

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2007

Your Directors submit their Report and Accounts for the financial year ended 31st March, 2007.

Performance

During the year under review, your Company earned a Licence Fee of Rs. 63.22 lacs (previous year - Rs. 33.93 lacs) and a net profit of Rs. 41.38 lacs (previous year - Rs. 20.89 lacs) after providing for income tax of Rs. 16.87 lacs (previous year - Rs. 7.22 lacs). Earnings per share for the year stands at Rs. 348.42 per share of Rs. 100/- (previous year - Rs. 175.90 per share of Rs. 100/-) Cash Flow from Operations were Rs. 48.72 lacs during the year (previous year - Rs. 12.78 lacs).

Your Directors are pleased to recommend a dividend of Rs. 30/- (previous year - Rs. 20/-) per equity share of Rs. 100/- each for the year ended 31st March, 2007. Your Board further recommends a transfer to General Reserve of Rs. 3.10 lacs (previous year - Rs. 1.57 lacs).

The Union Cabinet has approved the proposal of declaring the Veer Savarkar Airport at Port Blair as an international airport. This is bound to bring about a greater pace of development with special emphasis on tourism promotion.

Conservation of Energy

Considering the fact that the hotel is under an operating licence with ITC Limited, no comment is made on conservation of energy. However, your Company's hotel viz., Fortune Resort Bay Island continues to focus on energy conservation, safety and environment.

Foreign Exchange Earnings and Outflow

There has been no foreign exchange income or outflow during the year (previous year - Nil).

Directors

In accordance with the provisions of Article 143 of the Articles of Association of the Company, Mr. G.H.C. Jadwet and Mr. M. Riaz Ahmed will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

COMPLIANCE CERTIFICATE

Company No. : U74899DL1976PLC105131
Nominal Capital : Rs. 1.2 crores

The Members of
Bay Islands Hotels Ltd.
25, Community Centre
Basant Lok, Vasant Vihar
New Delhi - 110 057

We have examined the registers, records, books and papers of M/s Bay Islands Hotels Limited (hereinafter referred to as 'the Company') as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made thereunder, the provisions contained in the Memorandum and Articles of Association of the Company and also the audited Annual Accounts, Auditors' Report on the said annual accounts for the financial year ended 31st March, 2007 (financial year). In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the financial year:

- The Company has kept and maintained Registers as stated in "Annexure: A" to this Certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
- The Company has duly filed the forms and returns as stated in "Annexure: B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made thereunder, except those as mentioned in "Annexure: B".
- The Company, being a public limited company, comments are not required.
- The Board of Directors duly met four times respectively on 28th April, 2006; 28th September, 2006; 29th December, 2006 and 29th March, 2007 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. There was no resolution passed by circulation.
- The Company has not closed its Register of Members during the financial year.
- The Annual General Meeting for the financial year ended on 31st March, 2006 was held on 26th June, 2006 after giving due notice to the members of the Company and others concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- No extraordinary general meeting was held during the financial year.
- The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
- The Company has not entered into any contracts falling within the purview of Section 297 of the Act.

Particulars of Employees

None of the employees fall under the purview of the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

Compliance Certificate under Companies Act, 1956

A certificate issued by M/s. P B & Associates, Company Secretaries, in terms of the provisions of Section 383 A of the Companies Act, 1956, to the effect that the Company has complied with the applicable provisions of the said Act is attached to this Report.

Auditors

The Auditors of your Company M/s. S.B. Dandekar & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Responsibility Statement

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that :

a) in the preparation of annual accounts under review the applicable accounting standards had been followed. b) appropriate accounting policies were selected and applied consistently and reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that period. c) proper and sufficient care was 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. d) the annual accounts are prepared on a going concern basis. The required disclosures and the significant accounting policies followed are appearing in Schedules 15 and 16 respectively, to the annual accounts.

On behalf of the Board

Mohan Bhatnagar *Director*
M. Riaz Ahmed *Director*

Gurgaon, 2nd May, 2007

- The Company was not required to make any entries in the Register maintained under Section 301(1) of the Act. However, it has made necessary entries in Register maintained under Section 301(3) of the Act.
- As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
- The Company has not issued any duplicate share certificate during the financial year.
- The Company has:
 - delivered the Share certificates on transfer of shares in accordance with the provisions of the Act. However, there was no allotment/transmission of securities during the financial year.
 - not deposited any amount in a separate Bank Account. However, the entire final dividend has been disbursed to the Members within five days from the date of declaration of such dividend.
 - paid dividends to all the members within a period of 30 days from the date of declaration and that there is no Unclaimed/Unpaid Dividend, which is required to be transferred to a Special Account.
 - not transferred any amount in Investor Education and Protection Fund as there is no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years.
 - duly complied with the requirements of Section 217 of the Act.
- The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
- The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
- The Company has not appointed any sole selling agents during the financial year.
- The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
- The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
- The Company has not issued any shares, debentures or other securities during the financial year.
- The Company has not bought back any shares during the financial year.

21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of the transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The Company has not made any borrowings during the financial year ended.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company for alleged offences under the Act. Similarly, no fines, penalties or punishment under the Act was imposed on the Company during the financial year.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

For PB & Associates
 Company Secretaries
 Pooja Bhatia
 LLB, ACS
 CP : 6485

New Delhi, 2nd May, 2007

ANNEXURE – 'A'

Registers maintained by the Company (As on March 31, 2007)

Sl. No.	Particulars	Relevant Section of the Act
1.	Minutes Book of the meetings of the Board of Directors of the Company	193
2.	Minutes Book of General Body Meetings of the Members of the Company	193
3.	Copies of Annual Returns	159
4.	Register of Members	150
5.	Register of Particulars of Directors, Managing Director, Manager and Secretary	303
6.	Register of Directors' Shareholding	307
7.	Register(s) of contracts, companies and firms in which Directors are interested	301(3)
8.	Books of Accounts	209
9.	Register of Share Transfer	

ANNEXURE – 'B'

A. Forms & Returns filed with the Registrar of Companies, New Delhi (During the Year ended on March 31, 2007)

Sl. No. Particulars of Forms & Returns Filed	Date of Filing	Whether filed within prescribed time	Additional Fees paid
1. Form 23AC for Annual Accounts u/s 220 of the Act for the year ended 31st March, 2006	22.07.2006	Yes	No
2. Form 62 for Compliance Certificate u/s 383A of the Act, for the financial year ended 31st March, 2006	22.07.2006	Yes	No
3. Form 20B for Annual Return u/s 159 of the Act, made upto 26th June, 2006	22.08.2006	Yes	No
4. Form DIN 3 u/s 266E of the Act	11.12.2006	No	N.A.
5. Form DIN 3 u/s 266E of the Act	11.12.2006	No	N.A.
6. Form DIN 3 u/s 266E of the Act	11.12.2006	No	N.A.
7. Form DIN 3 u/s 266E of the Act	11.12.2006	No	N.A.
8. Form DIN 3 u/s 266E of the Act	25.12.2006	Yes	N.A.

B. Forms & Returns filed with the Regional Director, Central Government or other authorities: Nil

REPORT OF THE AUDITORS TO THE MEMBERS

1. We have audited the attached Balance Sheet of Bay Islands Hotels Limited as at 31st March, 2007 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have 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. 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.
4. 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 and the above mentioned Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement therewith.
5. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956 of India (the Act).
6. On the basis of written representations received from the Directors as on 31st March, 2007 and taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as on 31st March, 2007 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Act.
7. In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements together with the statement of significant accounting policies and notes thereon / attached thereto give, in the prescribed manner, the information required by the Act and also give respectively, 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, 2007.
 - (b) In the case of Profit and Loss Account, of the profit for the year ended on that date.
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
8. As required by the Companies (Auditor's Report) Order, 2003, amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Act and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we further report that :-
 - (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
 - (b) The Fixed Assets of the Company have been physically verified by the management during the year, which is considered to be reasonable and no material discrepancies between book records and physical inventory were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
 - (ii) As the Company does not hold any inventory, clause (ii) of Para 4 of the Order is considered as not applicable.
 - (iii) The Company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered

- in the Register maintained under Section 301 of the Act. Accordingly, clauses (iii)(b), (iii)(c) and (iii)(d) of the Order are considered as not applicable.
- (iv) In our opinion, 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. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any major weaknesses in the above said internal control procedures commensurate with the size of the Company and nature of its business.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in the Register maintained under Section 301 of the Act. Accordingly, clause (v)(b) of the Order is considered as not applicable.
- (vi) The Company has not accepted any deposits within the meaning of the provisions of Sections 58A and 58AA of the Act and the rules framed thereunder.
- (vii) As required under item No. (vii) of the said Order, since the Company has Paid-up Capital less than Rs.50,00,000/-, internal audit system is not necessary.
- (viii) The Central Government of India has not prescribed the maintenance of cost records by the Company under Section 209(1)(d) of the Act.
- (ix) According to the information and explanations given to us and the books and records as produced and examined by us in accordance with generally accepted auditing practices in India:
- a) The Company is regular in depositing the undisputed amount of statutory dues to the Government Accounts.
- b) There is no amount of statutory dues not deposited by the Company on account of any dispute.
- (x) The Company has neither accumulated losses as at 31st March, 2007 nor has it incurred any cash loss either during the financial year ended on that date or in the immediately preceding financial year.
- (xi) Based on our audit procedures and information and explanations given by the management, the Company has no dues to any financial institution or bank during the financial year under audit.
- (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) In our opinion, considering the nature of the activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to it.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not dealt or traded in shares, securities, debentures or other investments during the year.
- (xv) The Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
- (xvi) Term loans were not availed by the Company and hence no such liability stood at the end of the year under audit.
- (xvii) Based on the information and explanations given to us and on overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised during the year on a short term basis which have been used for long-term investment and vice versa.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act during the year.
- (xix) As the Company has not issued any debentures and no debentures are outstanding at the year-end, hence clause (xix) of the Order is considered as not applicable.
- (xx) The Company has not raised any money by public issue during the year under audit.
- (xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
S.B.DANDEKAR & COMPANY
V. VENKATESAN
Chartered Accountant
Membership No:13351

Port Blair, 2nd May, 2007

BALANCE SHEET AS AT 31ST MARCH, 2007

Schedule	(Rs.)	As at 31st March, 2007 (Rs.)	(Rs.)	As at 31st March, 2006 (Rs.)
I. SOURCES OF FUNDS				
Shareholders' Funds				
(a) Capital	1	11,87,500	11,87,500	
(b) Reserves & Surplus	2	8,11,79,529	8,23,67,029	7,94,72,339
			7,82,84,839	7,94,72,339
			8,23,67,029	7,94,72,339
II. APPLICATION OF FUNDS				
1. Fixed Assets	3			
(a) Gross Block		10,34,42,743	10,34,42,743	
(b) Less : Depreciation		2,62,59,491	2,51,47,211	
(c) Net Block			7,71,83,252	7,82,95,532
2. Current Assets, Loans & Advances				
(a) Sundry Debtors	4	16,08,166	—	
(b) Cash and Bank Balances	5	24,22,699	37,348	
(c) Other Current Assets	6	37,748	—	
(d) Loans and Advances	7	3,65,380	6,01,090	
		44,33,993	6,38,438	
Less :				
Current Liabilities and Provisions				
(a) Liabilities	8	14,950	11,780	
(b) Provisions	9	4,16,795	2,70,809	
		4,31,745	2,82,589	
Net Current Assets				3,55,849
3. Deferred Tax Asset (Net)	10		11,81,529	8,20,958
Total			8,23,67,029	7,94,72,339
Notes to the Accounts	15			
Significant Accounting Policies	16			

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 and on behalf of
S. B. Dandekar & Company

V. Venkatesan
Chartered Accountant
Port Blair, 2nd May, 2007

On behalf of the Board

Mohan Bhatnagar Director
M. Riaz Ahmed Director
Gurgaon, 1st May, 2007

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	For the year ended 31st March, 2007 (Rs.)	For the year ended 31st March, 2006 (Rs.)
I. INCOME			
Operating Licence Fee		63,21,918	33,93,168
Other Income	11	52,694	—
		<u>63,74,612</u>	<u>33,93,168</u>
II. EXPENDITURE			
Operating and Administrative Expenses	12	2,64,254	2,94,940
Depreciation		2,86,220	2,87,217
		<u>5,50,474</u>	<u>5,82,157</u>
III. PROFIT / (LOSS)			
Profit Before Taxation		58,24,138	28,11,011
Taxation for the year	13	16,86,593	7,22,177
Profit After Taxation		41,37,545	20,88,834
Profit Brought Forward from Previous Year		57,34,871	40,73,509
Available for Appropriation		<u>98,72,416</u>	<u>61,62,343</u>
IV. APPROPRIATIONS			
General Reserve		3,10,316	1,56,663
Proposed Dividend		3,56,250	2,37,500
Tax on Proposed Dividend		60,545	33,309
Profit Carried Forward		<u>91,45,305</u>	<u>57,34,871</u>
		<u>98,72,416</u>	<u>61,62,343</u>
Basic and Diluted Earnings Per Share (Rs.)	14	348.42	175.90
Notes to the Accounts	15		
Significant Accounting Policies	16		

The Schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit & Loss Account referred to in our Report of even date.

For and on behalf of
S. B. Dandekar & Company

V. Venkatesan
Chartered Accountant
Port Blair, 2nd May, 2007

On behalf of the Board

Mohan Bhatnagar Director
M. Riaz Ahmed Director
Gurgaon, 1st May, 2007

CASH FLOW STATEMENT

(Figures for the previous year have been rearranged to conform with the revised presentation)

	For the year ended 31st March, 2007 (Rs.)		For the year ended 31st March, 2006 (Rs.)	
A. NET PROFIT BEFORE TAX		58,24,138		28,11,011
Adjustments for :				
Depreciation	2,86,220		2,87,217	
Interest accrued	(37,748)		—	
		<u>2,48,472</u>		<u>2,87,217</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		60,72,610		30,98,228
Adjustments for :				
Trade and other Receivables	(12,03,891)		(1,96,815)	
Trade Payables	3,170	(12,00,721)	(16,22,949)	(18,19,764)
CASH GENERATED FROM OPERATIONS		<u>48,71,889</u>		<u>12,78,464</u>
Income Tax Paid		(22,15,729)		(10,41,274)
NET CASH FROM OPERATING ACTIVITIES		<u>26,56,160</u>		<u>2,37,190</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Investment	—		—	
NET CASH USED IN INVESTING ACTIVITIES		<u>—</u>		<u>—</u>
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividends Paid	(2,37,500)		(2,37,500)	
Income Tax on Dividend Paid	(33,309)		(33,309)	
NET CASH FLOW USED IN FINANCING ACTIVITIES		<u>(2,70,809)</u>		<u>(2,70,809)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		23,85,351		(33,619)
OPENING CASH AND CASH EQUIVALENTS		37,348		70,967
CLOSING CASH AND CASH EQUIVALENTS		<u>24,22,699</u>		<u>37,348</u>
CASH AND CASH EQUIVALENTS COMPRISE :				
Cash and Bank Balances		— 24,22,699		— 37,348

Per our Report attached to the Balance Sheet

For and on behalf of
S. B. Dandekar & Company

V. Venkatesan
Chartered Accountant
Port Blair, 2nd May, 2007

On behalf of the Board

Mohan Bhatnagar Director
M. Riaz Ahmed Director
Gurgaon, 1st May, 2007

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)		As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)	As at 31st March, 2006 (Rs.)
1. CAPITAL			2. RESERVES & SURPLUS			
Authorised			Revaluation Reserve			
90,000 Equity Shares of Rs. 100/- each	90,00,000	90,00,000	At the commencement of the year	6,76,89,066	6,85,15,126	
30,000 - 13.5% Redeemable Cumulative Preference Shares of Rs. 100/- each	30,00,000	30,00,000	Less : Depreciation	8,26,060	8,26,060	6,76,89,066
	<u>1,20,00,000</u>	<u>1,20,00,000</u>	Subsidy Reserve	43,38,099		43,38,099
Issued, Subscribed & Paid-up			General Reserve			
11,875 Equity Shares of Rs.100/- each fully paid-up	11,87,500	11,87,500	At the commencement of the year	5,22,803	3,66,140	
	<u>11,87,500</u>	<u>11,87,500</u>	Add : Transferred from Profit & Loss Account	3,10,316	1,56,663	5,22,803
The above shares are held by the Holding Company - ITC Limited			Balance in Profit & Loss Account	91,45,305	57,34,871	
				<u>8,11,79,529</u>	<u>7,82,84,839</u>	

3. FIXED ASSETS

Particulars	Original Cost/ Professional Valuation as at 01.04.2006 (Rs.)	Additions during the year (Rs.)	Withdrawals during the year (Rs.)	Original Cost/ Professional Valuation as at 31.03.2007 (Rs.)	Depreciation for the year (Rs.)	Depreciation on withdrawals (Rs.)	Depreciation upto 31.03.2007 (Rs.)	Net Block as at 31.03.2007 (Rs.)
1. Land	5,70,00,000	—	—	5,70,00,000	—	—	—	5,70,00,000
2. Building	3,89,89,750	—	—	3,89,89,750	10,81,283	—	1,89,10,178	2,00,79,572
3. Plant & Machinery	70,45,674	—	—	70,45,674	30,997	—	69,41,994	1,03,680
4. Furniture & Fittings	4,07,319	—	—	4,07,319	—	—	4,07,319	—
Total	<u>10,34,42,743</u>	<u>—</u>	<u>—</u>	<u>10,34,42,743</u>	<u>11,12,280</u>	<u>—</u>	<u>2,62,59,491</u>	<u>7,71,83,252</u>
Previous Year	10,34,42,743	—	—	10,34,42,743	11,13,277	—	2,51,47,211	7,82,95,532

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)		As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
4. SUNDRY DEBTORS			9. PROVISIONS		
Over 6 months old			Provision for proposed dividend	3,56,250	2,37,500
Good and Unsecured	—	—	Tax on proposed dividend	60,545	33,309
Doubtful and Unsecured	—	—		<u>4,16,795</u>	<u>2,70,809</u>
Other Debts			10. DEFERRED TAX ASSET (NET)		
Good and Secured	—	—	Deferred Tax Assets	—	—
Good and Unsecured	16,08,166	—	Less :		
Less : Provision for Doubtful Debts	<u>—</u>	<u>—</u>	Deferred Tax Liability	(11,81,529)	(8,20,958)
	<u>16,08,166</u>	<u>—</u>	Depreciation - Timing Difference	<u>(11,81,529)</u>	<u>(8,20,958)</u>
Less : Deposits from normal Trade Debtors - Contra	<u>—</u>	<u>—</u>	Net Deferred Tax Asset	<u>11,81,529</u>	<u>8,20,958</u>
	<u>16,08,166</u>	<u>—</u>			
5. CASH AND BANK BALANCES				For the year ended 31st March, 2007 (Rs.)	For the year ended 31st March, 2006 (Rs.)
With Scheduled Banks on Current Accounts	18,32,699	37,348	11. OTHER INCOME		
Deposit with Scheduled Banks	5,90,000	—	Interest on Fixed Deposit	41,531	—
	<u>24,22,699</u>	<u>37,348</u>	Interest on Income Tax Refund	11,163	—
6. OTHER CURRENT ASSETS				<u>52,694</u>	<u>—</u>
Interest accrued on investment	37,748	—	12. OPERATING AND ADMINISTRATIVE EXPENSES		
7. LOANS AND ADVANCES			Salaries, Wages and Bonus	97,554	78,906
Income Tax – Refund due for the year 2003-04	—	1,56,228	Consumption of Stores and Spare Parts	30,000	15,000
Income Tax – Refund due for the year 2004-05	—	2,48,047	Travelling and Conveyance	63,000	1,68,812
Income Tax – Refund due for the year 2005-06	1,96,815	1,96,815	Bank Charges	1,350	80
Income Tax (Net of provision for Tax)	1,68,565	—	Rates & Taxes	20,308	—
	<u>3,65,380</u>	<u>6,01,090</u>	Miscellaneous Expenses	52,042	32,142
8. LIABILITIES				<u>2,64,254</u>	<u>2,94,940</u>
Sundry Creditors			Miscellaneous Expenses includes		
Total outstanding dues to small scale industrial undertakings	—	—	Audit Fees	11,224	7,224
Total outstanding dues to creditors other than small scale industrial undertakings***	14,950	11,780	Tax Audit Fees	5,173	—
	<u>14,950</u>	<u>11,780</u>	13. PROVISION FOR TAXATION		
*** Includes payable to Holding Company Rs. Nil (Previous Year Rs. 2,526/-)			Income Tax on :		
			Tax on Current Year's Profits*	20,47,164	10,41,274
			Add : Deferred Tax Expense/(Credit)	(3,60,571)	(3,19,097)
				<u>16,86,593</u>	<u>7,22,177</u>
			* including Fringe Benefit Tax Rs. 4,241 (Previous Year - Rs. 11,364)		

