

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2008.

1. Your Directors hereby submit their Report and Accounts for the financial year ended 31st March, 2008.

2. PERFORMANCE OF THE COMPANY

The Company continues to provide maintenance services for real estate assets such as office building and there was no change in the business activities of the Company during the year under review.

The net profit for the financial year ended 31st March, 2008 after deducting all charges and expenses and providing for taxation amounts to

	Rs. 1,05,36,952
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to which profit brought forward from last year is added

	Rs. 5,68,64,134
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making a balance of

	Rs. 6,74,01,086
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which your Directors recommend be carried forward.

3. DIRECTORS

Mr. Balraj Nath Malhotra ceased to be Director of the Company with effect from 31st July, 2007. Your Directors would like to record their appreciation of the services rendered by Mr. Malhotra.

In accordance with the provisions of Article 143 of the Articles of Association of the Company, Mr. Saradindu Dutta will retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-election. Your Board of Directors has recommended his re-election.

4. DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm having :

- i) followed in the preparation of the Annual Accounts, the applicable Accounting Standards and there are no material departures;
- ii) selected such accounting policies and applied them consistently and made judgements 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 profit of the Company for that period;

- iii) 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; and
- iv) prepared the Annual Accounts on a going concern basis.

5. PARTICULARS OF EMPLOYEES

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

6. AUDITORS

The Auditors of the Company Messrs. S. B. Billimoria & Co., Chartered Accountants, retire at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment.

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

Considering the nature of business of the Company, no comment is required on conservation of energy and technology absorption. There has been no foreign exchange earnings or outflow during the year under review.

15th May, 2008

ITC Centre
37, J. L. Nehru Road
Kolkata - 700 071

On behalf of the Board

R. Tandon *Director*
S. Dutta *Director*

AUDITORS' REPORT TO THE MEMBERS OF GREENACRE HOLDINGS LIMITED

1. We have audited the attached balance sheet of **Greenacre Holdings Limited** as at 31st March, 2008, the profit and loss account and the cash flow statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- (i) 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;
- (ii) in our opinion, proper books of account as required by law have been kept by the company, so far as it appears from our examination of those books;
- (iii) the balance sheet, profit and loss account and cash flow statement

dealt with by this report are in agreement with the books of account;

- (iv) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

- (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2008;

(b) in the case of the profit and loss account, of the profit for the year ended on that date; and

(c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

5. On the basis of written explanations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Kolkata
15th May, 2008

For S. B. Billimoria & Co.
Chartered Accountants
K. Rajasekhar
Partner
Membership No.: 23341

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF GREENACRE HOLDINGS LIMITED

[Referred to in paragraph 3 thereof]

The nature of the company's business/activities during the year ended 31st March, 2008, was such that paragraphs 4(ii), (vi), (viii), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii) and (xix) of the Companies (Auditor's Report) Order 2003 are not applicable.

- (i) In respect of its fixed assets:
- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets were physically verified during the year by the management and having regard to the size of the company and the nature of its assets, the frequency of verification is reasonable. No material discrepancies between the book records and the physical inventory were noticed.
- (c) None of the fixed assets was disposed off during the year.
- (ii) (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (b), (c) and (d) of the Order are not applicable.
- (b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not taken any loans, secured or unsecured, from parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (f) and (g) of the Order, are not applicable.
- (iii) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of fixed assets and for the sale of services. 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 instance of major weakness in the aforesaid internal control systems.
- (iv) (a) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, as there are no contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956, paragraph (v) (b) of the Order is not applicable.
- (v) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- (vi) In respect of statutory dues:
- (a) In our opinion and according to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees state insurance, income tax, service tax, cess and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, service tax and cess were in arrears as at 31st March 2008 for a period of more than six months from the date they became payable.
- (c) As at 31st March 2008, according to the records of the company and the information and the explanations given to us, there were no dues on account of income tax, service tax and cess that have not been deposited on account of any dispute.
- (vii) The company does not have accumulated losses as at 31st March, 2008, and has not incurred cash losses during the financial year covered by our audit or the immediately preceding financial year.
- (viii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on short term basis which have been used for long term investment.
- (ix) The company has not raised any money by public issue during the year.
- (x) According to the information and explanations given to us, during the year, no fraud on or by the company was noticed or reported.

For S. B. Billimoria & Co.
Chartered Accountants
K. Rajasekhar
Partner
Membership No.: 23341

Kolkata
15th May, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	31st March, 2008		31st March, 2007	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
(a) Share Capital	1	33,06,01,660		33,06,01,660	
(b) Reserves and Surplus	2	8,11,72,064	41,17,73,724	7,06,35,114	40,12,36,774
			41,17,73,724		40,12,36,774
II. APPLICATION OF FUNDS					
1. Fixed Assets	3				
(a) Gross Block		29,32,40,380		29,32,40,380	
(b) Less: Depreciation		20,60,069	29,11,80,311	18,78,327	29,13,62,053
2. Investments	4		14,47,56,345		13,42,63,554
3. Deferred Tax Asset (Net)			3,67,852		8,62,113
4. Current Assets, Loans and Advances	5	6,95,91,801		6,64,51,560	
5. Less : Current Liabilities and Provisions	6	9,41,22,585		9,17,02,506	
6. Net Current Assets / (Liabilities)			(2,45,30,784)		(2,52,50,946)
			41,17,73,724		40,12,36,774
Notes to the Accounts	11				
Significant Accounting Policies	12				

The Schedules referred to above form an integral part of the Balance Sheet. As per our Report of even date attached.

For S. B. Billimoria & Co.
Chartered Accountants
K. Rajasekhar
Partner
Kolkata, 15th May, 2008

On behalf of the Board
R. Tandon Director
S. Dutta Director
A. Prasad Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	For the year ended 31st March, 2008		For the year ended 31st March, 2007	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
I. INCOME					
Service Income			2,07,97,227		1,95,55,865
Other Income	7		<u>81,06,591</u>		<u>54,52,384</u>
			<u>2,89,03,818</u>		<u>2,50,08,249</u>
II. EXPENDITURE					
Personnel	8		85,80,015		88,24,200
Project Expenses	9		—		—
Management and Other Expenses	10		18,58,720		6,84,061
Maintenance and Service Expenses			42,01,226		43,09,674
Depreciation	3		<u>1,81,742</u>		<u>1,81,742</u>
			<u>1,48,21,703</u>		<u>1,39,99,677</u>
III. PROFIT					
Profit before Taxation			1,40,82,115		1,10,08,572
Provision for Taxation					
– Current Tax		30,00,000		29,50,000	
– Deferred Tax		<u>4,94,261</u>	34,94,261	<u>(4,11,702)</u>	25,38,298
Provision for Fringe Benefit Tax			50,902		44,995
Profit after Taxation			<u>1,05,36,952</u>		<u>84,25,279</u>
Profit brought forward			5,68,64,134		4,84,38,857
Profit available for Appropriation			<u>6,74,01,086</u>		<u>5,68,64,136</u>
IV. APPROPRIATIONS					
Profit carried forward			<u>6,74,01,086</u>		<u>5,68,64,136</u>
			<u>6,74,01,086</u>		<u>5,68,64,136</u>
Earnings Per Share (Face Value Rs. 10.00 each)	11(2)		0.32		0.25

Notes to the Accounts

Significant Accounting Policies

The Schedules referred to above form an integral part of the Profit and Loss Account.
As per our Report of even date attached.

For S. B. Billimoria & Co.
Chartered Accountants

K. Rajasekhar
Partner

Kolkata, 15th May, 2008

On behalf of the Board

R. Tandon Director
S. Dutta Director
A. Prasad Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

		For the year ended 31st March, 2008		For the year ended 31st March, 2007	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. NET PROFIT BEFORE TAX			1,40,82,115		1,10,08,572
ADJUSTMENTS FOR:					
Depreciation			1,81,742		1,81,742
Dividend from Current Investments			(51,65,874)		(38,27,556)
(Profit)/Loss on Sale of Current Investments			6,18,990		(57,584)
Loss on retirement of fixed assets			—		724
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES			<u>97,16,973</u>		<u>73,05,898</u>
ADJUSTMENTS FOR:					
Trade and Other Receivables			(3,10,233)		1,27,798
Trade Payables			<u>(9,11,276)</u>		<u>8,89,029</u>
CASH GENERATED FROM OPERATIONS			<u>84,95,464</u>		<u>83,22,725</u>
Income Tax Paid (Including Fringe Benefit Tax)			<u>(32,66,835)</u>		<u>(30,08,702)</u>
NET CASH FROM OPERATING ACTIVITIES			<u>52,28,629</u>		<u>53,14,023</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:					
Purchase of Current Investments			(59,49,02,000)		(62,11,21,000)
Sale of Current Investments			58,77,83,094		61,49,61,060
Dividend from Current Investments			11,73,000		15,89,318
NET CASH USED IN INVESTING ACTIVITIES			<u>(59,45,906)</u>		<u>(45,70,622)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:					
NET CASH FLOW FROM FINANCING ACTIVITIES			—		—
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			<u>(7,17,277)</u>		<u>7,43,401</u>
OPENING CASH AND CASH EQUIVALENTS			9,86,012		2,42,611
CLOSING CASH AND CASH EQUIVALENTS			<u>2,68,735</u>		<u>9,86,012</u>

As per our Report of even date attached.

For S. B. Billimoria & Co.
Chartered Accountants

K. Rajasekhar
Partner

Kolkata, 15th May, 2008

On behalf of the Board

R. Tandon Director
S. Dutta Director
A. Prasad Secretary

SCHEDULES TO THE ACCOUNTS

1. SHARE CAPITAL

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Authorised:		
4,00,00,000 Equity Shares of Rs. 10/- each	<u>40,00,00,000</u>	<u>40,00,00,000</u>
Issued, Subscribed and Paid-up:		
3,30,60,166 Equity Shares of Rs. 10/- each, fully paid up	<u>33,06,01,660</u>	<u>33,06,01,660</u>

All shares are held by the Holding Company, Russell Credit Limited.
The ultimate Holding Company is ITC Limited.

2. RESERVES AND SURPLUS

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
General Reserve		
At the commencement of the year	1,37,70,978	1,40,00,000
Less: Adjustment consequent to recomputation as on 01.04.2006 of liability for defined benefit plans in accordance with the provisions of AS-15 (Revised):		
Employee Benefits (Net of deferred tax asset Rs. 1,16,203)	<u>—</u>	<u>2,29,022</u>
	<u>1,37,70,978</u>	<u>1,37,70,978</u>
Profit and Loss Account	<u>6,74,01,086</u>	<u>5,68,64,136</u>
	<u>8,11,72,064</u>	<u>7,06,35,114</u>

3. FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 1st April, 2007 (Rs.)	Deletions (Rs.)	As at 31st March, 2008 (Rs.)	Upto 1st April, 2007 (Rs.)	For the year (Rs.)	Deletions (Rs.)	Upto 31st March, 2008 (Rs.)	As at 31st March, 2008 (Rs.)
Freehold Land	28,21,78,478	—	28,21,78,478	—	—	—	—	28,21,78,478
Buildings*	1,10,04,119	—	1,10,04,119	18,52,963	1,79,367	—	20,32,330	89,71,789
Plant and Machinery	57,783	—	57,783	25,364	2,375	—	27,739	30,044
	<u>29,32,40,380</u>	<u>—</u>	<u>29,32,40,380</u>	<u>18,78,327</u>	<u>1,81,742</u>	<u>—</u>	<u>20,60,069</u>	<u>29,11,80,311</u>
Previous Year	29,32,41,830	1,450	29,32,40,380	16,97,311	1,81,742	726	18,78,327	29,13,62,053

*Includes assets given on operating leases, which are not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

The Gross Value of such assets is Rs. 1,10,04,119 (2007 - Rs. 1,10,04,119) and Accumulated Depreciation Rs. 20,32,330 (2007 - Rs. 18,52,963)

Depreciation for the year charged to Profit and Loss Account is Rs. 1,79,367 (2007 - Rs. 1,79,367).

The aggregate lease rental is included in Other Income (Schedule 7).

4. INVESTMENTS

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Long Term		
UNQUOTED		
TRADE INVESTMENTS		
Classic Infrastructure & Development Limited		
16,50,000 (2007 - 16,50,000) Equity Shares of Rs. 10/- each, fully paid up	<u>6,63,26,700</u>	<u>6,63,26,700</u>
Sub Total	<u>6,63,26,700</u>	<u>6,63,26,700</u>
Current		
UNQUOTED		
OTHER INVESTMENTS		
TATA Floating Rate Short Term Institutional Plan - Daily Dividend	<u>1,33,02,526</u>	—
13,29,521.32 (2007 - Nil) Units of Rs. 10/- each (Purchased during the year)		
Kotak FMP 3M Series 28 - Dividend	<u>6,50,00,000</u>	—
65,00,000 (2007 - Nil) Units of Rs. 10/- each (Purchased during the year)		
Principal Cash Mgt. Liquid Option Institutional Dividend Reinvest Daily	<u>1,27,119</u>	—
12,709.121 (2007 - Nil) Units of Rs. 10/- each [11,93,626.12 Units purchased & 11,80,917 units sold]		
Principal Floating Rate Fund SMP Institutional Option Daily Dividend	<u>—</u>	<u>1,79,36,854</u>
Nil (2007 - 17,93,560) Units of Rs. 10/- each [26,74,577 Units purchased & 44,68,137 units sold]		
G197 Standard Chartered FMP - Quarterly Series 6 - Dividend	<u>—</u>	<u>5,00,00,000</u>
Nil (2007 - 50,00,000) Units of Rs. 10/- each [50,00,000 Units sold]		
Sub Total	<u>7,84,29,645</u>	<u>6,79,36,854</u>
Total	<u>14,47,56,345</u>	<u>13,42,63,554</u>

5. CURRENT ASSETS, LOANS AND ADVANCES

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
A. CURRENT ASSETS		
Work-in-progress (at lower of cost and net realisable value)	1,23,71,911	1,23,71,911
Sundry Debtors (Unsecured considered good)	—	—
Other Debts	<u>9,07,641</u>	<u>5,45,719</u>
Cash and Bank Balances		
Cash in Hand	3,279	10,895
Cheques on Hand	—	5,74,201
Balance with Scheduled Banks		
- In Current Accounts	<u>2,65,456</u>	<u>2,68,735</u>
Other Current Assets (Unsecured considered good)		
Deposit with Others	<u>1,55,000</u>	<u>1,55,000</u>
B. LOANS AND ADVANCES		
(Unsecured considered good)		
Project Advances	11,90,278	11,90,278
Other Advances	21,36,422	21,32,764
Gratuity Receivable	2,80,452	—
Advance Payment of Tax		
- Income Tax	5,19,00,752	4,86,87,633
- Fringe Benefit Tax	1,46,960	93,243
Staff Advances	<u>2,33,650</u>	<u>2,89,000</u>
	<u>6,95,91,801</u>	<u>5,23,92,918</u>
	<u>6,95,91,801</u>	<u>6,64,51,560</u>

SCHEDULES TO THE ACCOUNTS (Contd.)

6. CURRENT LIABILITIES AND PROVISIONS

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
A. CURRENT LIABILITIES		
Sundry Creditors for supplies and Expenses		
- Total Outstanding dues of Creditors other than Micro, Small and Medium Enterprises	24,85,085	19,07,900
Progress payments and advances against projects	1,00,00,000	1,00,00,000
Other liabilities	2,85,91,818	2,89,09,557
	<u>4,10,76,903</u>	<u>4,08,17,457</u>

B. PROVISIONS

Provision for Tax		
- Income Tax	5,16,17,602	4,86,17,602
- Fringe Benefit Tax	1,37,027	86,125
Provision for Employee Benefits	12,91,053	21,81,322
	<u>9,41,22,585</u>	<u>9,17,02,506</u>

7. OTHER INCOME

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Lease Rentals	14,89,000	14,92,000
Dividend from Current Investments - Others	51,65,874	38,27,556
Profit on Sale of Current Investments (Net)	—	57,584
Interest on Bank Deposits [Tax deducted at source - Nil (2007 - Rs. 16,885)]	—	75,244
Provisions no longer required written back	14,51,717	—
	<u>81,06,591</u>	<u>54,52,384</u>

8. PERSONNEL

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Salaries, Wages and Bonus	71,96,034	75,03,002
Contribution to Provident and Other Funds	10,45,743	9,57,105
Staff Welfare Expenses	3,38,238	3,64,093
	<u>85,80,015</u>	<u>88,24,200</u>

9. PROJECT EXPENSES

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Opening work-in-progress	1,23,71,911	1,23,71,911
Add: Expenditure incurred on Projects during the year	—	—
Less: Closing work-in-progress	1,23,71,911	1,23,71,911
	<u>—</u>	<u>—</u>

10. MANAGEMENT AND OTHER EXPENSES

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Rent, Rates and Taxes	52,378	38,968
Insurance	4,192	4,981
Travelling	48,865	44,251
Legal and Consultancy Charges	10,01,075	4,40,106
Auditors' Remuneration (excluding Service Tax)		
Audit Fees	65,000	73,034
Reimbursement of Expenses	—	—
Loss on Sale of Current Investments	6,18,989	—
Loss on retirement of Fixed Assets	—	724
Miscellaneous Expenses	68,221	81,997
	<u>18,58,720</u>	<u>6,84,061</u>

11. NOTES TO ACCOUNTS

- During the year, the following Current Investments were purchased and sold:
 - 18,44,463 Units of Canara Robeco Liquid Fund – Institutional Daily Dividend Reinvest at cost of Rs. 1,85,20,253/-.
 - 26,74,577 Units of Principal Floating Rate Fund SMP Institutional Option Daily Dividend Reinvestment at a cost of Rs. 2,67,47,639/-.
 - 38,93,914 Units of DWS Short Maturity Fund – Dividend Weekly Dividend at the cost of Rs. 4,00,53,895/-.
 - 74,35,398 Units of Kotak Flexi Debt Scheme – Daily Dividend at the cost of Rs. 7,45,85,223/-.
 - 72,11,749 Units of HSBC Liquid Plus Fund Institutional Plus – Daily Dividend at the cost of Rs. 7,22,08,360/-.
 - 1,50,34,373 Units of Principal Floating Rate Fund – FMP – Institutional Daily Dividend at the cost of Rs. 15,05,28,657/-.
 - 15,89,292 Units of Kotak Liquid Institutional – Daily Dividend at the cost of Rs. 1,94,34,019/-.
 - 1,497 Units of TATA Liquidity Management – Daily Dividend at the cost of Rs. 15,00,464/-.
 - 35,30,595 Units of LIC MF Liquid Plan – Dividend at the cost of Rs. 3,87,66,288/-.
 - 59,29,078 Units of Pru ICICI Institutional Short Term Plan – Dividend Reinvest - Fortnightly at the cost of Rs. 6,63,08,667/-.
 - 11,80,917 Units of Principal Cash Management Liquid Option Institutional Dividend Reinvest Daily at the cost of Rs. 1,18,11,764/-.

2. Earnings per share

	For the year ended 31st March, 2008	For the year ended 31st March, 2007
Profit after Taxation (Rs.)	1,05,36,952	84,25,279
Weighted average number of Equity Shares outstanding	3,30,60,166	3,30,60,166
Basic and diluted earnings per share in Rupees (Face Value Rs. 10/- per share)	0.32	0.25

3. Remuneration of Manager

Salaries: Rs. 12,04,300/- (2007 - Rs. 10,04,100/-)
Other Benefits: Rs. 1,66,095/- (2007 - Rs. 1,52,070/-)

4. Deferred Tax

	Deferred Tax Asset/(Liability) as at 31st March, 2007 (Rs.)	Current Year Credit/ (Charge) (Rs.)	Deferred Tax Asset/(Liability) as at 31st March, 2008 (Rs.)
Deferred Tax Asset			
Difference between Net Block and Tax written down value of Fixed Assets	25,171	(822)	24,349
Provision for Employee Benefits	8,36,942	(4,93,439)	3,43,503
	<u>8,62,113</u>	<u>(4,94,261)</u>	<u>3,67,852</u>

5. Segment Reporting

The Company operates in a single business and geographical segment namely Property Maintenance.

6. Related Party Disclosures:

(a) Relationship:

Holding Company Russell Credit Limited
Ultimate Holding Company ITC Limited

Employees' Benefit Plans where there is significant influence:

- Greenacre Holdings Limited Provident Fund
- Greenacre Holdings Limited Gratuity Fund

Key Management Personnel

Mr. K. Vaidyanath Non-Executive Chairman
Mr. A. Nayak Non-Executive Director
Mr. R. Tandon Non-Executive Director
Mr. S. Dutta Non-Executive Director
Ms. A. Prasad Manager and Secretary

SCHEDULES TO THE ACCOUNTS (Contd.)

NOTES TO ACCOUNTS (Contd.)

(b) Disclosure of transactions between the Company and Related Parties and the status of outstanding balances:

Particulars	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Ultimate Holding Company ITC Ltd.		
Lease Rental Income	14,80,000/-	14,80,000/-
Maintenance Income	1,95,85,971/-	1,85,43,812/-
Other Reimbursements	1,96,922/-	1,51,862/-
Others	20,116/-	34,238/-
Balances as at	31st March, 2008 (Rs.)	31st March, 2007 (Rs.)
Security Deposit Received	2,20,00,000/-	2,20,00,000/-
Other Receivables	7,94,228/-	5,45,719/-
Other Payables	Nil	11,805/-
Particulars	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Contribution to Greenacre Holdings Limited Provident Fund	6,32,295/-	2,21,608/-
Contribution to Greenacre Holdings Limited Gratuity Fund	1,18,408/-	3,46,082/-

7. Employee Benefits:

Liability for Gratuity and Leave Encashment has been Actuarially determined and provided for in the books. The following table sets out the status as required by AS-15.

	For the year ended 31st March, 2008		For the year ended 31st March, 2007	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
I. Components of Employer Expense				
1. Current Service Cost	1,69,113	79,865	1,46,272	79,865
2. Interest Cost	1,19,890	79,460	91,505	69,348
3. Expected Return on Plan Assets	(1,33,305)	Nil	(1,00,948)	Nil
4. Curtailment Cost/(Credit)	Nil	Nil	Nil	Nil
5. Settlement Cost/(Credit)	Nil	Nil	Nil	Nil
6. Past Service Cost	(90,259)	(9,92,894)	90,259	9,92,894
7. Actuarial Losses/(Gains)	(2,80,769)	(3,414)	82,020	(2,561)
8. Total expense recognised in the Statement of Profit & Loss Account	(2,15,330)	(8,36,983)	3,09,109	11,39,546
II. Actual Returns	1,65,381	Nil	1,04,219	Nil
III. Net Asset/(Liability) recognised in Balance Sheet				
1. Present Value of Defined Benefit Obligation	16,38,837	12,91,053	15,98,527	11,35,142
2. Fair Value of Plan Assets	(19,19,289)	Nil	(16,35,000)	Nil
3. Status [Surplus/(Deficit)]	2,80,452	(12,91,053)	36,973	(11,35,142)
4. Unrecognised Past Service Cost	Nil	Nil	(90,259)	(9,92,894)
5. Net Asset/(Liability) recognised in Balance Sheet	2,80,452	(12,91,053)	(53,286)	(21,28,036)
IV. Change in Defined Benefit Obligations (DBO)				
1. Present Value of DBO at the beginning of period	15,98,527	11,35,142	13,38,977	9,92,894
2. Current Service Cost	1,69,113	79,865	1,46,272	79,865
3. Interest Cost	1,19,890	79,460	91,505	69,348
4. Curtailment Cost/(Credit)	Nil	Nil	Nil	Nil
5. Settlement Cost/(Credit)	Nil	Nil	Nil	Nil
6. Plan Amendments	Nil	Nil	Nil	Nil
7. Acquisitions	Nil	Nil	Nil	Nil
8. Actuarial (Gains)/Losses	(2,48,693)	Nil	85,292	(2,561)
9. Benefits Paid	Nil	(3,414)	(63,519)	(4,404)
10. Present Value of DBO at the End of the Period	16,38,837	12,91,053	15,98,527	11,35,142

	For the year ended 31st March, 2008		For the year ended 31st March, 2007	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
V. Change in Fair Value of Assets				
1. Plan Assets at the Beginning of Period	16,35,500	Nil	12,48,718	Nil
2. Acquisition Adjustment	Nil	Nil	Nil	Nil
3. Expected Return on Plan Assets	1,33,305	Nil	1,00,948	Nil
4. Actuarial Gains / (Losses)	32,076	Nil	3,271	Nil
5. Actual Company Contribution	1,18,408	Nil	3,46,082	Nil
6. Benefits Paid	Nil	Nil	(63,519)	Nil
7. Plan Assets at the End of Period	19,19,289	Nil	16,35,500	Nil
VI. Actuarial Assumptions				
1. Discount Rate (%) p.a.	7.50	7.50	7.50	7.50
2. Expected Return on Plan Assets (%) p.a.	7.50	Nil	7.50	Nil

(a) Amounts recognized as expense is included in Schedule 8 and amounts recognized as income is included in Schedule 7.

In "Salaries Wages and Bonus" Nil (2007 : Rs. 11,39,546) for Leave Encashment. In "Contribution to Provident and Other Funds" Rs. 1,18,408 (2007 : Rs. 3,09,109) for Gratuity.

In Other Income Rs. 3,33,738 (2007 : Rs. Nil) for Gratuity and Rs. 8,36,983 (2007 : Rs. Nil) for Leave Encashment.

(b) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Basis used to determine expected rate of return on assets :

The Gratuity Scheme is invested in a Group-cum-Life Assurance cash accumulation policy offered by Life Insurance Corporation (LIC) of India. The invested return earned on the policy comprises bonus declared by LIC having regard to LIC's investment earnings. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. We understand that LIC's overall portfolio of assets is well diversified and as such, the long-term return on the policy is expected to be higher than the rate of return on Central Government bonds.

8. There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2008. This information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

9. Figures for the previous year have been regrouped/re-arranged wherever necessary.

12. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on accrual basis under the historical cost convention.

Fixed Assets

Fixed Assets are stated at cost including any incidental acquisition expenses.

Depreciation

Depreciation is provided on "Straight Line" basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Investments

Long Term Investments are stated at cost. Current Investments are stated at lower of cost and fair value. However, suitable provisions are considered for permanent diminution, if any, in value of Long Term Investments. Income from Investments is included together with the related tax credit, if any, in the Profit and Loss Account.

Method of Accounting – Projects

The Company follows the proportionate completion method under which a portion of the estimated revenue is recognised taking into account the extent of completion of projects.

Borrowing Costs

Borrowing Cost that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

Employee Benefits

To make regular monthly contributions to the Provident Fund administered through duly constituted and approved independent trust, which is in the nature of defined contribution scheme and such paid/payable amounts are charged against revenue.

To determine the liabilities towards defined benefit plans relating to Gratuity and Leave Encashment based on independent actuarial valuation as per requirements of AS-15 on Employee Benefits.

To recognize actuarial gains and losses immediately in the Profit and Loss Account as income or expense.

Lease Rentals

Lease Rentals are accounted for on an accrual basis.

Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are not recognized unless there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

On behalf of the Board

R. Tandon *Director*
S. Dutta *Director*
A. Prasad *Secretary*

Kolkata, 15th May, 2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(As per Schedule IV, Part IV of the Companies Act, 1956)

I. Registration Details

Registration No. State Code
Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue Rights Issue
Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid up Capital Reserves & Surplus
Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments
Net Current Assets * Misc. Expenditure
Accumulated Losses

*Includes Deferred Tax Asset

IV. Performance of Company (Amount in Rs. Thousands)

Turnover * Total Expenditure

+ - Profit/Loss before Tax + - Profit/Loss after Tax
(Please tick appropriate box + for Profit, - for Loss)

Earnings per Share in Rs. Dividend Rate %

* Includes Other Income

V. Generic Names of Three Principal Services of Company

Item Code No. - Not Applicable
Service Description - Project Management
- Property Maintenance
- Property Development

Audit Committee : Mr. K. Vaidyanath, Chairman, M/s. A. Nayak, S. Dutta, Members