

B.L. KASHYAP & SONS LIMITED
ANNUAL REPORT 2006 - 2007



A SYMPHONY OF EXCELLENCE

It is the architect that defines form;
it is the builder that creates space.

Together they provide the occupant
with an opportunity to dream dreams,

grow roots and experience the joy of living.

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Corporate Information

Board of Directors

Vinod Kashyap	Chairman
Vineet Kashyap	Managing Director
Vikram Kashyap	Joint Managing Director
Justice C. K. Mahajan (Retd.)	Director
H. N. Nanani	Director
Naveen Jain	Director

Company Secretary

Pushpak Kumar

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Statutory Auditors

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

Bankers

Canara Bank
ICICI Bank Limited
IndusInd Bank Limited

Registered Office

A-21/B-1,
Mohan Co-operative Industrial Estate,
Mathura Road,
New Delhi-110 044.

B.L. KASHYAP & SONS LIMITED**Directors' Report**

Dear Members,

Your Directors are pleased to present the 18th Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2007.

FINANCIAL RESULTS

(Rs. / Crores)

Year ended 31st March	2007	2006
Gross Sales / Total Income	816.05	468.80
Profit before Interest, Depreciation & Tax	100.31	50.85
Less :		
Interest & Bank Charges	4.98	4.08
Depreciation	9.95	4.26
Profit before Tax	85.38	42.5
Provision for Tax		
Income Tax :		
- Current	28.95	14.34
- Deferred Tax ((Assets)/liability)	0.37	(0.22)
- Fringe Benefit Tax	0.40	0.20
- Prior Period Tax Adjustment	0.11	-
Wealth Tax	0.04	0.01
Profit after Tax	55.51	28.17
Add :		
Profit brought forward from Previous Year	32.10	10.26
Profit available for Appropriation	87.61	38.43
Less :		
Proposed Dividend	3.60	3.08
Dividend Tax	0.61	0.43
Profit Transferred to General Reserve	8.80	2.82
Balance carried forward to Balance Sheet	74.60	32.10
Earnings per share (Weighted Average) (Rs.)	54.15	44.30
No. of shares (Weighted average)	10,272,000	63,58,773

FINANCIAL PERFORMANCE

During the Financial Year 2006-07 total revenue of the Company increased from Rs. 468.80 Crores (P.Y.) to Rs. 816.05 at a growth rate of 74.07%. Profit after tax but before provisions and prior period adjustments increased by 97.44% to Rs. 55.62 Crores from Rs. 28.17 Crores (P.Y.).

APPROPRIATIONS**DIVIDEND**

- (i) Your Directors are pleased to recommend a dividend of Rs. 3.50/- per equity share on par value of Rs.10/- each for the Financial Year ended on 31st March, 2007, which, if approved at the ensuing Annual General Meeting, will be paid to all those members whose names shall appear in the Company's Register of Members as on Thursday, 13th September, 2007 and
- (ii) all those members whose names shall appear at the end of business on Thursday, 13th September, 2007 as beneficial owners as per particulars furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

TRANSFER TO RESERVES

We propose to transfer Rs. 8.80 Crores to the General Reserve. An amount of Rs. 74.60 Crores is proposed to be retained in the Profit & Loss Account.

B.L. KASHYAP & SONS LIMITED

BUSINESS

Your Company, in its true Leadership style, stood up and took on the challenges and opportunities and performed tremendously. Our revenue aggregated Rs. 816.05 Crores, up by 74.07% from Rs. 468.80 Crores in comparison to the Previous Year. The Gross Profit amounts to Rs. 177.04 Crores (21.90% of revenue) as against Rs. 91.37 Crores (19.63% of revenue) in the Previous Year.

We seek long - term partnership with clients while addressing to their various requirements. Our approach has resulted in high level of client satisfaction.

Barring unforeseen circumstances, the Company expects to perform well during the current year.

ERP IMPLEMENTATION

The Company has successfully implemented the Enterprise Resource Planning (ERP) Software for its various Modules, albeit the results shall be felt only by the last quarter of the current Financial Year.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year under review.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Vinod Kashyap, Chairman of the Company and Mr. Vineet Kashyap, Managing Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

SUBSIDIARY COMPANIES

REAL ESTATE DEVELOPER

During the year Soul Space Projects Limited, ("SSPL") has started different real estate development projects in various states covering more than approximate 1,17,00,000 sq. ft. of commercial space/plotted land/rental space/residential. All these projects shall be spread over next couple of years. The final time lines are being drawn out.

SSPL had issued 43825 Equity Shares to the employees of the Company and employees of B. L. Kashyap & Sons Ltd. under **SOUL SPACE EMPLOYEES STOCK PURCHASE SCHEME, 2007**, to attract, retain, motivate and reward human capital for the growth of the Company.

Consequent to the issue of above shares, SSPL is no more a wholly owned subsidiary of B. L. Kashyap & Sons Limited ("BLK") and BLK now holds 97.90% shares of SSPL.

BUILDING FIT OUTS

During the year the name of the Company i.e. B.L.K. Furnishers & Contractors Private Limited was changed to B.L.K. Furnishers and Contractors Limited and further to B L K Lifestyle Limited. The Company has set up 3 factories i.e. at Pune (Maharashtra), Bangalore (Karnataka) and Baddi (Himachal Pradesh), to cater and produce various Fit Outs required for the Buildings & Constructions.

At Baddi (Himachal Pradesh) factory the Company has installed Plants & Machinery for the production of Wooden Doors, Wooden Tiles and Wooden Kitchen Cabinets. The Commercial Production has been started in the month of June, 2007.

At Pune and Bangalore, the Company is setting-up the Plants for the manufacture of Ready Fit Outs of Window and Doors, made up of UPVC with the steel reinforcement within. The Commercial Production is scheduled to start by October, 2007.

The Company envisages to do collective revenue from the above factories, Rs. 25 Crores (Approx.) in the Financial Year 2007-08.

SECURITY INFORMATION EQUIPMENTS

The Company [Security Information Systems India Limited ("SISIL")] is revamping the business strategy for restarting the manufacturing of security information equipments in view of the huge business prospects of the product which was discontinued as it was not the thrust area of the group at that time.

Your Company had 6,79,930 Equity Shares of the "SISIL", during the year 2006-07 Your Company has further acquired balance 70 Equity Shares of the Company "SISIL", thereby making it a wholly owned Subsidiary Company.

The audited accounts and other particulars as required under Section-212 of the Companies Act, 1956 relating to all the Subsidiary Companies are annexed hereto.

SUB-DIVISION OF EQUITY SHARES

In order to enhance the Liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of your Company at their meeting held on 30th July, 2007, subject to the approval of the shareholders in the ensuing Annual General Meeting, have recommended sub-division of 1 (one) equity share of the Company having face value of Rs. 10/- (Ten) into 2 (Two) equity shares of the face value of Rs. 5/- (Five) each.

B.L. KASHYAP & SONS LIMITED**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
- (ii) the Directors had selected such accounting policies and applied them consistently and 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, 2007 and of the Profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts of the Company on a going concern basis.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates, your Directors provide the audited Consolidated Financial Statements in the Annual Report.

AUDITORS

M/s Sood Brij & Associates, Chartered Accountants, Statutory Auditors of the Company, will retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from them to the effect that their appointment/re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment / re-appointment within the meaning of Section 226 of the said Act.

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

AUDITORS' REPORT

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

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

The operations of your Company are not energy intensive and therefore there is nothing to report in respect of information on Conservation of Energy and Technology Absorption as required under Section-217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988. Within the limited scope available for saving energy in construction contracts, every effort is being made for conserving and reducing its consumption.

While there was no Foreign Currency earning during the year under review, the Foreign Currency outgo was Rs. 21.44 lakhs.

PARTICULARS OF EMPLOYEES

As required under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in annexure included in this report.

CORPORATE GOVERNANCE

Report on Corporate Governance and Management Discussion and Analysis, in accordance with Clause 49 of the Listing Agreement with Stock Exchanges, along with a certificate from M/s Sood Brij & Associates, Chartered Accountants, are given separately in Annual Report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued assistance and co-operation received from the various departments of the Central & State Government, Bankers, Government Authorities, Customers, and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Executives, Staff and Workers of the Company.

**For and on behalf of the Board of Directors of
B.L. Kashyap & Sons Limited**

Place : New Delhi
Dated : 30th July, 2007

(Vineet Kashyap)
Managing Director

(Vikram Kashyap)
Joint Managing Director

B.L. KASHYAP & SONS LIMITED

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

Name of the subsidiary	B L K Lifestyle Ltd.	Soul Space Projects Ltd.	Security Information Systems (India) Ltd.
1. Financial Period Ended	March 31, 2007	March 31, 2007	March 31, 2007
2. Holding Company's interest	100% in equity shares	97.90% in equity shares	100% in equity shares
3. Shares held by the holding Company in Subsidiary Company	20,50,000 equity shares of Rs.10/- each fully	20,50,000 equity shares of Rs.10/-	6,80,000 equity shares of Rs.10/- each
4. The net aggregate of Profits/Losses of the Subsidiary for the current period so far as it concerns the members of the holding Company			
a. dealt with or provided for in the accounts of the holding Company	Nil	Nil	Nil
b. not dealt with or provided for in the accounts of the holding Company	Profit: Rs. 0.13 Crores	Profit: Rs. 2.75 Crores	Loss : Rs. 0.10 Crores
5. The net aggregate of Profits/Losses of the Subsidiary for the previous financial years of the Subsidiary so far as it concerns the members of the holding Company			
a. dealt with or provided for in the accounts of the holding Company	Nil	Nil	Nil
b. not dealt with or provided for in the accounts of the holding Company	Profit: Rs. 0.94 Crores	Loss: Rs. 0.02 Crores	Loss : Rs. 0.44 Crores

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

(Rs.in Lacs)

Name of the Subsidiary Company	Issued, Subscribed & Paid-up Share Capital	Reserves	Loans	Total Assets	Total Liabilities	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
B L K Lifestyle Limited	205.00	96.00	1104.00	1405.00	1405.00	181.31	23.33	10.05	13.28	10.25
Soul Space Projects Limited	206.09	288.88	7156.48	7656.35	7656.35	720.50	425.81	144.61	281.19	-
Security Information Systems (India) Ltd.	68.00	-	112.68	180.68	180.68	0.31	(14.87)	4.90	(9.96)	-

For and on behalf of the Board of Directors of
B.L. Kashyap & Sons Limited

Place : New Delhi
Dated : 30th July, 2007

(Vineet Kashyap)
Managing Director

(Vikram Kashyap)
Joint Managing Director

B.L. KASHYAP & SONS LIMITED**Annexure to the Directors' Report**

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended March 31, 2007

Sr No.	Name	Designation	Qualification	Age (Years)	Date of Joining	Experience (Years)	Gross remuneration (Rs.) p.a.	Previous employment & designation
1	Vinod Kashyap *	Chairman (Executive)	B.A.	55	08.05.1989	34	4,320,000	Self employed businessman
2	Vineet Kashyap *	Managing Director	B.A.	53	08.05.1989	31	4,320,000	Self employed businessman
3	Vikram Kashyap *	Joint Managing Director	-	45	08.05.1989	26	4,320,000	Self employed businessman
4	Prashant Tyagi	Designated Director	B.E.	43	08.05.1989	20	2,653,768	Self employed businessman

Notes:

- 1 * Directors are related to each other within the meaning of Companies Act, 1956
- 2 Remuneration includes salary and other perquisites calculated in accordance with the Income Tax Act, 1961 and Rule there under
- 3 Designation denotes nature of duties.

