



Report



Annual Report

2006 - 07

Our achievement in the year 2006 - 07 handing over Phase-I of UTSAV - India's first retirement resort at Bhiwadi

Our Vision:

- *To continue to be known as a group that can be depended upon to offer affordable, top quality homes; and*
- *To create a nurturing environment that will enrich and empower the lives of our employees.*

Our Mission:

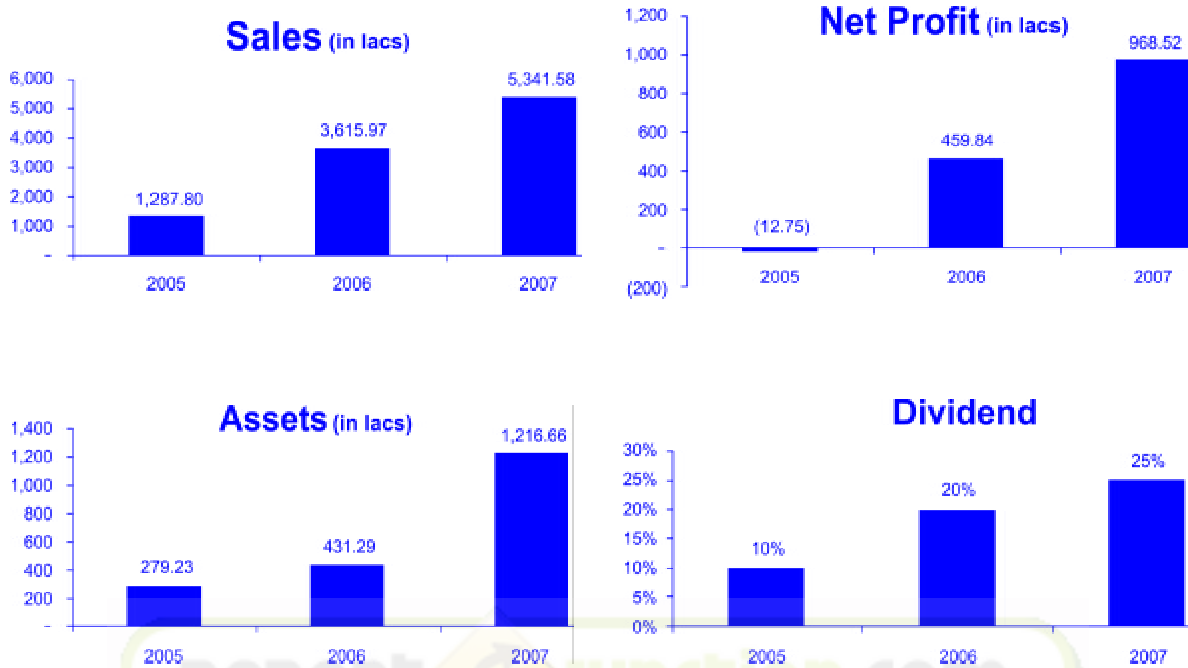
- *To develop houses for middle income group which are environment friendly, aesthetical and have a healthy surrounding.*
- *To create retirement complexes around the country where senior citizens can lead active and comfortable lives with dignity and a sense of security.*
- *And most importantly, to see a smile of satisfaction on the faces of people who meet us, live in homes built by us, supply to us, work with us and shareowners.*

Values of Ashiana:

- **Happiness all around**
 - i. *Importance to all in the organization*
 - ii. *Freedom to work & Speak*
 - iii. *Being able to make a mistake*
 - iv. *Family like working environment*
 - v. *Good inter personal relationship*
- **Customer oriented approach**
 - i. *Passion for quality*
 - ii. *Continuous improvement*
 - iii. *Honesty in commitment*
 - iv. *Delivery in time*
 - v. *Softness in behaviour*
 - vi. *After sale service*
 - vii. *Adaptability to change*
- **Transparency**
 - i. *Honesty*
 - ii. *Sharing information regularly*
 - iii. *Self belief*

Our Mantra:

Professionalism with a personal touch because, at our heart lie, not statistics figures or numbers, nor stone, brick or concrete, but our people: the Ashiana family!


Financials at a glance

(Rs. In lacs)	2007	2006	Change (%)
Total income	5341.58	3615.97	48%
EBITDA			
Net Profit	968.52	459.84	111%
EPS	18.09	8.59	
Dividend (Rs.)	2.50	2.00	25%
Total assets	1216.66	431.29	182%
Shareholder equity	3005.50	2193.55	37%

Milestones achieved
October 2006

Opened Ashiana Gymkhana, the first of its kind in Bhiwadi

November 2006

Launched Ashiana Village Mall, the first mall to come up in Bhiwadi.

December 2006

Commenced handing over of flats for Ashiana Utsav Phase I and Greenhills Phase II

February 2007

Launched Ashiana Aangan. When completed it will be the largest real estate project of Ashiana in Bhiwadi

CHAIRMAN'S LETTER TO SHAREHOLDERS



Greetings Shareowners,

It is a great pleasure to share my thoughts and feelings with you. I have enjoyed every day of my working with the Company for the last 21 years. It is a sense of pleasure to create new Housing Projects as I can see the dream taking shape. Our effort is to provide world class living at affordable prices to the middle income group population of our country.

Your Company's focus is on:

- Building environment friendly communities while providing the most modern infrastructure such as roads, street lights, power supply, water distribution, parks and children play area
- Continuous improvements to delight the customer
- Transparency, on time delivery and after sales service
- Building brand and not focus on short term profitability alone
- Ensuring that our activities are making everybody happy

I am proud to state the employees of the company consider themselves as owners of the company are emotionally attached to the organization. This commitment and happiness is constantly visible in office and customer dealings. In your company, suppliers & consultants are treated like customers and we have very dedicated and committed suppliers and consultants.

I have always believed that ordinary people can deliver extraordinary results and have strived to create this culture at work. Most of the senior managers in the organization have risen through the ranks and we are continuously grooming more talent to serve the growing needs of the organization. Training has taken utmost importance in the last two years at all level and it is only due to this that we have started to see healthy results in overall employee satisfaction and development.

The land costs have increased substantially in the last two years. Buying land, getting Govt. clearances for developing housing projects / townships has become a very cumbersome, time consuming and not so pleasant experience. To overcome these hurdles and to maintain the growth, your company has formed partnership with the land owners with clear title and government clearances. I am sure this should workout as a good model to develop new housing projects. I am happy to announce that we have already formed four partnerships to develop land in Jaipur and Jodhpur.

Ashiana Housing Limited

The focus for Ashiana Housing Ltd. remains in developing middle income group housing in Rajasthan and NCR. We are currently executing projects in Bhiwadi, Neemrana, Jaipur and Jodhpur in Rajasthan and at Jamshedpur in Jharkhand. We have ambitions plans to expand to many more cities in Rajasthan and NCR.

Ashiana Retirement Villages Limited

Ashiana Retirement Villages Limited is a wholly owned subsidiary of the company and specializes in the housing needs for senior citizens under the brand name 'Ashiana Utsav'. The 1st phase of the 1st Retirement Resort at Bhiwadi, near Delhi is ready and our seniors have started moving in. This approximately 100 crore project will be completely ready by the end of this year. The response to this project has been beyond expectations. We are looking forward to make the lives of our seniors heavenly in the retirement resorts.

This product has a great feature and your company plans to take this concept all over the country. The next "Ashiana Utsav" has been launched in Jaipur (as part of Ashiana Mangalam) and we propose to add Lucknow and Pune very shortly in this portfolio of happiness. As we will maintain and managing these retirement projects, your company will have regular revenue streams from these projects, which would become a large business with time as the volume increases substantially over time.

Helping our customers rent, sell or maintain is a useful service that we have recently added to our portfolio of customer services. We have recognized that we can add additional value while generate additional revenue. Keeping this in mind we added a Resale & Lease division for which the response has been very encouraging.

The company has also built an activities club cum hotel (Ashiana Gymkhana) and a shopping Mall (Ashiana Village Mall). These projects are expected to provide continuous revenue streams. More such projects are planned as support infrastructure attached to retirement resorts that will come up in the future.

Vatika Marketing Limited

Vatika Marketing Limited is a wholly owned subsidiary of the company and engaged in providing maintenance services to projects developed by Ashiana Housing. The services of this subsidiary help build the Ashiana brand in the eyes of the customer and make it easy for us to market new projects.

Your company, along with its wholly owned subsidiaries, has been growing from strength to strength and hopefully you will see substantial improvements in top line and bottom-line in the coming years. I would like to convey my heartiest & sincere thanks to all the shareowners for having maintained their faith in the organization.

I would like to take this opportunity to thank all work force from the bottom of my heart without their efforts our success would not have been possible. I thank them all for living by the values of the organization and creating that happiness all around us. Our customers, suppliers and consultants have made us reach where we are today and no success is complete without appreciation of their efforts. I can assure you that we will always keep improving to give the very best to you.

Best wishes

OM GUPTA

Chairman & Managing Director

21ST ANNUAL REPORT 2006-07

Board of Directors

Mr. Om Prakash Gupta (Managing Director)
Mr. Vishal Gupta (Joint Managing Director)
Mr. Ashok Kr. Mattoo
Mr. Abhishek Dalmia
Mr. Lalit Kr. Chhawchharia
Mr. Ankur Gupta (Whole Time Director)
Mrs. Sonal Marwah

Company Secretary

Mr. Bhagwan Kumar

Auditors

M/s. B. Chhawchharia & Co.
K-3/27, DLF City, Phase-II, Gurgaon,
Haryana- 122 002

Registered Office

5F, Everest, 46/C,
Chowringhee Road
Kolkata - 700 071

Bankers

HDFC Bank Ltd.
State Bank of Bikaner & Jaipur
Punjab National Bank
Bank of Baroda
Oriental Bank of Commerce

Head Office

Unit No. 4 & 5, 3rd Floor,
Plot No. : D-2, Southern Park,
Saket District Centre,
New Delhi - 110 017.
Ph. No. : (011) 42654265
Fax No. : (011) 42654200

Website

www.ashianahousing.com

Registrar & ShareTransfer Agent

M/s. Beetal Financial & Computer
Services Pvt. Ltd.
Beetal House, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukh Dass Mandir,
New Delhi - 110 062.
Ph. : (011) - 29961281 - 82
Fax : (011) - 29961284

CONTENTS

Ashiana Housing Ltd.	Page No.
Directors' Report	1-3
Management Discussion & Analysis Report	3-5
Report on Corporate Governance	6-11
Auditors' Report	12-14
Balance Sheet	15
Profit & Loss Accounts	16
Schedules to the Accounts	17-27
Balance Sheet Abstract	28
Cash Flow Statement	29
Statement pursuant to Section 212 of the Companies Act, 1956	30
Vatika Marketing Ltd.	
Directors' Report	31
Auditors' Report	32-33
Balance Sheet	34
Profit & Loss Account	35
Schedules to the Accounts	36-40
Balance Sheet Abstract	41
Ashiana Retirement Villages Ltd.	
Directors' Report	42
Auditors' Report	43-44
Balance Sheet	45
Profit & Loss Account	46
Schedules to the Accounts	47-52
Balance Sheet Abstract	53
Ashiana Housing Ltd. Consolidated Accounts	
Auditors' Report	54
Balance Sheet	55
Profit & Loss Account	56
Schedules to the Accounts	57-65
Balance Sheet Abstract	66
Cash Flow Statement	67

**Kind Attn. Shareholders
of**
Erstwhile Ashiana Proteins Ltd.

Shareholders are requested to send their Share Certificate(s) of the Erstwhile Ashiana Proteins Ltd. to the Head Office of the Company at Unit No. 4 & 5, 3rd Floor, Plot No. : D-2, Southern Park, Saket District Centre, New Delhi - 110 017 for exchange thereof with the share certificate (s) of the Company by virtue of amalgamation of erstwhile Ashiana Proteins Ltd. with M/s. Ashiana Housing Ltd. pursuant to the Order of Hon'ble High Courts at West Bengal & Rajasthan.

DIRECTORS' REPORT

To the member(s),

Your directors have pleasure in presenting the 21st Annual Report together with the audited statement of accounts for the year ending 31st March, 2007.

1. FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March, 2007 are as follows:-

(Rs. in lacs)

Sl. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1.	Sales and other Income	5341.58	3615.97
2.	Profit before Depreciation	1147.78	532.63
3.	Depreciation	35.34	27.54
4.	Profit after Depreciation but before Taxation	1112.44	505.09
5.	Provision for Taxation	143.91	45.25
6.	Profit after Depreciation and Taxation	968.53	459.85
7.	Surplus brought forward from previous year	43.24	5.47
8.	Profit available for Appropriation	1011.76	465.31
9.	Proposed Dividend	133.83	107.06
10.	Tax on Proposed Dividend	22.74	15.01
11.	Transfer to General Reserve	800.00	300.00
12.	Balance Surplus carried to Balance Sheet	55.19	43.24

Financial year 2006-07 took off from where 2005-06 had left as far as the Real estate industry was concerned. Rising disposable incomes, government policy and overall growth of the economy gave a boost to the industry.

Your company achieved new highs in revenues as well as profits during the year. Total income increased to 5341.58 lacs compared to 3615.97 lacs recorded last year representing an increase of 48% and net profit increased to 968.52 lacs compared to 459.84 lacs recording an increase of 110%.

Operations

A brief summary of on-going projects

Project Name (Location)	Projects	Start Date	Completion Date	Size (Sq. ft.)	No. of Units
Utsav(Bhiwadi)	Phase I*	06/2004	10/2006	278,050	230
	Phase II	09/2005	04/2007	224,220	180
	Phase III	01/2006	12/2007	224,300	180
Rangoli(Bhiwadi)	Phase II*	10/2004	12/2006	135,365	120
	Total			861,935	710
Green Hills (Neemrana)	Phase II*	05/2005	12/2006	77,890	66
	Phase III	08/2005	06/2007	132,370	103
	Phase IV	10/2005	12/2007	98,820	83
	Total			309,080	252
Woodland (Jamshedpur)	Phase I	10/2005	03/2008	205,600	142
	Phase II	12/2006	12/2008	152,620	109
	Total			358,220	251
Mangalam** (Jaipur)	Villas	10/2006	03/2008	119,880	74
	Flats	12/2006	12/2008	94,880	80
Ashiana Utsav the Retirement resort				Launching during financial year 2007-08.	
				Total	214,760 154
Aangan (Bhiwadi)	Phase I	02/2007	04/2009	435,200	320
	Phase II & III	Expected to be launched during 2007-08.			
				Total	13,50,000 960
Greenwoods** (Jaipur)	Expected to be launched during Financial year 2007-08				
Amarbagh** (Jodhpur)	Expected to be launched during financial year 2007-08. Project shall offer aesthetically built villas spread over 27 acres.				

* Completed and handed over to customers.

** In partnership.

2. SECTION 80(IB) PROJECTS

Your Directors have pleasure in reporting that following projects are eligible projects for claiming deduction under Section 80 (IB) of the Income Tax Act, 1961 :

Sl.	Project Name
1.	Ashiana Rangoli, Bhiwadi, Rajasthan.
2.	Ashiana Residency Greens, Jamshedpur, Jharkhand.
3.	Ashiana Utsav, Bhiwadi, Dist. Alwar, Rajasthan.
4.	Ashiana Greenhill, Neemrana.
5.	Ashiana Woodland, Jamshedpur.
6.	Ashiana Aangan (Bhiwadi).

3. ACCOUNTING METHOD

Sales of flats and others, in respect of projects undertaken before 31st March, 2006, is accounted for on the basis of date of delivery of physical possession to the respective customers and sales in respect of projects under taken on or after 1st April, 2006 represents the value of flats and others contracted to be sold to the extent of work done on percentage completion basis.

4. DIVIDEND

The Board of Directors of the Company has recommended a dividend of Rs. 2.50/- (Rupee Two and Fifty Paise) per equity share of the Company for the Financial Year 2006-2007.

5. DIRECTORS

Shri Lalit Kumar Chhawchharia and Smt. Sonal Marwah, Directors are retiring by rotation at the ensuing Annual General Meeting of the Company and are eligible for re-appointment. Apart from the above there is no change in the directorship of the Company.

6. AUDITORS

M/s. B. Chhawchharia & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a Certificate to the effect that their re-appointment, if made, will be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956. The Directors and the Audit Committee recommends their re-appointment.

As regards Auditor's observation on the dues to SSI Units, Board has to state that in view of insufficient information from the suppliers regarding their status as SSI units, the amount due to Small Scale Industrial Undertaking can not be ascertained.

7. FIXED DEPOSITS

The Company had neither invited nor accepted any deposits from the public within the meaning of the Companies (Acceptance of Deposits) Rules 1975.

8. SUBSIDIARY COMPANIES

The Audited statement of Accounts alongwith Directors' Report & Auditors' Report for the year ended **31st March, 2007** of M/s. Vatika Marketing Ltd. and M/s. Ashiana Retirement Villages Limited as well as the extent of holdings therein are annexed to this Account pursuant to Section 212 of the Companies Act, 1956.

9. CHANGE IN NAME OF THE COMPANY

Name of the Company has been changed from **Ashiana Housing and Finance (India) Limited** to **Ashiana Housing Limited** with effect from 4th May, 2007.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Annual Report also contains a separate section on the 'Management Discussion and Analysis' which is a part of the Directors' Report.

11. CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance together with Auditors Certificate regarding Compliance of the SEBI Code of Corporate Governance is annexed herewith.

12. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Directors are of the opinion that particulars with respect to Conservation of Energy and Technology Absorption as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not relevant in view of the nature of business activities of the company and hence, are not required to be given. There has been no foreign exchange earnings whereas expenditure of Rs. 17,60,109/- has been incurred in foreign currency during the year under review.

13. PARTICULARS OF EMPLOYEES

None of the employees of your Company is drawing remuneration exceeding limits laid down under the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (I) in the preparation of annual accounts, applicable accounting standards have been followed by the Company;
- (II) such accounting policies have been selected and consistently applied and judgments & estimates made 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, 2007** and of the profit of the Company for the year ended on that date;
- (III) 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) annual accounts have been prepared on a going concern basis.

15. CODE OF CONDUCT AND ETHICS

The Board of the Company has adopted a Code of Conduct and Ethics for the Directors and Senior

ASHIANA HOUSING LIMITED

Executives of the Company. The object of the Code is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty. The Code sets out a broad policy for one's conduct in dealing with the company, fellow directors and with the environment in which the company operates. The code is available on the Company's website (www.ashianahousing.com).

16. ACKNOWLEDGEMENTS

The Board of Directors takes this opportunity to express its grateful thanks and wish to place on record its appreciation to the Government of India, the Govt. of Rajasthan and the Govt. of Jharkhand and their agencies for providing us excellent business opportunities, to our bankers for their continued support and guidance from time to time and to the employees of the Company at all levels for the continued co-operation and unstinted support extended to the Company.

The Directors also express their sincere thanks to all the shareholders for the continued support and trust they have reposed in the Management.

On behalf of the Board of Directors

(Om Prakash Gupta)

Place : New Delhi
Dated : 30th July, 2007

Chairman and
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

The Indian economy

The Indian economy continued on its strong growth trajectory recording a GDP growth rate of 9.2% in 2006-07. Foreign Institutional Investors inflows remained buoyant at over USD 8 billion. For the first time, foreign direct investment (FDI) inflows which represents long-term dedicated capital outpaced FII investments to stand over USD19 billion. This growth is primarily led by the services and manufacturing sector which grew 11% and 12.30% respectively last year.

Rising per capita income, higher literacy rates, increasing aspiration levels and rapid urbanization has led to an increase in demand and change in consumer preferences. Apart from the demand for basic goods, convenience and luxury goods demand is also growing at a fast pace. With increase in incomes at both the rural and urban levels, the demand is expected to rise further.

Even though the economy continues to show promise, infrastructure bottlenecks, rising inflation and fiscal imbalances continue to remain hurdles towards its growth. However, these are topical and should get corrected given the measures that are being implemented to contain any negative fall-out of fast paced growth.

Real estate industry

Research puts the real estate and construction industry in India at \$57 billion or 6.2% of the Indian economy and is expected to become a \$180 billion activity by the year 2020. Strong economic growth along with the demographic impetus of a growing population in the working-age category is creating a massive demand supply mismatch across the real estate sector. This growth in the real estate sector would continue for some time.

The unprecedented demand has driven the need for organized sources of funding and real estate as a sustainable asset class. Large land bank acquisitions by the big real estate players, government incentives for public private partnership models and higher bank financing has paved the way for large inflows from FDI, private equity and real estate fund.

Considerable changes in demand pattern are due to focus of middle income groups on improving life styles. Most of these households are demographically young, enjoy double incomes, are professionally oriented and tend to be nuclear.

For them, a major portion of lifestyle expenditure is the premium that they are willing to pay for the quality of living space.



Source: MOSPI, I-SEC Research

Your company has been a pioneer in the real estate development. Through 21 years experience in providing dream house to middle income groups of the society, our main customers are middle income groups. Your company has endeavored to provide middle income groups of the society a better lifestyle by way affordable and environment friendly housing. Success of theme-based residential projects like retirement housing for seniors has filled the company with fuel of excitement for doing better for the seniors so that they can enjoy the life with dignity.

Developments during the year

There are many accomplishments of the company during the year, and these include

1. Handing over of flats for the first phase of Ashiana Utsav at Bhiwadi;