3,949,984	7,148,660	8,154,252
Office Equipment	1,977,486	498,309	143,033	2,332,762	1,084,679	217,185	104,761	1,197,104	1,135,658	892,807
Computers	7,019,059	2,032,235	3,078,968	5,972,326	5,082,813	1,238,237	3,072,783	3,248,266	2,724,060	1,936,246
Vehicles	2,179,999	-	-	2,179,999	1,476,144	182,228	-	1,658,372	521,627	703,855
Furniture & Fixture	2,651,699	2,289,708	436,536	4,504,871	1,796,442	500,586	395,804	1,901,224	2,603,647	855,258
TOTAL	44,152,372	5,641,017	3,749,497	46,043,892	21,134,891	3,269,383	3,597,049	20,807,226	25,236,666	23,017,481
Previous Year Figure	15,871,513	28,430,542	187,682	44,114,373	11,716,130	9,571,305	154,573	21,132,862	22,981,511	-

Note : Depreciation of Rs.76,224 during the year (Pr.year Rs.78,400) on a/c of Subsidiaries transferred to Pre-operative Expenses

Particulars	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
Schedule- 6		
Development Rights		
Opening Balance	27,254,026	26,493,747
Add : Addition during the year	207,114	760,279
Closing Balance (A)	27,461,140	27,254,026
Amortisation		
Opening Balance	5,054,033	2,793,232
Add : Addition during the year	2,414,865	2,260,801
Closing Balance (B)	7,468,898	5,054,033
Net Block (A – B)	19,992,242	22,199,993

Schedules forming part of the Consolidated Balance Sheet

Schedule - 7

INVESTMENT - other than trade

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
QUOTED		
Equity Shares		
Sterling Guarantee & Finance Limited @ 15,100 Equity Shares of Rs.10/- each fully paid up #	226,500	226,500
	226,500	226,500
Bonds		
Sardar Sarovar Narmada Nigam Limited – (P.Y. 425) Bonds of Rs. 3,600/- each	–	22,500,000
	–	22,500,000
UNQUOTED		
Equity Shares		
Telerama (India) Limited (in liquidation) 9,500 Equity Shares of Rs.10/- each fully paid up #	109,022	109,022
Continental Commercial Company Limited 14,200 Equity Shares of Rs.100/- each fully paid up #	1,420,000	1,420,000
	1,529,022	1,529,022
In Sub-Subsidiary:		
Shristi Udaipur Hotels & Resorts Private Limited – (P.Y. 10,000) Equity Shares of Rs.10/- each fully paid up (Subsidiary of Shristi Urban Infrastructure Development Limited)	–	100,000
	–	100,000
In Associates:		
Domina Hotels Private Limited 5000 Equity Shares of Rs.10/- each fully paid up	50,000	–
Shristi Hotel Private Limited (Formerly Shristi Hotel Limited) – (P.Y. 5,39,300) Equity Shares of Rs. 10/- each fully paid up	–	5,393,000
	50,000	5,393,000
In Others:		
Durgapur City Centre Management Services 2,43,940 Equity Shares of Re.1/- each fully paid up	243,940	243,940
Shristi Lifestyle & Entertainment Limited 1,24,459 Equity Shares of Rs.10/- each fully paid up	1,244,593	1,244,593
Shristi Cineplex Limited 7,46,756 Equity Shares of Rs.10/- each fully paid up	7,467,558	7,467,558
Other Investments	–	5,021,002
National Savings Certificates	473,500	473,500
	9,429,591	14,450,593
In Property:		
At Cost	21,093,720	–
Less : Depreciation	1,933	–
	21,091,787	–
Total Investment	32,326,900	44,199,115
Less : Provision for diminution in value	1,755,522	1,755,522
Net Investment	30,571,378	42,443,593

@ Market Value Not Available

Provision made for diminution in value

Schedules forming part of the Consolidated Balance Sheet

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule - 8		
INVENTORIES		
(As taken, valued and certified by the management)		
Finished Goods	12,241,927	–
Raw Materials	40,080,492	30,498,735
Work in Progress	141,590,457	89,939,628
	193,912,876	120,438,363
Schedule - 9		
SUNDRY DEBTORS (Unsecured, Considered good)		
Due for a period exceeding six months	121,627,901	106,773,983
Other Debts	169,752,173	305,323,853
	291,380,074	412,097,836
Schedule - 10		
CASH AND BANK BALANCES		
Cash in hand	3,504,076	1,774,496
Cheque in hand	98,000	–
Balance with Scheduled Banks:		
In Current Accounts	23,476,546	13,779,143
In Special Account (Relating to Public Deposit)	2,029,109	2,930,807
In Term Deposits Accounts	–	482,901
In Fixed Deposits Accounts	9,876,027	33,353,811
	38,983,758	52,321,158
Schedule - 11		
OTHER CURRENT ASSETS		
Interest Accrued on Others	1,571,862	252,318
Sundry Deposits	–	49,847
	1,571,862	302,165

Schedules forming part of the Consolidated Balance Sheet

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule - 12		
LOANS AND ADVANCES		
Unsecured - (considered good unless otherwise stated)		
Loans		
Bodies Corporate		
- Fully Secured	12,079,533	3,000,000
- Others	–	9,079,533
Others (Fully Secured)	339,903	339,903
Housing Loan	12,932,721	20,509,479
Advances recoverable in cash or in kind or for value to be received	443,134,031	480,915,982
Share Application Money	600,000	56,707,000
Advance Fringe Benefit Tax	71,036	788,638
Advance Income Tax including Tax Deducted at Source	35,103,162	20,699,778
Prepaid Expenses	609,853	40,802
Security Deposits and Other Deposits :		
- Government Authorities	142,150	130,433
- Others	138,549,734	1,214,626
	643,562,123	593,426,174
Schedule - 13		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	190,825,346	112,767,290
Book Overdraft	4,446,496	745,979
Interest Accrued but not due on Public Deposits	3,220,723	772,900
Liabilities for Expenses	5,247,202	1,584,444
Tax Deducted at Sources (Payable)	4,805,349	1,790,094
Advance received from clients	25,172,870	–
Other Liabilities	166,586,131	73,955,791
	400,304,117	191,616,498
PROVISIONS		
Provisions for Contingencies and Doubtful Advances	26,620,085	28,380,790
Provisions for Fringe Benefit Tax	1,043,876	1,017,140
Provision for Taxation	15,632,485	4,709,265
Provision for Gratuity	1,076,308	260,821
Provision for Proposed Dividend	22,200,000	2,969,400
Provision for Dividend Tax	3,772,890	504,650
Provision for Leave Travel Allowance	116,985	89,695
Provision for Leave Encashment	1,020,520	139,909
	71,483,149	38,071,670
	471,787,266	229,688,168

Schedules forming part of the Consolidated Balance Sheet

Particulars	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Schedule - 14		
MISCELLANEOUS EXPENSES		
(To the extent not written off or adjusted)		
Preliminary Expenses	665,242	386,545
Pre Operative Expenditure	140,407	280,811
	805,649	667,356
Schedule-15		
PROFIT AND LOSS ACCOUNT		
As per last Balance Sheet (debit balance)	–	(118,627,838)
Less: Adjustment on Capital Reduction as per Scheme	–	88,000,000
	–	(30,627,838)
Add:Balance of Profit and Loss Account of erstwhile Transferor Company of earlier years	–	15,031,741
Add:Balance of Profit and Loss Account of Subsidiaries of earlier years	3,308,574	762,710
Add:Balance of Profit and Loss Account for the year	36,683,707	18,506,926
	39,992,281	3,673,539
Less : Minority Interest	352,505	364,965
Credit Balance of Profit and Loss Account transferred to Reserve and Surplus (Refer to Schedule 2)	39,639,776	3,308,574

Schedules forming part of the Consolidated Profit and Loss Account

Particulars	Year ended 31st March, 2008 (Rs.)	Year ended 31st March, 2007 (Rs.)
Schedule 16		
CONTRACT INCOME		
Income from Contract	856,271,071	813,167,179
	856,271,071	813,167,179
Schedule 17		
OPERATING INCOME		
Sales	77,776,709	60,637,100
Interest on Housing Loan	–	112,455
Consultancy Income	17,459,402	15,745,394
Other Interest :		
- Bonds	–	43,397
- Term Deposits	–	46,083
	95,236,111	76,584,429
Schedule 18		
OTHER INCOME		
Interest:		
- Fixed Deposits / National Savings Certificates	7,218,125	1,677,801
- Others	1,644,728	89,212
Profit on sale of Fixed Assets	10,013	5,860
Dividend received on Long Term Investments	2,969,400	65,515
Provision for contingencies written back	1,797,426	1,342,259
Liability no longer required written back	–	12,142
Profit / (Loss) on sale of Current Investment	–	1,459,094
Miscellaneous Receipt	4,139,868	2,203,673
	17,779,560	6,855,556
Schedule 19		
INCREASE/(DECREASE) IN WORK IN PROGRESS		
Closing Stock :		
Work in Progress (A)	153,832,384	89,939,628
Less : Opening Stock :		
Work in Progress	89,939,629	117,013,887
Less : Amount transferred to Fixed Asset	14,411,828	–
(B)	75,527,801	117,013,887
(A – B)	78,304,583	(27,074,259)

Schedules forming part of the Consolidated Profit and Loss Account

Particulars	Year ended 31st March, 2008 Rs.	Year ended 31st March, 2007 Rs.
Schedule 20		
CONSTRUCTION EXPENSES		
Opening Stock	30,498,735	33,726,025
Add: Purchases	105,847,471	202,812,289
Less: Closing Stock	39,041,693	30,498,735
	97,304,513	206,039,579
Sub Contractor's Expenses	2,629,376	36,372,749
Other Development Expenses	43,798,960	17,578,521
Equipment Operating Expenses	285,693,585	283,564,528
West Bengal Contract Sales Tax	–	1,158,167
Repairs and Maintenance - Plant and Machineries	86,640	274,088
Construction Expenses	294,521,475	46,846,948
Consumable and Fuel Expenses	2,899,410	27,918,427
Labour Expenses	–	12,696,375
Miscellaneous Site Expenses	10,278,078	40,250,677
	737,212,037	672,700,059
Schedule 21		
PERSONNEL EXPENSES		
Salaries, Wages and Allowances	36,952,967	39,516,964
Contribution to Provident Funds	2,357,697	1,743,180
Gratuity	90,063	9,992
Staff Welfare Expenses	2,097,377	2,019,108
	41,498,104	43,289,244
Schedule 22		
ADMINISTRATIVE , SELLING AND OTHER EXPENSES		
Business Developmental Expenses	3,389,162	2,408,017
Consultancy, Professional Fees and Other Service Charges	22,048,203	11,197,430
Director's Sitting Fees	84,999	88,462
Rent	2,616,975	3,167,769
Rates and Taxes	1,202,579	1,420,363
Electricity Charges	945,801	1,042,722
Insurance Charges	338,310	2,892,473
Printing and Stationery	1,291,498	1,663,539
Postage, Telephone and Telegram Expenses	3,236,766	3,016,793
Travelling and Conveyance Expenses	20,291,737	16,753,085
Repairs and Maintenance	4,165,063	1,733,645
Remuneration to Auditor	373,844	356,921
Advertisement	3,243,222	1,440,678
Legal Expenses	922,500	1,330,823
Loss on Sale of Fixed Assets	–	15,418
Amalgamation Expenses	–	324,825
Deferred and Preliminary Expenses written off	165,712	621,937
Pre-operative Expenses written off	–	4,119,617
Tender Fee and Documents	136,217	883,700
Miscellaneous Expenses	10,940,841	8,246,915
	75,393,429	62,725,132

Schedules forming part of the Consolidated Profit and Loss Account

Particulars	Year ended 31st March, 2008 Rs.	Year ended 31st March, 2007 Rs.
Schedule 23		
FINANCE EXPENSES		
Interest - Others	81,113,662	44,888,276
Bank Charges	750,635	826,795
Up Front Fees	447,360	1,999,569
Bank Guarantee Commission	822,591	3,226,542
	83,134,248	50,941,182
Schedule 24		
DEPRECIATION / AMORTISATION		
On Fixed Assets (Refer Schedule 5)	3,193,160	9,492,905
On Amortisation of Development Rights (Refer Schedule 6)	2,414,865	2,260,801
On Investment Properties (Refer Schedule 7)	1,933	–
	5,609,958	11,753,706

Schedule forming part of the Consolidated Balance Sheet and Profit & Loss Account

Schedule – 25: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 1956 in all material respects. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

(ii) Principles of Consolidation

For preparation of these Consolidated Financial Statements (CFS), in keeping with the AS 21 on Consolidated Financial Statements and AS 23 on accounting for Investments in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India:

- (a) The financial statements of the Holding Company, its subsidiaries and joint ventures have been combined on line by line basis by adding together like items of Assets, Liabilities, Income and Expenses excluding intra-group balances and transactions resulting in to unrealized profits or losses.
- (b) The effect of intra group transactions between SIDCL and its subsidiaries is eliminated in consolidation.
- (c) Regarding Investments in subsidiaries, minority interest in the net assets of consolidated subsidiary consist of:
 - I The amount of equity attributable to minorities at the date of which Investment in the subsidiary is made.
 - II The minority's share of movements in equity since the date of the parent subsidiary relationship came into existence.
 - III Minority interest's share of net profit for the year of consolidated subsidiary is identified and adjusted against profit after tax of the group.
- (d) Uniform accounting policies for like transactions and other events in similar circumstances have been adopted and presented to the extent possible, in the same manner as the parent Company's separate financial statements.
- (e) Investments, i.e., long-term investments, in subsidiaries, joint ventures and associate companies are valued at cost. Provision for diminution in value, other than temporary, is considered wherever necessary on an individual basis.

2. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS:

- a) In accordance with Accounting Standard 21 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India, the Consolidated Financial Statements of Shristi Infrastructure Development Corporation Limited include the financial statements of all its subsidiaries which are more than 50% owned and controlled. Subsidiaries that have subsidiaries have been considered for preparation of the Consolidated Financial Statements of Shristi Infrastructure Development Corporation Limited. Investment in Associate Company has been considered in accordance with the requirements of Accounting Standard 23 – Accounting for Investments in Associates issued by The Institute of Chartered Accountants of India.
- b) The Consolidated Financial Statement (CFS) comprise the financial statements of Shristi Infrastructure Development Corporation Limited, its Subsidiaries and its interest in Joint Ventures and Associate Company as on 31.03.2008, which are as under:

	Name of the Company	% Shareholding
(i)	Subsidiaries:	
	Shristi Urban Infrastructure Development Limited	60.00
	Vivekananda Skyroad Limited	98.80
	Shristi Hotel Private Limited (Formerly Shristi Hotel Limited)	100.00
	Shristi Hotelciti Private Limited	98.00
(ii)	Sub-subsidiary:	
	Shristi Udaipur Hotels & Resorts Private Limited	60.00
(iii)	Joint Ventures:	
	Bengal Shristi Infrastructure Development Limited	49.78
	Asian Healthcare Services Limited	9.98
	TSCCF Shristi Infrastructure Development Limited	49.96
(iv)	Associate:	
	Domina Hotels Private Limited	50.00

c) **Contingent Liabilities:**

Particulars	Shristi & Subsidiaries (Rs.)	Joint Ventures (Rs.)	2007-08 (Rs.)	2006-07 (Rs.)
ESI claim not acknowledged	44,078/-	-	44,078/-	44,078/-
Income Tax demand not acknowledged	2,70,133/-	-	2,70,133/-	2,70,133/-
Outstanding Bank Guarantee	3,94,58,000/-	4,82,902/-	3,99,40,902/-	19,55,03,902/-

d) **Basic and Diluted Earnings Per Share:**

Earnings per share has been considered as per the guidance of AS 20 issued by The Institute of Chartered Accountants of India.

	2007-08	2006 - 07
Number of Shares	2,22,00,000	2,22,00,000
Profit after Tax (Rs.)	6,64,56,598/-	2,24,96,717/-
Basic & Diluted Earning Per Share (Rs.)	2.99	1.01
Face value per Equity Shares (Rs.)	10/-	10/-

e) Accounting Policies and Notes on Accounts for the financial statement of the Company, Subsidiaries and Joint Ventures are stated in their respective financial statement.

f) Previous year's figures has been regrouped and / or rearranged wherever considered necessary.

	On behalf of the Board					
	For S. S. KOTHARI & CO. Chartered Accountants A. DATTA (Partner) Membership No. 05634	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"> Sanjay Garodia (Chief Financial Officer) </td> <td style="width: 50%; text-align: center;"> Dipak Kumar Banerjee (Chairman) </td> </tr> <tr> <td style="width: 50%; text-align: center;"> Saptarshi Ganguly (Company Secretary) </td> <td style="width: 50%; text-align: center;"> Sujit Kanoria (Managing Director) </td> </tr> </table>	Sanjay Garodia (Chief Financial Officer)	Dipak Kumar Banerjee (Chairman)	Saptarshi Ganguly (Company Secretary)	Sujit Kanoria (Managing Director)
Sanjay Garodia (Chief Financial Officer)	Dipak Kumar Banerjee (Chairman)					
Saptarshi Ganguly (Company Secretary)	Sujit Kanoria (Managing Director)					
Place : Kolkata Date : 30th June, 2008						

SHRISTI INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED
'GANGA JAMUNA BUILDING'
28/1, SHAKESPEARE SARANI, KOLKATA – 700 017

DP ID *	
Client ID*	

Regd. Folio	
No. of Equity Shares held	

* Applicable for holding in electronic form

FORM OF PROXY

I/We
of in the district of
being a member / members of SHRISTI INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED hereby appoint
..... of
or failing him of
as my / our proxy to vote for me / us on my / our behalf at the Eighteenth Annual General Meeting of the Company to be held at 'Purbashree Auditorium' of Eastern Zonal Cultural Centre at Bharatiyam Cultural Multiplex, IB-201, Sector – III, Salt Lake, Kolkata – 700 106 on Monday, the 22nd September, 2008 at 10.30 A.M. and any adjournment thereof.

Signed this day of 2008



Signature across Revenue Stamp

Note : This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting

.....Tear Here.....

SHRISTI INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED
'GANGA JAMUNA BUILDING'
28/1, SHAKESPEARE SARANI, KOLKATA – 700 017

DP ID *	
Client ID*	

Regd. Folio	
No. of Equity Shares held	

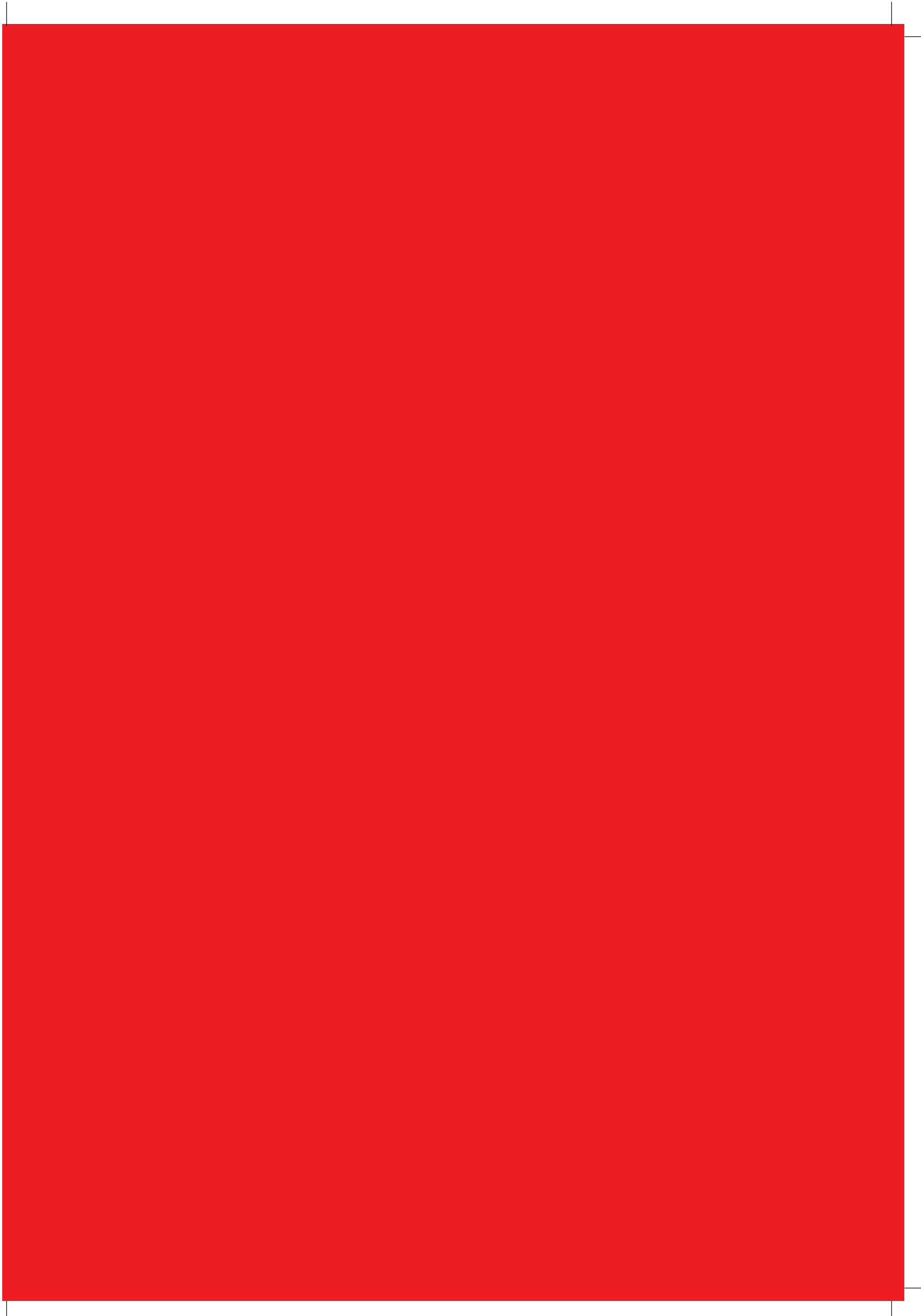
* Applicable for holding in electronic form

ATTENDANCE SLIP

I/We hereby record my / our presence at the Eighteenth Annual General Meeting of the Company held at 'Purbashree Auditorium' of Eastern Zonal Cultural Centre at Bharatiyam Cultural Multiplex, IB-201, Sector – III, Salt Lake, Kolkata – 700 106 on Monday, the 22nd September, 2008 at 10.30 A.M.

Full name of Shareholder (IN BLOCK LETTERS)	
Signature of Shareholder	
Full name of Proxy (IN BLOCK LETTERS)	
Signature of Proxy	

Note: You are requested to sign & hand this over at the entrance





Shristi Infrastructure Development Corporation Ltd.

Registered Office:

Ganga Jamuna Building 28/1 Shakespeare Sarani, Kolkata 700017
Tel: +91 33 2281 5589 Fax: +91 33 2287 8379 E-mail: kolkata@shristicorp.com

Corporate Office:

D 2 Southern Park, Saket Place, Saket, New Delhi 110017
Tel: +91 11 3061 5600 Fax: +91 11 3061 5818 E-mail: corporate@shristicorp.com
Website: www.shristicorp.com