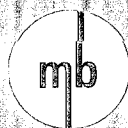
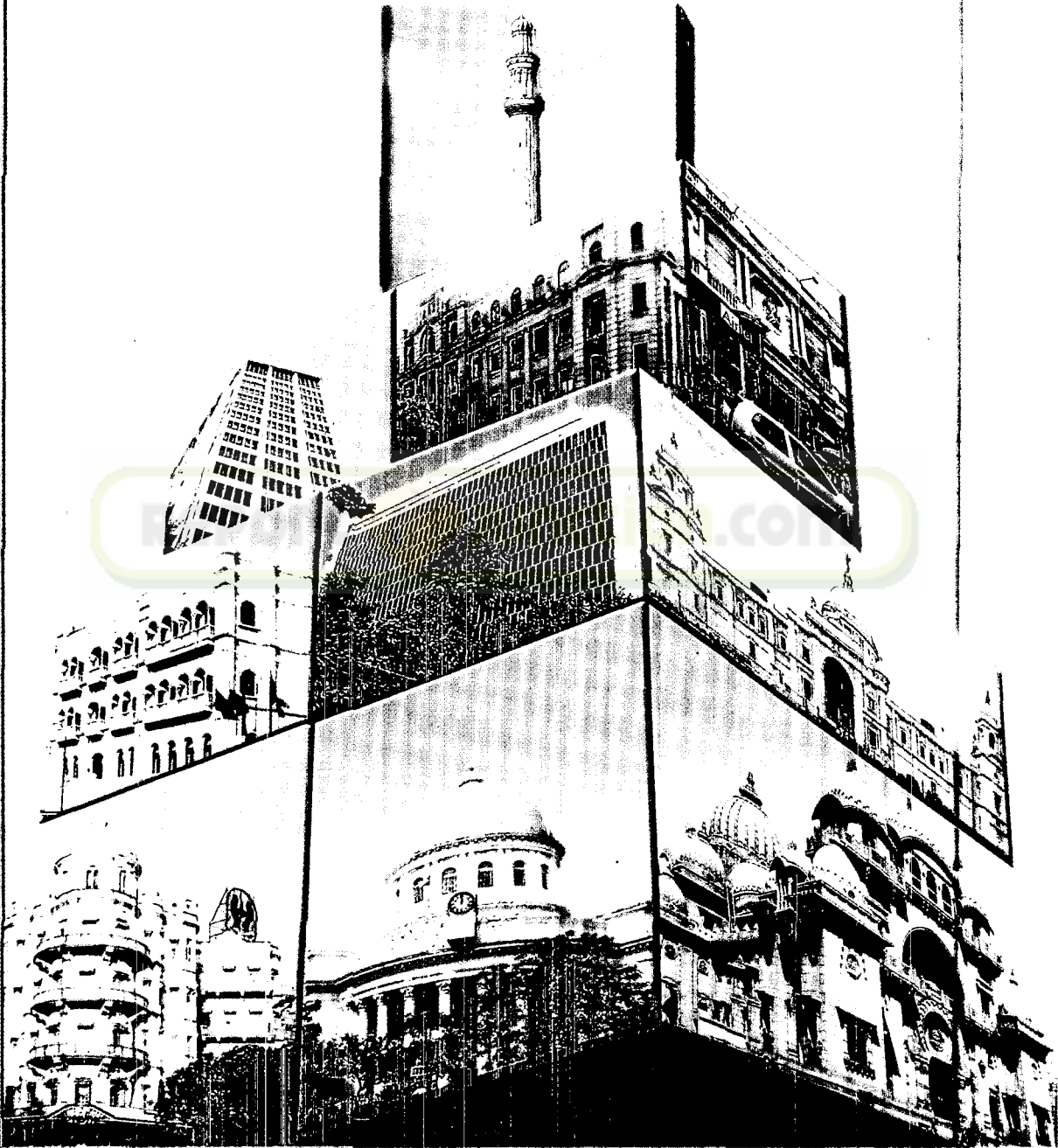


ANNUAL REPORT 2007/08

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*We create history
not just buildings*



MARTIN BURN LIMITED

Corporate Information

Board of Directors

Shri Kedar Nath Fatehpuria	<i>Chairman & Managing Director</i>
Shri Om Prakash Fatehpuria	<i>Joint Managing Director</i>
Shri Kailash Nath Fatehpuria	<i>Deputy Managing Director</i>
Shri Vijay Kumar Fatehpuria	<i>Deputy Managing Director</i>
Shri Kunal Ghoshal	<i>Executive Director & Chief Executive (Real Estate Division) (ceased to act as director w.e.f. 21.09.2007)</i>
Shri Ram Karan Tiwari	<i>Independent Non-Executive Director</i>
Shri Kailash Prasad Dhanuka	<i>Independent Non-Executive Director</i>
Shri Sanjay Kumar Bhartiya	<i>Independent Non-Executive Director</i>
Shri Pawan Murarka	<i>Independent Non-Executive Director</i>
Shri Narayanswami Sitaraman	<i>Independent Non-Executive Director (resigned w.e.f. 24.09.2007)</i>

Company Secretary

Ms. Sudha Agarwal

Statutory Auditors

M/s D. P. Sen & Co.
22, Ashutosh Chowdhury Avenue
2nd Floor, Flat No.22
Kolkata - 700 019

Internal Auditors

M/s Saraf & Co.
Todi Chamber
2, Lal Bazar Street
3rd Floor, Room No. 301
Kolkata - 700 001

Bankers

The Federal Bank Ltd.
State Bank of India
Punjab National Bank
ABM Amro Bank

Registered Office

"Martin Burn House"
1, R. N. Mukherjee Road
Kolkata - 700 001
Phone : 2230 - 3371/80
Fax : 2248-8416
E-mail : martinburn@rediffmail.com

Branches

40-42, Janpath,
New Delhi - 110 001

"Esplanade House"
29, Hazarimal Somani Marg
Mumbai - 400 001.

Solicitors

Shri R.L. Mitra.
6 Old Post Office Street
"Temple Chambers" 2nd Floor
Kolkata - 700 001
Phone : 2248-3255

Registrars & Share Transfer Agent

Maheshwari Datamatics (P) Ltd.
6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001
Phone : 2243-5029/5809
Fax : 2248- 4787

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Notice

NOTICE is hereby given that the 61st Annual General Meeting of the Company will be held at the Registered Office of the Company at 1, R. N. Mukherjee Road, Kolkata - 700 001, on Thursday, the 4th day of September, 2008 at 11.00 A.M to transact the following business :

ORDINARY BUSINESS

1. To consider, approve and adopt the audited Balance Sheet as at 31st March, 2008, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ram Karan Tiwari who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Kailash Prasad Dhanuka who retires by rotation and being eligible, offers himself for reappointment.
4. To re-appoint retiring Auditors of the Company, M/s D. P. Sen & Co., Chartered Accountants, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution

"RESOLVED THAT in partial modification of Resolution No. 6 passed at the 57th Annual General Meeting of the Company held on 23 December, 2004 in connection with the appointment and terms of remuneration of Shri Kedar Nath Fatehpuria as Wholetime Director designated as Chairman and Managing Director of the Company with effect from 27 April, 2004 for a period of 5 (five) years and in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactments thereof, the Company hereby approves the revision in the remuneration of Shri Kedar Nath Fatehpuria with effect from 1 May, 2008, as set out in the Supplemental Agreement dated 30 April, 2008, entered into by the Company with Shri Kedar Nath Fatehpuria and submitted to this meeting for approval."

6. 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 Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof, and subject to such approval as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Om Prakash Fatehpuria as Wholetime Director designated as Joint Managing Director of the Company for a period of 3 (three) years with retrospective effect from 1 January, 2007, upon the terms and conditions including remuneration as are set out in the Agreement entered in between the Company and Shri Om Prakash Fatehpuria."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to alter and modify or agree to such change in the terms and conditions of the appointment including increase of the remuneration and perquisites as may be mutually agreed to between the Company and Shri Om Prakash Fatehpuria, subject to the limits contained in the Companies Act, 1956, and Schedule XIII of the said Act."

"RESOLVED FURTHER THAT in case of no profits or inadequacy of profits in any financial year, minimum remuneration as specified in Schedule XIII of the Companies Act, 1956, shall be paid to Shri Om Prakash Fatehpuria."

7. 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 Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof, and subject to such approval as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Kailash Nath Fatehpuria, as Wholetime Director designated as Deputy Managing Director of the Company for a period of 3 (three) years with retrospective effect from 1 January, 2007, upon the terms and conditions including remuneration as are set out in the Agreement entered in between the Company and Shri Kailash Nath Fatehpuria."

"RESOLVED FURTHER THAT the Board of Directors be

Notice (CONTD.)

and are hereby authorised to alter and modify or agree to such change in the terms and conditions of the appointment including increase of the remuneration and perquisites as may be mutually agreed to between the Company and Shri Kailash Nath Fatehpuria, subject to the limits contained in the Companies Act, 1956 and Schedule XIII of the said Act."

"RESOLVED FURTHER THAT in case of no profits or inadequacy of profits in any financial year, minimum remuneration as specified in Schedule XIII of the Companies Act, 1956, shall be paid to Shri Kailash Nath Fatehpuria."

8. 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 Sections 198, 269 and 309 read with Schedule - XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof, and subject to such approval as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Vijay Kumar Fatehpuria, as Wholtime Director designated as Deputy Managing Director of the Company for a period of 3 (three) years with retrospective effect from 1 January, 2007, upon the terms and conditions including remuneration as are set out in the Agreement entered in between the Company and Shri Vijay Kumar Fatehpuria."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to alter and modify or agree to such change in the terms and conditions of the appointment including increase of the remuneration and perquisites as may be mutually agreed to between the Company and Shri Vijay Kumar Fatehpuria, subject to the limits contained in the Companies Act, 1956 and Schedule XIII of the said Act."

"RESOLVED FURTHER THAT in case of no profits or inadequacy of profits in any financial year, minimum remuneration as specified in Schedule XIII of the Companies Act, 1956, shall be paid to Shri Vijay Kumar Fatehpuria"

9. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution :

"RESOLVED THAT the Company hereby accords its consent and approval under Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956, to Shri Sunil Fatehpuria son of Shri Kedar Nath Fatehpuria - Chairman and Managing Director of the Company, who holds an office of profits under the Company for a remuneration not exceeding Rs. 50,000 (Rupees Fifty thousand only) per month including all usual allowances and benefits, amenities and facilities, provident fund benefits etc."

"RESOLVED FURTHER THAT this resolution shall confer the necessary authority to the Board of Directors to sanction at their discretion the increments upto Rs. 50,000 (Rupees Fifty thousand only) per month including all usual allowances and benefits, amenities and facilities, provident fund benefits etc."

10. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution :

"RESOLVED THAT the Company hereby accords its consent and approval under Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956, to Shri Anil Fatehpuria son of Shri Om Prakash Fatehpuria - Jt. Managing Director of the Company, who holds an office of profits under the Company for a remuneration not exceeding Rs. 50,000 (Rupees Fifty thousand only) per month including all usual allowances and benefits, amenities and facilities, provident fund benefits etc."

"RESOLVED FURTHER THAT this resolution shall confer the necessary authority to the Board of Directors to sanction at their discretion the increments upto Rs. 50,000 (Rupees Fifty thousand only) per month including all usual allowances and benefits, amenities and facilities, provident fund benefits etc."

11. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution :

Notice (CONTD.)

"RESOLVED THAT the Company hereby accords its consent and approval under Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956, to Shri Anup Fatehpuria son of Shri Om Prakash Fatehpuria Joint and Managing Director of the Company, who holds an office of profits under the Company for a remuneration not exceeding Rs. 50,000 (Rupees Fifty thousand only) per month including all usual allowances and benefits, amenities and facilities, provident fund benefits etc."

"RESOLVED FURTHER THAT this resolution shall confer the necessary authority to the Board of Directors to sanction at their discretion the increments upto Rs. 50,000 (Rupees Fifty thousand only) per month including all usual allowances and benefits, amenities and facilities, provident fund benefits etc."

12. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution :

"RESOLVED THAT the Company hereby accords its consent and approval under Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956, to Shri Manish Fatehpuria son of Shri Kedar Nath Fatehpuria - Chairman and Managing Director of the Company, who holds an office of profits under the Company for a remuneration not exceeding Rs. 50,000 (Rupees Fifty thousand only) per month including all usual allowances and benefits, amenities and facilities, provident fund benefits etc."

"RESOLVED FURTHER THAT this resolution shall confer the necessary authority to the Board of Directors to sanction at their discretion the increments upto Rs. 50,000 (Rupees Fifty thousand only) per month including all usual allowances and benefits, amenities and facilities, provident fund benefits etc."

By Order of the Board of Directors
For **MARTIN BURN LIMITED**

Place : Kolkata
Date : August 4, 2008

Sudha Agarwal
Company Secretary

NOTES :

- I. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself/herself and the proxy need not be a member of the Company. However, the proxy forms duly filled up must be lodged with the Company at least 48 hours before the time of the meeting.
- II. Corporate Members intending to send their authorised representative(s) to attend the Annual General Meeting are advised to send a certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the meeting.
- III. The Register of Members and the Share Transfer Books of the Company shall remain closed from 28th August, 2008 to 4th September, 2008 (both days inclusive).
- IV. Members who are holding shares in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation which includes easy liquidity, savings in stamp duty, prevention of forgery etc.
- V. All documents referred to in the Notice and accompanying explanatory statement, as well as the Annual Accounts of the subsidiary company are open for inspection at the Registered Office of the Company on all working days, except Sunday and other holidays, between 11.00 A.M. and 1.00 P.M. upto the date of Annual General Meeting.
- VI. Information pursuant to clause 49 of the Listing Agreement in connection with the Directors to be Reappointed at the 61st Annual General Meeting.

Notice (CONTD.)

Name of Director	Shri Ram Karan Tiwari	Shri Kailash Prasad Dhanuka
Date of Birth	29.07.1930	24.11.1943
Date of Appointment	31.03.2003	31.03.2003
Qualifications	M.A., L.L.B.	B.Com.
Experience	He is a senior advocate with more than 50 years of experience. He is practicing in Supreme Court of India and other International Courts.	He has a wide experience in trading activities and International business.
Directorship in other Public Limited companies	Nil	Nil
Chairman/Membership of the Committees	1) Member of the Audit Committee of Martin Burn Ltd. 2) Chairman of Remuneration Committee of Martin Burn Ltd.	1) Chairman of the Audit Committee of Martin Burn Ltd. 2) Member of Remuneration Committee of Martin Burn Ltd.
No. of Shares held in the Company	Nil	Nil

VII. Members are requested to :

- Notify change of address, if any.
- Send Query (ies), if any, regarding audited accounts at least 10 days before the meeting.
- Bring with them their copy of the Annual Report in the meeting.
- Carry their identity proof to produce at the venue for security reasons.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5

The Remuneration Committee of the Board and the Board of Directors at their respective meetings held on 30 April, 2008, considered the existing agreement dated 27 April, 2004 between the Company and Shri Kedar Nath Fatehpuria and decided to revise the remuneration payable to him w.e.f 1 May, 2008 till 27 April, 2009, subject to your approval at the ensuing Annual General Meeting. The revised remuneration is as under :

- SALARY** : Rs.1,00,000 (Rupees One Lac only) per month.
- COMMISSION** : Not exceeding 1% of the Net Profit of the Company in a particular year subject to a ceiling of 50 % of the salary.
- PERQUISITES & ALLOWANCES** : In addition to the salary as outlined above, Shri Kedar Nath Fatehpuria shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and

repairs, medical reimbursement, leave travel concession for himself and his family, club fees, personal accident insurance and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Shri Fatehpuria, such perquisites and allowances will be subject to a maximum of 125% of his annual salary.

- PROVIDENT FUND, SUPERANNUATION FUND/ANNUITY FUND** : Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity Payable as per the rules of the Company and Encashment of Leave at the end of his tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
- Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Notice (CONTD.)

- vi) **MINIMUM REMUNERATION** : In the event of loss or inadequacy of profits of the Company in any financial year, remuneration and perquisites/benefits payable to him by way of minimum remuneration shall be determined by the Board within the limit specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, as modified from time to time.
- vii) **SITTING FEES** : The Director shall not be paid any sitting fees for attending the meeting of the Board or any Committee thereof.

None of the Directors, except Shri Kedar Nath Fatehpuria, as recipient of remuneration and Shri Om Prakash Fatehpuria, Shri Kailash Nath Fatehpuria and Shri Vijay Kumar Fatehpuria being his relatives are concerned or interested in the aforesaid appointment.

Item No. 6, 7 & 8

The Remuneration Committee of the Board and the Board of Directors at their respective meetings held on 30 April, 2008, decided to revise the remuneration payable to Shri Om Prakash Fatehpuria, Shri Kailash Nath Fatehpuria and Shri Vijay Kumar Fatehpuria w.e.f 1 May, 2008, subject to your approval at the ensuing Annual General Meeting. The revised remuneration is as under :

- i) **SALARY** : Rs. 50,000 (Rupees Fifty thousand only) per month.
- ii) **PERQUISITES & ALLOWANCES** : In addition to the salary as outlined above, Shri Om Prakash Fatehpuria, Shri Kailash Nath Fatehpuria and Shri Vijay Kumar Fatehpuria shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for them and their family, club fees, personal accident insurance and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and all of the above mentioned directors, such perquisites and allowances will be subject to a maximum of 125% of their annual salary.
- iii) **PROVIDENT FUND, SUPERANNUATION FUND/ANNUITY FUND** : Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity Payable as per the rules of the Company and Encashment of Leave at the end of their tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

- iv) Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- v) **MINIMUM REMUNERATION** : In the event of loss or inadequacy of profits of the Company in any financial year remuneration and perquisites/benefits payable to them by way of minimum remuneration shall be determined by the Board within the limit specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, as modified from time to time.

- vi) **SITTING FEES** : The Directors shall not be paid any sitting fees for attending the meeting of the Board or any Committee thereof.

None of the Directors, except Shri Om Prakash Fatehpuria, Shri Kailash Nath Fatehpuria and Shri Vijay Kumar Fatehpuria as recipient of remuneration and Shri Kedar Nath Fatehpuria being their relative is concerned or interested in the aforesaid appointment

Item No. 9, 10, 11 & 12

Under Section 314(1) of the Companies Act, 1956, a special resolution is required to be passed at the General Meeting of the Company for enabling any relative of a Director of the Company, holding office or place of profit, to hold any office or place of profit under the Company if the monthly remuneration of the said persons exceeds Rs. 20,000 (Rupees Twenty thousand only). Accordingly, in terms of Section 314(1) of the Companies Act, 1956, the members are required to grant their consent to Shri Sunil Fatehpuria Shri Anil Fatehpuria, Shri Anup Fatehpuria and Shri Manish Fatehpuria to hold office or place of profit under the Company as their monthly remuneration is proposed to exceed Rs. 20,000 (Rupees Twenty thousand only).

Shri Kedar Nath Fatehpuria - Chairman and Managing Director is interested in respect of the resolution proposed under the Item Nos. 9 & 12.

Shri Om Prakash Fatehpuria - Joint Managing Director is interested in respect of resolution proposed under the item nos. 10 & 11.

By Order of the Board of Directors
For **MARTIN BURN LIMITED**
Sudha Agarwal
Company Secretary

Place : Kolkata
Date : August 4, 2008

Directors' Report

To the Members,

The Directors submit Annual Report and Audited Accounts of Martin Burn Limited for the Financial Year ended March 31, 2008.

FINANCIAL RESULTS

(Rs. In Lakh)

	2007-2008	2006-2007
Profit before Interest, Depreciation and Taxation	575.26	611.92
Less : Interest/Expense	53.78	48.07
Less : Depreciation	22.29	24.51
Profit/(Loss) before Taxation	499.19	539.34
Add/(Less) : Provision for Taxation	157.19	48.35
Profit/(Loss) after Taxation	342.00	490.99
Un-appropriated Profit brought forward from previous years	586.90	545.91
Profit available for appropriations	928.90	1036.90

DIVIDEND

Directors regret that they are unable to recommend any dividend for the year under review.

PERFORMANCE REVIEW & FUTURE OUTLOOK

The Company has earned a Post Tax Profit of Rs. 342 Lacs against the corresponding Profit of Rs. 490.99 Lacs, as reported last year.

We have undertaken and completed several Projects on Contract basis during the year under review which includes construction of DPSC Limited Building extension project, Woodlands Medical Centre Limited Building extension project, renovation of East India Hotels, etc.

The Company is negotiating with various parties for acquiring 36 to 40 acres of land at Rajarhat, Kolkata.

PUBLIC DEPOSIT

The Company has no outstanding Public Deposit as on March 31, 2008. The Company has complied with the provisions of Section 58A of the Companies Act, 1956. The Company is not accepting any new Deposits.

HUMAN RESOURCES

The Management continues to have harmonious relation with the employees. Your Directors wish to place on record

their appreciation for the contributions made by the employees and workers of your Company at all levels during the year under review.

DIRECTORS

Shri Ram Karan Tiwari and Shri Kailash Prasad Dhanuka - Directors of the Company, retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

During the period under review, Shri Narayanswami Sitaraman has resigned as Director of the Company with effect from 24th September, 2007 and Shri Kunal Ghoshal has ceased to act as director of the Company after the Annual General Meeting held on 21st September, 2007, as no notice was received in accordance with the provision of Section 257 of the Companies Act, 1956.

STATUTORY INFORMATION

- (1) Section 217 (2A) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is not applicable, as the remuneration payable to any employee does not exceed the prescribed limit.
- (2) The Company does not have any activity related to conservation of energy or technology absorption.

Directors' Report (CONTD.)

- (3) The Company's foreign exchange outgoing and the foreign exchange earning during the year is NIL.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 [2AA] of the Companies Act, 1956, the Directors state as follows:

- (1) That in the preparation of the annual accounts for the financial year ended March 31, 2008 the applicable accounting standards had been followed and that no material departures have been made from the same;
- (2) That the Directors have 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 at the end of the financial year and of the profits of the Company for that period;
- (3) That 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;
- (4) That the Directors have prepared the annual accounts on a going concern basis.

LISTING

The Company's shares are listed at The Calcutta Stock Exchange Association Ltd., The Uttar Pradesh Stock Exchange Association Ltd., Bombay Stock Exchange Ltd. and The Delhi Stock Exchange Association Ltd. A Special Resolution was passed in the Annual General Meeting of the Company held on December 23, 2004, to delist the shares of the Company from The Uttar Pradesh Stock Exchange Association Ltd. and The Delhi Stock Exchange Association Ltd. Delisting of the shares will be completed as soon as No Objection Certificate from the Bombay Stock Exchange Ltd. is received.

TRADING OF SHARES

The trading in shares of the Company started at the Bombay Stock Exchange Limited with effect from 17th May, 2007

under Z category and the Company was soon shifted to the B category. The shareholders who are holding shares in physical form are requested to dematerialize their shares.

CORPORATE GOVERNANCE

Reports on Corporate Governance & Management Discussion and Analysis Report, in terms of Clause 49 of the Listing Agreement are annexed and form a part of this Annual Report.

A certificate from the Auditors of the Company, M/s A. K. Labh & Co. confirming compliance with the conditions of the Corporate Governance is also annexed.

AUDITORS' REPORT

Auditors' comments in their report are dealt with by Notes on the Accounts which are self explanatory and therefore do not call for any further clarification.

AUDITORS

M/s D. P. Sen & Co., Chartered Accountants, Auditors of the Company retire 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 and gratitude to the various departments of Central and State Government, Banks, Financial Institutions, Customers, Suppliers and other business associates for their continued co-operation and patronage.

Your Directors also wish to place on record their appreciation for the whole hearted and continued support extended by the shareholders and investors who have always been a source of strength to the Company.

Place : Kolkata
Date : August 4, 2008

On behalf of the Board
K. N. Fatehpuria
Chairman & Managing Director

Management Discussion and Analysis

Industry Trend and Development

With property boom spreading in all directions, real estate in India is touching new heights; however the growth also depends on the policies adopted by the Government to facilitate investments mainly in the economic and industrial sector. The new stand adopted by Indian Government regarding Foreign Direct Investments (FDI) policies has encouraged an increasing number of countries to invest in Indian Properties. Real Estate Sector in India is growing at 30% per annum and is one of the largest contributor to GDP. Real Estate in India is projected to be US\$ 50 billion in 2008.

Opportunities

- Consumerism – the order of the day is fueling the growth in both the commercial as well as the retail sector.
- Rising income level of the middle and higher income groups have resulted in an increased demand for higher quality retail space.
- Globalization of Indian Economy has pushed the demand for houses.

The real estate in India is booming like never before and your Company foresees a bright future for its forthcoming real estate projects.

Threats :

- Barriers to Foreign Direct Investment limit the entry of the global players and exposure to the best international practices.
- Increase in the cost of prime raw materials such as steel and cement.
- Government policies on land acquisition in private sector.
- Poor infrastructure restricts the growth of the real estate.

Risk and Concern

Some of the risks and concerns have already been discussed under the section 'Opportunities and Threats'. In view of the inherent risk involved in the Real Estate and Construction business it is the Management's intention to minimise the risk factor by constantly reviewing market trend and economic conditions.

Outlook

The Company is negotiating with various parties for acquisition of 36 to 40 acres of land at Rajarhat, Kolkata.

The Company has 1.70 acres of property on Chowringhee Road, Kolkata where it plans to construct an International quality Mall with Food Court and 4-screen multiplex.

Internal Control and System

The Company has a well structured Internal Control Mechanism to provide reasonable assurance that all assets are safe-guarded, transactions are authorised, recorded and reported correctly and ensure compliance with the various policies and statutes. The internal audit team regularly briefs the Management and Audit Committee on their findings and also on steps taken with regard to deviations, if any. The internal audit system is in the process of being strengthened further.

Human Resource Management

The progress made by the Company so far has been due to the commitment and contribution of the dedicated team of staff members. The Company recognizes the imperative of developing the human resource for future development of the Company. Harmonious industrial relations continued to prevail during the year.

Cautionary Statement

Statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/and price condition in the market in which the Company operates, changes in the Government Regulations, tax laws and other statute and other incidental factors.