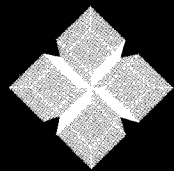


ANNUAL REPORT 2007-08

B L HASHTAG



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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

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
State Bank of India
HDFC Bank Limited
Standard Chartered Bank
HSBC Bank

Registered Office

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

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

Dear Members,

Your Directors take pleasure in presenting their 19th Annual Report together with the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2008.

FINANCIAL RESULTS**(Rs. in Crores)**

Year ended March 31,	2008	2007
Gross Sales / Total Income	1564.61	816.05
Profit before Interest, Depreciation & Tax	206.11	100.31
Less :		
Interest & Bank Charges	16.11	4.98
Depreciation	15.58	9.95
Profit before Tax	174.42	85.38
Provision for Tax		
Income Tax		
- Current	57.65	28.95
- Deferred Tax {(Assets)/liability}	0.60	0.37
- Fringe Benefit Tax	0.76	0.40
Wealth Tax	0.05	0.04
Profit after Tax	115.36	55.62
Less:		
Prior Period Tax Adjustment	-	0.11
Add:		
Profit brought forward from previous year	72.18	29.67
Profit available for Appropriation	187.54	85.18
Less:		
Proposed Dividend	8.22	3.59
Dividend Tax	1.40	0.61
Profit Transferred to General Reserve	37.50	8.80
Balance carried forward to Balance Sheet	140.42	72.18
Earnings per share, on the face value of Rs.5/- each (Previous Year Rs.10/- each)	56.15	54.15
No. of shares	20,544,000	10,27,2000

There has been an all round improvement in the performance of the Company despite the constraints in the construction industry. This along with various positive measures undertaken by the management has resulted in substantial improvement in the net worth of the Company.

FINANCIAL PERFORMANCE

Your Company has achieved all time high robust growth in its operations, supported by a motivated management team, better working capital management and overall higher turnaround of assets adjusted by the Company, the Gross Turnover of the Company crossed Rs.1500 Crores and recorded sales of Rs.1542.74 Crores against Rs.808.09 Crores during the financial year ended March 31, 2007, thereby, registering growth of 91%. Profit after tax is Rs. 115.36 Crores, which is higher by over 107.41% as compared to Rs. 55.62 Crores of last year.

APPROPRIATIONS**DIVIDEND**

The Directors recommend a dividend @ 80% (Rs. 4/- per Equity Share) on the Equity Share of the face value of Rs. 5/- each (previous year Rs 3.50/- per Equity Share of Rs 10/- each), amounting to Rs 8,21,76,000/- (previous year Rs 3,59,52,000) out of the current year's profit on 2,05,44,000 Equity Shares of Rs. 5/-each (previous year 10,27,2000 Equity Shares of Rs 10/- each).The payout ratio of dividend (together with Dividend distribution tax) works out to 8.34% of the Net Profit After Tax.

B. L. KASHYAP AND SONS LIMITED**TRANSFER TO RESERVES**

We propose to transfer Rs. 37.50 Crores to the general reserve and Rs.68.24 Crores is proposed to be retained in the Profit & Loss Account. The cumulative balance of Profit & Loss account is Rs.140.42 Crores.

MICROSOFT DYNAMICS NAVISION PROGRAMME

During the year the Company has successfully implemented Enterprise Resource Planning (ERP) i.e. Microsoft Dynamics Navision Software. Out of its various Modules Accounting, Purchases, Inventory and Work Order has been started w.e.f 1st January, 2008 and HR, Payroll, Attendance and Fixed Assets has been started w.e.f. 1st April, 2008. The Management is of the belief that after successful integration of its all the module, the Company shall be able to match substantial savings in its logistics cost, and hence contributing to better margins.

FIXED DEPOSITS

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

AUDITORS' REPORT

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

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Audited Balance Sheet as at 31st March, 2008 and Profit & Loss Accounts for the year ending as on that date together with the Reports of Directors' and Auditors' thereon of M/s Soul Space Projects Limited, M/s B L K Lifestyle Limited, M/s Security Information Systems (India) Limited, the Subsidiary Companies and Soul Space Realty Limited and Soul Space Hospitality Limited step down Subsidiary Companies are provided elsewhere in the Annual Report. Statement as required under Section 212 of the Companies Act, 1956 is also annexed herewith. The consolidated Balance Sheet of B.L. Kashyap & Sons Limited and its subsidiary companies and step down Subsidiary Companies for the Financial Year ended 31st March, 2008 and Profit and Loss Account for the Financial Year ended on that date together with the Schedules is attached hereto.

ADDITIONAL INVESTMENT IN SUBSIDIARY COMPANY

The Board of Directors of the Company in their meeting held on 8th March, 2008 approved additional investment of Rs.7.95 Crores in the Share Capital of its subsidiary company, "B L K Lifestyle Ltd." After this investment total investment of the Company will stand increased to Rs. 10/- Crores through fresh subscription of 29,50,000 Equity Shares of Rs. 10/- each and 50,00,000 8% Non Cumulative Redeemable Preference Share of Rs.10/- each.

SUB-DIVISION OF EQUITY SHARES

With effect from 29th October, 2007 (Record date), the Company has sub-divided one Equity Share of nominal value of Rs 10/- into two Equity Shares having nominal value of Rs. 5/- each.

The sub-divided shares were credited by NSDL and CDSL on 30th October, 2007 in the demat accounts of respective shareholders holding shares in demat mode. The Company had dispatched the physical Share Certificates to those shareholders who held the shares in physical form.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards had 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 March 31, 2008 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.

LISTING

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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.

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

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

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

While there was no Foreign Currency earning during the year under review, the Foreign Currency outgo was Rs. 49.32 Lakhs.

B. L. KASHYAP AND SONS LIMITED**PARTICULARS OF EMPLOYEES**

The details of employees drawing remuneration as prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, during the Financial Year 2007-08 are annexed to this report.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Naveen Jain and Mr. H.N. Nanani, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance and Management Discussion and Analysis Report form part of this Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' certificate confirming compliance of the Corporate Governance is attached to the Report on Corporate Governance.

AUDITORS

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

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

ACKNOWLEDGEMENTS

Your directors would like to express their grateful appreciation for the assistance and cooperation received from the Financial Institutions, Bankers, Government Authorities.

The Board also wishes to place on record its gratitude to the Customers, Vendors and Investors for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our consistent growth was made possible by their hard work, solidarity cooperation and support.

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

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**Place: New Delhi
Dated: 31st July, 2008**

**Vinod Kashyap
Chairman**

**Vineet Kashyap
Managing Director**

B. L. KASHYAP AND 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, 2008	March 31, 2008	March 31, 2008
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	20,50,000 Equity Shares of Rs.10/- each	6,80,000 Equity Shares of Rs.10/- each
4. The net aggregate of Profits/Losses of the Subsidiary for the current year so far as it concerns the members of the holding Company			
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	Loss: Rs. 2.33 Crores	Profit: Rs. 1.26 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. 0.96 Crores	Profit: Rs. 2.89 Crores	Loss : Rs. 0.60 Crores

For and on behalf of the Board of Directors of
B.L. Kashyap And Sons LimitedPlace : New Delhi
Dated : 31st July, 2008Vinod Kashyap
ChairmanVineet Kashyap
Managing Director

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

(Amount in Lakhs)

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	0.00	1794.93	1999.94	1999.94	290.84	-356.79	-123.59	-233.20	0.00
Soul Space Projects Limited	209.38	444.35	14670.18	15328.39	15328.39	1817.37	219.84	93.96	125.89	0.00
Security Information Systems (India) Ltd.	68.00	0.00	117.18	185.19	185.19	0.04	-14.36	-4.80	-9.56	0.00

For and on behalf of the Board of Directors of
B.L. Kashyap And Sons LimitedPlace : New Delhi
Dated : 31st July, 2008Vinod Kashyap
ChairmanVineet Kashyap
Managing Director

B. L. KASHYAP AND 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, 2008

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.	56	08.05.1989	35	6,480,000	Self employed businessman
2	Vineet Kashyap *	Managing Director	B.A.	54	08.05.1989	32	6,480,000	Self employed businessman
3	Vikram Kashyap *	Joint Managing Director	-	46	08.05.1989	27	6,480,000	Self employed businessman
4	Prashant Tyagi	Designated Director	B.E.	44	08.05.1989	21	4,893,184	-
5	Naveel Singla	Designated Director	B.E.	39	08.03.1993	16	2,610,000	-
6	Sudhir Tengshe	Vice President	B.E.	42	05.07.2007	22	2,294,117	-
7	Prashant Khare	Vice President	B.E.	43	17.04.1992	16	2,112,000	SA Builder Limited Project Engineer
8	Kaushalesh Kumar	Associate Vice President	B.E.	41	26.04.1993	15	2,100,000	-

Notes:

- *Directors are related to each other within the meaning of Companies Act, 1956
- Remuneration includes Basic Salary, Allowance, Taxable value of Perquisites, etc. and other Perquisites calculated in accordance with the Income Tax Act, 1961 and Rule there under.

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

Place : New Delhi
Dated : 31st July, 2008

Vinod Kashyap
Chairman

Vineet Kashyap
Managing Director

B. L. KASHYAP AND SONS LIMITED**Management's Discussion and Analysis****Overview**

The Indian economy is at critical juncture of its development process. India is amongst the fastest growing global economies expected to be the eighth largest economy globally by 2010 and fourth largest by 2030. Hence, India in its quest for growth has embarked on massive infrastructure and construction projects to support the growth. Increasing infrastructure activity, booming construction and a flourishing economy in India brings with it signs of robust demand. Globally, the focus on cost cutting and value-for-money sourcing will provide big opportunities to Indian companies to establish a strong foothold.

Construction Industry is witnessing a boom in view of the significant economic activity in all sectors of the economy. It has emerged as one of the dynamic sector in India's economy with a growth of more than 10% per annum over the last few years. In India, construction is the second largest economic activity after agriculture. Investments in construction accounts for nearly 11 per cent of India's Gross Domestic Product (GDP) and nearly 50 per cent of its Gross Fixed Capital Formation (GFCF). Fund injection into the sector could go up to US\$ 124.65 billion by FY 2010. Construction accounts for nearly 65 per cent of the total investment in infrastructure and is expected to be the biggest beneficiary of the surge in infrastructure investment over the next five years. This sector has recorded the highest growth rate in generation of jobs in the Country.

Construction activity is an integral part of a country's infrastructure and industrial development. Construction is a vehicle for the growth of civilization. It builds structures that sustain a nation's economy. In India's national plans construction constitutes 40% to 50% of the capital expenditure on projects in various sectors such as energy, transport, irrigation, communications, defence, the social sector, rural and urban infrastructure, etc

The construction sector is an important sector due to the labour intensive nature of the construction activity and the priority being given to employment generation in the economy.

OPPORTUNITIES AND THREATS**Opportunities**

Your company appears to be in a good position to add new clients and good projects. Your company is creating right set of Infrastructure/people in place to add additional niche areas to its portfolio to enable a steady growth and continuous revenue streams over next several years.

There are immense opportunities in developing and upgrading civic infrastructure for the sector as well. Out of 5500 towns and cities, only few of them have wastewater collection, treatment and disposal systems. Most of the Country's population does not have access to basic sanitation facilities. With due incentives from municipal bodies, providing these facilities would itself mean a windfall for the construction industry.

The contribution of the construction sector to India's GDP is likely to increase in the coming years in light of the Government's highway projects. These projects have thrown up fresh opportunities for construction companies.

The total amount of unexecuted work on hand as on 31st March, 2008 was Rs. 3100 Crores.

Threats

Rising steel and cement prices have an impact on the margins of the construction industry, albeit your Company is insulated from the same as majority price effect are passed on the clients as per the Contract Agreements.

The construction sector is one of the largest employers in the country. It employs over 30 million people, many of them women and migrants who are unskilled. Therefore, there is a need to expand the training and skill of the labour force engaged in construction activity. A major source of concern for your Company is the shortage of skilled workforce going forward.

The rise in interest rates is causing a serious concern among companies. With inflation touching an all time high, there has been a substantial increase in the interest cost on both short-term and long-term loans as banks have already started hiking PLR. Higher cost of funds will affect industry, construction and other economic activities. Growing interest costs will result in reduced consumption and investment expenditures although Companies shall feel actual impact only around the third or fourth quarter and also gauging the behavior of the Equity Market and the interest levels of the foreign investors.

Any change in Government policies or focus may affect business and results of operations.