



WE'RE
DIFFERENT

Ashiana Housing Limited

Annual Report 2011-12

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We're 
Different
Annual Report 2011-12

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WE'RE DIFFERENT

The only common factor in our achievements is our uncommon ways of doing business!

We're, different! Our core values are so deeply embedded into our personalities that it makes us do things differently. The achievements listed above are a reflection of the mindset, ambitions and values that have guided Ashiana since its inception.

At Ashiana, we believe in people. They drive our business and form the backbone of all our progress. The culture of integrity and openness has helped our people flourish and bring out the best in them. Our people believe in going the extra mile to create happiness all around and make the buying experience a memorable one for customers. The philosophy of 'Nurturing Smiles' is embedded in our DNA and has helped us become what we are today.

We are in the business of building, selling and maintaining homes. Our uncommon ways of doing business not only makes us different but also helps us withstand & outgrow the cyclical nature of the business. We invite you to witness our way of doing business.....

We have surpassed the Sales target this year... with 17.8 lakhs sq. ft. of bookings...

We have over achieved the Construction target this year...with 14.6 lakhs sq. ft. of construction...

We collected more money than what we aimed...

We entered into two new locations this year Kolkata and Halol

We launched assisted living services by the name 'Utsav Care Homes' this year

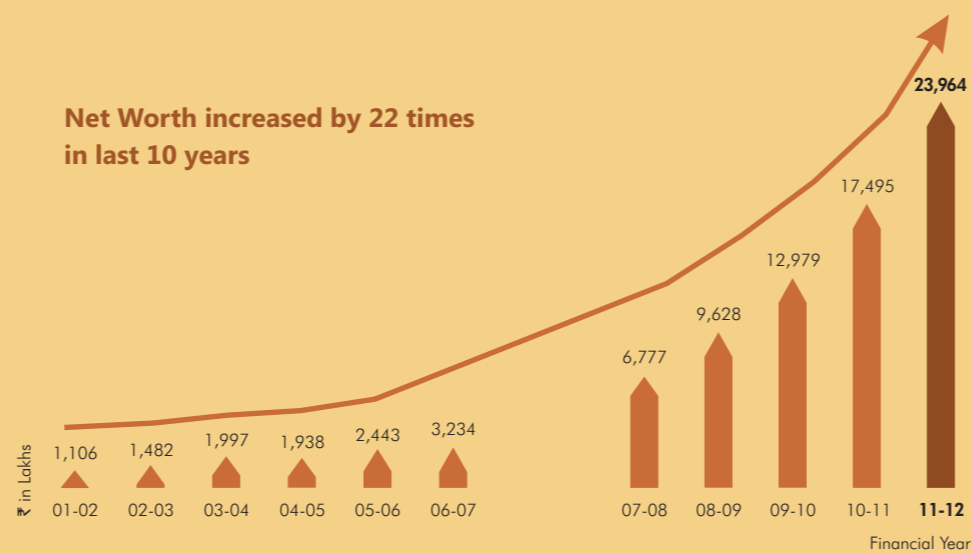
What was common in all these achievements... it is 'We'.





Large Image - Rangoli Gardens, Jaipur, Small Left Image - Ashiana Team
Small Right Image - Chairman, Manglam-Build Developers Ltd.

Net Worth increased by 22 times
in last 10 years



LAND & STRATEGY

Treat land as an inventory to be consumed

“Our strategy of treating land as a raw material keeps our balance sheet unleveraged, cash flows positive, enhances returns, and makes us flexible in the choice of markets. We are also able to focus on delivering value to our customers than on getting the maximum land.”

Varun Gupta
Director



“We are glad to be associated with a company that is so transparent and focussed as Ashiana is.”

N.K. Gupta, Chairman
Manglam Build-Developers Ltd.
Land Partner for Ashiana Manglam,
Ashiana Utsav & Rangoli Gardens

To build and sell homes, first step is to acquire a land for development. Ashiana follows the 'development-oriented' approach. Land is treated as an inventory stocked enough for consumption instead of creating large pool of land bank. As a strategy, we first identify the markets to enter, study target customer segments for potential demand, envisage the product and then source land accordingly.

The pre-development stage of any project takes a year on an average and the development period is of around four to six years depending upon the location, type and size of the project. So, maintaining five to seven years of land inventory at every point in time ensures smooth execution of the planned growth while at the same time not blocking too much capital in land bank. Optimum land inventory allows efficient utilization of available capital.

Land is sought in those areas that suit our target segments keeping in view the infrastructure, environmental and regulatory concerns of the location.

We predominantly like to keep capital deployment low in land as compared to the total cost. Therefore, we either purchase land in locations where cost of land as a percentage to total cost is lower or we partner with land

owners by way of area sharing, profit sharing or revenue sharing. Partnering with land owners who have local expertise and know-how of regulatory procedures in the pre-development stages of the project, helps us getting the approvals quickly in new markets, reduces the amount of investment required and also limits the title and developments risks to a large extent.

Our model allows us to do more projects than what we would have done had we invested in land. It also helps us in managing our capital better and in mitigating financial risks due to the diversification over multiple projects given the same capital. If we look at the net worth of the company, it has grown 22 times in last ten years from ₹ 11.06 crores as on March 31, 2002 to ₹ 239.64 crores as on March 31, 2012 without any dilution of equity or leveraging balance sheet.

JV partners who own land also benefit greatly from the company's method of operation – the entire process from planning, engineering, designing and execution – all being integrated. There is a seamless progression from start to finish, and there after too, by way of continuing upkeep and maintenance. This adds not only to the capital value of the project but to the brand value of the partners associated with us.



“Product centric approach keeps us focussed on how to develop people, system and expertise so that we can become best in the given product.”

Ankur Gupta
 Jt. Managing Director

2 PRODUCT CENTRIC

GROUP HOUSING • ACTIVE SENIOR LIVING

“Booking a house at Aangan was a wise decision. It has transformed into a beautiful abode and the garden is a feast to the eyes. I now believe that... you do nurture smiles.”

Suman Verma, Unit owner of Aangan Bhiwadi.



- BHIWADI
-
- JAIPUR
-
- JODHPUR
-
- JAMSHEDPUR
-
- LAVASA
-
- HALOL*
-
- KOLKATA*

*coming soon

There are two ways in the industry to expand. One is the 'Location-Centric' approach, where the developers base themselves out of a location, study the economics of the location, get familiar with the project approval process and develop products in multiple segments (like residential, commercial, retail, hotels, townships etc) in the given location.

Ashiana, follows the other. We focus on two particular segments of the real estate industry. These are 'Group Housing' for middle income groups and 'Active Senior Living' complexes for senior citizens. We plan to take the company's presence across India to serve this target market. It makes us 'Product-Centric' rather than 'Location-Centric'.

We believe that over last three decades we have well understood the nuances of the product that we sell, the demands/requirements of the target segment we serve. As a strategy we want to leverage that expertise in different locations. For example, as our product caters to the mid-income level households, most of our clientele is salaried and hence prefer getting their homes financed through banks. So, keeping that in mind, we developed

strong networks/relations with financial institutions across all the locations we entered.

As for Active Senior Living, our products are designed keeping the end-user requirements in mind. Therefore, we have specially trained staff to understand and communicate with that specific clientele. We focus not just on selling the product, but also on the experience that people will have as they start living in the homes built by Ashiana.

The challenge for us in following this strategy is in understanding the macro-economic factors of new locations and managing the regulatory environment. Here our Joint Venture model helps in tapping new markets where we enter into agreements with land-owners that have local expertise and know-how of the regulatory procedures in the pre-development stages of the project.

We believe that this functional expertise combined with the local understanding of the markets helps us in offering the value propositions which attract the potential buyer faster than the rest.



“ At Ashiana, we focus on building our construction, sales, marketing and post handing over capabilities. We strive to create happy communities.”



Vishal Gupta
Managing Director

Biswajit Sengupta, Alumni of IIT Kharagpur, is associated with Ashiana for more than 32 years & has designed 1.75 crore sq.ft. of area till date.



Small Left Image - **Biswajit Sengupta - Architect**, Small Centre Image - **Ashiana Engineers at site**, Small Right Image - **Architectural Team**, Large Image - **Engineering Team**

3 IN-HOUSE CONSTRUCTION

Flexibility at all stages



To build the right kind of homes for the customers targeted is a constant endeavor at our construction sites. Ashiana has an in-house construction team having expertise in building value homes for long. The team ensures these homes are built in accordance with the inputs from land acquisition team and the requirements of the target customers.

In-house construction also helps us maintain a much better control over quality. We aim to use the latest construction technologies as well as the latest materials in our projects. One example is to move to CPVC pipes and fittings for in-house plumbing. This product has come in the Indian market over the last decade, and we have been among the early adopters. Not only does it lasts longer and is corrosion resistant, but it can be fitted out much faster than normal GI pipes, and costs per running square feet are also lower.

The other big advantage of an in-house, dedicated team of engineers and employees is the substantial control over the time taken for completion of projects. Reduction in total costs due to margins saved which otherwise would

have gone to the third party contractor results in efficiently priced homes and better margins to us as well.

Also, in case of third party contractors, one cannot be flexible for incorporating any change in terms of design, finish, materials etc. The phase-wise construction approach been followed at the company results in constant learning and also allows us to re-design and make changes to the later phases of any project before launches according to the customer expectations.

The continuous interaction between the sales, design and engineering teams ensures the delivery of right products for the customers.





“Having in-house sales team is a win-win situation. It increases customer satisfaction through direct and transparent communication, creates better feedback channel and builds long term relationships.”

Anupama Gulati
GM - Sales & Marketing



Large Image - Ashiana Sales & Marketing Team, Small Left Image - Ashiana Villas, Bhiwadi
Small Centre Image - Ashiana Greenwood, Jaipur Small Right Image - Ashiana Amargh, Jodhpur

4 IN-HOUSE SALES

To create direct communication channel

“Kudos to the team of Ashiana Builders, every employee at every level makes it a point to be professional in their individual capacities and transactions.”

Monisha Roy Chowdhury,
Head of Department - Resources/Scottish
High International School, Gurgaon.

With the right product in hand for the prospective buyers, it is imperative for the sales team also to be well versed with the attributes of the project, the requirements of the target audience to cater among other things. Buying a home is a lifetime decision and buyers need to be thoroughly satisfied before purchasing one. Our experience shows that actual users take comparatively longer time in decision making and site-visits play a very important role. So, training the sales executives to cater to all the queries of the customer becomes a necessary condition.

In-house sales team is trained on the entire details of the project starting from hard infrastructure to the soft infrastructure around the project, from technical specifications of materials used in the project to the payment structure of the different categories of units available, from funding/loan options to the legal documentation required in the location. Also, the team is trained on company's ethos to ensure the buying process becomes a smooth, flawless and a memorable experience for the customer.

Direct selling creates a direct communication channel of the company with customers. It is also a great feedback channel for the company as observations and feedback received from sales team is acted upon faster which results in continuous improvement of our products and creation of better value homes.

Leading indicators like enquiries and site visits play a crucial role in generating sales. Direct sales team also helps in keeping a tab on these indicators on a regular basis.

Another big advantage of using in-house sales team is that we end up attracting mostly end users in our projects. This results in our projects getting occupied faster and also ensures that there is no active secondary market of companies units, which are selling at a discount to our rack rates. This greatly helps us in maintaining our sales momentum and in turn regular cash flows from the projects.





“AHL puts the heart and VML completes it by putting the soul... that makes your home a HAPPY HOME.”

Atma Sharan
VP - Facility Management



Large Image - Ashiana Suncity, Jamshedpur, Small Left & Right Image - VML Team

5 FACILITY MANAGEMENT



To provide quality maintenance to all Ashiana properties

“All our needs are immediately taken care of. The maintenance team is very helpful and always goes out of the way to make living at Ambarbagh comfortable.”

Mr. Khursheed Alam
Resident of Ashiana Ambarbagh, Jodhpur



At Ashiana, we take great pride in providing beautiful, comfortable and secure homes, which is reflected in our motto 'Nurturing Smiles'. Having created homes with care and attention to detail, it is very important to maintain these properties so that they can retain the look and feel of a new home and the

investment made in properties continues to increase with time. Proper maintenance increases the life of homes and enhances their capital values; besides provide comfortable living and peace of mind to current inhabitants.

VML a wholly owned subsidiary of Ashiana is constantly improving and streamlining its operations to provide quality maintenance to all Ashiana properties. VML's facility management maintains over 5000 flats in over 17 complexes, covering an area of 5 million sq. ft.

VML does more than maintaining the buildings with respect to electrical and civil works, or the water supply, security, cleanliness, gardens etc. by organizing sporting and recreational events for residents and encouraging RWA to be active, VML fulfils an important social role. It also provides resale and rental services for its residents which in turn helps Ashiana keeping a tab on the current capital values and occupancies in its projects.

Effective monitoring systems like MIS and follow-up reports ensure timely, economical and efficient maintenance. On-site and off-site training further ensure a pool of skilled manpower that is sensitive to the needs of the residents.

Although, not being a very profitable segment, this business helps in understanding our customers better and completes the entire value chain. This is also a direct feedback channel which helps us in continuously understanding our customer's expectations and

improving our products accordingly. Primary information on markets like resale and rental values, occupancies etc, is also readily available to take further strategic calls.

Providing facility management services also increase the buyer's confidence in us and helps a long way in building the brand. Over time it also creates brand loyalty which helps us in selling subsequent projects to referrals from the current inhabitants of the projects.

We feel that facility management is a strong differentiator for our projects and has over time helped us build a strong reputation.





“Working always with smile and happiness makes the work fun – we enjoy doing it – it motivates us.”

Manojit Sengupta
GM - Accounts & Finance



Large Image - Accounting Team

6 ACCOUNTING METHODOLOGY

Contract completion method



Broadly, real estate companies follow two type of accounting policies—(1) percentage of completion (POC) method, and (2) contract completion method. Within each of these, companies have different thresholds before they start booking revenues.

We shifted from the contract completion to POC method in 2006. Benefits of POC method are that as the construction happens and sales get booked, revenues are recognized and so there is a smoothness in reported revenues over quarters. Under the POC method, revenue gets accounted after a certain minimum cost threshold is reached, which can vary from 5-10% of total budgeted costs to as much as 25%.

However, POC method does not reflect market risks, liabilities and assets accurately. Till the delivery of the unit to the customer, the entire amount received from the customer is a liability for the company and the risk of ownership of the property is only transferred upon delivery of the unit to the customer. For example, the company had recognized revenues from the Utsav, Lavasa project under POC method, and then the project was put on hold by the Ministry of Environment and Forest. Now one must ask what was the liability of the company if that project had not received eventual clearance and had to be discontinued. The liability of the company would have been to refund the entire amount received from the customers of Lavasa and

not the amount reflected in the Balance Sheet, which was reduced by the amount of revenues recognized from Lavasa. The POC method understates both the liabilities and assets of the company. It is also our belief that for a real estate company, the balance sheet is the more important indicator of the financial health of the company as compared to the profit and loss statement because our operating cycles tend to be in multiple accounting periods. Under contract completion, revenues are recognized when the unit is completed and either possession is transferred or deemed to be transferred to the customer. Till that time, whatever cash inflows happen from customers on the projects are recorded in the current liabilities under 'Advance from Customers' and direct expenses incurred are accounted in 'Work in Progress' under inventories in the Balance Sheet. Revenue recognition gets lumpy as units tend to be delivered in batches and not continuously. It also delays revenue recognition till the completion of units.

The next two years will be a transition phase when the projects nearing delivery have had been accounted under POC method and all the projects under contract completion will be in-construction mode, hence creating volatility in revenues reported. Revenues and profits recognized in the next two years will be significantly lower than that recognized in previous years and will not be comparable to the previous years figures. So for the

coming couple of years, it will be difficult to compare the growth of the business through income statement. The best way will be to look at key growth drivers like sales booked, construction done and operating cash flows generated.

However, the long-term benefits of contract completion accounting by far outweigh the short-term transition issues involved. As outlined earlier this conservative method of accounting will more accurately reflect the assets and liabilities of the company. This will make it easy to understand the operating cash flows of the company, which is one of the most important parameter to appreciate the financial health of the company. It will also better reflect the margins of the company, as they will be directly linked to the delivered homes and square footage and not subject to future estimations of project cost.

The other benefit of contract completion accounting to the company is that it will help maintain the financial discipline for the business as a whole. The 'Advance from Customers' in the liabilities side and 'Inventories' in the assets side will let us help in ensuring that the cash inflows from one project are utilized towards the cash outflows of the same project. It will be apparent if advances from a project are utilized to procure land of another project. Lack of discipline around this has been the bane of the industry

and has resulted in project delays and mismatched cash flows for many developers. We at Ashiana clearly want to avoid this mistake.

Also, contract based method is in compliance with IFRS standards and it will be an important aspect in making our financial statements comparable to those of international players. Whenever it is adopted by the industry at large in India it will help in making the companies comparable on key drivers.

The shift to contract completion method of accounting from POC method will bring with it short-term pain in terms of reported revenues and profits for the next two years. It will make our profit and loss statement more volatile and not comparable on a quarterly basis. But, the contract completion method of accounting better reflects assets and liabilities of the company. It will easily reflect the company's financial discipline or the lack of it in utilization of advances from customers. It will create incentives to deliver faster to ensure revenues get reported. Cash flows of the company will be easier to comprehend and margins will not be subject to estimations of future cost. Contract completion method of accounting has its shortcomings but overall it will better capture the financial health of the company.

“We, at Ashiana, believe that life is a gift, to be enjoyed & maximized. That, infact, is the inspiration behind 'Utsav'. Let's live each moment of our life!”

Mrs. & Mr. Bhalla
Resident of Ashiana Utsav, Bhiwadi

“Working at Care Homes is highly challenging and learning experience and I am among the lucky few who get such an opportunity which helps one to grow as a person and gives great personal satisfaction.”

Dr. Muralidhara C.P
Manager - Utsav Care Homes



UTSAV[®]
ACTIVE SENIOR LIVING
by
ASHIANA

7 ACTIVE SENIOR LIVING & CARE HOMES

India's largest chain of Senior Living

Bottom Image - Ashiana Utsav, Bhiwadi



The topic of World Health Day in 2012 was Ageing and Health with the theme 'Good health adds life to years'. The focus was on how good health throughout life can help older men and women lead full and productive lives and be handy resource for their families and communities.

India is the youngest population in the world. At the same time, it is home to one in ten senior citizens of world. The population aged 60 plus in India in 2001 Census was 77 million. It is projected to grow to 135 million by 2020. And of these, 50% of the Indian elderly will be living in urban areas by 2020.

Life Expectancy has increased from 63 (2000) to 66 (2010) and is expected to go up to 75.6 (2050). This is the reason to celebrate, but this is also the reason to be concerned about the ageing population.

The socio - economic factors are changing in the country. There is a significant growth of 'individualism' in modern life. Roles and expectations of couples in nuclear families

are changing. Young members of families are migrating within and outside the country for better earning opportunities. This leaves the vast chunk of elderly population to be taken care of.



Where life begins at 55!

Ashiana envisaged the requirement way back in 2004 and came out with a product 'Utsav - Active Senior Living'. A housing community built keeping in mind the basic

needs of the elderly – A dignified lifestyle which is healthy, safe and secure.

At Utsav, one can live with total freedom in a secure environment that takes care of all his basic needs. The homes are all designed to make your life more comfortable with special care for needs which come with advancing age.

Most important issue after retirement is how to spend time in an enjoyable, productive and meaningful way. Therefore, we have created ample opportunities and facilities to pursue old passions, sports or hobbies that got ignored over the years. The facilities at Utsav range from yoga to swimming, from the health center to the activity club, from pleasant walkways to meditation sessions all add up to a healthy lifestyle. However for any eventuality, the 24-hour medical centre at Utsav has a ready ambulance and doctors on call. Health check-ups like blood pressure and diabetes monitoring, etc. are carried out as and when required.



Also, even for senior citizens, a certain age comes, when one needs to be looked after, pampered, basically they need help to get on with their life smoothly. They need to be cared for. Utsav Care Homes (a new extension in Utsav campuses) is a pragmatic concept that provides housing, support services and professional care for elderly individuals who may need help with daily activities, hygiene maintenance and health & medication management. It is a combination of home-living with professional & customized care: an option that makes it possible for seniors to maintain and in fact, improve their quality of life, while getting the professional care they need at an affordable price.

Actual Photographs of activities at Utsav



All the operations, processes and products discussed in the pages so far are the ingredients of building a reputation and not just an image. The differentiators mentioned including facility management, direct sales, contract completion method of accounting are a reflection of our culture of taking decisions that build long-term value even if they sometimes negatively impact short-term performance. Broker driven sales are much faster but tend to be to speculators and not to end-users. In-house construction though requires higher supervision, but results in better quality of homes eventually. Facility management doesn't deliver financial returns directly even though it consumes significant management time but allows to capture better realizations in future projects.

Since inception, we have worked towards building trust and transparency with customers, business partners, employees, suppliers & other stakeholders. Our homes are known for their timely deliveries, high quality design and construction, excellent maintenance and healthier

occupancies.

The level of customer trust can be gauged from the increasing referral bookings happening over time in Ashiana. Our joint venture partners display their confidence and faith in Ashiana by doing repeat projects with us. Today, this philosophy is driving us in every step of our operations and move into the future with lots of promise and aspirations.

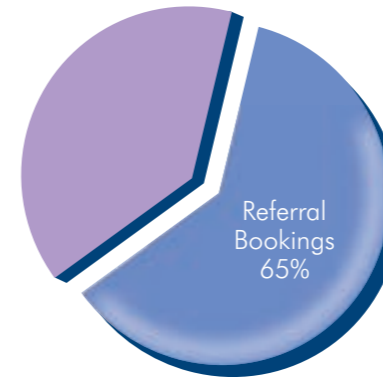
The same ethos is reflected in our venture in active senior living under the brand Utsav. We made a promise to our customers when we launched our first Utsav in Bhiwadi, and strived to fulfill our promises. Today the established 'Utsav' brand highlights the zeal and commitment that our employees and associates have put in to make the entire concept successful.

We aspire to be one of the most trusted real estate companies in India and we aim to deliver superior value to all our stakeholders with a high level of customer focus and ensuring delivery of our commitments and promises.

“Our passion for quality and our commitment to deliver as promised is the reason for our success and our reputation.”



Om Prakash Gupta
Chairman Emeritus

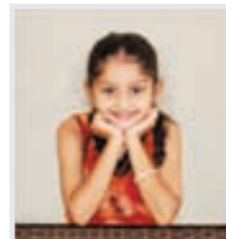


Total Referral Bookings
in 2011-12



8 LONG TERM ORIENTATION

Nurturing Smiles



Large Image - Residents of Ashiana Properties, Small Left Image - Ashiana Rangoli, Bhiwadi, Small Right Image - Ashiana Resident

“Ashiana has carved out a special niche for itself among the citizens of Jamshedpur which can be seen for the encouraging response it draws for its projects. And I am sure, the shortage of housing witnesses in recent times will soon be a thing of the past.”

J.J. Irani, Former Managing Director,
TATA STEEL.

ASHIANA'S CORE VALUES

REAL LIFE EXPERIENCES

GOING THE EXTRA MILE

Antram is a security guard, deployed at Ashiana Utsav, Bhiwadi. On 15th July, he chanced upon a wallet lying next to a bush. The wallet contained ₹ 15,000/- cash and debit and credit cards. On further scrutiny of the wallet, he found that it belonged to Mr. Sharma, r/o M-351, Ashiana Utsav. Without a second thought Antram immediately returned the wallet to the owner, with all its contents intact. He went the **EXTRA MILE** to help the person in need.

TRANSPARENCY

The target date of cast slab in one of the blocks of Rangoli Gardens, Jaipur was fixed for November 30, 2011. The team involved although, missed the target date by one day, worked till midnight and finished the casting the slab by December 01, 2011. They mentioned this in the 'Work Done' report of December, 2011 instead of November, 2011 exhibiting the core value of being **TRANSPARENT** always.

HAPPINESS ALL AROUND

Badri Prasad, a gardener of Ashiana for the past 12 years, was unable to open a salary account with any private sector bank as he was illiterate. Mr Harvinder Singh, Manager Accounts, Bhiwadi, decided to teach Badri to read and write. The joy on Badri's face when he affixed his signatures to pen the salary account, and the smile of satisfaction on Harvinder's face was a sight to behold.

NEVER GIVE-UP APPROACH

Rakesh Verma (Supervisor – Electrical) took the task of separate cabling in 200 flats of Rangoli Gardens, Jaipur within the record time of 10 days. The task of separate cabling was done as part of facility of 'Reliance Big TV' DTH connection to customers of Rangoli Gardens. This task was originally considered as impossible considering the constraints of time line, but Rakesh had an approach of **NEVER GIVING UP**. He and his team got involved into the task day and night and the same was completed well in time.

NURTURING SMILES FOR OVER 3 DECADES

One fine day in the middle of the night, as the story goes, our HR Executive at Bhiwadi, Saba Sultana, received a call from the Delhi police informing her that a youngster had met with a road accident and was hospitalized. The last out-going call from the victim's mobile phone was to Saba at 09.30pm. Saba informed the police that he was only an acquaintance from college. Nevertheless, she got net-working to locate the former's parents and informed them of the accident, while also garnering support from friends of the victim to go to AIIMS to be alongside him during the night.

Early next morning she herself took off for AIIMS, Delhi and was there to assist and support the acquaintance till such time as his out-station based parents reached in the late afternoon.

A purely self-less deed in the true Ashiana ethos of 'nurturing smiles'.



ABOUT ASHIANA



INCORPORATION

The company was incorporated in 1986 but it has been building homes since 1979. In its journey of over 33 years the company has always operated with the singular belief that we are in the business of 'Nurturing Smiles'.



BUSINESS PRESENCE

We are into building homes for the middle income segment with two products – Group Housing and Active Senior Living. We design, build, sell and also manage our homes.

REACH

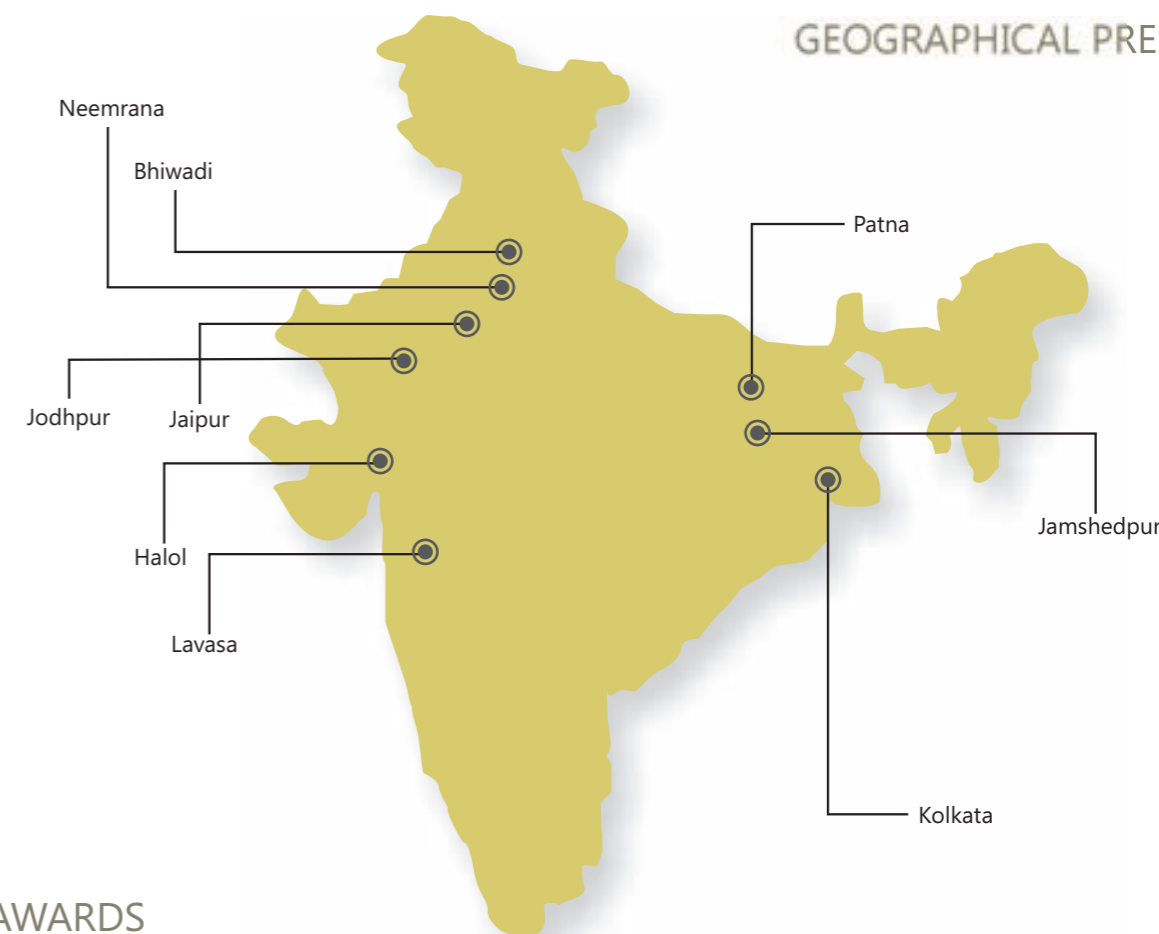
117.54 lakhs sq. ft. delivered till date.

Managing and maintaining group housing complex for over 20 years with 5000 units under maintenance.



Top Centre Image - Rangoli Gardens, Jaipur, Middle Left Image - Ashiana Aangan, Bhiwadi, Middle Right Image - Ashiana Utsav, Jaipur, Bottom Image - Ashiana Woodlands, Jamshedpur

GEOGRAPHICAL PRESENCE



AWARDS

Ashiana got listed in Forbes' Asia's Best Under a Billion 200 list of companies in two consecutive years - 2010 & 2011.

'Zee-Business RICS Awards 2011' awarded India's Best Residential Project to Ashiana Aangan in North Ashiana Woodlands in East.

Ashiana received BMA - Siegwark Award for Corporate Social Responsibility, 2010.



LISTING

Shares listed at BSE (Stock code - 523716) and NSE (Stock code - ASHIANA).

Listed in BSE Small Cap Index.

10 YEARS AT A GLANCE

₹ in Lakhs

Sl.no.	Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1	Share Capital	535.31	535.31	535.31	516.70	516.70	1,808.45	1,808.45	1,808.45	1,861.00	1,861.00
2	Reserves & Surplus	946.46	1,461.64	1,402.84	1,926.10	2,717.35	4,968.33	7,819.59	11,170.50	15,633.92	22,102.71
3	Net Worth	1,481.77	1,996.95	1,938.15	2,442.80	3,234.05	6,776.77	9,628.03	12,978.94	17,494.92	23,963.71
4	Long Term Debts	136.76	144.38	136.96	131.58	315.62	256.08	111.38	784.13	68.29	1,055.22
5	Gross Fixed Assets	316.22	358.43	430.79	596.00	1,396.92	2,804.81	3,211.93	3,434.15	4,809.41	5,293.63
6	Net Fixed Assets	212.32	244.11	300.97	441.48	1,227.58	2,539.79	2,822.16	2,910.22	4,153.26	4,399.32
7	Capital Work In Progress	0.00	0.00	21.12	217.71	621.67	255.12	518.73	1,304.63	46.60	0.00
8	Investments	491.03	1,157.46	1,885.03	2,322.08	2,694.97	4,572.07	4,068.38	4,985.43	7,481.59	9,116.16
9	Net Current Assets	943.72	767.84	(93.93)	(372.20)	(819.99)	(105.21)	2,610.36	4,873.74	6,449.96	14,695.45
10	Sales & Other Income	2,208.09	2,636.98	1,456.77	3,921.22	5,568.71	13,345.11	10,401.04	12,102.91	15,428.51	24,897.68
11	Operating Expendiure	1,804.27	1,994.70	1,437.67	3,294.61	4,446.70	8,860.73	7,026.58	7,411.18	9,578.31	15,930.36
12	EBITDA (Operating Profit)	403.82	642.28	19.10	626.61	1,122.01	4,484.38	3,374.46	4,691.73	5,850.20	8,967.32
13	Profit Before Tax	389.26	624.78	(0.41)	598.66	1,086.14	4,341.84	3,208.10	4,436.66	5,582.48	8,441.37
14	Profit After Tax	351.01	575.56	(12.63)	553.07	944.67	3,865.10	2,839.88	3,676.96	4,385.75	6,955.44
15	EPS	1.92	3.07	(0.07)	3.06	5.22	21.37	15.70	20.33	23.57	37.37
16	Dividend (₹ per Share)	-	0.29	0.29	0.57	0.71	1.50	-	1.50	1.75	2.25
17	Return on Avg. Net Worth %	27%	33%	(1%)	25%	33%	77%	35%	33%	29%	34%
18	Gross Advances from Customers	1,511.16	1,758.85	4,687.08	6,916.94	8,895.29	7,600.07	13,671.32	11,921.64	12,046.18	24,333.19

*Note: All figures are consolidated.

OPERATIONAL HIGHLIGHTS

NEW PROJECTS/PHASES

- Launch of assisted living services called Utsav Care Homes at Bhiwadi
- Retail segment of Marine Plaza, Jamshedpur launched for bookings
- Rangoli Gardens, Phase III, IV – Jaipur
- Ashiana Amarbagh, Phase V & VI – Jodhpur
- Ashiana Brahmananda, Phase III – Jamshedpur
- Utsav Lavasa Phase II launched

RECOGNITIONS

- Ashiana got listed in Forbes' Asia's Best Under a Billion 200 list of companies 2011
- 'Zee-Business RICS Awards 2011' awarded India's Best Residential Project to Ashiana Aangan in North and Ashiana Woodlands in East
- Ashiana received BMA - Siegwark Award for Corporate Social Responsibility, 2010

EXPANSIONS

- Acquired 55 acres of land situated at village Thada, Bhiwadi
- Acquisition of 10.13 acres land at Kolkata
- Entered into Gujarat market by acquiring 10.65 acres in Halol, Vadodara
- Acquired 31 acres land in village Vatika, Jaipur in partnership with Manglam Group

COMPLETIONS

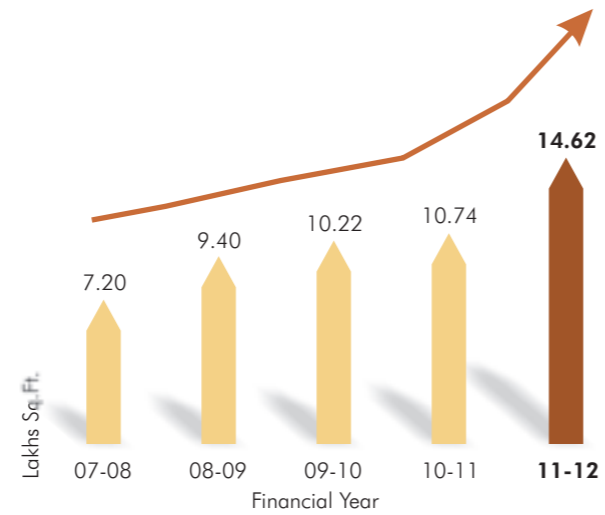
- Greenwood, Jaipur and Rangoli Gardens, Jaipur Phase I fully sold out
- Handing over begins at Utsav Jaipur Phase III
- Villas sold out at Amarbagh, Jodhpur
- Handing over begins at Brahmananda, Jamshedpur Phase I
- Handing over begins at Ashiana Aangan, Bhiwadi phase IV & V

OTHER DEVELOPMENTS

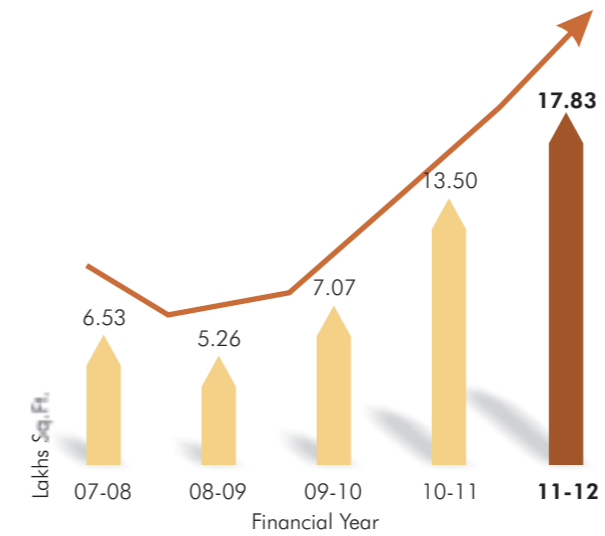
- Ashiana got listed on National Stock Exchange (NSE) on June 29, 2011
- Hotel management agreement signed with Hyatt Place™ for Marine Plaza, Jamshedpur
- MoEF granted clearance, construction resumed at Utsav Lavasa

Actual view of Utsav Lavasa

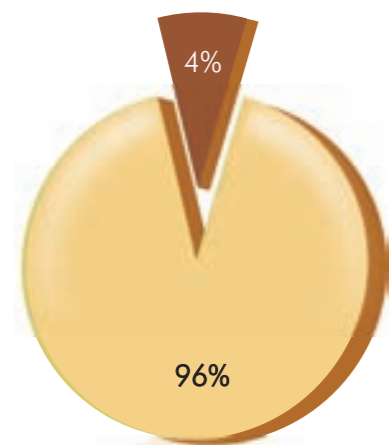
Equivalent Area Constructed



Area Booked

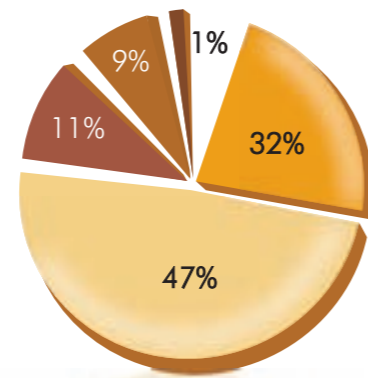


Area Booked by type of housing
Year 2011-12



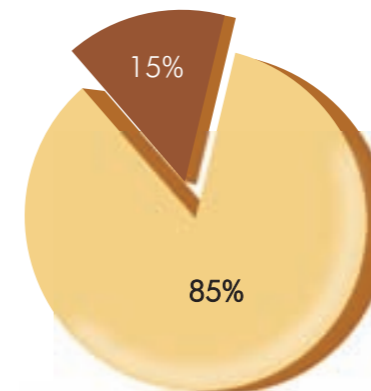
Group Housing Active Senior Living

Area Booked by location
Year 2011-12



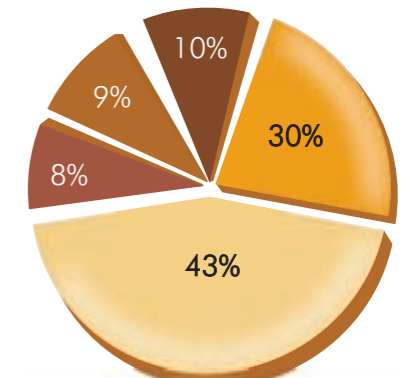
Jaipur Bhiwadi
Lavasa (Pune) Jodhpur
Jamshedpur

Saleable Area by type of housing
Year 2011-12



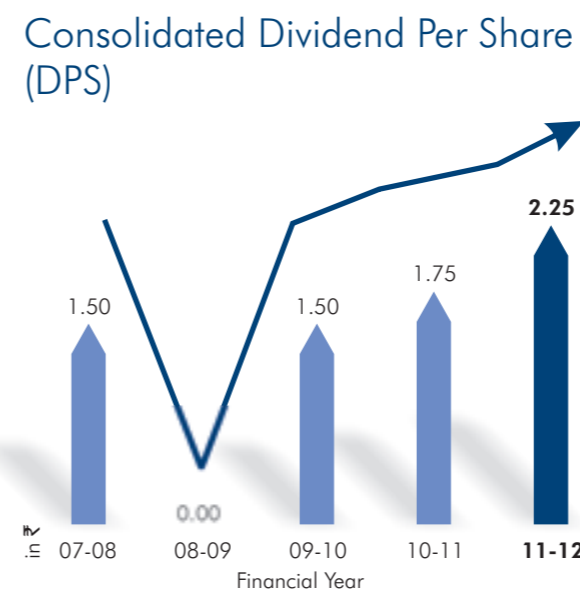
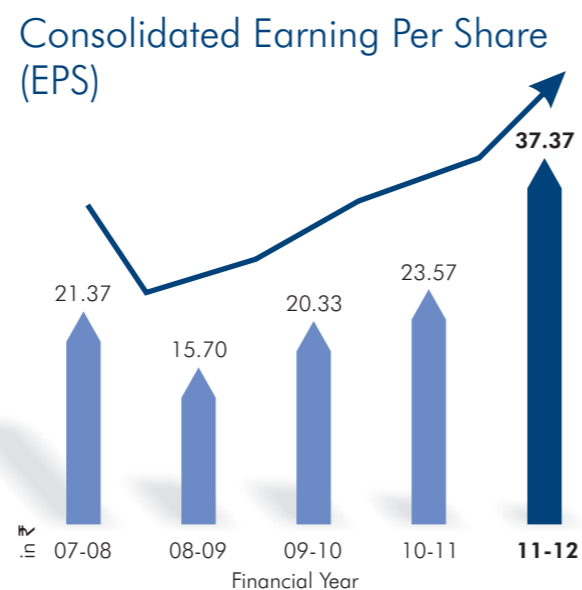
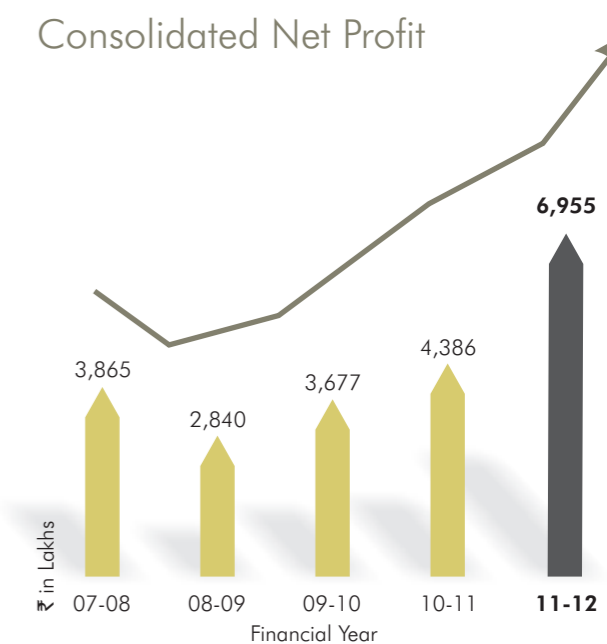
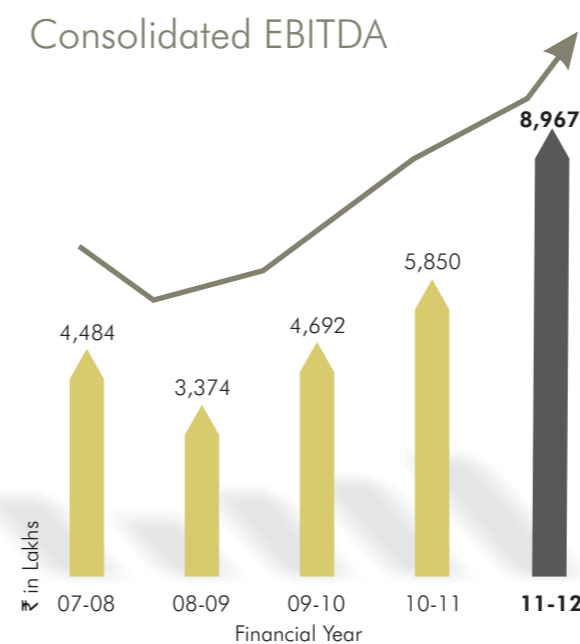
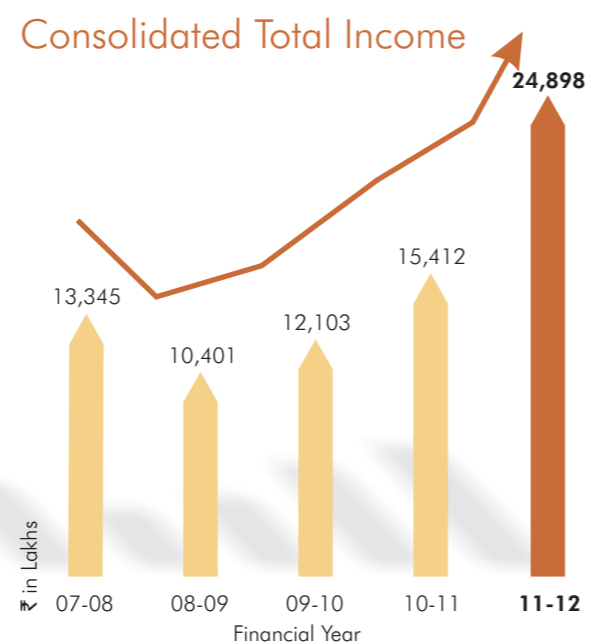
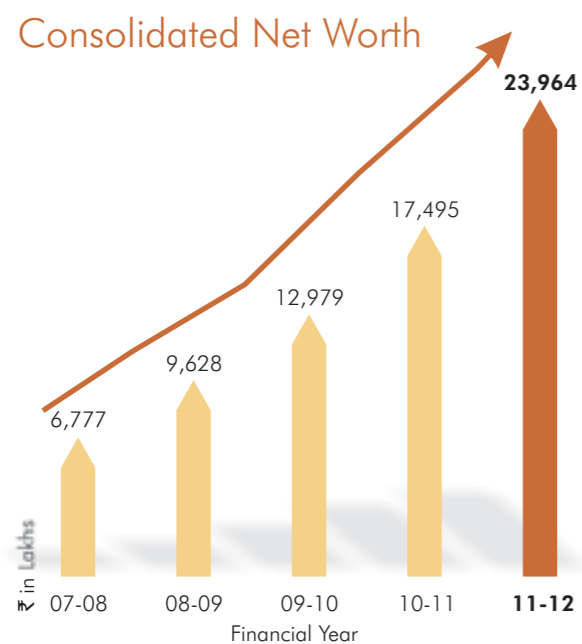
Group Housing Active Senior Living

Saleable Area by location
Year 2011-12



Jaipur Bhiwadi
Lavasa (Pune) Jodhpur
Jamshedpur

FINANCIAL HIGHLIGHTS





Vishal Gupta
Managing Director

LETTER FROM MANAGING DIRECTOR



GREETINGS SHAREHOLDERS,

I am pleased to report that Ashiana had another strong year in 2011-12. Your company continued to outperform the industry and the market at large. We once again achieved record bookings, record construction, surplus cash flows and improved profit margins with increased revenues. At the same time, we expanded our footprints into new locations. Most importantly, we are well positioned to grow along the chartered path we envisioned.

These results were made possible by decisions and actions that we undertook a decade ago, based on where we believed the economy was shifting. But even more, they are a reflection of the mindset, ambitions and values that have guided Ashiana since its inception, 25 years ago. As such, our performance last year marks a fitting conclusion to our first silver jubilee as a corporation, and a promising start to the other.

Fiscal year 2012 was a record year for our financial performance. Net income was ₹ 69.55 crores on the sales and other operating revenues of ₹ 248.98 crores, and we delivered a strongly competitive 34% percent return on average net worth.

Our financial performance reflected outstanding operating results. For start, we achieved bookings of ₹ 17.83 lakhs sq ft, compared to ₹ 13.50 lakhs sq. ft., last year. The construction figures have also surpassed the targets and we constructed an area of 14.62 lakhs sq. ft.

In 2010-11, when we defined our three-year goals and strategy, we said that we will expand into three new cities in the next three years. In line with that, we acquired lands in two new cities this year. In Halol, a growing industrial hub near Vadodara on the Delhi-Mumbai Industrial Corridor, we plan to launch a residential group housing society. The other expansion we did is in Kolkata, where we have acquired a 10 acre land parcel in a larger township with the wish to develop an Ustav – Active Senior Living complex there. The economics of the place, the aesthetic location and the demand drivers define it as an ideal place for Utsav.

High inflation and tight liquidity conditions remained throughout the year. The sector has also seen over supply situation in some metro cities. Though these have not affected your company much during the last year, we still have taken steps to counter any such situation which might arise. Cash flows are regularly monitored to have three months standing cash at hand at any given point of time. The short term presents us with enormous risks and challenges. Regulatory concerns are there in almost every city of operations. Withholding of the approval process in Rajasthan and delayed procedures for conversion in other locations pose a serious challenge to the pipeline for the next year. We expect the booking and construction to be sluggish over the year ahead.

The long term scenario and the projected demand of housing units in the middle income segment, still have a long and a very bright way to go. Housing is a basic necessity and will remain a priority for most individuals. The process of urbanization is only starting in India and more people are expected to come to cities for work and better lives. With this huge demand potential, city planners have a task at hand and need to ensure they balance the demand with the supply. The people of Ashiana remain focussed on building and selling homes, on time with transparency. We are committed to growing our business, contributing to economic expansion, building stronger communities, creating steady value for stockholders and nurturing smiles everywhere.

Let me close by expressing my pride in the entire Ashiana team for bringing us to this point, and my gratitude to you, our shareholders, for your unwavering support. I hope that you are pleased with how your company is performing and evolving. The concern over the short term operations prevails due to the regulatory risks our industry face, at the same time long term outlook remains buoyant. I trust that you share our excitement about the future of an enterprise whose demonstrated past is propelling us into an extremely promising future.

With best wishes

Vishal Gupta
Managing Director





WITH
Jt. MANAGING
DIRECTOR ●●●●●

Q. What has been your experience in developing Active Senior Living projects? How has the progress been so far? Do you see any change in attitude of potential customers over the last few years?

A. Utsav was conceptualized with a view to cater to the growing social need of providing dignified lifestyle for the elderly in the country and at the same time keeping it commercially viable. We were one of the pioneers in the field and serving the untapped market has given us more recognition not only in India but internationally as well.

The progress has been both successful and challenging. Utsav Bhiwadi, the first project of ours was successful and has helped us a lot in understanding the customers better. Utsav Jaipur on the other hand, has been challenging initially in terms of sales, but picking up of late.

There has been a phenomenal change in attitude of customers. When we first started selling Utsav, people were not aware of the concept, product and the facilities it can offer. They were not aware of what they wanted. But now they know and understand it very well, in fact, their increasing demands help us improvise on our offerings on a continuous basis. Today, the end-user is also more financially independent comparably.



Ashiana Utsav, Jaipur

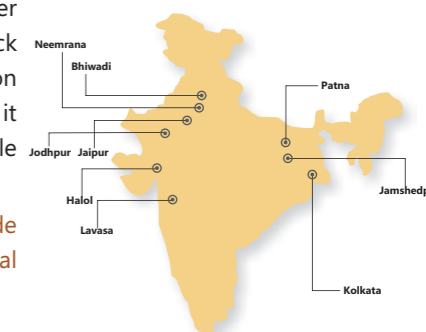
Q. You recently announced land deals in Kolkata & Halol? When are you planning to launch projects there? Is this move in newer geographies driven by diminishing opportunities in existing catchment areas?

A. The new land acquisitions in Halol & Kolkata are part of our long term strategy to build a pan India presence. We plan to launch the Halol project in H2 FY 2012-13 and the Kolkata project in H1 2013-14.

These new projects are part of our effort to leverage the Ashiana brand in newer cities. There is a limited capacity of each town & city to absorb new housing stock which is primarily driven by the incremental economic activity and population growth in that area. As Ashiana aims to grow to a much bigger size over the years, it aims to build its presence in newer markets, and deliver on its promise of affordable quality and timely delivery.

Q. You are developing a retail cum hotel project in Jamshedpur? This is an area outside your core focus? What will be your strategy going forward in Commercial Real Estate?

A. As we have pointed out separately in this Annual Report, our core strategy is to focus



on mid income housing and active senior living. We aim to steer away from other real estate product categories. In that sense the thought process is different from other developers and we aim to remain product focus.

The project in Jamshedpur is an opportunistic development on our part. We had applied for rights to develop this land parcel about a decade back but the transfer was held up due to regulatory roadblock. Over the last decade, entire area has developed quite a bit and the project site is a prime location within the city. To get the maximum economic benefit we decided to develop a hotel cum retail project. However this is an opportunistic foray and not the part of our core strategy.



Q. Some media commentators are talking about a property bubble being formed in India? What are your views on the same and how will it impact your business?

A. The way land prices have moved up in the last decade, we do get a feeling that there is too much speculation in real estate. All this could indicate that a bubble may be building.

The way we work is that we take land as inventory and usually aim to hold only 5-7 years of cumulative developmental area as land area. Also one metric we track is that our property prices should not be more than 4-5 times the annual income of our target customers. In our case that metric is not breached and so we feel reasonably confident that our property prices are not becoming unaffordable to our target segment.

Also we focus on entering in JVs with land owners to minimise our investments in land. This helps us maintain low capital deployment in land and high return on investments.

Having said that, there is always a risk of slowdown in the real estate sector and the government has to take appropriate steps to keep things affordable in this period of high inflation and tight liquidity.

Q. What are the new initiatives taken by your organisation over the past year?

A. There have been a lot of new initiatives taken up over the last year. We have launched an assisted care facility in the Utsav complexes by the name of 'Utsav Care Homes'. In addition of all the architectural and social support system, care homes will provide the personal support as well for the senior citizens of advanced ages.

Realizing the importance of internet and social marketing, we went virtual in a big

way last financial year. We started using Google, MSN, property portals like Makaan, Magicbricks, India Property and other popular sites like TOI, Rajasthan Patrika etc. We made our corporate page on facebook, twitter and linkedin where we do lot of updates and discussions. We also started live chat on our website which answer the queries of the customer coming on to our website. All these online activities have given us a tremendous response in terms of enquiries and other business communication.

We also recapitulated the format of annual strategy meetings to the quarterly ones as we have seen it to be very successful in aligning all the individual goals and KPI's to a single goal of the organization providing a rhythm and direction to even smallest of the activities.

Q. Could you elaborate on the Utsav Care Homes concept?

A. These are assisted living homes for the people who require specific services. Care homes provide 24-hour care and supervision depending upon the needs of residents.

Care homes are for adults who need help with everyday tasks, hygiene maintenance and health & medication management. They may need help with dressing, bathing, eating, or using the bathroom, but they don't need full-time medical care. Services are shared by the people in small groups, making it economical and also specific to their needs. These homes will be part of all Utsav complexes built by Ashiana going forward.



Q. There was news that the Rajasthan government was not giving approvals for new projects over the past few months? With your largest project sites being in Bhiwadi and Jaipur, how has this impacted you? What are your plans to manage this development?

A. In 2011, there was a directive from the High Court of Rajasthan to the State Government to review its guidelines for converting agricultural land to residential land. The government stopped the issuance of all new licenses and set the process in motion to review the guidelines.

There has been an inordinate delay in formulating this policy and getting it approved by the High Court. While the draft guidelines have been there, they are yet to be notified which in turn has resulted in delayed approvals for all new housing projects.



While we are hopeful of the guidelines being notified soon, we have done all the paperwork and aim to get the approvals after the process is initiated.

We should also clarify that this delay has no impact on our existing projects in Rajasthan, but it will impact the new projects that are in the pipeline. The biggest impact will be in Bhiwadi where we are running out of inventory to sell in the market. Jaipur will also get impacted if the approval process does not start in time. This has put our growth behind by one year.



Q. You are changing your revenue recognition policy to conform with IFRS standards? Could you explain the change and how will it impact your revenue and profits in the coming years?

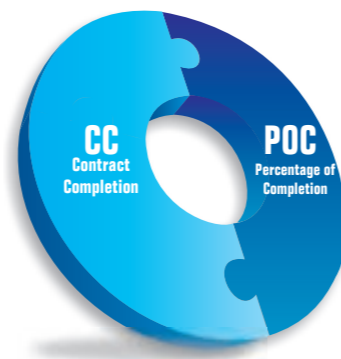
A. Usually real estate companies follow one of the two accounting standards percentage of completion (POC) method or contract completion method which is as per IFRS standards.

We shifted from the contract completion to POC method in 2006. In POC method, as the construction happens and sales get booked, revenues are recognized and so there is a smoothness of reported revenues over quarters. However, POC method does not reflect market risks, liabilities and assets efficiently. This makes the financial statements complicated with difficulties in understanding the financial health of the company and also in predicting the future financial performance.

We have shifted back to contract completion accounting. So starting from Apr 1, 2011, all the projects/phases which had not recognized revenue are now computed as per contract completion (possession based accounting) method. Contract completion gets lumpy as units tend to be delivered in batches and not continuously. It also delays revenue recognition till the completion of units.

The shift to contract completion method of accounting from POC method will bring with it short-term pain in terms of reported revenues and profits for the next two years. It will make our profit and loss statement more volatile and not comparable on a quarterly basis.

But taking the long term approach, contract completion accounting is far more beneficial. It better reflects assets and liabilities of the company. It showcases the company's financial discipline or the lack of it in utilization of advances from customers. It creates incentives to deliver faster to ensure revenues get reported. Cash flows become easier to comprehend and margins are not subject to



estimations of future cost.

Q. Could you elaborate on the developments in Lavasa? When do you aim to complete this project?

A. The Lavasa project finally came back on track in the last quarter, after the formal go ahead from the Ministry of Environment & Forest for the project. Currently we have deployed over 450 people to quickly complete the Phase I of the project. During the period of uncertainty, when the fate of Lavasa was in question, we had next to zero cancellations. This gave us a lot of comfort and we in turn want to show our commitment to deliver the project as fast as possible.

We are very enthused by the developments at the site and hope to start delivery of the units by the second quarter of this financial year.



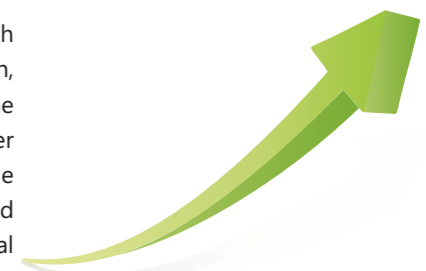
Q. Ashiana Housing has come a long way in the last decade? How do you plan to grow your presence going forward?

A. Ashiana has built on the success of the past few years. We have maintained our strategy of focussing on timely delivery and cost efficiency. We have mainly used joint ventures to enter new cities, which has greatly increased its addressable market and continued to gain a competitive edge from a strong brand it enjoys. After Bhiwadi, Ashiana now commands a premium in its product offerings in other cities of operations as well and aims to build on that success in the new cities it aims to launch.

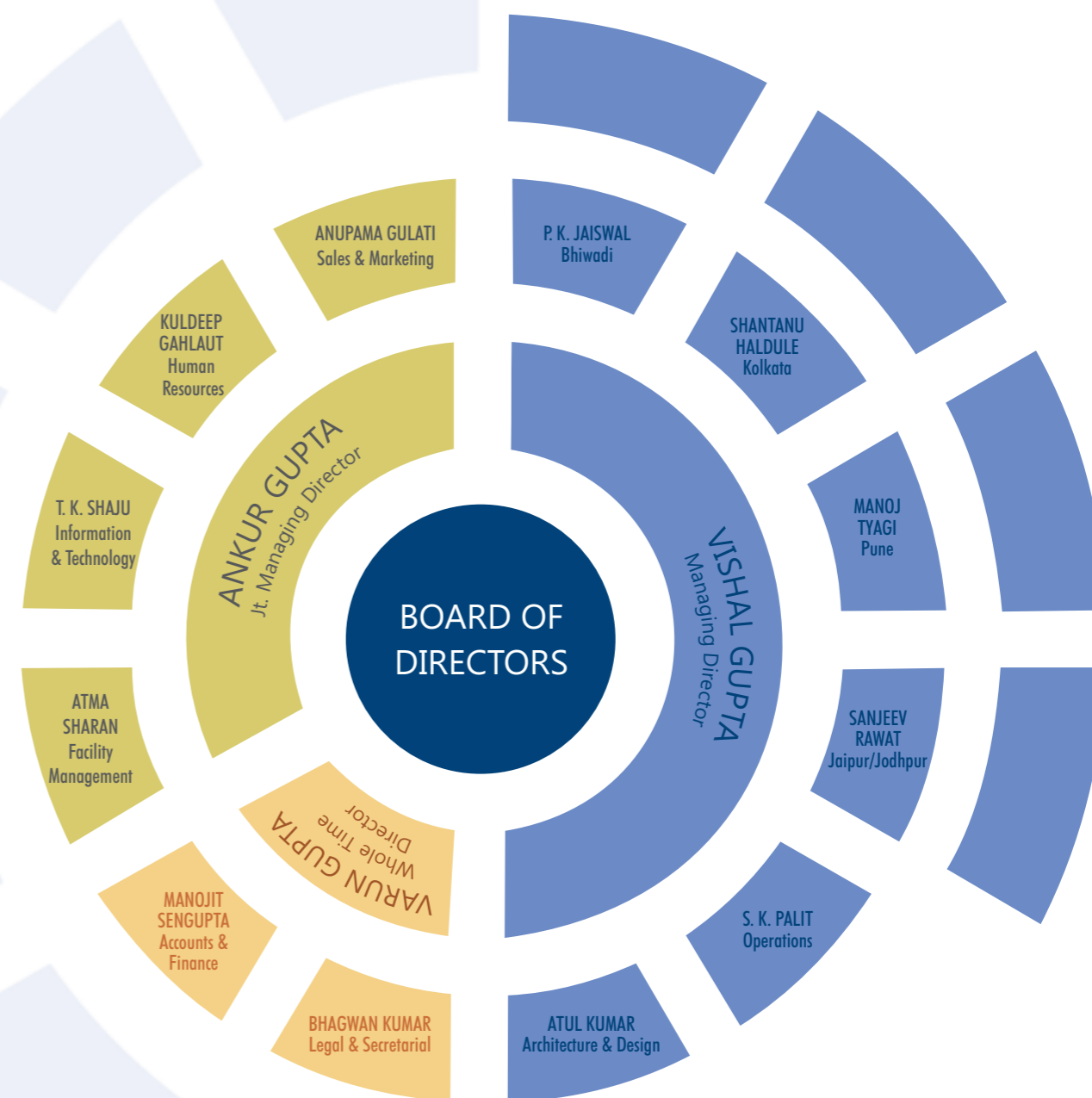
Having seeded the active senior living market in NCR over the last few years we are seeing increased traction in that arena and we feel that it will be in engine of growth for Ashiana in the years ahead.

Q. Any message for the shareholders?

A. We are concerned about the short term business scenario which presents us with enormous risks and challenges. High inflation and tight liquidity conditions remain, regulatory concerns are there in almost every city of operation. Withholding of the approval process in Rajasthan and delayed procedures for approvals in other locations pose a serious challenge to the pipeline for the next year. We expect the booking and construction to be sluggish over the year ahead. We are well prepared to counter any such situation which might arise. Strong cash flows and financial discipline have always helped us stand the cyclical fluctuations in the industry. The long term scenario and the projected demand of housing units in the middle income segment, still have a very bright way to go.



ORGANIZATIONAL STRUCTURE.....



KEY MANAGEMENT TEAM

The operations of the company are overseen by a professional management team under the guidance of its Managing Director, Vishal Gupta. The top management team has the requisite experience and the qualification for their respective responsibilities. A brief profile of the top management team is as follows:

Vishal Gupta

He is the Managing Director of the company. Vishal Gupta is a graduate from Sydenham College (Mumbai) and an MBA from FORE School of Management (Delhi). He is acknowledged for his in-depth understanding of the real estate business, customer psychology and market behavior. He has a great eye for detail and takes a keen interest in the conceptualization and planning of new housing projects for the company. He is associated with Ashiana for the last seventeen years and actively involved in finance, marketing, project execution and general administration. He has been instrumental in present growth of the company.

Ankur Gupta

He is the Joint Managing Director of the company. Ankur Gupta is a Bachelor in Business Administration from Fairleigh Dickinson University (USA) and an MS in Real Estate from New York University (USA). He focussed on residential projects for senior citizens during his research work at University. His experience was put to good use at Utsav and currently he leads marketing, HR and IT of the company. He also looks after hotel and facility management segments. He has around twelve years experience and is actively associated with Ashiana for the last ten years.

Varun Gupta

He is the Whole Time Director of the company. Varun Gupta is a Bachelor in Science from Stern School of Business, New York University (USA). He majored in Finance and Management and graduated with the high academic distinction, 'Magna Cum Laude'. He then joined Citigroup in Commercial Mortgage Backed Securities where he was underwriting commercial real estate. After a year and a half of this rich experience, he has joined Ashiana where he is looking after land and finance for the last four years.

Note: Vishal Gupta, Ankur Gupta and Varun Gupta are brothers in relation.

Pramod Kumar Jaiswal

52 years, is our Vice President. He holds a degree of Bachelor of Engineering (Civil) and has over 28 years of experience out of which 23 years are with Ashiana. Mr. Jaiswal is responsible for implementation and execution of company's projects in Bhiwadi (Rajasthan). He has many successful projects in his name. He was also instrumental in completing the Tataward Hospital at Patna medical college in the record time of ninety days. Prior to Ashiana he was associated with Vishnu Sugar Mills at the senior position.



Sanjeev Rawat

51 years, is our Vice President. He is looking after the entire project implementation, execution and other senior managerial work in Jaipur and Jodhpur (Rajasthan). He had been in Indian Navy and retired from the post of Commander. Mr. Rawat is a Master of Science in Defence and Strategic Studies and has around 31 years of experience. He is associated with Ashiana for the last four years.

Shantanu Haldule

This 44 year old retired Army officer is B.A. with Industrial Relations & Personnel Management and has a post graduate diploma in Industrial Security & Corporate Intelligence. He is the profit centre head at Jamshedpur and Kolkata, responsible for project implementation, revenue generation and to lead Jamshedpur and Kolkata team towards achieving the assigned targets. He brings his rich experience of 22 years in uniform and has been with Ashiana for the last two years.

Manoj Tyagi

41 years, is our Vice President. He is looking after the entire project implementation, execution and other senior managerial work in Lavasa (Maharashtra). He holds the degree of Bachelor of Technology from Institute of Technology Banaras, Hindu University and Post Graduate Diploma in Management from Indian Institute of Management, Indore. Mr. Tyagi has around 17 years of rich experience. Prior to Ashiana he was working with Bharat Heavy Electricals Ltd. He joined Ashiana on 01st February, 2008.

Shyamal Kumar Palit

50 years, is our Vice President (Operations). He is in charge of construction and planning activities of the company and has 26 years of rich experience in this field. He holds a degree in Civil Engineering. Mr. Palit was previously employed with Hyundai Corporation in Kuwait. He is associated with Ashiana for the last 20 years.

Atma Sharan

52 years, is the Vice President heading our subsidiary company VML, responsible for the facility management and active senior living business. He is an alumnus of IIM, Ahmedabad, and holds a diploma in Automotive Engineering. After a career in the defence forces, he joined Ashiana Housing Ltd. in Oct. 2007. For two years he headed the sales and marketing operations of the company before taking up the present assignment since Feb. 2010.

Bhagwan Kumar

41 years, is the GM-Corporate Affairs of the company. Mr. Kumar is an associate member of the Institute of Company Secretary of India and a law graduate. He is looking after the company secretarial work. He is also responsible for legal affairs of the company and its associates. He has rich experience of over 16 years. Earlier he had worked with Modi



group at a senior level. He has been associated with Ashiana for the last 7 years.

Manojit Sengupta

With over 18 years of experience in leadership positions in the corporate finance, accounts & auditing team, Manojit Sengupta (39 years) plays the role of the Head of Finance & Accounts of all the group companies and associates of Ashiana. His areas of responsibilities include corporate finance, taxation, management and mergers & acquisitions for the whole group. Being member of internal audit committee he ensures internal control system of the company. Manojit Sengupta was appointed in August 2008. He has rich and versatile experience in different industries with reputed organisations.

Kuldeep Gahlaut

48 years, is our Vice President. He is looking after the Human Resource department of the company. Mr. Gahlaut is a retired Colonel from Indian Army. He holds a Master of Science degree in Defence Studies and a Post Graduate Diploma in Business Management from XLRI, Jamshedpur. Mr. Gahlaut has 27 years of rich experience. He joined Ashiana as Vice President, Jamshedpur in January 2009 and moved on to head the company's HR operations from April, 2011.

Anupama Gulati

43 years, is our General Manager, Sales & Marketing. She is a Bachelor of Engineering in Electronics and Tele-communications. She comes from the senior most batch of the 'Women Officers' in the Indian Air Force and brings in a rich experience of over 20 years. She joined Ashiana on 30th November, 2009.



KEY MANAGEMENT CONSULTANTS ●●●●●

Sushil Kumar Trishal

69 years, is the technical advisor of the company. Mr. Trishal holds a Bachelor Degree in Engineering (Civil) and has a rich experience of 50 years. He has worked with reputed groups like Ahluwalia Constructions (I) Ltd. on a senior level. Prior to that he was working with the Government of J&K and has been associated with many prestigious projects. He has been associated with Ashiana for the last five years.

Biswajit Sengupta

64 years, is a senior consultant on the panel of the company. Mr. Sengupta holds a bachelor degree in architecture from IIT and has rich experience of over 41 years. He has been associated with Ashiana since its inception.

Atul Kumar

60 years, is the architect advisor of the company. Mr. Kumar holds a bachelor degree in architect and has rich experience of 37 years. He has been associated with Ashiana for the last six years.

Ashok Gongopadhyay

66 years, is our Consultant and looks after CSR activities of the company. He has served in the army and para military organizations for 25 years. He has an experience of over 46 years and in Ashiana has over 19 years of experience with distinguished career. Prior to Ashiana he was associated with the Indian Institute of Security and Safety Management at a senior level.



MANAGEMENT DISCUSSION & ANALYSIS



ECONOMY

On the global front, economic recovery is gaining strength in US, but unemployment remains high in advanced economies especially Europe. There is a huge political and economic uncertainty about Greek's future in EU and new macroeconomic risks are building in emerging market economies. Financial conditions continue to improve, although they remain unusually fragile. In many emerging market economies, demand is robust and over-heating is a growing policy concern about inflationary growth. World real GDP growth is forecasted to be about 4.5 percent in 2012, down modestly from 5 percent in 2011. Real GDP in advanced economies and emerging and developing economies is expected to expand by about 2.5 percent and 6.5 percent, respectively.

In India, advance estimates released by the Central Statistics Office (CSO) placed GDP growth for 2011-12 at 6.9%, only marginally higher than the 6.7% growth seen in 2008-09, the year of global economic crisis. Worst affected is clearly investment, which underwent a mild 0.2% contraction in April-December 2011 in year-on-year terms, relative to a growth of 8.9% in the same months of 2010-11, reflecting a dampening of business sentiments and the pace of execution of various projects. Uncertainty about demand conditions given the global outlook; regulatory issues including environmental clearances and land acquisition; as well as sector specific factors like availability of coal and iron ore have impacted investments.

The year witnessed a sharp increase in interest rates that resulted in higher costs of borrowings; and other rising costs affecting profitability and, thereby, internal accruals that could be used to finance investment. At the same time, while fiscal policy remains

expansionary, higher outgo toward items of non-plan revenue expenditure such as subsidies, limited the fiscal space available for boosting infrastructure spending by the public sector.

The balance of growth-inflation indicators and the guidance provided by the Reserve Bank of India (RBI) in the Third Quarter Review of Monetary Policy suggest that the interest rate cycle has peaked. After remaining between 7-10% since December 2009, headline inflation related to the wholesale price index (WPI) dipped to 6.6% in January 2012, but went back to 6.9% in March 2012, in line with the baseline projection made by the RBI.

On the employment front, the country has been able to withstand the adverse impact of the global crisis and generate employment since July 2009, as reported in the quarterly surveys conducted by the Labour Bureau. Overall employment in September, 2011 over September, 2010 has increased by 9.11 lakhs, with the highest increase recorded in IT/BPO (7.96 lakhs) sector followed by 1.07 lakhs in Metals, 0.71 lakhs in Automobiles, 0.08 lakhs in Gems & Jewellery and 0.07 lakhs in Leather industries during the period. The per capital net national income rose at 14% in the year to ₹ 53,331 from ₹ 46,117 last year.

Moving forward, India has to achieve a skilful balancing act. While fiscal prudence is important, development policies that aim at bringing the economy back on a higher growth trajectory and at the same time ensuring adequate spending on the social sector especially education, health care, and employment generation are equally important. Investment growth is likely to remain sluggish in 2012-13 as well, unless policy issues are addressed and there is a substantial pick up in the pace of implementation of economic reforms.

Since monetary policy operates largely through demand compression in the short run, the expectation is that this policy will in fact bolster long-run growth.

INDUSTRY

The organised segment of Indian real estate is only about two decades old. But now to get in place true governance has become the decisive point for the sector to prosper. A plethora of regulatory issues and policy hurdles contributed towards the slowdown in both announcement as well as implementation of fresh projects in 2011-12.

There has been an inordinate delay in formulating this policies and getting them approved by the respective state governments. In Rajasthan, the conversion process has come to a stand still. The conversions were stopped earlier to restructure the process by the government. Though the revised laws have been drafted but they are still to be notified. In Maharashtra, a new notification was announced with respect to mandatory EWS housing in projects. But as the status is not clear yet, the developers cannot take a decision on the future expansion plans. Similarly, constructions have come to a halt in Noida because of master plans not yet been approved by the NCR planning board.

The Regulatory Bill is currently trying to put a regulator in place for the sector, but the problem is that every city and town in this country has a different development control regulator. While the bill will lay down and monitor strict timelines for execution of a project (with severe penal implications for the promoter/developer), it will do nothing to address the inevitable delay that accompanies various approvals and make there timelines impossible to

adhere to. We are already required to obtain more than 50 permissions for a project which takes them more than a year to secure. Customers currently have to bear too many types of taxes levied under various heads, including stamp duty on land & building, VAT and Service Tax. External Development Charges (EDC) and Internal Development Charges (IDC) are also collected by the Government.

All these regulatory issues coupled with bundles of approvals and multiple tax layers for customers make it very hard for the industry as whole to develop and sell value homes in time.

Though the residential sector has witnessed concerns of oversupply in some metro cities, demand situation at tier two cities remained buoyant. In most markets where Ashiana has a presence, the prices went up without any slowdown in volumes. On a longer run, the demand for residential units in India is expected to remain strong as estimates show huge deficit in the supply of mass housing units continue and according to estimates published by Cushman and Wakefield, demand for residential units in India is estimated to be over 7.5 million units between 2009 and 2013 - an average of 1.5 million units for each of the five years. A bulk of this demand is expected to come from middle income segment. The key drivers of this growth in demand of residential housing are discussed below:

First is the favourable demographic situation - large working population and rapid urbanization levels. Currently, 63 percent of India's population is in the age group of 15-59 years and only 30 per cent of India's population in urban. Both these numbers are going to increase in the future. Besides, reduction in household sizes due to preference for nuclear families and urban migration will further boost demand for housing.

Second factor is driven by strong and sustained growth of the economy; disposable incomes are increasing at a significant pace. Per capita income has more than tripled from ₹ 16,700 in 2000-01 to ₹ 54,800 in 2010-11. According to research by the McKinsey Global Institute, the number of household earning over ₹ 5 lakh per annum will increase from 3.6 million in 2005 to 8.8 million in 2015. This is expected to give a considerable push to the demand for housing in the consumer segments that is our focus area.

Third driver is the affordability. The rise in income opportunities and quality of jobs coupled with availability of home finance has brought down the average age of first time buyers of residential property considerably. Even as interest rates for home loans have increased



Ashiana Brahmananda, Jamshedpur

significantly in the last couple of years and are now ranging between 9-10 per cent, these rates are still much lower than the highs of 18 per cent in the mid-1990s. Together, these factors have brought about a substantial increase in the affordability of a residential property. We estimate the price affordability - measured as number of years of income required to own a house - to be around 4-5 years as compared to 22 years in the mid-1990s.

To sum up, while the longer term

demand outlook remains robust and sustainable given the housing shortage the country faces, in the short term concerns remain over the prevailing uncertainties in the regulatory environment.

OPERATIONAL REVIEW

The target segment for Ashiana remains focussed on:

- Housing for the middle income group in upcoming industrial areas and in towns with population of more than ten lakhs in India and;
- Active Senior Living for people over 55 in the middle income group in cities having population of more than 25 lakhs or in magnets / satellites of metros

The year saw record bookings, record construction, surplus cash flows and improved profit margins, with increased revenues. At the same time, we expanded our footprints into new locations.

The leading indicators to sales in housing are site visits and sales enquiries. Realizing that the site visits play a very important role in the decision making process of actual users, the company started focussing on improving the quality of site-visits, provided training to the sales staff and

started collecting feedback. We started calculating conversion ratio of visits to the actual bookings. The Year on Year (YoY) increase in conversion ratio* for 2011-12 was 29% as compared to that of 18% in 2010-11. Increased conversion ratio indicate two things a) Improved experience of the clients with our products and b) Increased confidence and job security that has helped people make quicker decisions despite the rising interest rates.

Area booked increased at the rate of 32% to 17.83 lakhs sq. ft. from 13.50 lakhs sq. ft. last year. A large portion of it came from projects in partnerships like Rangoli Gardens (7.53 lsf) and Ashiana Amarbagh (1.56 lsf).

Other factors which contributed into better bookings were timely delivery of phases in all the projects, right design and right pricing of the products keeping in mind comfort & affordability of home buyers.

We also achieved 14.62 lakhs sq. ft. in Equivalent Area Constructed (EAC) for the first time in 2011-12. This was 36% higher than 10.74 lakhs sq. ft. achieved last year. The substantial increase even after the loss of some construction months at Lavasa happened due to the specific initiatives taken throughout the year in order to improve efficiencies and increase labour availability at the sites. Process improvements in terms of launching of new projects, approvals and sanctions have been designed and implemented. Various schemes and programs targeted to increase the supervisor productivity have been adopted.

Dedicated and stable operational teams and the focussed HR Policies adopted over the year on minimizing the attrition & employee growth as detailed later in MDA is also one of the key factors in pushing the sales and construction figures.

*Conversion Ratio = $\frac{\text{Bookings}}{\text{Site Visits}} \times 100$

ACQUISITIONS

In line with the expansion strategy as laid down last year, Ashiana acquired land parcels in two new cities this year. The first being in Halol, a growing industrial hub near Vadodara on the Delhi-Mumbai Industrial Corridor. We acquired a 10.65 acre land parcel under the revenue share model with a local partner and we plan to launch a residential group housing society here. In the past few years, rapid industrialization, growth of manufacturing sector and creation of a better social infrastructure has made Gujarat the most attractive destination for real estate. Halol is home to many large companies such as Sun Pharma, HNG Float Glass, General Motors, SETCO, CEAT, Windar Renewable Energy, Siemens and so on. It is located 40 kms from Vadodra and 150 kms from Ahmedabad and well connected



Ashiana Manglam, Jaipur

to key industrial centres such as Ahmedabad (via India's first Expressway), Bharuch and Surat, along NH8.

The other expansion done is in Kolkata, where we have acquired a 10.13 acre land parcel in a larger township with Bengal Shriram Hitech Pvt. Ltd., a subsidiary of Shriram Properties Limited. We wish to develop an Ustav complex there. Uttarpara is well connected with

commercial hubs and industrial areas like Howrah, B.T. Road, Delhi Road, Dankuni and all modern amenities are available like banks, markets, educational institutions, libraries and healthcare facilities. The picturesque environment, pleasant weather, ease of travelling and other facilities make the location ideal for an active senior living complex.

Acquisitions were done in current cities of operations as well as we were nearing completion of existing projects. As Ashiana Aangan will be completed over the next year, we have acquired approximately 55 acres of land in village Thada, Bhiwadi. Here, we plan to have products in multiple formats.

In Jaipur, 31 acres of land in village Manpur Bhatawala, off Tonk Road has been acquired. The land will be utilized to develop a residential

project comprising of Villas & G+4 developments with a total saleable area of approximately 13 to 15 lakhs sq. ft. The project will be in partnership with Manglam Group, who have been our partners in multiple projects for long like Ashiana Manglam, Utsav Jaipur and Rangoli Gardens, Jaipur.

FINANCIAL REVIEW

Better bookings and collections definitely reflect in financial statements. For the year ending March 31, 2012 Consolidated Sales and Other Income rose by 61 % to ₹ 24,898 lakhs, as against ₹ 15,428 lakhs during the previous year. Consolidated Sales and Other Income has grown at a CAGR of 35% in the last five years. Further, consolidated Profit after Tax increased by 59% to ₹ 6,955 lakhs as compared to ₹ 4,386 lakhs in the previous year.

The EBIDTA margin declined marginally by 190 bps from 37.92% in 2010-11 to 36.02% in 2011-12. The net margin recorded for the year was 27.94%.

Net worth of the company has grown 22 times in last ten years from ₹ 11.06 crores as on March 31, 2002 to ₹ 239.64 crores as on March 31, 2012 without any dilution of equity or leveraging balance sheet. Though we got sanctioned a corporate loan of ₹ 50 crores, it will take the Debt-Equity ratio to 0.2:1 at the maximum (taking into account the current equity of 240 crores as on March 31, 2012).

Change in Accounting Methodology

This year we did changes in our accounting methodology. From POC (percentage of completion), we have moved to the contract completion method. Under contract completion, revenues are recognized on possession as against POC where they are as the construction happens and sales get booked. Till the time of possession, inflows from customers will be recorded in the current liabilities under 'Advance from Customers' and direct expenses in 'Work in Progress' under inventories. It will delay revenue recognition till the completion.

But ultimately, the long-term outlook of contract completion accounting

prevails over the short-term transition issues involved. This method of accounting more accurately reflects the assets and liabilities of the company. This will make it easy to understand the operating cash flows of the company, which is one of the most important parameter to appreciate the financial health of the company. It will also better reflect the margins of the company, as they will be directly linked to the delivered homes and square footage and not subject to future estimations of project cost.

The next two years will be a transition phase when the projects nearing delivery have had been accounted under POC method and most of the projects under contract completion will be in underconstruction mode. Revenues and profits recognized in the next two years will be significantly lower than that recognized in previous years and income statement will not be comparable to previous years. The best way will be to look at key growth drivers: sales booked, construction done and operating cash flows generated.

Cash flows

The operating cycle of real estate business activities is spread over multiple financial years. Therefore revenue and corresponding expenses are recognized in multiple accounting periods resulting in changes of operating cash flow varying from the revenue, expenses and profits recognized during that accounting period. We also believe that the cash flow statement prepared as per AS-3 is deficient in providing a clear picture of cash flow of a company like ours. Hence we have prepared a modified statement of cash flows which is different from cash flow statement as per AS-3. This statement reflects the pre-tax operating cash flows generated from ongoing projects by the company. It also indicates funds

deployed in new land acquisition which will create pipeline of projects for the company.

Pre-tax operating cash flow generated from ongoing projects increased by 105% to ₹ 10,967 lakhs in FY12 from ₹ 5,345 lakhs in FY11. High increase can be attributed to the healthy sales both in terms of 32% increase in area booked as of last year and also improved realizations in all our projects. The average realization per sq. ft. in 2011-12 was ₹ 2190 as compared to that of ₹ 2055 last year. Funds also got unlocked from partnership firms due to improved sales in projects under partnership firm and healthy cash inflows.

The company deployed ₹ 5,440 lakhs in land acquisitions this year as compared to ₹ 719 lakhs previous year. Out of this major amount is towards purchase of land (₹ 4,897 lakhs) and rest is advance paid for acquisitions and investments in partnership firms. The pipeline will serve the future growth as the ongoing projects are nearing completion now.

Total cash and cash equivalents at the end of the year amounted to ₹ 9,676 lakhs, almost double of the last year. This provides us sufficient funds to acquire additional land and expand further.

MODIFIED CASH FLOW STATEMENT (CONSOLIDATED) - FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	2011-2012 ₹	2010-2011 ₹
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	844,137,448	558,248,329
Adjusted for :		
Depreciation	23,982,313	20,193,338
Depreciation Charged on Project Expenses	673,304	-
Interest Income (other than from customers)	(20,241,551)	(14,203,657)
Income from Long Terms Investment	(15,927,656)	(6,159,793)
Provision in Diminution in Value of Investment	291,049	765,345
Interest Paid	28,612,377	6,578,034
Preliminary expenses written off	14,176	-
Fixed Assets written off	-	2,113,598
(Profit) / Loss on sale of Fixed Assets	1,761,218	(6,197)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	863,302,678	567,528,997
Adjusted for :		
Trade and other receivables	(148,862,422)	(57,945,384)
Inventories	938,578	(38,407,280)
Trade Payables and advances from customers	50,306,340	155,739,124
Investments in Operating Partnership firms (Project launched)	330,999,394	(92,355,370)
Miscellaneous expenditure	-	(56,704)
PRE-TAX OPERATING CASH FLOWS GENERATED FROM ONGOING PROJECTS	1,096,684,568	534,503,383
Adjusted for deployment of funds in new land acquisition:		
Advance Against Land	(14,360,667)	(44,982,063)
Purchase of Land	(489,665,759)	(26,961,872)
Investment in New Partnership firms (Project not launched)	(40,000,000)	-
CASH GENERATED FROM OPERATIONS	552,658,142	462,559,448
Direct Taxes paid / adjusted	(219,866,320)	(18,461,541)
Cash flow before extra ordinary items	332,791,822	444,097,907
Extra Ordinary items	-	-
Net Cash from Operating activities (A)	332,791,822	444,097,907
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(49,377,891)	(16,065,943)
Sale of Fixed Assets	3,014,830	1,212,507
Net (Purchase)/ Sale of Investments	3,629,385	(75,901,051)
Interest Income	20,241,551	14,203,657
Other Income from Long Term Investments	5,211,754	3,497,540
Net Cash from Investing activities (B)	(17,280,371)	(73,053,290)
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term and other borrowing	231,580,704	(785,595)
Interest paid	(28,612,377)	(6,578,034)
Dividend paid	(36,435,919)	(26,530,138)
Proceeds from issuance of share capital	-	5,255,000
General Reserve	-	49,069,606
Repayment of Loans	-	(71,584,098)
Net Cash used in Financing activities (C)	166,532,408	(51,153,259)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)	482,043,859	319,891,358
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	485,584,484	165,693,126
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	967,628,343	485,584,484

The differences in the standard format and this modified format are outlined below:

- Pre-tax operating cash flows have been categorized as:
 - Cash generated from operations in ongoing projects
 - Cash generated from operations (after adjusting for deployment of funds in land acquisitions) Projects in which construction activity has not been started in previous financial year, deployment of funds in them as land purchase, advance paid for land or investment in partnership firms is treated as deployment of funds for new land acquisition.
- Current investments in liquid assets including but not limited to money market instruments, debt funds & others; which are redeemable at any time and are akin to cash, have been treated as cash & cash equivalents.
- Profit from partnership firm has been treated as cash flow from operating activities instead of cash flow from investment activities. As all the partnership firms are developing real estate projects and are in the nature of operating activities for us.
- Accordingly Investment in Partnership Firms has been shown under operating activities.

* Please note that the modified cash flow statement discussed above is not prepared as per the statutory format and accounting standards as prescribed by the ICAI. For statutory numbers, please refer to the Page 124 of the annual report.

PROJECTS OVERVIEW

as on 31st March 2012

Project Name	Location	Type	Saleable Area in lakhs sq. ft.	Area Launched in lakhs sq. ft.	Area Booked in lakhs sq. ft.	Expected Completion Time
Ashiana Aangan	Bhiwadi	Group Housing	20.57	20.57	20.15	Handed over first three phases, started handing over Phase IV & V, phase VI in CY 2012.
Utsav	Jaipur	Active Senior Living	3.80	3.22	1.87	Phase I, II & III handed over, started handing over Phase IV.
Ashiana Brahmananda	Jamshedpur	Group Housing	4.80	4.80	3.90	Handed over Phase I, Phase II in CY 2012 and Phase III in CY 2013.
Ashiana Amarbagh	Jodhpur	Group Housing	5.97	5.16	4.59	Handed over Phase I, IA, II & III, started handing over Phase IV, Phase V in CY 2012 and Phase VI in CY 2013.
Utsav Lavasa	Lavasa	Active Senior Living	6.87	3.91	2.21	Will start handing over first phase in CY 2012, other Phases between CY 2013 and CY 2015.
Rangoli Gardens	Jaipur	Group Housing	26.07	15.72	11.00	Started handing over Phase I, Phase II & III in CY13 & other Phases between CY 2014 and CY 2015.
Marine Plaza	Jamshedpur	Retail	0.83	0.83	0.25	Marine Plaza consists of Hotel (1.04 lsf area) and Retail (0.83 lsf area) segments.
Total			68.90	54.20	43.97	

GROUP HOUSING

Aangan: Ashiana Aangan, the 20.57 lakhs sq. ft. project in Bhiwadi is running at a faster pace than expected. The first three phases have 650 homes being occupied out of 940 delivered (occupancy of 69%) within the first year of delivery itself. Phase IV and V have been completed and handing over has started.

Rangoli Gardens: Rangoli Gardens launched last year in Jaipur is our largest project till date. It is spread over 26 acres with 8.8 acres of parks within the complex. The total saleable area of the project is 25 lakhs sq. ft. Since launch, Rangoli Gardens has received enormous response and 504 homes (7.51 lakhs sq. ft. of area) were booked in this year alone. Here also, the construction is in full swing and we have already delivered the first phase ahead of schedule comprising of 200 homes.

Ashiana Amarbagh: Jodhpur also picked up in terms of sale with bookings of 105 homes as compared to 72 homes last year. Five out of six phases will be completed by the end of 2012-13 and last phase to continue in 2013-14.

ACTIVE SENIOR LIVING

Utsav Lavasa: The construction resumed in Lavasa in Nov 2011, which was stalled because of MoEF stay order last year. Tremendous speed was shown in the hiring process at the site and construction was resumed at full swing within a month. Sales also have started gaining momentum in the last couple of months. Customers' exhibition of trust by next to zero cancellations during the period increases our confidence and we plan to deliver the units in the first phase of the project in 2012 ahead of revised schedule (revision happened due to MoEF stay).

INITIATIVES

A. SOCIAL MEDIA

Traditional marketing channels like the print media, television, radio, outdoor advertising no longer deliver the return on investment they once promised for a single reason that now customers are spending less than 25% of their time paying attention to these channels. Now people are spending more time on the internet and social media.

Realizing this fact we forayed into internet and social media marketing this financial year. We started using Google, MSN, property portals like Makaan, Magicbricks, Indiaproperty and other popular sites like TOI, Rajasthan Patrika etc. We made our corporate page on facebook, twitter and linkedin. In the year 2011-12, we took initiatives in internet media as listed:

• Live chat option on the website

Now we are available on chat 24*7 to assist our website visitors at any point of time.

• Active participation on search engines Google and Yahoo

We improved our keywords and content by making it more educative and knowledgeable. We keep revising our keywords to make them more interesting.

• Online campaigns on property sites

We took campaigns as banners on Magicbricks.com, India Property, 99 acres and Makaan.com. We initiated a campaign on MSN for Utsav Care Homes.

• Participation in virtual expo

This year we made our presence at virtual expo and targeted audience out of the country.

• Social networking sites

Ashiana has made its presence on the social media via facebook, twitter and linkedin etc.

B. UTSAV CARE HOMES

We launched Utsav care homes this year – an assisted living facility in our existing Utsav campuses. These are residences with services designed for people who require supervision or assistance in performing their daily living routine chores, and hence do not find independent living arrangement suitable.

The first of the Utsav care homes has commenced its operations at Bhiwadi. The staff is trained to render discreet supervision and help with dressing, bathing, eating, or using the bathroom. Senior citizens who need professional care will find the facility very appropriate and useful. Services being shared make it economical and also specific to their needs. These

homes will be part of the existing chain of Utsav complexes built by Ashiana.

NSE LISTING

Ashiana got listed on National Stock Exchange (NSE) and was admitted to dealings on the Exchange with effect from June 29, 2011. The equity shares (Symbol: ASHIANA) are being traded in the Normal Market segment (Rolling Settlement) in compulsory demat for all investors.

RECOGNITIONS

For the second time in a row, Ashiana became the only real estate company from India to figure in 'Asia's Best Under A Billion' list of companies compiled by the Forbes magazine for 2011. The Forbes' 'Asia's 200 Best Under a Billion' list highlights the 200 top-performing small and midsize enterprises having revenues under \$1 billion. It picks these firms from close to 15,000 publicly listed Asia-Pacific companies with actively traded shares and sales between five million dollars and one billion dollars. The selection of the best 200 companies is based on earnings growth, sales growth, and shareholders' return on equity in the past 12 months and over three years.

During the year, Ashiana received the Runner-Up Trophy of the BMA-Siegwerk Award for Corporate Social Responsibility 2010.

We also received multiple awards in residential segment in Zee Business – RICS Awards ceremony. 'Zee-Business RICS Awards 2011' awarded Ashiana Aangan in Bhiwadi as the Best Residential Project in North India and Ashiana Woodlands in Jamshedpur as the Best Residential Project in East India on the basis of all-round excellence, value for customers, benefits to community and a commitment to sustainability.

HR INITIATIVES

Ashiana believes that a motivated and empowered employee is the key to competitive advantage. During the year, initiatives were taken by HR to further align the company's policies and processes to meet the business needs which resulted in reduction of annual attrition from 25.90% in 2010-11 to 16.16% in 2011-12.

Referral schemes were introduced which made 40% of people hired over the year from referrals. It has increased the quality and retention of our manpower substantially. Ashiana also introduced statutory compliance awareness & financial planning sessions for its employees so as to help them in developing a sense of saving.

Focussed attention was provided in the training area. We achieved an average of 15.5 training hours per person as against the target of 10 hours per person. Regular supervisor



designed for the facility management staff. A program on Sales Certification has also been launched with an aim to enhance the knowledge and expertise of our sales personnel in our target products.

SUSTAINABILITY

Ashiana has incorporated an important aspect of saving water in all its projects by installing rain water harvesting systems to increase ground water table and recycling of used water for horticulture and cleaning purposes. The decision has culminated in saving colossal quantity of potable water and thus supporting the government policy in letter and spirit. Rain water harvesting pits for example, in one of our projects at Bhiwadi, have the capacity of harvesting 850-1020 KL of water every day. Also, small steps of using spray guns and reinforced hose pipes during construction activities are taken to conserve water.

The company has also worked out a system of garbage collection from its projects and segregated non degradable / degradable items and converted the degradable items to manure to be used for maintaining greenery all around. It ensures disposal through scientific method in order to keep the atmosphere non-polluted in the surroundings as well.

CORPORATE SOCIAL RESPONSIBILITY

We have been working towards Corporate Social Responsibility for the past many years. Key focus areas for us have been in education, skill training, environment and healthcare.

Skill Training: The requirement of skill training for construction industries can not be over emphasized. The construction industry is carrying a



liability of huge unskilled man power for decades. In the next decade, the total man power requirement in the construction industries is expected to be around 83 million by the year 2022 as worked out by National Skill Development Corporation (NSDC). The company is running an In-House Skill Training Centre for unskilled manpower. Training consists basically of practical courses through which one gains skills and experience directly linked to a career in future. It helps trainees to be skilled and in turn, offers better employment opportunities. The company till date has trained 964 unskilled labourers to semi skilled/skilled. Other initiatives taken during the year in training are:

- We started with the first training batch especially for women masons. The idea was proposed by Vishal Gupta, MD, who felt that since we have a sizeable no. of women workers we should open the vocational training to the women labours as well.
- A new concept of virtual training institute at all our stations, initially starting from Jaipur has taken shape in the name of 'Om Gupta Institute of Construction Skills'.

The lack of skilled labour is a cause of concern to the industry owners' and the government. We need to come forward and improve our man power stock for future benefit. The role of Govt. in support of the cause will be

equally important and needed.

Education: The number of children being enrolled at Ashiana's Phoolwari schools has gone up by 41 % in the year 2011-12. 18 Students of Phoolwari were sent to 'Government Upper Primary School' in Thada village, Bhiwadi for secondary education. We also introduced the system of personal hygiene and mid day meals in Ashiana Phoolwari at all sites. We inaugurated development work at two new schools, one at Thada School and the other at Govt. School Panchyawala, Jaipur near Rangoli Gardens.

Environment: This year we planted 1307 trees in Bhiwadi, Jamshedpur, Jodhpur and Jaipur. Signboards extolling the benefits of trees have been placed. Development of road sides at Jaipur and maintenance of central verge at Marine Drive and traffic island at Jamshedpur were carried out. In conjunction with the government policy, solar heating systems have been incorporated in toilets of all current and future residential complexes in order to save electricity.

Healthcare: Free medical campaigns were carried out throughout the year. Free weekly OPD service was started for site labour this year. Pulse Polio Drives are undertaken regularly at all our sites, along with basic information on health and hygiene.

Social events were also organized through Ashiana's employees and residents to bring in human aspect in everyone's daily life. Like in 'Joy of Giving' Week, contributions were made through gunny bags (comprising clothes, daily necessities & utensils) for the under privileged. A sum of ₹ 12.51 lakhs was distributed as Manju Gupta Memorial Scholarship to children of employees.

RISKS AND CONCERNS

The short term presents us with enormous risks and challenges. With the rising inflation and interest rates, home loan rates remained costlier throughout the year. Increase in these rates adversely affects the housing industry by decreasing the ability of buyers to pay and purchase and thus impact the demand. If property prices are not more than four to five times the annual income of target customers, then the price of property is correct. In our case it has not been breached anywhere, so we feel reasonably confident that our property prices are not becoming unaffordable to our target segment.

Regulatory environment seems uncertain in the near future in almost every city of operation. Lack of coordination between authorities responsible for enforcing different laws has increased red tape and time taken to launch a project. Withholding of the conversion process in Rajasthan and delayed procedures for approvals in other locations pose a serious

challenge to the pipeline for the company next year. The biggest impact is in Bhiwadi where we are running out of inventory to sell in the market.

In addition, increasingly various states are passing new laws to regulate the sector including real estate regulator bill, apartment ownership bills and others. The current environment remains uncertain with the lack of decision making. But the company's cash position, unlevered balance sheet and long term orientation will be a huge strength in passing through the tough times that might emerge.

BUSINESS OUTLOOK

The long term scenario and the projected demand of housing units in the middle income segment, have a long way to go. Housing is a basic necessity and will remain a priority for most individuals. The process of urbanization is only starting in India and more people are expected to come to cities for work and better lives. But as the cities are growing, so are the complexities in having them developed in organized manner. So many regulatory hurdles and policy issues block infrastructure and housing development.

In the short term, regulatory concerns and blockages will affect the construction and area booked figures of the company. Due to delays in approvals, we have very less developable area to build and sell in the next year. Conversions in Rajasthan have been on hold for long

and this can terribly affect our pipeline and we expect the operations to remain sluggish during 2012-13 and targets for booking and construction are kept same as the targets of last year - 16 lakhs sq. ft. and 14 lakhs sq. ft., respectively for booking and construction. Also, the change in accounting methodology will have fluctuating income statements for the next couple of years. The key factor to observe will be operational and cash flow figures.

We have highlighted some of the aspects in which we operate and think differently than the crowd. We derive comfort in our approach from the performance in the past few years and do believe that we have laid the foundations for a strong growth platform for the company. Our strong cash flows, sound balance sheet and the right approach and tools will help us stand and outgrow the short term constraints the industry faces.

The changing demographic mix and the increasing income levels will continue to drive the demand for real estate across all segments in which the company operates - Middle Income Housing & Active Senior Living. With the demand for 16 million homes in the next decade, the long term outlook remains buoyant with your company positioned very well to manage the short term concerns and capitalize on the long term demand.

ASHIANA HOUSING LIMITED

COMPANY INFORMATION

Company Secretary

Bhagwan Kumar

Auditors

M/s. B. Chhawchharia & Co., DTJ 422, DLF Tower B, Jasola District Centre, Jasola, New Delhi - 110 025.

Registered Office

5F Everest, 46/C, Chowringhee Road, Kolkata - 700 071. Ph: (033) 2288 3786.
Fax No : 033- 2288 4774

Head Office

304, Southern Park, Saket District Centre, Saket, New Delhi - 110 017.
Ph: (011) 4265 4265, Fax: (011) 4265 4200

Bankers

HDFC Bank Ltd., State Bank of Bikaner & Jaipur, Punjab National Bank, Kotak Mahindra Bank

Website

www.ashianahousing.com

Registrar & Share Transfer Agent

M/s. Beetal Financial & Computer Services Pvt. Ltd., Beetal House, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi - 110 062.
Ph: (011) 2996 1281 - 82, Fax: (011) 2996 1284

BOARD OF DIRECTORS

VISHAL GUPTA

Managing Director

ANKUR GUPTA

Joint Managing Director

VARUN GUPTA

Whole Time Director

ASHOK KUMAR MATTOO

Independent Director

ABHISHEK

DALMIA

Independent Director

**LALIT KUMAR
CHHAWCHHARIA**

Independent Director

SONAL MATTOO

Independent Director

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the members of M/s. ASHIANA HOUSING LIMITED will be held on Wednesday, August 08, 2012 at 'Kalakunj' (Basement-Kalamandir), 48, Shakespeare Sarani, Kolkata-700 017 at 10:30 A.M. to consider and transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, the Profit & Loss Account for the year ended on that date and the Report of the Board of Directors' and Auditors' thereon.
2. To declare dividend.
3. To appoint a Director in place of Vishal Gupta, who retires by rotation and being eligible for re-appointment.
4. To appoint a Director in place of Ankur Gupta, who retires by rotation and being eligible for re-appointment.
5. To appoint a Director in place of Ashok Kumar Mattoo, who retires by rotation and being eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. Re-appointment of Vishal Gupta as Managing Director of the company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 198, 309, 310 & 316(2) read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or, any amendment or, modifications there of, consent of the members of the company be and is hereby accorded to re-appointment of Vishal Gupta as Managing Director of the company for a period of three years w.e.f. April 01, 2013 on the following terms and conditions:

BASIC SALARY: ₹ 4,00,000/- per month

HOUSING

- a) The expenditure incurred by the company on hiring unfurnished accommodation will be subject to a ceiling of 60 percent of the basic salary.
- b) Free furnished accommodation in case the accommodation is owned by the company.
- c) In case no accommodation is provided by the company, entitlement to house rent allowance subject to the ceiling laid down in (a) above.

The expenditure incurred by the company on gas, electricity, water & furnishings will be valued as per Income Tax Rules, 1962.

COMMISSION: Payment of commission every year at the rate of 1% of the net profits of the company calculated in accordance with provisions of section 349 and 350 of the Companies Act, 1956.

PROVIDENT FUND: Contribution to the Provident Fund as per rules of the company, subject to a ceiling of 12% of Basic Salary.



GRATUITY: Payable as per rules of the company but not exceeding half month's salary for each completed year of service.

MEDICAL REIMBURSEMENT: Expenses actually incurred for self and family.

LEAVE TRAVEL CONCESSION: For self and family once in a year for any destination in India.

CLUB FEES: Fees of Club subject to a maximum of two clubs may be allowed. Admission and Life membership fees are not permissible.

PERSONAL ACCIDENT INSURANCE: Premium not to exceed ₹ 25,000/- per annum.

CAR: Facility of Car with driver. (Use of car for private purpose shall be billed by the company to the Managing Director.)

TELEPHONE: Telephone at residence. (Personal long distance calls on telephone shall be billed by the company to the Managing Director.)

LEAVE: One month leave for Eleven Months of service. Leave accumulated but not availed will be allowed to be encashed at the end of tenure.

TERMINATION OF CONTRACT: The company and Vishal Gupta are entitled to terminate the contract by giving not less than Ninety days' notice to either party.

RESOLVED FURTHER THAT Vishal Gupta shall not be entitled to any sitting fees for attending the meeting of the Board of Directors and/ or Committee of Directors.

RESOLVED FURTHER THAT where in any financial year, the company has no profits or its profits are inadequate during the term of office of Vishal Gupta, the remuneration aforesaid, shall be paid as minimum remuneration for such year.

RESOLVED FURTHER THAT Vishal Gupta, Managing Director, Ankur Gupta, Jt. Managing Director, Lalit Kumar Chhawchharia, Director and Bhagwan Kumar, Company Secretary of the company be and are hereby severally authorized to sign, file all forms, documents, papers etc. with the Registrar of Companies, West Bengal and to do all such acts, deeds, and things which may be necessary in this behalf."

8. Re-appointment of Ankur Gupta as Joint Managing Director of the company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 198, 309, 310 & 316(2) read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or, any amendment or, modifications thereof, consent of the members of the company be and is hereby accorded to re-appointment of Ankur Gupta as Joint Managing Director of the company for a period of three years w.e.f. April 01, 2013 on the following terms and conditions:

BASIC SALARY: ₹ 4,00,000/- per month

HOUSING

- a) The expenditure incurred by the company on hiring unfurnished accommodation will be subject to a ceiling of 60 percent of the basic salary.
- b) Free furnished accommodation in case the accommodation is owned by the company.
- c) In case no accommodation is provided by the company, entitlement to house rent allowance subject to the ceiling laid down in (a) above.

The expenditure incurred by the company on gas, electricity, water & furnishings will be valued as per Income Tax Rules, 1962.



COMMISSION: Payment of commission every year at the rate of 1% of the net profits of the company calculated in accordance with the provisions of section 349 and 350 of the Companies Act, 1956.

PROVIDENT FUND: Contribution to the Provident Fund as per rules of the company, subject to a ceiling of 12% of Basic Salary.

GRATUITY: Payable as per rules of the company but not exceeding half month's salary for each completed year of service.

MEDICAL REIMBURSEMENT: Expenses actually incurred for self and family.

LEAVE TRAVEL CONCESSION: For self and family once in a year for any destination in India.

CLUB FEES: Fees of Club subject to a maximum of two clubs may be allowed. Admission and Life membership fees are not permissible.

PERSONAL ACCIDENT INSURANCE: Premium not to exceed ₹ 25,000/- per annum.

CAR: Facility of Car with driver. (Use of car for private purpose shall be billed by the company to the Joint Managing Director.)

TELEPHONE: Telephone at residence. (Personal long distance calls on telephone shall be billed by the company to the Joint Managing Director.)

LEAVE: One month leave for Eleven Months of service. Leave accumulated but not availed will be allowed to be encashed at the end of tenure.

TERMINATION OF CONTRACT: The company and Ankur Gupta are entitled to terminate the contract by giving not less than Ninety days' notice to either party.

RESOLVED FURTHER THAT Ankur Gupta, shall not be entitled to any sitting fees for attending the meeting of the Board of Directors and/ or Committee of Directors.

RESOLVED FURTHER THAT where in any financial year, the company has no profits or its profits are inadequate during the term of office of Ankur Gupta, the remuneration aforesaid, shall be paid as minimum remuneration for such year.

RESOLVED FURTHER THAT Vishal Gupta, Managing Director, Ankur Gupta, Jt. Managing Director, Lalit Kumar Chhawchharia, Director and Bhagwan Kumar, Company Secretary of the company be and are hereby severally authorized to sign, file all forms, documents, papers etc. with the Registrar of Companies, West Bengal and to do all such acts, deeds and things which may be necessary in this behalf."

9. Variation in the terms of appointment of Varun Gupta as Whole Time Director of the company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** in partial modification of the earlier resolution passed by the shareholders of the company in their 25th Annual General Meeting held on August 19, 2011 and pursuant to Sections 198, 269, 309, 310 & 316(2) read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or, any amendment or, modifications there of consent of the members of the company be and is hereby accorded to variation in the terms of appointment of Varun Gupta, Whole Time Director of the company, with respect to his remuneration with effect from April 01, 2013, for the remaining term of his appointment on the following terms and conditions:

BASIC SALARY: ₹ 4,00,000/- per month

HOUSING

a) The expenditure incurred by the company on hiring unfurnished accommodation will be subject to a ceiling of 60 percent of the basic salary.

b) Free furnished accommodation in case the accommodation is owned by the company.

c) In case no accommodation is provided by the company, entitlement to house rent allowance subject to the ceiling laid down in (a) above.

The expenditure incurred by the company on gas, electricity, water & furnishings will be valued as per Income Tax Rules, 1962.

COMMISSION: Payment of commission every year at the rate of 1% of the net profits of the company calculated in accordance with the provisions of section 349 and 350 of the Companies Act, 1956.

PROVIDENT FUND: Contribution to the Provident Fund as per rules of the company, subject to a ceiling of 12% of Basic Salary.

GRATUITY: Payable as per rules of the company but not exceeding half month's salary for each completed year of service.

MEDICAL REIMBURSEMENT: Expenses actually incurred for self and family.

LEAVE TRAVEL CONCESSION: For self and family once in a year for any destination in India.

CLUB FEES: Fees of Club subject to a maximum of two clubs may be allowed. Admission and Life membership fees are not permissible.

PERSONAL ACCIDENT INSURANCE: Premium not to exceed ₹ 25,000/- per annum.

CAR: Facility of Car with driver. (Use of car for private purpose shall be billed by the company to the Whole Time Director.)

TELEPHONE: Telephone at residence. (Personal long distance calls on telephone shall be billed by the company to the Whole Time Director.)

LEAVE: One month leave for Eleven Months of service. Leave accumulated but not availed will be allowed to be encashed at the end of tenure.

TERMINATION OF CONTRACT: The company and Varun Gupta are entitled to terminate the contract by giving not less than 'Ninety days' notice to either party.

RESOLVED FURTHER THAT Varun Gupta, shall not be entitled to any sitting fees for attending the meeting of the Board of Directors and/ or Committee of Directors."

"**RESOLVED FURTHER THAT** where in any financial year, the company has no profits or its profits are inadequate during the term of office of Varun Gupta, the remuneration aforesaid, shall be paid as minimum remuneration."

"**RESOLVED FURTHER THAT** Vishal Gupta, Managing Director, Ankur Gupta, Joint Managing Director, Lalit Kumar Chhawchharia, Director and Bhagwan Kumar, Company Secretary of the company be and are hereby severally authorized to sign, file all forms, documents, papers etc. with the Registrar of Companies, West Bengal and to do all such acts deeds, and things which may be necessary in this behalf."

10. Alteration in the Articles of Association of the company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to section 31 and all other provisions, as may be applicable,



of the Companies Act, 1956, Article 93 of the Articles of Association of the company shall be substituted by the following Article:"

"Director's fees, remuneration and expenses

Unless otherwise determined by the company in General Meeting, each director shall be entitled to receive, out of the funds of the company, for his services in attending meetings of the Board or a Committee thereof, a fee as may be determined by the Board of Directors of the company from time to time within the limits prescribed under the provisions of the Companies Act, 1956 or Rules / Regulations made there under or any amendment thereof. All other remuneration, if any, payable by the company to each director whether in respect of his services as Managing Director, or a Director in the whole or part time employment of the company shall be determined in accordance with and subject to the provisions of these Articles and of the Companies Act. The directors shall be entitled to be paid a reasonable travelling and hotel and other expenses incurred in consequence of their attending Board and Committee meetings and otherwise in the execution of their duties as Directors."

NOTES ●●●●●

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy form duly filled up and executed must be received at the Registered Office of the company not less than 48 hours before the time fixed for the meeting.
3. The relevant details of directors seeking appointment/ re-appointment as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange are annexed.
4. The Register of Members and Share Transfer Books shall remain closed from August 01, 2012 to August 08, 2012 (both days inclusive).
5. If the resolution relating to dividend on equity shares as recommended by the Board of Directors is passed at the meeting, payment of such dividend shall be made on or after August 08, 2012 to those members whose names are on the company's register of members on August 08, 2012. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners as at the end of business hours on July 31, 2012 as per details furnished by the depositories for this purpose.
6. Members holding shares in electronic form may note that: (a) the dividend, when declared will be credited to their respective bank accounts as furnished to the respective Depository Participants, through Electronic Clearing Service (ECS), where this facility is available; (b) in other cases bank details as furnished to the respective Depository Participants will be printed on the dividend warrants as per the applicable regulations. The company shall not entertain any direct request from such members for deletion of/change of such bank details. Further, it may be noted that instructions, if any, already given by the members in respect of shares held in physical form will not automatically applicable to the dividend paid on their holdings in electronic form.
7. Members desiring any further information on the business to be transacted at the Meeting should write to the company at least 15 days before the date of the meeting so as to enable the management to keep the information, as far as

possible, ready at the meeting.

8. Members are requested to notify the company their change of address, if any, to its Head Office at Unit No. 4&5, 3rd Floor, Plot No. D-2, Southern Park, Saket District Center, Saket, New Delhi – 110017, or to the Registrar & Share Transfer Agent of the company, M/s. Beetal Financial & Computer Services (Pvt.) Ltd., 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi - 110 062.
9. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting.
10. All correspondence relating to shares may be addressed to the Head Office of the company or to the Registrar & Share Transfer Agent of the company.
11. Members holding shares in more than one folio in identical order of names are requested to write to Registrar and Share Transfer Agent enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.
12. Members desiring any information/clarification on the Accounts are requested to write to the company in advance at least seven (7) days before the meeting so as to keep the information ready at the time of Annual General Meeting.
13. As per provisions of the Companies Act, 1956 facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agent of the company.
14. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31.03.2005, 31.03.2006, 31.03.2007, 31.03.2008, 31.03.2010 and 31.03.2011 are requested to make their claims to the company, without any delay.
15. Pursuant to Section 205C(2) of the Companies Act, 1956, unpaid/unclaimed dividends for the financial year ended on March 31, 2005 is due for transfer to the investor Education and Protection Fund this year in the month of October, 2012.

By order of the Board

**Bhagwan Kumar
(Company Secretary)**

**Place: New Delhi
Date: May 30, 2012**

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

ITEM NO. 7 ●●●●●

Vishal Gupta was appointed as Managing Director of the company by the shareholders of the company at their 23rd Annual General Meeting held on Tuesday, September 22, 2009 for a period of 3 years with effect from April 01, 2010 to March 31, 2013. Now, the term of his appointment is going to expire on March 31, 2013.

Vishal Gupta is a commerce graduate and has done MBA from Fore School of Management. He is associated with Ashiana for the last 17 years and actively involved in finance, project execution and general administration. He has been instrumental in present growth of the company.

Keeping in view his qualification, knowledge, experience and contribution to the company, the Board of Directors of the company on the recommendation of



Remuneration Committee approved his re-appointment as Managing Director of the company.

Except Ankur Gupta, Varun Gupta and Vishal Gupta himself, no other director of the company is concerned or interested in the said resolution.

The notice together with the explanatory statement may be taken as abstract of the terms of contract with the Managing Director of the company together with the memorandum of concern or interest of the Director under section 302 of the Companies Act, 1956.

The resolution at Item No. 7 is therefore recommended for approval of the members by means of Special Resolution as required under the Companies Act, 1956.

ITEM NO. 8 ●●●●●

Ankur Gupta was appointed as Joint Managing Director of the company by the shareholders of the company at their 23rd Annual General Meeting held on Tuesday, September 22, 2009 for a period of 3 years with effect from April 01, 2010 to March 31, 2013. Now, the term of his appointment is going to expire on March 31, 2013.

Ankur Gupta has done Bachelor in Business Administration from Fairleigh Dickinson University (USA) and MS in Real Estate from New York University. He has done research for many residential projects specifically for seniors housing. He is actively associated with Ashiana for the last 10 years.

Keeping in view his qualification, knowledge, experience and contribution to the company, the Board of Directors of the company on the recommendation of Remuneration Committee approved his re-appointment as Joint Managing Director of the company.

Except Vishal Gupta, Varun Gupta and Ankur Gupta himself, no other director of the company is concerned or interested in the said resolution.

The notice together with the explanatory statement may be taken as abstract of the terms of contract with the Joint Managing Director of the company together with the memorandum of concern or interest of the Director under section 302 of the Companies Act, 1956.

The resolution at Item No. 8 is therefore recommended for approval of the members by means of Special Resolution as required under the Companies Act, 1956.

ITEM NO. 9 ●●●●●

Varun Gupta was re-appointed as Whole Time Director by the shareholders of the company at their 25th Annual General Meeting held on August 19, 2011 w.e.f. July 01, 2011 for a period of three years. The present term of Varun Gupta is going to expire on June 30, 2014.

Keeping in view the current situation in the industry and to make it consistent with the increased job responsibilities due to considerable growth in the operations of the company, it is proposed to revise remuneration and other term and conditions of his appointment, as set out in the resolution, with effect from April 01, 2013 for the remaining term of his appointment.

Varun Gupta has been looking after land procurement, legal and finance matters of the company. Keeping in view his qualification, knowledge, experience and contribution to the company, the Board of Directors of the company on the recommendation of Remuneration Committee approved and recommends variation in the remuneration

and other terms and conditions of his appointment as Whole Time Director of the company.

The notice together with the explanatory statement may be taken as the abstract of the terms of contract with the Whole Time Director of the company together with the memorandum of concern or interest of the Director under section 302 of the Companies Act, 1956.

The resolution at Item No. 9 is, therefore, recommended for approval of members by means of Special Resolution as required under the Companies Act, 1956.

Except Vishal Gupta, Ankur Gupta and Varun Gupta himself, no other director of the company is concerned or interested in the said resolution.

ITEM NO. 10 ●●●●●

The Articles of Association of the company presently provides for payment of ₹ 5,000/- per director as fee for attending the meetings of the Board / its Committees. The company is contemplating to engage/ take on Board more Independent Directors and utilise their expertise in the business of the company. In order to pay sitting fee for attending Board / Committee meetings as per industry norms, Board wishes to modify the provisions of sitting fee in the Articles of Association of the company. Keeping in view the provisions of the Companies Act, 1956 and Rules / Regulations as may be applicable and contribution of Non Executive/ Independent Directors to the company, the Board has recommended for approval to the shareholders by way of Special Resolution to replace existing Article 93, of the Articles of Association of the company relating to Director's fees, remuneration and expenses, by a new Article under the same heading i.e. Director's fees, remuneration and expenses at the same serial number.

None of the directors of the company is concerned or interested in this resolution.

By order of the Board

Place: New Delhi

Date: May 30, 2012

**Bhagwan Kumar
(Company Secretary)**

STATEMENT UNDER SCHEDULE XIII, PART-II, SECTION-II, B (IV) OF THE COMPANIES ACT, 1956

I. General Information

Ashiana Housing Ltd. is engaged in the business of construction and sale of real estate for the last 25 years. Real estate sector in India is on a roll. Demand for real estate is on an upward swing and this is reflected in the higher prices despite increase in supply. The real estate boom has gradually percolated from the big metros to tier II cities. The growth trajectory for the real estate sector could move up sharply in the coming years.

Since the company is in the business for the last 25 years, date or expected date of commencement of commercial production is not required to be given.

The sales and other incomes of the company for the financial year 2011-12 has been recorded at ₹ 22,316.04 lakhs and further it was ₹ 14,818.27 lakhs during last financial year 2010-11. Ashiana Housing Ltd. has neither any export performance nor any net foreign exchange collaborations. Further the company has no foreign investment or collaborator.

Payment of remuneration is approved by resolution passed by the Remuneration Committee. Further the company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for the



continuous period of 30 days in the preceding financial year before the date of appointment of such managerial persons.

II. Information about the appointee

Vishal Gupta ●●●●

Vishal Gupta is a commerce graduate from Sydenham College (Mumbai) and has done M.B.A. from Fore School of Management (Delhi). He is associated with Ashiana for the last 17 years. Vishal Gupta is acknowledged for his in depth understanding of the real estate business, customer psychology and market behavior. He has a great eye for detail and takes a keen interest in the conceptualisation and planning of new housing projects for the company. Vishal Gupta was appointed as Managing Director of the company by the shareholders of the company at their 23rd Annual General Meeting held on Tuesday, September 22, 2009 for a period of 3 years with effect from April 01, 2010 to March 31, 2013. He is currently drawing ₹ 2,00,000/- per month as remuneration from the company and commission calculated @ 0.5% of the net profits of the company calculated in accordance with the provisions of section 349 and 350 of the Companies Act, 1956.

Vishal Gupta has rich experience and expertise of real estate industry. Keeping in view of the current situation in the industry and to make it consistent with the increased job responsibilities due to considerable growth in the operation of the company, it is proposed to reappoint him as Managing Director on revised remuneration and other terms and conditions of appointment, as set out in the Resolution which is an integral part of this notice, with effect from April 01, 2013 for a period of three years i.e. upto March 31, 2016.

With the rapid growth in the real estate industry, demand of experienced person with relevant knowledge and expertise has increased and simultaneously pay structure of these persons has also increased in manifold. Position of Managing Director with relevant qualification and experience in a similar type and size of the company warrants a higher pay out. Proposed remuneration of Vishal Gupta is commensurate with his qualification, experience & contribution to the company keeping in view the overall industrial pay structure and demand.

He is on the Board of the following companies:

Vatika Marketing Ltd., OPG Realtors Ltd., Karma Hospitality Ltd., RG Woods Ltd., Latest Developers Advisory Ltd., Topwell Projects Consultants Ltd., GD Enterprises Private Limited, AHL Group Investments Private Limited.

He is holding 27,43,866 (14.74%) shares in the company.

Vishal Gupta is related to Ankur Gupta, Joint Managing Director and Varun Gupta, Whole Time Director of the company.

Ankur Gupta ●●●●

Ankur Gupta has done Bachelor in Business Administration from Fairleigh Dickinson University (U.S.A.) and MS in Real Estate from New York University. He has done research for many residential projects especially for senior's housing. He has around 12 years of experience and is actively associated with the company for the last 10 years. Ankur Gupta was appointed as Joint Managing Director of the company by the shareholders of the company at their 23rd Annual General Meeting held on Tuesday, the September 22, 2009 for a period of 3 years with effect from April 01, 2010 to March 31, 2013. Ankur Gupta is looking after the marketing, HR and IT affairs of the company. He also looks



after hotel and facility management segments of the company. The term of his appointment is going to expire on March 31, 2013. He is currently drawing ₹ 2,00,000/- per month as remuneration from the company and commission calculated @ 0.5% of the net profits of the company calculated in accordance with the provisions of section 349 and 350 of the Companies Act, 1956.

Keeping in view of the current situation in the industry and to make it consistent with the increased job responsibilities due to considerable growth in the operations of the company, it is proposed to reappoint him as Joint Managing Director on revised remuneration and other terms and conditions of appointment, as set out in the Resolution which is an integral part of this notice, with effect from April 01, 2013 for a period of three years i.e. upto March 31, 2016.

With the rapid growth in the real estate industry, demand of experienced person with relevant knowledge and expertise has increased and simultaneously pay structure of these persons has also increased in manifold. Position of Joint Managing Director with relevant qualification and experience in a similar type and size of the company warrants a higher pay out. Proposed remuneration of Ankur Gupta is commensurate with his qualification, experience & contribution to the company keeping in view the overall industrial pay structure and demand.

Ankur Gupta holds directorship in following other companies:

Vatika Marketing Ltd., OPG Realtors Ltd., Karma Hospitality Ltd., Latest Developers Advisory Ltd., Topwell Projects Consultants Ltd., GD Enterprises Private Limited, AHL Group Investments Private Limited.

He is holding 39,85,963 (21.42%) shares in the company.

Ankur Gupta is related to Vishal Gupta, Managing Director and Varun Gupta, Whole Time Director of the company.

Varun Gupta ●●●●

Varun Gupta has done Bachelor in Science from Stern School of Business, New York University (U.S.A.). He is majored in finance and management and graduated with the high academic distinction "Magna cum Laude". He then joined Citigroup in Commercial Mortgage Backed Securities where he was underwriting commercial real estate. After a year and a half of this rich experience he joined Ashiana where he is looking after land and finance for the last four years. Varun Gupta was appointed as Whole Time Director of the company w.e.f. July 01, 2008 for a period of three years. Further, the terms and conditions of appointment of Varun Gupta were varied by shareholders of the company in their 23rd Annual General Meeting held on September 22, 2009. The present term of Varun Gupta is going to expire on June 30, 2014.

Varun Gupta has been looking after land procurement, legal and finance matters of the company.

He is currently drawing ₹ 2,00,000/- per month as remuneration from the company and commission calculated @ 0.5% of the net profits of the company calculated in accordance with the provisions of section 349 and 350 of the Companies Act, 1956.

Keeping in view of the current situation in the industry and to make it consistent with the increased job responsibilities due to considerable growth in the operations of the company, it is proposed to revise remuneration and other term and conditions of his appointment, as set out in the Resolution which is an integral part of this notice, with effect from April 01, 2013 for the remaining term of his appointment.



With the rapid growth in the real estate industry, demand of experienced person with relevant knowledge and expertise has increased and simultaneously pay structure of these persons has also increased in manifold. Position of Whole Time Director with relevant qualification and experience in a similar type and size of the company warrants a higher pay out. Proposed remuneration of Varun Gupta is commensurate with his qualification, experience & contribution to the company keeping in view the overall industrial pay structure and demand.

Varun Gupta holds directorship in the following other Companies:

Vatika Marketing Ltd., OPG Realtors Ltd., RG Woods Ltd., Latest Developers Advisory Ltd., Topwell Projects Consultants Ltd., GD Enterprises (P) Ltd., AHL Group Investments (P) Ltd.

He is holding 39,85,964 (21.42%) shares in the company.

Varun Gupta is related to Vishal Gupta, Managing Director and Ankur Gupta, Jt. Managing Director of the company.

(III) Other Information

Ashiana Housing Ltd. is a profit making company with a good dividend payment track record.

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 26TH ANNUAL GENERAL MEETING AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

At the ensuing Annual General Meeting Vishal Gupta, Ankur Gupta and Ashok Kumar Mattoo shall retire by rotation and being eligible offer themselves for re-appointment. A brief profile of above directors as required under Corporate Governance Code are as under:

1. Vishal Gupta ●●●●

Vishal Gupta, Managing Director of the company retires by rotation at the ensuing Annual General Meeting of the company and is eligible for re-appointment. Vishal Gupta, is one of the members of the Shareholder's/ Investor's Grievance Committee of the company. He is associated with Ashiana for the last 17 years and actively involved in finance, marketing, project execution and general administration. He has been instrumental in present growth of the company. Keeping in view his experience and expertise, the Board of the company has recommended his re-appointment. He is holding 27,43,866 (14.74%) shares in Ashiana Housing Ltd. Vishal Gupta holds directorship in following other Companies:

Vatika Marketing Ltd., OPG Realtors Ltd., Karma Hospitality Ltd., RG Woods Ltd., Latest Developers Advisory Ltd., Topwell Projects Consultants Ltd., GD Enterprises Private Limited, AHL Group Investments Private Limited.

2. Ankur Gupta ●●●●

Ankur Gupta, Joint Managing Director of the company retires by rotation at the ensuing Annual General Meeting of the company and is eligible for re-appointment. Ankur Gupta, does not hold any membership or Chairmanship of any of the Committees of the company. Ankur Gupta is looking after the marketing, HR and IT affairs of the company. He also looks after hotel and facility management segments of the company. He has around 12 years experience and is actively associated with Ashiana for the last 10 years. He is holding 39,85,963 (21.42%) shares in Ashiana Housing Ltd. Ankur Gupta

holds directorship in following other companies:

Vatika Marketing Ltd., OPG Realtors Ltd., Karma Hospitality Ltd., Latest Developers Advisory Ltd., Topwell Projects Consultants Ltd., GD Enterprises Private Limited, AHL Group Investments Private Limited.

3. Ashok Kumar Mattoo ●●●●

Ashok Kumar Mattoo is a Non Executive & Independent Director. He is 69 years old. He is a mechanical engineer having more than 44 years of vast experience in administration, project planning, project execution, maintenance and operations. He has served in major organisations like Border Roads, Bharat Heavy Electricals (BHEL) and Tata Steel. As Deputy Director and Director Town Services he maintained the municipal services for Jamshedpur. Mr. Mattoo has also served as the Chairman of Jamshedpur Notified Area Committee.

Ashok Kumar Mattoo holds directorship in following other Companies:

Vatika Marketing Ltd., Security and Intelligence Services (I) Ltd.



DIRECTORS' REPORT

To the member(s),

Your directors have pleasure in presenting the 26th Annual Report together with the audited statement of accounts for the year ending March 31, 2012.

1. FINANCIAL RESULTS

The financial results of the company for the year ended March 31, 2012 are as follows:-
(₹ in lakhs)

Sl. No.	Particulars	Current Year	Previous Year
1.	Sales and other Income	22,316.04	14,818.27
2.	Profit before Depreciation	8,542.00	5,757.64
3.	Depreciation	237.76	200.54
4.	Profit after Depreciation but before Taxation	8,304.24	5,557.09
5.	Provision for Taxation	1,439.21	1,308.04
6.	Profit after Depreciation and Taxation	6,865.03	4,894.61
7.	Surplus brought forward from previous year	353.88	232.91
8.	Profit available for Appropriation	7,218.91	5,127.52
9.	Proposed Dividend	418.72	325.67
10.	Tax on Proposed Dividend	54.14	47.96
11.	Transfer to General Reserve	5,008.25	4,400.00
12.	Balance Surplus carried to Balance Sheet	1,737.79	353.88

For the year under review your company has registered impressive results. Financial year 2011-12 showed remarkable results as compare to the previous financial year 2010-11.

Your company achieved new heights in revenues as well as profits during the year. Total income increased to ₹ 22,316.04 lakhs compared to ₹ 14,818.27 lakhs recorded last year representing an increase of 50.60% and net profit increased to ₹ 6,865.03 lakhs as compare to ₹ 4,894.61 lakhs recording an increase of 40.25%.

On consolidated basis, the total income of your company and its subsidiaries rose by 61.37% to ₹ 24,897.68 lakhs, as against ₹ 15,428.51 lakhs during the previous year. Further, the consolidated net profit increased by 58.59% to ₹ 6,955.44 lakhs as compared to ₹ 4,385.77 lakhs in the previous year ended March 31, 2011.

Operations

A brief summary of on-going projects

Project Name & Location	Type	Saleable Area (l sq.ft.)	Area Booked as on 31-03-2012 (l sq.ft.)
Ashiana Aangan (Bhiwadi)	Group Housing	20.57	20.15
Utsav* (Jaipur)	Retirement Housing	3.80	1.87
Ashiana Brahmananda (Jamshedpur)	Group Housing	4.80	3.90
Ashiana Amarbagh* (Jodhpur)	Group Housing	5.97	4.59
Utsav (Lavasa)	Retirement Housing	6.87	2.21
Rangoli Gardens* (Jaipur)	Group Housing	26.07	11.00
Marine Plaza (Jamshedpur)	Retail	0.83	0.25

* In partnership



Your company achieved new heights in Construction as well as in Sales Department. The Equivalent Area Constructed (EAC) was 14.62 lakhs sq. ft. during the financial year 2011-12 which is 36% higher than 10.74 lakhs sq. ft. achieved during the financial year 2010-11, where in sales the area booked was 17.83 lakhs sq. ft. which is 32% higher than 13.50 lakhs sq. ft. during the financial year 2010-11.

2. SECTION 80(IB) PROJECTS

Your directors have pleasure in reporting that following projects are eligible for claiming deduction under Section 80 (IB) of the Income Tax Act, 1961:

Sl. Project Name

1. Ashiana Aangan, Bhiwadi
2. Ashiana Utsav, Jaipur
3. Ashiana Greenwood, Jaipur
4. Ashiana Amarbagh, Jodhpur

3. DIVIDEND

The Board of Directors of the company has recommended a dividend @ 22.5 % i.e. ₹ 2.25/- (Rupee Two and Twenty Five Paise) per equity share of the company for the Financial Year 2011-2012.

4. DIRECTORS

There are seven directors on the Board of the company and there is no change in the directorship during the year under review. Vishal Gupta, Ankur Gupta and Ashok Kumar Mattoo, Directors are retiring by rotation at the ensuing Annual General Meeting of the company and are eligible for re-appointment. Further the term of appointment of both, Vishal Gupta as Managing Director, and Ankur Gupta as Joint Managing Director, is going to expire on March 31, 2013. The Board of Directors of the company has recommended the re-appointment of both, Vishal Gupta as Managing Director and Ankur Gupta as Joint Managing Director for a further term of three years with effect from April 01, 2013 subject to approval of shareholders of the company.

5. AUDITORS

M/s. B. Chhawchharia & Co., Chartered Accountants, Auditors of the company, retires at the conclusion of ensuing Annual General Meeting and being eligible, offer them for re-appointment. The company has received a Certificate to the effect that their re-appointment, if made, will be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956. The Directors and the Audit Committee recommends their re-appointment.

6. FIXED DEPOSITS

The company had neither invited nor accepted any deposits from the public within the meaning of the Companies (Acceptance of Deposits) Rules 1975.

7. SUBSIDIARY COMPANIES

There are three wholly owned subsidiary companies namely M/s. Vatika Marketing Ltd., M/s. Latest Developers Advisory Ltd. and M/s. Topwell Projects Consultants Ltd. However, in terms of general circular No. 2/2011 dated February 08, 2011 read with clarification in respect of above circular vide general circular No. 22/2011 dated May 02,



2011, the Board of Directors of the company has consented for not attaching the annual accounts of the subsidiary companies and instead has incorporated financial information of subsidiaries in the Notes to the Consolidated Accounts prepared in compliance with the applicable accounting standards and Listing Agreement which have been duly audited by Statutory Auditors B. Chhawchharia & Co. Chartered Accountants.

The company further undertakes that annual accounts of the subsidiary companies and the related detailed information shall be made available to the shareholders of Ashiana Housing Ltd. seeking such information at any point of time. The annual accounts of the subsidiary companies are also available for inspection by any shareholder at the registered office and the head office of the company.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT ●●●●●

The Annual Report also contains a separate section on the 'Management Discussion and Analysis' which is a part of the Directors' Report.

9. CORPORATE GOVERNANCE ●●●●●

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance together with Auditors Certificate regarding Compliance of the SEBI Code of Corporate Governance is annexed herewith.

A certificate from M/s. B. Chhawchharia & Co. Chartered Accountants confirming compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement executed with Bombay Stock Exchange is also annexed to the Report on Corporate Governance.

10. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO ●●●●●

Your Directors are of the opinion that particulars with respect to Conservation of Energy and Technology Absorption as per Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not relevant in view of the nature of business activities of the company and hence, are not required to be given.

There have been no foreign exchange earnings whereas expenditure of ₹ 39,55,857/- (Rupees Thirty Nine Lakhs Fifty Five Thousand Eight Hundred Fifty Seven only) has been incurred in foreign currency during the year under review.

11. PARTICULARS OF EMPLOYEES ●●●●●

None of the employees of your company is drawing remuneration exceeding limits laid down under the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011.

12. DIRECTORS' RESPONSIBILITY STATEMENT ●●●●●

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

- (I) In the preparation of annual accounts, applicable accounting standards have been followed by the company;
- (II) Such accounting policies have been selected and consistently applied and judgments & estimates made that are reasonable and prudent so as to give a true

and fair view of the state of affairs of the company as at March 31, 2012 and of the profit of the company for the year ended on that date;

- (III) Proper and sufficient care has been 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;

- (IV) Annual accounts have been prepared on a going concern basis.

13. CODE OF CONDUCT AND ETHICS ●●●●●

The Board of the company has adopted a Code of Conduct and Ethics for the Directors and Senior Executives of the company. The object of the Code is to conduct the company's business ethically and with responsibility, integrity, fairness, transparency and honesty. The Code sets out a broad policy for one's conduct in dealing with the company, fellow directors and with the environment in which the company operates. The code is available on the company's website (www.ashianahousing.com).

14. ACKNOWLEDGMENTS ●●●●●

The Board of Directors takes this opportunity to express its grateful thanks and wish to place on record its appreciation to the Government of India, The Govt. of Rajasthan, the Government of Maharashtra and the Govt. of Jharkhand and their agencies for providing us excellent business opportunities, to our bankers for their continued support and guidance from time to time and to the employees of the company at all levels for the continued co-operation and unstinted support extended to the company.

The Directors also express their sincere thanks to all the shareholders for the continued support and trust they have reposed in the Management.

On behalf of the Board of Directors

Vishal Gupta **Ankur Gupta**
Managing Director **Jt. Managing Director**

Place : New Delhi
Dated : May 30, 2012



CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The company firmly believes in good Corporate Governance and has made Corporate Governance a practice and continuous process of development right across the company. The company's philosophy on corporate governance envisages the attainment of the highest levels of transparency and accountability in the functioning of the company and conduct of business.

The company's corporate philosophy is focussed on its people who are the most important assets. The company values its employee's integrity, creativity and ability who in turn demonstrate the highest ethical standard and responsibility towards the shareholders. The company believes that over a period of time all its operations and actions must serve the underlying goal of enhancing overall shareholder value.

Our company is in compliance with the guidelines on Corporate Governance stipulated under various clauses of Listing Agreement with Stock Exchanges and in this regards, we submit a report on the matters mentioned in the said clauses and practices followed by the company.

2. BOARD OF DIRECTORS

The company has optimum combination of Executive and Non-Executive Directors. The Board consists of seven directors out of which three are Executive Directors, four are Non-Executive & Independent Directors. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in the Clause 49 of the Listing Agreement), across all the companies in which he is a director. The necessary disclosures regarding Committee positions have been made by the Directors.

As per the declaration received by the company, none of the Directors are disqualified under section 274(1)(g) of the Companies Act, 1956 read with Companies (Disqualification of Director under 274(1)(g) of the Companies Act, 1956) Rules 2003.

(A) The present composition of the Board of Directors is as under:-

Sl. No.	Name of Director	Executive/ Non Executive	No. of other Directorship	No. of Committee Membership
1.	Vishal Gupta	Executive	8	-
2.	Ankur Gupta	Executive	7	-
3.	Varun Gupta	Executive	7	-
4.	Ashok Kumar Mattoo	Non-Executive & Independent	2	-
5.	Abhishek Dalmia	Non-Executive & Independent	18	2
6.	Lalit Kumar Chhawchharia	Non-Executive & Independent	99	0
7.	Sonal Mattoo	Non-Executive & Independent	1	-

Note:

As per Clause 49 of the Listing Agreement membership of Audit Committee Shareholders/ Investors Grievance Committee are required to be disclosed.



(B) Board Meetings held in Financial Year 2011 – 2012 and attendance of Directors:

Meetings of the Board and its Committee/s are generally held in New Delhi and scheduled well in advance. The Company Secretary in consultation with Managing Director drafts the agenda for each Board Meeting along with explanatory notes and distributes these in advance to the Directors. Normally the Board meets at least once in a quarter and the maximum time gap between any two meeting is not more than four months to consider amongst other businesses, the quarterly performance of the company and financial results. Detailed agenda notes with MIS reports, charts etc. are circulated well in advance. The Directors actively participate in the deliberation at these meetings. During the year, four Board Meetings were held on May 26, 2011, July 30, 2011, November 01, 2011, and on January 31, 2012.

The attendance of each Director in the Board Meetings is detailed herein below:

Name of Director	Executive/ Non Executive	Designation	No. of Board Meetings held during 2011-12	No. of Board Meetings attended during 2011-12	Attendance at the last AGM held on August 19, 2011
Vishal Gupta	Executive	Managing Director	4	4	Not Present
Ankur Gupta	Executive	Joint Managing Director	4	4	Not Present
Varun Gupta	Executive	Whole Time Director	4	4	Present
Ashok Kumar Mattoo	Non-Executive & Independent	Independent Director	4	4	Not Present
Abhishek Dalmia	Non-Executive & Independent	Independent Director	4	4	Not Present
Lalit Kumar Chhawchharia	Non-Executive & Independent	Independent Director	4	4	Present
Sonal Mattoo	Non-Executive & Independent	Independent Director	4	4	Not Present

(C) Resolution passed by Circulation:-

During the financial year 2011-2012, no resolution was passed by the Board of directors as resolutions by circulation.

(D) Remuneration paid to Executive Directors and sitting fees to the Non-Executive Directors

Remuneration to Managing Director, Jt. Managing Director and Whole Time Director is being paid as per terms of their appointment. The Remuneration Committee of Board of Directors reviews and recommends to the Board of Directors, remuneration payable to the Managing Director, Jt. Managing Director and Whole Time Director. The Executive Directors of the company are not entitled to sitting fee for attending the Board Meeting or Committee Meeting. The details of remuneration paid to the Managing Director / Jt. Managing Director / Whole Time Director during the year are stated herein below:

Sl. No.	Name	Designation	Salaries & Allowances	Commission	Total
1.	Vishal Gupta	Managing Director	₹ 24.00 Lakhs	₹ 42.10 Lakhs	₹ 66.10 Lakhs
2.	Ankur Gupta	Jt. Managing Director	₹ 24.00 Lakhs	₹ 42.10 Lakhs	₹ 66.10 Lakhs
3.	Varun Gupta	Whole Time Director	₹ 24.00 Lakhs	₹ 42.10 Lakhs	₹ 66.10 Lakhs



(E) Terms of appointment of Managing Director, Joint Managing Director and Whole Time Director

The current term of appointment of Vishal Gupta, Managing Director and Ankur Gupta, Joint Managing Director is upto March 31, 2013. And the current term of Varun Gupta, Whole Time Director is upto June 30, 2014.

(F) Independent Director's Remuneration

Apart from the sitting fee for attending Board meetings, no remuneration to any of the Independent Directors is being paid.

(G) Shareholding of Directors in the company as on March 31, 2012

Sl. No.	Name of Director	No. of Shares	% of Total Shareholding
1.	Vishal Gupta	2,743,866	14.74
2.	Ankur Gupta	3,985,963	21.42
3.	Varun Gupta	3,985,964	21.42
4.	Ashok Kumar Mattoo	Nil	0.00
5.	Abhishek Dalmia	Nil	0.00
6.	Lalit Kumar Chhawchharia	Nil	0.00
7.	Sonal Mattoo	Nil	0.00

(H) Committees of Board

The Board of Directors of the company has constituted the following Committees namely (i) Audit Committee (ii) Investors Grievances Committee/Share Transfer Committee (iii) Remuneration Committee.

3. AUDIT COMMITTEE

The company has an Audit Committee of the Board since January 2000 in accordance with provision of Clause 49 of the Listing Agreement. The Audit Committee comprises of three Non-Executive Independent Directors, namely Lalit Kumar Chhawchhria - Chairman, Ashok Kumar Mattoo-Member, and Sonal Mattoo-Member. The quorum of the Audit Committee is two members. The Company Secretary is the secretary of the Audit Committee. The composition, powers, role and term of reference of the Committee are in consonance with the requirements mandated under section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Audit Committee Meeting was held on four times during the financial year 2011-12, the date of which are as follows:

- May 26, 2011
- July 30, 2011
- November 01, 2011
- January 31, 2012

The main object of Audit Committee is to ensure the credibility and correctness of the company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, and other associated matters.

The attendance of members of the Audit Committee as on March 31, 2012 is as follows:

Sl. No.	Name	Number of Meetings Attended
1.	Lalit Kumar Chhawchharia	4
2.	Ashok Kumar Mattoo	4
3.	Sonal Mattoo	4



Brief Terms of Reference of Audit Committee:

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the company to any Statutory Authority or to the investors or the public, the company's system of Internal Controls regarding finance, accounting and legal compliances that Management and the Board have established.

The terms of reference of Audit Committee include inter-alia the followings

- Discussion with the auditor, periodically about the internal control systems, the scope of audit including the observation of the auditors.
- To review the quarterly, half yearly and annual financial statements before submission to the Board.
- To review and take on record the unaudited quarterly results of the company before publication.
- To ensure compliance of Internal Control System.
- Oversight of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Noting appointment and removal of external auditors. Recommending the fixation of audit fees of external auditors and also approval for payment for any other services.
- Reviewing with Management the annual financial statements before submission to the Board.

4. REMUNERATION COMMITTEE

The company has a duly constituted "Remuneration Committee". The Committee consists of three (3) Non Executive Independent Directors. All matters relating to finalization of remuneration of Directors are being taken to the Committee for their consideration and approval. The following Directors are the members of the Remuneration Committee:

Sl. No.	Name of Directors	Designation
1.	Ashok Kumar Mattoo	Chairman
2.	Lalit Kumar Chhawchharia	Member
3.	Sonal Mattoo	Member

During the financial year 2011-12 one meeting of Remuneration Committee held on May 26, 2011.

5. SHAREHOLDER/INVESTORS' GRIEVANCE COMMITTEE CUM SHARE TRANSFER COMMITTEE

The Shareholder/Investors' Grievance Committee cum Share Transfer Committee was reconstituted on May 29, 2010. The following Directors are members of the Shareholder's/Investor Grievances Committee cum Share Transfer Committee:

Sl. No.	Name of Directors	Designation
1.	Sonal Mattoo	Chairperson
2.	Vishal Gupta	Member
3.	Varun Gupta	Member



The scope of the "Shareholders'/ Investors' Grievance Committee cum Share Transfer Committee" was enlarged to monitor investors' grievances/complaints along with the share transfer. The Committee approved the share transfer at its meeting which was held once/twice/thrice in a month. The Transfer and Shareholders'/ Investors' Grievance Committee also took note of the findings of audit carried out by practicing Company Secretary and implemented the suggestions. The quorum of the meeting shall be any two members present at the meeting.

As required by the Listing Agreement executed with Stock Exchanges, Bhagwan Kumar, Company Secretary, was appointed as a 'Compliance Officer' and entrusted to monitor the share transfer process and liaise with the regulatory authorities.

There has been no complaint that has not been resolved to the satisfaction of the shareholders nor are there any pending complaints.

6. GENERAL BODY MEETINGS

The details of last three Annual General Meetings are as mentioned below:

Annual General Meetings

Sl. No.	Venue	Date	Day & Time	Whether Special Resolution
2008-09	Kalakunj – Kalamandir, 48, Shakespeare Sarani, Kolkata	Sept. 22, 2009	Tuesday, 4.00 P.M.	Yes
2009-10	Kalakunj – Kalamandir, 48, Shakespeare Sarani, Kolkata	August 20, 2010	Friday, 11.00 A.M.	No
2010-11	Kalakunj – Kalamandir, 48, Shakespeare Sarani, Kolkata	August 19, 2011	Friday, 11.30 A.M.	Yes

Extra Ordinary General Meetings

Details of the Extra Ordinary General Meetings of the last 3 years are as follows:

Sl. No.	Venue	Date	Day & Time	Whether Special Resolution
2009-10	Kalakunj – Kalamandir, 48, Shakespeare Sarani, Kolkata	May 02, 2009	Saturday, 10.30 A.M.	No
2010-11	Kalakunj – Kalamandir, 48, Shakespeare Sarani, Kolkata	Nov 27, 2010	Saturday, 11.00 A.M.	Yes

No resolution requiring postal ballot as recommended under Companies (Passing of Resolution by Postal Ballot) Rules, 2001 have been placed for shareholders' approval since the last Annual General Meeting.

7. DISCLOSURES

a) Materially Significant Related Party Transactions

During the year 2011-12, there were no materially significant related party transactions, i.e transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the company at large.

b) Subsidiary Companies

The company does not have any material non-listed Indian subsidiary company whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its

subsidiaries in the immediately preceding accounting year.

c) Insider Trading Code

The company has adopted the Employee Share Dealing Code in the term of the SEBI (Prohibition of insider Trading) Regulations 1992. This code is applicable to all Directors and Designated employees of the company. The code seeks to prevent dealing in company's share by persons having access to unpublished, price sensitive information. The company regularly monitors the transaction in terms of this code.

d) Non-Compliance/Strictures/Penalties

There was no instance of non-compliance by the company on any matters related to Capital markets and therefore, no penalties and/or strictures have been imposed on the company by Stock Exchange or SEBI or any statutory authority during the last three years.

8. CEO/CFO CERTIFICATION

In terms of revised Clause 49 of Listing Agreement, the certification by Whole Time Director and Managing Director has been obtained and the said certification is attached as part of this Report.

9. MEANS OF COMMUNICATION

The quarterly Unaudited Financial Results and Annual Financial Results are published in leading national newspapers, i.e., Business Standard/Financial Express (English)/ Economic Times/Mint and Kalantar (Bengali). It is also displayed on company's website at www.ashianahousing.com. The company has been conducting conference call since two and half year after every quarterly Board Meeting on financial results and issuing corporate presentation informing thereby the investors at large the details about the company, its business, current scenario, sales targets/achievements, construction targets/achievements future outlook etc. During the financial year 2011-2012, the company conducted three conference calls for analysts and investors on August 02, 2011, November 03, 2011, February 01, 2012. In almost all conference calls a good number of analysts and investors participated. The company has not made any representation to any Institutional Investor. The Management Discussion and Analysis report prepared by the Management, forms part of the Annual Report.

10. GENERAL SHAREHOLDER'S INFORMATION

(a) Annual General Meeting information

Day, Date : Wednesday, August 08, 2012
 Time : 10:30 A.M.
 Venue : Kalakunj (Basement - Kalamandir),
 48, Shakespeare Sarani,
 Kolkata - 700017

(b) Financial Calendar

Ashiana Housing Ltd. follows the financial year from April to March. The Unaudited Financial Results for the first three quarters and the Audited Financial Results for the year ended 31st March, 2012 were taken on record and approved by the Board of Directors in its meeting(s) held on the following dates:



Quarter	Date of Board Meeting
April - June, 2011	July 30, 2011
July - September, 2011	November 01, 2011
October - December, 2011	January 31, 2012
Year Ended March 31, 2012	May 30, 2012

(c) Book Closure

The company's Register of Members and Share Transfer books will remain closed from August 01, 2012 to August 08, 2012 (both days inclusive) for the purpose of Annual General Meeting of the company.

(d) Stock Exchanges

The company's equity shares are listed on the Bombay Stock Exchange and National Stock Exchange the details of which are as follows:

Sl. No.	Name and address of the Stock Exchange	Security Code No.
1.	Bombay Stock Exchange P.J. Towers, Dalal Street Mumbai - 400 001	523716
2.	National Stock Exchange Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051	ASHIANA

There is no outstanding listing fees payable to Bombay Stock Exchange, National Stock Exchange.

(e) Dividend paid for the last three years

Sl. No.	Date of Declaration	Dividend in %	Total Amount of Dividend (₹)
1.	September 18, 2008	15	28,103,775
2.	August 20, 2010	15	28,103,775
3.	August 19, 2011	17.5	32,567,421

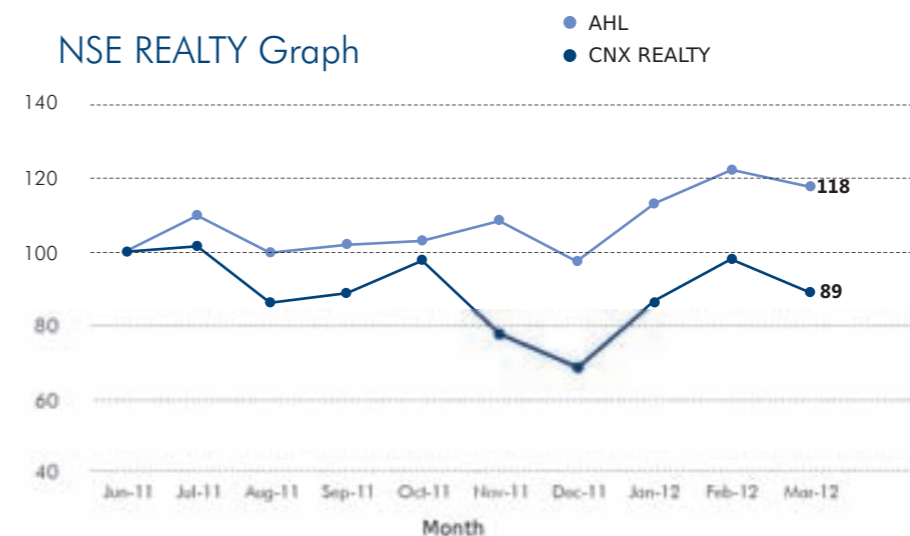
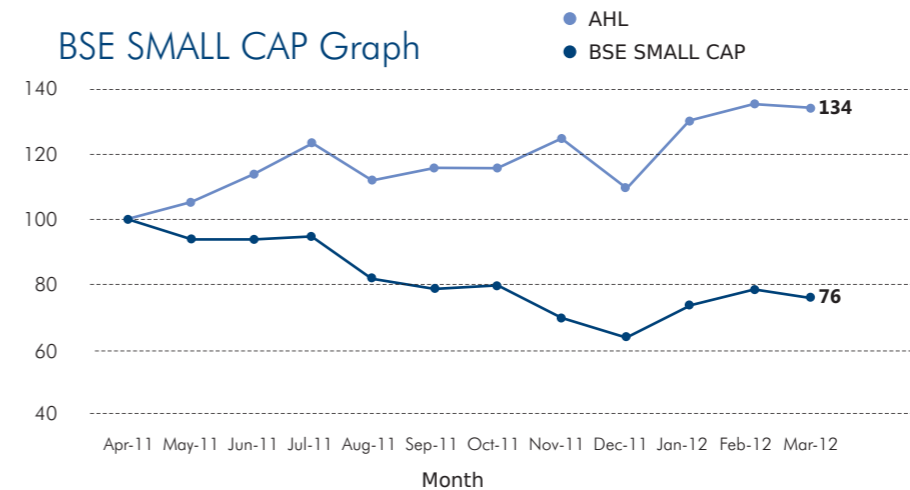
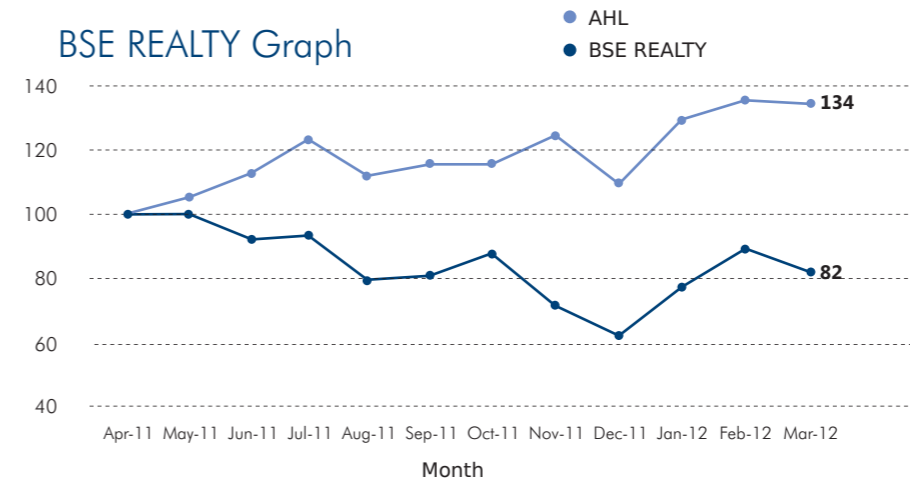
(f) Market Price Data: Monthly High and Low quotation of shares traded in Mumbai Stock Exchange and National Stock Exchange for the financial year 2011-2012 is given below:

The company has its ISIN No. INE 365D 01013 for dematerialisation of equity shares.

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
April, 2011	140.00	121.05	85,492	***	***	***
May, 2011	133.30	111.10	113,060	***	***	***
June, 2011	151.95	121.00	166,482	141.65	132.00	6,807
July, 2011	161.95	131.25	202,236	153.00	150.25	1,875
August, 2011	159.00	130.35	163,679	140.00	127.00	2,413
September, 2011	153.00	131.00	42,135	142.00	138.00	1,750
October, 2011	146.50	121.10	34,947	142.00	140.50	94
November, 2011	175.00	139.50	143,683	154.50	148.00	993
December, 2011	154.50	128.00	168,215	138.50	135.00	75
January, 2012	169.95	130.55	24,723	163.00	151.65	4,451
February, 2012	180.95	155.05	51,897	177.50	168.00	1,716
March, 2012	183.50	157.80	38,446	169.95	164.50	262

*** Equity share capital of the company were listed on NSE in June, 2011.

(g) Share Performance Chart
Performance in comparison to broad based indices



(h) Registrar & Transfer Agent

M/s. Beetal Financial & Computer services Pvt. Ltd., having its address at Beetal House, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi -110 062 has been appointed by the company for registration of share transfer and other related work.

(i) Share Transfer Process

The company's shares being in compulsory demat list are transferable through the depository system. Shares in Demat Form are processed by the Registrar & Transfer Agent - M/s Beetal Financial & Computer Service Pvt. Ltd., Beetal House, 99, Madangir, Near Dada Harsukh Dass Mandir, Behind Local Shopping Centre, New Delhi – 110 062. Transfer of shares both by Demat and Physical mode are approved by the 'Transfer and Shareholders/Investors Grievance Committee'.

(j) Distribution of Shareholding as on March 31, 2012

Range	Shareholders		Shares	
	No. of Shares	Numbers	Numbers	% to total
UPTO 500		8,470	1,975,418	10.61
501 TO 1000		1,061	768,169	4.13
1001 TO 2000		251	358,721	1.93
2001 TO 3000		67	168,643	0.91
3001 TO 4000		38	133,058	0.71
4001 TO 5000		24	113,808	0.61
5001 TO 10000		41	304,863	1.64
10001 & ABOVE		53	14,787,275	79.46
		10,005	18,609,955	100.00

(k) Shareholding Pattern as on March 31, 2012

Sl. No.	Shareholders	No. of shares	Percentage
A.	Promoter's Holding		
1.	Indian Promoters	12,305,547	66.123%
B.	Non-Promoter's Holding		
1.	Banks, FIs, Insurance Cos., Central/State Govt. Institutions / Non-Govt. Institutions	800	0.004%
2.	Foreign Institutional Investors	68,590	0.369%
C.	Others		
1.	Private Corporate Bodies	1,452,624	7.806%
2.	Indian Public (including HUF)	4,666,702	25.076%
3.	NRIs/OCBs	110,651	0.595%
4.	Trust	1,975	0.011%
5.	Others (shares in transit)	3,066	0.016%
	Grand Total	18,609,955	100.00%

(l) Dematerialisation of Shares and Liquidity

The Shares of the company are compulsorily traded in dematerialised form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless

trading, the company has enlisted its shares with National Securities Depository Ltd. and Central Depository Services (India) Ltd. Out of 1,86,09,955 Equity Shares of the company 1,67,75,822 Equity shares have been dematerialised as on March 31, 2012.

(m) Secretarial Audit Report

As stipulated by the Securities and Exchange Board of India, M/s. B. Chhawchharia and Co. Chartered Accountants, Statutory Auditors of the company, carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Audit Committee. The audit, inter alia confirms that the total listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and the total number of shares in physical form.

(n) Office Locations

Registered Office:

5F, Everest
46/C, Chowringhee Road
Kolkata-700 071
Ph: (033) 2288 3786
Fax: (033) 2288 4774

Head Office & Share Dept.:

Unit No. 4&5, 3rd Floor, Plot No. D-2
Saket District Center, Saket
New Delhi - 110 017
Ph: (011) 4265 4265
Fax: (011) 4265 4200

Branch Offices:

- (a) 4th Floor, Ashiana Village Centre, Ashiana Village Vasundhara Nagar, Bhiwadi, Rajasthan - 301 019.
- (b) Ashiana Trade Centre, Adityapur, Jamshedpur - 831 013.
- (c) 3rd Floor, Apex Mall, Lal Kothi, Tonk Road, Jaipur - 302 015.
- (d) Village Kuri Bhagtasani, Pali Road, Jodhpur - 342 001.
- (e) The Business Centre, Office No. 2, 2nd Floor, Purushottam Plaza, Baner Road, Pune - 411 045.
- (f) 502, The Avenue Shelter, Sahar Road, Opposite Leela Kempinski Hotel, Andheri(East), Mumbai - 400 069.

ADDRESS FOR CORRESPONDENCE ●●●●●

Shareholders are advised to correspond the Registrar & Share Transfer Agent – M/s. Beetal Financial & Computer Services Private Ltd. , Beetal House, 99, Madangir, Near Dada Harsukh Dass Mandir, Behind Local Shopping Centre, New Delhi – 110 062 for any query regarding Share Transfer / Transmission etc. and other related matter or may contact Bhagwan Kumar, Company Secretary and Compliance Officer on Phone No. 011-42654265 ; Fax No. 011-42654200; and e-mail: bhagwan@ashianahousing.com.

(o) Compliance with Non Mandatory Requirements

The Board has already formed a Remuneration Committee. Other non-mandatory requirements are yet to be adopted.

On behalf of the Board of Directors

(Vishal Gupta)
Managing Director

Place: New Delhi
Dated: May 30, 2012



AUDITORS' CERTIFICATE

TO THE MEMBERS OF ASHIANA HOUSING LIMITED

We have examined the compliance of conditions of corporate governance by M/s. Ashiana Housing Ltd. for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the company. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness, with which the management has conducted the affairs of the company.

**For B. CHHAWCHHARIA & Co.
Chartered Accountants**

**(Aashish Jaiswal)
Partner**

Place: New Delhi

Date: May 30, 2012

AUDITORS' REPORT

THE MEMBERS OF ASHIANA HOUSING LIMITED

We have audited the attached Balance Sheet of Ashiana Housing Limited as at March 31, 2012, and also the profit and loss account and the cash flow statement for the year ended on that date 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.

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.

1. 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.
2. Further to our comments in the Annexure referred to 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 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) Subject to our comments hereinafter, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant Accounting Policies and Notes to the Accounts, give the information required by the Companies Act, 1956, in the manner so required 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 March 31, 2012;
 - (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.

**For B. CHHAWCHHARIA & Co.
Chartered Accountants**

**(Aashish Jaiswal)
Partner**

**Firm Registration No: 305123E
Membership Number: 66471**

**Place: New Delhi
Date: May 30, 2012**

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date for the year ended March 31, 2012.

1. a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) According to the information and explanation given to us, all the fixed assets and capital work in progress have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As explained, no material discrepancies were noticed on such verification.
 - c) In our opinion and according to the information and explanations given to us, the company has not disposed substantial part of its fixed assets during the year.
2. a) According to the information and explanations given to us, the management has physically verified the inventory during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a) The company has granted unsecured loan to one company covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 4.00 lakhs and year end balance of loan given to such company was ₹ Nil.
 - b) In our opinion the terms and conditions on which interest free loan has been given to the company listed in the register maintained under Section 301 of the Companies Act, 1956 is, *prima facie*, not prejudicial to the interest of the company.
 - c) The company is regular in receiving the principal amounts as per stipulation.
 - d) As explained to us there is no overdue amount of loan given to the company listed in the register maintained under section 301 of the Companies Act, 1956.
 - e) The company has not taken any unsecured loans from companies, parties or other concern covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of constructed units and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under that Section have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions that were made in pursuance of contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 and aggregating during the year to ₹ 5,00,000/- or more, in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its

business.

8. As certified by a Cost Accountant, the company has maintained cost records for the year under review, as prescribed under Section 209 (1) (d) of the Companies Act, 1956 read with Companies (Cost Accounting Records) Rules, 2011 to the extent applicable to the company. We have, however, not made a detailed examination of such records.
9. a) According to the records of the company, generally the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, and no such statutory dues were outstanding as at the last day of the financial year under review for a period of more than six months from the date they became payable.
 - b) There are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess, as applicable, which have not been deposited on account of any dispute.
10. The company does not have accumulated losses. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holder.
12. As per information and explanations provided to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the company is not a chit fund or a *nidhi*/ mutual benefit fund/ society.
14. The company is not dealing or trading in shares, securities, debentures and other investments. However, investments of the company, are held in its own name.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions as at the close of the year.
16. In our opinion and according to the information and explanation given to us, term loan have been applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the period covered by our audit report, the company has not issued any debentures.
20. The company has not raised money by public issues during the financial year concerned.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For B. CHHAWCHHARIA & Co.
Chartered Accountants

(Aashish Jaiswal)
Partner

Firm Registration No: 305123E
Membership Number: 66471

Place: New Delhi
Date: May 30, 2012

BALANCE SHEET

As at 31st March, 2012

Particulars	Notes	₹	As at 31.03.2012 ₹	₹	As at 31.03.2011 ₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	186,099,550		186,099,550	
Reserves & Surplus	2	2,204,679,761	2,390,779,311	1,565,462,987	1,751,562,537
Non-current Liabilities					
Long Term Borrowings	3	105,521,533		2,854,104	
Deferred Tax Liabilities (Net)	4	31,924,000		33,064,000	
Other Long Term Liabilities	5	56,800,753		57,476,805	
Long Term Provisions	6	10,686,732	204,933,018	8,523,271	101,918,180
Current Liabilities					
Advance from Customers	7	127,828,061		275,162,207	
Trade Payables	8	63,028,124		27,692,688	
Other Current Liabilities	9	254,404,318		80,392,062	
Short-term Provisions	10	80,671,505	525,932,008	140,352,979	523,599,936
			3,121,644,337		2,377,080,653
ASSETS					
Non-current Assets					
Fixed Assets:					
Tangible Assets	11	429,248,919		411,568,217	
Intangible Assets		4,296,377		2,578,686	
Capital Work in Progress		-		4,660,023	
		433,545,296		418,806,926	
Non-Current Investments	12	1,012,240,338	1,445,785,634	735,511,138	1,154,318,064
Current Assets					
Current Investments	13	486,091,087		35,300,000	
Inventories	14	563,775,722		723,773,800	
Trade Receivables	15	15,658,449		9,668,557	
Cash & Cash Equivalents	16	362,009,130		359,120,065	
Short Term Loans & Advances	17	248,324,315	1,675,858,703	94,900,167	1,222,762,589
			3,121,644,337		2,377,080,653
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS	30				

The Notes referred above form an integral part of the accounts.
In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Vishal Gupta
(Managing Director)

Ankur Gupta
(Jt. Managing Director)

Varun Gupta
(Wholetime Director)

Aashish Jaiswal
Partner
Firm Registration No: 305123E
Membership No: 66471
Place: New Delhi
Date: May 30, 2012

Bhagwan Kumar
(Company Secretary)
(ACS 12116)

Manojit Sengupta
(General Manager - F&A)

PROFIT & LOSS ACCOUNT

For the year ended 31st March, 2012

Particulars	Notes	2011-2012 ₹	2010-2011 ₹
INCOME			
Revenue from Operations	18	2,011,311,212	1,315,970,876
Income from Partnership	19	168,657,096	128,796,559
Other Income	20	51,635,975	37,059,925
		2,231,604,283	1,481,827,360
EXPENSES			
Direct Costs:			
Purchases	21	40,853,947	51,191,126
Project Expenses	22	12,028,141	201,984,190
Ongoing Project Expenses Adjusted		888,512,754	495,779,444
Changes in Inventories	23	77,390,065	(110,962,362)
Hotel and Club Expenses	24	56,974,815	40,772,908
		1,075,759,721	678,765,306
Employee Benefits Expense	25	123,128,610	98,803,447
Advertisement & Business Promotion		61,178,108	57,728,460
Finance Costs	26	28,393,791	6,455,179
Other Expenses	27	88,944,201	64,310,784
Depreciation & Amortization expenses		23,775,842	20,054,888
		1,401,180,273	926,118,064
Profit before extraordinary items and tax		830,424,010	555,709,296
Extra-ordinary Item	28	-	64,555,680
Profit Before Tax		830,424,010	620,264,976
Tax Expenses :			
(i) Current Tax	29	145,061,000	112,926,752
(ii) Deferred Tax		(1,140,000)	17,877,000
		143,921,000	130,803,752
Profit for the Year after tax		686,503,010	489,461,224
Earning Per Share (On Shares of nominal value of ₹ 10/- each) Basic and Diluted		36.89	23.52

The Notes referred above form an integral part of the accounts.
In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Vishal Gupta
(Managing Director)

Ankur Gupta
(Jt. Managing Director)

Varun Gupta
(Wholetime Director)

Aashish Jaiswal
Partner
Firm Registration No: 305123E
Membership No: 66471
Place: New Delhi
Date: May 30, 2012

Bhagwan Kumar
(Company Secretary)
(ACS 12116)

Manojit Sengupta
(General Manager - F&A)

NOTES TO THE ACCOUNTS

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
1. SHARE CAPITAL		
Authorised :		
35000000 Equity shares of ₹ 10/- each	350,000,000	350,000,000
Issued, Subscribed and Paid up :		
18609955 Equity shares of ₹ 10/- each fully paid up	186,099,550	186,099,550
	186,099,550	186,099,550
a) Reconciliation of the number of shares outstanding is as follows :		
Equity Shares		
	31-Mar-2012	31-Mar-2011
	Nos.	Nos.
At the beginning of the period	18,609,955	18,735,850
Add: Issued/(Cancelled) during the period	-	(125,895)
At the end of the period	18,609,955	18,609,955
b) Details of shareholders holding more than 5% of the equity shares in the company:		
	3/31/2012	3/31/2011
	Number	Number
	% holding	% holding
Name of Shareholders		
Vishal Gupta	2,743,866	2,743,866
Ankur Gupta	3,985,963	3,985,963
Varun Gupta	3,985,964	3,985,964
Rachna Gupta	1,242,097	1,242,097
	14.74	14.74
	21.42	21.42
	21.42	21.42
	6.67	6.67
c) Terms/rights attached to equity shares		
The company has only one class of Equity Share having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
During the year ended March 31, 2012, the amount of per share dividend recognized as distributions to equity shareholders was ₹. 2.25 (March 31, 2011: ₹1.75)		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
d) Out of above, 13292825 equity shares were allotted as Bonus shares on 22.02.2008, without payment being received in Cash.		
2. RESERVES & SURPLUS		
Capital Reserve	1,500,000	1,500,000
	1,500,000	1,500,000
Securities Premium Reserve		
As per Last Account	14,400,000	-
Add : On Amalgamation	-	14,400,000
	14,400,000	14,400,000
General Reserve		
As per last Account	1,514,174,627	1,010,000,000
Add : On Amalgamation	-	64,174,627
Add : Amount transferred from surplus in Profit & Loss Account	500,825,373	440,000,000
	2,015,000,000	1,514,174,627
Surplus/(Deficit) in the statement of Profit and Loss		
As per last Account	35,388,360	23,291,132
Profit for the period	686,503,010	489,461,224
Less: Appropriations		
Proposed Equity Dividend	(41,872,399)	(32,567,421)

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Tax on Proposed Equity dividend	(5,413,837)	(4,796,575)
Transfer to General Reserve	(500,825,373)	(440,000,000)
Net Surplus in the statement of Profit and Loss	173,779,761	35,388,360
	2,204,679,761	1,565,462,987
3. LONG - TERM BORROWINGS:		
SECURED LOANS		
Term Loan - From others		
(I) Construction Loan - From HDFC limited	107,764,151	
Secured by way of (i) first exclusive mortgage on land admeasuring 86717.5 Sq. Mtr. in Ashiana Aangan Project along with construction thereon, both present and future and (ii) assignment of receivables including booking amount relating to Ashiana Aangan (Phase IV, V & VI) and all insurance proceeds, present & future.		
Terms of Repayment : 10% of all sale receipts of Ashiana Aangan project (Phase IV, V & VI) towards principal repayment to be completed with in 24 months from the date of disbursement. (19.05.2011)		
(II) Corporate Loan - From HDFC Limited	100,000,000	
Secured by way of (i) first exclusive mortgage on land admeasuring 3774.80 sq. mtr. at Village Centre, Vasundhara Colony, Bhiwadi Dist. Alwar along with construction thereon, both present and future.		
(ii) Assignment of all receivables accruing from the hotel cum club facility and Retail Commercial Space situated at The treehouse and Village Centre, Vasundhara Colony, Phase-2, Bhiwadi .		
Vehicle Loan		
a) From Banks		
Axis Bank Limited	83,647	574,901
HDFC Bank Limited	8,485,895	5,841,028
b) From Others		
Tata Capital Ltd	1,524,663	225,359
Tata Motors Finance Ltd	-	187,918
Secured against hypothecation of vehicles financed by them		
*Terms of Repayment :		
₹ 7,867,916/- In 36 EMI		
₹ 2,226,289/- In 48 EMI		
	217,858,356	6,829,206
Less : Current Maturity (Refer Note No. 9)	112,336,823	3,975,102
* Excludes corporate Loan amount being unascertainable	105,521,533	2,854,104
4. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on Fiscal allowance of fixed assets	35,391,000	35,895,000
Less: Deferred Tax Assets on Employee Benefits	3,467,000	2,831,000
	31,924,000	33,064,000
5. OTHER LONG TERM LIABILITIES		
Security Deposit from Treehouse Members	23,562,782	24,145,401
Security Deposit against rent	10,000,000	10,000,000
Lease Rent Deposit	23,237,971	23,331,404
	56,800,753	57,476,805
6. LONG TERM PROVISIONS		
Provision for Gratuity	10,686,732	8,523,271
	10,686,732	8,523,271
7. ADVANCE FROM CUSTOMERS		
Customer Advance	2,255,224,086	1,196,886,293
Less: Ongoing Projects Adjustment Account	2,127,396,025	921,724,086
	127,828,061	275,162,207

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
8. TRADE PAYABLES		
Sundry Creditors	63,028,124	27,692,688
	63,028,124	27,692,688
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer Note No. 3)	112,336,823	3,975,102
Interest accrued but not due on borrowings	62,874	-
Unclaimed Dividends	6,778,430	5,363,678
Service Tax received from real estate customers (Subjudice)	59,056,351	20,006,586
Security deposits	12,389,403	9,143,729
Other liabilities	63,780,437	41,902,967
	254,404,318	80,392,062
10. SHORT-TERM PROVISIONS		
For Taxation (Net of advances)	33,385,269	102,988,983
For Proposed Dividend	41,872,399	32,567,421
For Corporate Dividend Tax	5,413,837	4,796,575
	80,671,505	140,352,979

11. FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01.04.2011 ₹	Additions/ (Deductions) ₹	As at 31.03.2012 ₹	Up to 31.03.2011 ₹	For the Year ₹	Up to 31.03.2012 ₹	As at 31.03.2012 ₹	As at 31.03.2011 ₹
TANGIBLE ASSETS								
Building	225,942,109	4,564,829	230,506,938	17,123,130	6,591,092	23,714,222	206,792,716	208,818,979
Plant & Machinery	139,477,553	17,372,350	156,849,903	20,066,980	7,067,094	27,134,074	129,715,829	119,410,573
Furniture & Fixtures	34,836,454	7,067,598	41,904,052	9,521,624	2,221,158	11,742,782	30,161,270	25,314,830
Vehicles	25,919,220	9,240,471	27,230,221	5,941,011	2,525,477	5,120,549	22,109,672	19,978,209
		(7,929,470)			(3,345,939)			
Equipments And Facilities	24,446,090	2,245,327	26,454,135	3,108,293	1,186,225	4,249,756	22,204,379	21,337,797
		(237,282)			(44,762)			
Computers	15,390,657	1,822,765	17,213,422	6,886,767	2,444,478	9,331,245	7,882,177	8,503,890
Electrical Installations	10,434,078	2,745,160	13,179,238	2,230,139	566,223	2,796,362	10,382,876	8,203,939
	476,446,161	45,058,500	513,337,909	64,877,944	22,601,747	84,088,990	429,248,919	411,568,217
		(8,166,752)			(3,390,701)			
INTANGIBLE ASSETS								
Goodwill	100,000	-	100,000	-	100,000	100,000	-	100,000
Computer Software	2,932,644	2,891,786	5,824,430	453,958	1,074,095	1,528,053	4,296,377	2,478,686
	3,032,644	2,891,786	5,924,430	453,958	1,174,095	1,628,053	4,296,377	2,578,686
TOTAL	479,478,805	47,950,286	519,262,339	65,331,902	23,775,842	85,717,043	433,545,296	414,146,903
		(8,166,752)			(3,390,701)			
Capital Work In Progress	4,660,023	3,953,532	-	-	-	-	-	4,660,023
		(8,613,555)						
GRAND TOTAL	484,138,828	51,903,818	519,262,339	65,331,902	23,775,842	85,717,043	433,545,296	414,146,903
		(16,780,307)			(3,390,701)			
PREVIOUS YEAR FIGURES	214,929,239	428,876,792	484,138,828	34,241,711	38,061,850	65,331,902	-	418,806,926
		(159,667,203)			(6,971,659)			

Particulars	Face Value Per Shares/ Debentures ₹	No. of Shares/ Debentures	As at 31.03.2012 ₹	No. of Shares/ Debentures	As at 31.03.2011 ₹
12. NON-CURRENT INVESTMENTS					
Trade					
In Immovable Properties:					
Retail space at Village Centre, Bhiwadi			88,515,920		88,515,920
Building at W-177, Greater Kailash - II, New Delhi			32,939,879		32,939,879
Land at RIICO Industrial Area, Bhiwadi, Rajasthan			1,782,139		1,782,139
Building at Ashiana Plaza, Patna			1,616,571		1,616,571
Roof rights, Ashiana Trade Centre, Jamshedpur			1,500,000		1,500,000
Bageecha office, Bhiwadi			313,042		313,042
Flats at Utsav, Bhiwadi			7,432,216		-
Shops, Ashiana Trade Centre, Jamshedpur			313,186		313,186
			134,412,953		126,980,737
In Fully paid up Equity Shares:					
Subsidiary Companies (Unquoted)					
Vatika Marketing Ltd.	10	50,000	520,120	50,000	520,120
Latest Developers Advisory Ltd	10	50,000	500,502	50,000	500,502
Topwell Projects Consultants Ltd.	10	50,000	500,502	50,000	500,502
			1,521,124		1,521,124
In Partly Paid Debentures:					
Subsidiary Company (Unquoted)					
Zero Interest Unsecured Optionally Fully Convertible Debentures of ₹ 100/- each					
(i) Topwell Projects Consultants Ltd (paid up ₹ 76/- per debenture, PY ₹ 10/-)	100	5,000,000	380,000,000	5,000,000	50,000,000
(ii) Latest Developers Advisory Ltd (paid up ₹ 30/- per debenture)	100	5,000,000	150,000,000		
			530,000,000		50,000,000
+ In Partnership Firms:					
Ashiana Amar Developers			66,718,503		151,443,862
Ashiana Manglam Developers			147,054,098		133,365,061
Ashiana Greenwood Developers			16,301,435		119,047,570
Megha Colonizers			39,437,216		112,873,484
Ashiana Manglam Builders			40,000,000		-
Ashiana Amar Infrastructure			-		14,203,468
			309,511,252		530,933,445
+ In Limited Liability Partnerships:					
Neemrana Builders LLP			13,173,247		13,356,513
MG Homecraft LLP			22,593,272		11,054,083
* Required particulars of Partnership firm and Limited Liability Partnerships are given below.			35,766,519		24,410,596
(A)			1,011,211,848		733,845,902
Others:					
In Fully paid up Equity Shares:					
I. Quoted					
IFGL Refractories Ltd	10	10,224	790,939	10,224	790,939
Spectrum Commercials Ltd.	10	-	-	132,000	330,775
Housing Development Finance Corporation Ltd.	2	-	-	250	84,969
Sobha Developers Ltd.	10	-	-	50	43,732
Arihant Foundation Ltd.	10	-	-	100	34,186
Parsvnath Developers Ltd.	10	-	-	200	32,973
Mahindra Lifespace Developers Ltd.	10	-	-	50	31,068
S.M. Telesys Ltd.	10	2,500	25,000	2,500	25,000
Unitech Limited (includes 50 bonus shares)	2	-	-	100	21,597
Eldco Housing Ltd.	10	-	-	100	20,942
Lok Housing and Construction Ltd.	10	-	-	100	18,906

Particulars	Face Value ₹	No. of Shares/ Debentures	As at 31.03.2012 ₹	No. of Shares/ Debentures	As at 31.03.2011 ₹
Larsen & Tubro Ltd. (includes 10 bonus shares)	2	-	-	20	17,598
Timken India Ltd.	10	54	3,696	54	3,696
Modern Woolen Ltd.	10	50	1,575	50	1,575
Ispat Profile Ltd.	10	100	782	100	782
Modern Threads Ltd.	10	23	280	23	280
II. Unquoted					
Adityapur Toll Bridge Company Ltd.	10	20,000	200,000	20,000	200,000
Elite Leasings Ltd.	10	3,750	6,218	3,750	6,218
(B)			1,028,490		1,665,236
Total (A) + (B)			1,012,240,338		735,511,138
Agreegate amount of Quoted investment			822,272		1,459,018
Agreegate amount of Unquoted investment			1,011,418,066		734,052,120
Market Value of Quoted investment			439,776		651,877

The particulars of partnership firms and limited liability partnerships are given below :-

a) Ashiana Amar Developers

Name of Partners	Share	Capital (₹)
Ashiana Housing Ltd.	95%	66,718,503
Vatika Marketing Ltd	5%	7,578,874

b) Ashiana Manglam Developers

Name of Partners	Share 30% of pre-tax yearly profit upto cumulative aggregate of ₹ 917.40 lakhs	Balance	Capital (₹)
Ashiana Housing Ltd.	-	65.00%	147,054,098
Rajkumari Garg	33.00%	11.55%	23,524,483
Sangeeta Agarwal	17.00%	5.95%	13,818,668
Sanjay Gupta	33.00%	11.55%	23,524,472
Vinod Goyal	17.00%	5.95%	13,818,668

c) Ashiana Greenwood Developers

Name of Partners	Share 30% of pre-tax yearly profit upto cumulative aggregate of ₹ 544 lakhs	Balance	Capital (₹)
Shubhlabh Buildhome Private Ltd	100%	50%	37,357,690
Ashiana Housing Ltd.	-	50%	16,301,435

d) Megha Colonizer - Rangoli Division

Name of Partners	Share 50% of pre tax yearly profit upto cumulative aggregate of ₹ 6926 lakhs	Balance	Capital (₹)
N. K. Gupta	15.00%	7.50%	(83,630,753)
Vinod Goyal	15.50%	7.75%	(86,418,446)
Ram Babu Agarwal	7.50%	3.75%	(41,815,376)
Ajay Gupta	15.00%	7.50%	(83,630,753)
Ritesh Agarwal	33.00%	16.50%	(183,987,654)
Manglam Build-Developers P Ltd	6.00%	3.00%	(33,452,301)
Rajendra Agarwal	4.00%	4.00%	(44,603,067)
Ashiana Housing Ltd.	50.00%	50.00%	39,437,216

e) Ashiana Manglam Builders

Name of Partners	Share 30% of pre tax yearly profit upto cumulative aggregate of ₹ 2110 lakhs	Share 48% of pre tax yearly profit as Bonus Profit	Balance	Capital (₹)
Ashiana Housing Ltd	-	50.00%	50.00%	40,000,000
Manglam Build-developers (P) Ltd.	50.00%	-	48.08%	(25,000,000)
Ram Babu Agarwal	50.00%	50.00%	1.92%	96,900,000

f) Neemrana Builders LLP

Name of Partners	Share	Capital (₹)
Ashiana Housing Limited	98.5%	13,173,247
Vishal Gupta	0.5%	66,870
Ankur Gupta	0.5%	66,870
Varun Gupta	0.5%	66,870

g) MG Homecraft LLP

Name of Partners	Share	Capital (₹)
Ashiana Housing Limited	98.5%	22,593,272
Vishal Gupta	0.5%	114,687
Ankur Gupta	0.5%	114,687
Varun Gupta	0.5%	114,687

+on the basis of audited Balace Sheet as at March 31, 2012

Particulars	Face Value Per Unit ₹	No. of Units	As at 31.03.2012 ₹	No. of Units	As at 31.03.2011 ₹
13 CURRENT INVESTMENTS					
(i) In Mutual Funds (Unquoted)					
Kotak FMP 370 Days Series 8 - Growth	10	-	-	1,000,000.000	10,000,000
Kotak Quarterly Interval plan Series 6 - Growth	10	-	-	805,691.404	10,000,000
HDFC Cash Management Fund- Treasury Advantage Fund	10	-	-	467,126.007	10,000,000
IDFC Fixed Maturity Plan-100 days Series 2	10	-	-	530,000.000	5,300,000
Birla SL Dynamic Bond Fund -Retail -Growth	10	9,012,121.957	157,000,000	-	-
BNP Paribas Short Term Income Fund- Inst Growth	10	4,269,374.190	50,000,000	-	-
JP Morgan India Short Term Income Fund	10	11,770,821.015	135,000,000	-	-
Morgan Stanley Liquid Fund- Daily Dividend	10	899.553	900,000	-	-
UTI Treasury Advantage Fund Institutional Plan	10	73,134.863	104,182,887	-	-
			447,082,887		35,300,000
(ii) In Bonds (unquoted)					
Air India Bonds	1,000,000	38	39,008,200	-	-
			486,091,087		35,300,000
Aggregate amount of Unquoted Investments	-	-	486,091,087	-	35,300,000
Repurchase price of units of mutual funds	-	-	458,198,968	-	35,807,050

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
14. INVENTORIES		
Stock		
Land :		
Project Launched	70,544,448	104,395,830
Others	89,132,806	89,132,806
Unsold completed constructions	119,880,982	172,797,607
Work-in-progress	234,315,494	301,225,368
Construction materials	48,794,706	55,252,390
Hotel & club consumables	1,107,286	969,799
	563,775,722	723,773,800
15. TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Due for more than six months	2,613,401	6,145,424
Other Debts	13,045,048	3,523,133
	15,658,449	9,668,557
16. CASH AND BANK BALANCES		
Cash-in-hand	1,746,313	968,064
Cheques in hand	26,049,907	-
Balances with Scheduled Banks :		
In Current Account	96,829,602	43,697,198
In Unclaimed Dividend Account	6,778,430	5,363,678
In Fixed Deposit Account (Pledged ₹ 43,330,955/-; P.Y. ₹ 17,823,314/-)	230,604,878	309,091,125
	362,009,130	359,120,065
[Includes ₹ 178,638,917/-; P.Y. ₹ 144,664,831/-) maturing after 12 months from close of the year]		
17. SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loan to a Subsidiary Company	-	400,000
Due from a Subsidiary Company	2,309,887	-
Advance against land	86,260,931	32,582,615
Advances recoverable in cash or in kind or for value to be received	93,296,289	35,302,228
Service Tax Paid under protest (refer note no. 9)	58,760,551	20,085,626
Deposits	7,696,657	6,529,698
	248,324,315	94,900,167
18. REVENUE FROM OPERATIONS	2011-2012	2010-2011
Real Estate:		
a) Completed Projects (on Possession)	239,618,857	338,310,241
b) Ongoing Projects	1,652,725,748	911,282,805
Hotel & club:		
Rooms, Restaurant, Banquets and other services	118,966,607	66,377,830
	2,011,311,212	1,315,970,876
19. INCOME FROM PARTNERSHIP		
Share of Profit	116,476,796	114,088,059
Project Management Fee	52,180,300	14,708,500
	168,657,096	128,796,559
20. OTHER INCOME		
Interest (included TDS ₹ 1,634,297/-; P.Y. ₹ 1,473,077/-)	24,915,379	21,030,844
Income from Investments:		
Rent	5,520,971	3,813,437
Dividend	3,008,052	3,247,228
Profit on sale of investments	10,019,042	3,348,153
Fee and Subscription	1,372,103	1,104,550
Rent and Hire charges	1,420,721	646,272

Particulars	2011-2012 ₹	2010-2011 ₹
Profit on sale of Fixed Assets	-	6,197
Miscellaneous Income	5,136,629	2,352,636
Provision for Diminution in value of investment written back	-	65,635
Items relating to previous year (Net)	-	1,330,877
Liabilities Written Back	243,078	114,096
	51,635,975	37,059,925
21. PURCHASES		
Land	32,929,076	19,613,373
Flats/ Bungalows/ Shops	7,924,871	31,577,753
	40,853,947	51,191,126
22. PROJECT EXPENSES		
Consumption of construction materials (Indigenous)	507,009,529	396,922,959
Wages	94,454,123	72,007,615
PRW Charges	87,676,901	53,275,543
Power & Fuel	10,053,171	7,786,585
Other project related expenses	132,491,571	93,582,184
	831,685,295	623,574,886
Less: Ongoing Project Adjustment	819,657,154	421,590,696
	12,028,141	201,984,190
23. CHANGES IN INVENTORIES		
Opening Stock :		
Land		
Project Launched*	50,164,431	87,385,374
Less: Transfer to investments	(571,278)	-
Others	89,132,806	89,132,806
Unsold completed construction*	158,173,406	93,426,308
Less: Transfer to investments	(6,860,938)	-
Work-in-progress	301,225,368	286,644,761
	591,263,795	556,589,249
Less: Closing Stock:		
Land		
Project Launched	70,544,448	104,395,830
Others	89,132,806	89,132,806
Unsold completed construction	119,880,982	172,797,607
Work-in-progress	234,315,494	301,225,368
	513,873,730	667,551,611
	77,390,065	(110,962,362)
* Net of ongoing project adjustment amounting to ₹ 68,855,600/-P.Y. ₹ 74,188,748/-		
24. HOTEL & CLUB EXPENSES		
Consumables (indigenous)	16,657,029	11,739,867
Personnel	13,473,646	9,185,613
Power & fuel	9,949,394	8,192,507
Other running expenses	16,894,746	11,654,922
	56,974,815	40,772,908
25. EMPLOYEE BENEFIT EXPENSE		
Salary, Wages, bonus and allowances (includes Gratuity Provision ₹ 2,163,461/-;P.Y ₹ 2,848,368/-)	84,185,513	69,747,369
Directors' Remuneration	19,830,186	15,752,496
Contribution to Provident & Other Funds	2,134,000	1,816,104
Staff & Labour welfare expenses	16,978,911	11,487,478
	123,128,610	98,803,447

Particulars	2011-2012 ₹	2010-2011 ₹
26. FINANCE COSTS		
Interest		
On Term Loans	23,494,919	5,404,163
Others	776,444	1,051,016
Loan Processing & Other Financial Charges	4,122,428	-
	28,393,791	6,455,179
27. OTHER EXPENSES		
Rent	12,335,533	9,671,888
Rates and Taxes	1,404,077	443,535
Insurance	458,830	537,373
Travelling and Conveyance	11,261,716	8,490,739
Legal and Professional expenses	15,789,691	6,439,800
Commission	889,545	650,285
Telephone, Telex & Fax	4,274,464	4,036,701
Printing & Stationery	3,011,382	3,435,458
Repairs and Maintenance :		
To Machineries	3,341,992	1,402,452
To Building	9,791,565	6,719,568
To Others	8,679,660	4,419,791
Directors' Fees	16,000	11,000
Auditors' Remuneration :		
For Statutory Audit	786,520	772,100
For Internal Audit	676,873	630,945
For Tax Audit	196,630	195,525
For Other Services	420,142	272,629
Miscellaneous expenses	13,406,923	13,845,563
Irrecoverable Balances Written off	412,199	221,834
Fixed Assets Written Off	-	2,113,598
Loss on sale of Fixed Assets	1,761,218	-
Items relating to previous year (Net)	29,241	-
	88,944,201	64,310,784
28. EXTRAORDINARY ITEM		
Gain from sale of shares of the company by erstwhile Ashiana Retirement Villages Limited (since merged with the company)	-	64,555,680
	-	64,555,680
29. TAX EXPENSES		
Current tax		
Income Tax	144,700,000	109,900,000
Wealth Tax	361,000	306,000
Income tax Adjustments	-	2,720,752
	145,061,000	112,926,752
Deferred Tax		
Deferred Tax	(1,140,000)	17,877,000
	143,921,000	130,803,752

30. NOTES ON ACCOUNTS

1) SIGNIFICANT ACCOUNTING POLICIES

SYSTEM OF ACCOUNTING :

The company adopts accrual basis of accounting in the preparation of accounts.

FIXED ASSETS :

1. Fixed assets are valued at cost less depreciation/amortization.

2. Capital work-in-progress is valued at cost.

DEPRECIATION AND AMORTIZATION :

1. Depreciation on tangible assets is provided on straight line basis in accordance with the provisions of Schedule XIV of the Companies Act, 1956.
2. Intangible assets are amortized over the period of useful life of the assets as estimated by the management.

INVENTORIES :

Inventories are valued as follows:

Construction Material and Hotel & Club consumables At Lower of cost and net realizable value. However, materials and other items are not written down below cost if the constructed units/food and beverages in which they are used are expected to be sold at or above cost. Cost is determined on FIFO basis.

Leasehold and Freehold Land, Unsold Completed Construction and Work in Progress At Lower of cost and net realizable value. Cost includes direct materials, labour and construction overheads.

REAL ESTATE PROJECTS:

a) Revenue in respect of the projects undertaken before March 31, 2006 and the projects which have not reached the level of completion as considered appropriate by the management within March 31, 2011, as discussed in (b) below, is accounted for (i) on delivery of absolute physical possession of the respective units on completion, or (ii) on deemed possession of the respective units on completion or (iii) on physical possession for fitout, as considered appropriate by the management based on circumstantial status of the project.

b) Revenue in respect of projects undertaken on or after April 01, 2006 which have reached the level of construction as considered appropriate by the management within March 31, 2011 is recognised on the " Percentage of Completion Method" (POC) of accounting and represents value of units contracted to be sold to the extent of actual work done against total estimated cost of execution. The corresponding cumulative amount at the close of the year appears under "Current Liabilities" as deduction from "Advance from customers".

The estimates of saleable area and Construction cost are reviewed periodically by the management and effect of any change in estimates is recognised in the period such changes are determined.

c) Interest on delayed payments and other charges are accounted for on certainty of realisation.

HOTEL & CLUB

Revenue from rooms, food and beverages, club and other allied services, is recognised upon rendering of the services.

OTHER INCOME

Other income is accounted on accrual basis except where the receipt of income is uncertain.

TAXES ON INCOME:

- a)** Current Tax is determined as the amount of tax payable in respect of taxable income for the year.
- b)** Deferred Tax is recognised, subject to consideration of prudence, in respect of deferred tax Assets/Liabilities arising 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 period. Deferred tax in respect of differential income due to accounting of sales on percentage completion basis, being not determinate, is not recognised.

INVESTMENTS :

- a)** Long term investments are carried at acquisition cost and investments intended to be held for less than one year are classified as current investments and are carried at lower of cost and market value. Long Term Investments which have attained the stage of permanent diminution in their value are revalued at their current value.
- b)** Value of intangible capital rights created in favour of the company in the process of Real Estate activities, being not determinate, are not shown in the books of accounts.

FOREIGN CURRENCY TRANSACTIONS:

Income and Expenditure in foreign currency is converted into rupee at the rate of exchange prevailing on the date of the transactions.

EMPLOYEE BENEFITS:

- a) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- b) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ assumption to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

IMPAIRMENT OF ASSETS:

Impairment Loss in the value of assets, as specified in Accounting Standard -28 is recognised whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.

2) Contingent Liability, not provided for, in respect of :

- | | <u>2011 -2012</u> | <u>2010-2011</u> |
|---|-------------------|------------------|
| a) Contested demand of | | |
| ESIC | NIL | (₹.4.28 lakhs) |
| Cess - Sonari land | ₹ 37.53 lakhs | (₹ 29.15 lakhs) |
| b) Contested claim of the Government of Rajasthan for refund of State Capital Subsidy including interest ₹ 54.75 lakhs (₹ 52.50 lakhs). However the company has deposited ₹. 15 lakhs under protest. | | |
| 3)a) In view of non confirmation/response from the suppliers regarding their status as SSI units, the amount due to Small Scale Industrial undertaking can not be ascertained. | | |
| b) Due to non receipt of confirmation/response from the suppliers for compliance under the Micro, Small and Medium Enterprises Development Act, 2006, the company is unable to provide the information required under the said Act. | | |

4) Expenditure in Foreign Currency:

- | | <u>2011 -2012</u> | <u>2010-2011</u> |
|------------|-------------------|------------------|
| Travelling | ₹ 3,955,857/- | ₹ 3,103,660/- |
- 5) Related parties and transactions with them as specified in the Accounting Standard 18 on "Related Parties Disclosures" issued by ICAI has been identified and given below on the basis of information available with the company and the same has been relied upon by the auditors.

Related Parties & Relationship

Particulars	Transactions	
	<u>2011-2012</u> ₹	<u>2010-2011</u> ₹
a) Enterprises that directly, or indirectly through one or more intermediaries, Control or are controlled by or are under common control with the company (including holding companies, subsidiaries and fellow Subsidiaries) :		
I) Vatika Marketing Ltd.	Maintenance charges paid 65.34 lakhs	40.67 lakhs
	Rent Received 13.20 lakhs	12.00 lakhs

Particulars	2011-2012		2010-2011	
	₹		₹	
	Hire charges Received	1.80 lakhs	1.80 lakhs	
	Security deposit against Rent	100.00 lakhs	100.00 lakhs	
	Sale of Investments	Nil	104.00 lakhs	
	Year end Payable/ (Receivable)	(23.10 lakhs)	Nil	
ii) Latest Developers Advisory Ltd	Loan given / (repaid) (net)	Nil	4.00 lakhs	
	Zero Interest Unsecured Optionally Fully Convertible Debentures	1500.00 lakhs	Nil	
	Year end Payable/ (Receivable)	Nil	(4.00 lakhs)	
iii) Topwell Projects Consultants Ltd.	Zero Interest Unsecured Optionally Fully Convertible Debentures	3800.00 lakhs	500.00 lakhs	
iv) Neemrana Builders LLP	Interest received	Nil	0.04 lakhs	
	Year end Investment	As per note 12	As per note 12	
v) MG Homecraft LLP	Year end Investment	As per note 12	As per note 12	
vi) Ashiana Amar Developers	Year end Investment	As per note 12	As per note 12	
b) Associates and joint ventures				
i) Ashiana Greenwood Developers	Hire charges received	0.22 lakhs	1.66 lakhs	
	Year end Investment	As per note 12	As per note 12	
ii) Megha Colonizers	Hire charges received	8.72 lakhs	1.66 lakhs	
	Management Fee Received	521.80 lakhs	147.08 lakhs	
	Year end Investment	As per note 12	As per note 12	
iii) Ashiana Manglam Developers	Hire charges received	1.01 lakhs	1.55 lakhs	
	Year end Investment	As per note 12	As per note 12	
iv) Ashiana Manglam Builders	Year end Investment	As per note 12	Not applicable	
v) Ashiana Amar Infrastructure	Year end Investment	Not applicable	As per note 12	
c) Individuals owning directly or indirectly, an interest in the voting power of the company that gives them control or significant influence over the company, and relatives of any such individual.				
d) Key management personnel and their relatives				
i) Vishal Gupta, Managing Director	Remuneration	24.00 lakhs	24.00 lakhs	
	Commission	42.10 lakhs	28.51 lakhs	
ii) Ankur Gupta, Jt. Managing Director	Remuneration	24.00 lakhs	24.00 lakhs	
	Commission	42.10 lakhs	28.51 lakhs	
iii) Varun Gupta, Whole Time Director	Remuneration	24.00 lakhs	24.00 lakhs	
	Commission	42.10 lakhs	28.51 lakhs	
iv) Om Prakash Gupta, Relative of Key Management Persons	Remuneration	NIL	9.00 lakhs	
	Gratuity	NIL	18.00 lakhs	
e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence :				
i) OPG Realtors Limited	Sale of Flat	Nil	₹ 23.00 lakhs	
ii) Karma Hospitality Limited		Nil	Nil	
iii) R G Woods Limited	Sale of Flat	Nil	₹ 23.00 lakhs	
	Purchase of Construction Material	₹ 0.54 lakhs	Nil	
	Year end Payable/ (Receivable)	(₹ 20.00 lakhs)	Nil	
iv) B.G. Estate Limited	Advance from Customer	Nil	₹ 71.33 lakhs	
v) Hemie Estate Private Limited		Nil	Nil	
vi) AHL Group Investments Private Limited		Nil	Nil	
vii) G D Enterprises Private Limited		Nil	Nil	
f) Amount Written off in respect of above parties		-	-	

- 6) The earning per share has been calculated as specified in Accounting Standard 20 on "Earnings Per Share" issued by ICAI and related disclosures are as below :

Particulars	2011-2012 ₹	2010-2011 ₹
a) Amount used as numerator in calculating basic and diluted EPS:		
Profit after tax (₹ in lakhs)	6,865.03	4894.61
Less: Extra-ordinary Items (Net of taxes)	-	516.89
	6,865.03	4377.72
b) Weighted average number of equity shares used as the denominator in calculating EPS (Nos. in lakhs):		
Opening Balance	186.10	187.36
Less: cancellation on amalgamation	-	1.26
	186.10	186.10

- 7) The disclosure required under Accounting Standard -15, Employees Benefit, notified in the Companies (Accounting Standard) Rules, 2006 are given below:

Particulars	2011-2012 ₹	2010-2011 ₹
Defined Contribution Plan		(₹ in lakhs)
Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:		
Employer's Contribution to Provident & Pension Fund	21.34	18.16
Defined Benefit Plan		
The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
a) Reconciliation of opening and closing balances of Defined Benefit obligation	Gratuity (Unfunded)	
Defined Benefit obligation at beginning of the year	85.23	45.56
Adjustment on Amalgamation	-	11.19
Current Service Cost	15.42	24.12
Interest Cost	6.90	4.54
Actuarial (gain)/loss	6.43	1.00
Benefits (paid)	(7.12)	(1.18)
Defined Benefit obligation at year end	106.86	85.23
b) Reconciliation of fair value of assets and obligations		
Present value of obligation as at end of the year	106.86	85.23
Amount recognised in Balance Sheet	106.86	85.23
c) Expenses recognized during the year		
Current Service Cost	15.42	24.12
Interest Cost	6.90	4.54
Actuarial (gain) / loss	6.43	1.00
Net Cost	28.75	29.66
d) Actuarial assumptions		
Mortality Table (L.I.C.)	1994-96	1994-96
Discount rate (per annum) compounded	8.70%	8.10%
Rate of escalation in salary (per annum)	5.00%	5.00%
The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The above information is certified by the Actuary.		

- 8) These accounts have been prepared as per the revised Accounting Standard (AS) 9 on "Revenue Recognition" and the Guidance note on "Recognition of Revenue by Real Estate Developers".

Since, in terms of provisions of the Income Tax Act, 1961 the income accrues upon delivery of physical possession/ deemed possession of constructed unit and as deduction u/s 80IB(10) is claimed by the company after completion of construction, 'Net Profit' for computing Total Income under the said Act is as follows: -

Particulars	2011-2012 ₹	2010-2011 ₹
Net Profit as per Profit & Loss Account		830,424,010
Less:- Sales Real Estate- ongoing projects	1,652,725,748	
Less: Ongoing project expenses adjusted	888,512,754	764,212,994
		66,211,016
Add:- As per Income Tax Act:		
Sales Real Estate – ongoing projects completed (upon delivery of physical possession)	447,053,808	
Less: Cost of Sales	230,426,172	216,627,636
Net Profit for Income Tax Purpose		282,838,652

- 9) On the basis of physical verification of assets, as specified in Accounting Standard - 28 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on March 31, 2012.

- 10) Unabsorbed MAT credit to be allowed in future years amounts to ₹ 363,013,527/- (₹ 239,257,176/-)

- 11) a) Previous year figures above are indicated in brackets.
b) Previous year figure have been regrouped/rearranged, wherever found necessary.

Signature to Schedules 1 to 30

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Vishal Gupta
(Managing Director)

Ankur Gupta
(Jt. Managing Director)

Varun Gupta
(Wholtime Director)

Aashish Jaiswal
Partner
Firm Registration No: 305123E
Membership No: 66471
Place: New Delhi
Date: May 30, 2012

Bhagwan Kumar
(Company Secretary)
(ACS 12116)

Manojit Sengupta
(General Manager - F&A)

CASH FLOW STATEMENT

For the year ended 31st March 2012

	2011-2012 ₹	2010-2011 ₹
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	830,424,010	555,709,296
Adjusted for :		
Depreciation	23,775,842	20,054,888
Interest Income (other than from customers)	(16,815,739)	(12,474,443)
Income from Long Terms Investment	(135,024,861)	(124,496,877)
Provision for Diminution in value of Investments/ (written back)	-	(65,635)
Interest Paid	28,393,791	6,455,179
Fixed assets written off	-	2,113,599
(Profit) / Loss on sale of Fixed Assets	1,761,218	(6,197)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	732,514,261	447,289,810
Adjusted for :		
Trade and other receivables	(159,414,040)	(70,168,078)
Inventories	159,998,078	(47,725,561)
Trade Payables and advances from customers	(45,599,466)	124,039,695
CASH GENERATED FROM OPERATIONS	687,498,833	453,435,866
Direct Taxes paid / adjusted	(214,664,714)	(33,147,054)
Cash flow before extra ordinary items	472,834,119	420,288,812
Extra Ordinary items	-	64,555,680
Net cash from Operating activities (A)	472,834,119	484,844,492
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (including transfer on Amalgamation)	(43,290,263)	(260,704,728)
Sale of Fixed Assets	3,014,833	110,000
Net change in Investments	(601,024,449)	(1,399,755)
Interest Income	16,815,739	12,474,443
Other Income from Long Term Investments	8,529,023	7,060,665
Net Cash from Investing activities (B)	(615,955,117)	(242,459,375)
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term and other borrowings	210,353,098	(70,955,033)
Interest Paid	(28,393,791)	(6,455,179)
Security Deposit	-	24,145,401
Cancellation of Shares on Amalgamation	-	(1,258,950)
General Reserve on Amalgamation	-	78,574,627
Dividend paid	(35,949,244)	(26,530,138)
Net Cash used in Financing activities (C)	146,010,063	(2,479,272)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)	2,889,065	239,905,845
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	359,120,065	119,214,220
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	362,009,130	359,120,065
01. Proceeds from long term and other borrowings are shown net of repayment.		
02. Cash and Cash equivalents represent cash and bank balances only.		

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Vishal Gupta
(Managing Director)

Ankur Gupta
(Jt. Managing Director)

Varun Gupta
(Wholetime Director)

Aashish Jaiswal
Partner
Firm Registration No: 305123E
Membership No: 66471
Place: New Delhi
Date: May 30, 2012

Bhagwan Kumar
(Company Secretary)
(ACS 12116)

Manojit Sengupta
(General Manager - F&A)

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Relating to company's interest in the Subsidiary Companies

	Vatika Marketing Ltd.	Topwell Projects Consultant Ltd.	Latest Developers Advisory Ltd.
1. Financial Year of the Subsidiary company ended on	31.03.2012	31.03.2012	31.03. 2012
2. a. No. of shares held by the holding co. (Holding company) in the subsidiary at the end of the financial year of the subsidiary	50,000 Equity Shares of ₹ 10/- each	50,000 Equity Shares of ₹ 10/- each	50,000 Equity Shares of ₹ 10/- each
b. Extent of interest of Holding company at the end of the financial year of the subsidiary :	100%	100%	100%
3. The net aggregate amount of subsidiary's profit/(Loss) not dealt with in the company's accounts.			
a. for the financial year of the subsidiary (in ₹)	15,075,067	(57,729)	(64,130)
b. for the all previous financial years of the subsidiary since it became the Holding company's subsidiary	512,926	(140,390)	(140,326)
4. The net aggregate amount of subsidiary's profit/(Loss) dealt with in the company's accounts.			
a. for the financial year of the subsidiary (in ₹)	Nil	Nil	Nil
b. for the all previous financial years of the subsidiary since it became the Holding company's subsidiary	Nil	Nil	Nil
5. Changes in the Holding company's interest, in the Subsidiary between the end of the Financial Year of the Subsidiary and the end of the Holding company's Financial Year.	N. A.	N. A.	N. A.
6. Material changes between the end of the Financial Year of the Subsidiary and the end of the Holding company's financial year in respect of			
a. the subsidiary's fixed assets.	N. A.	N. A.	N. A.
b. its investments	N. A.	N. A.	N. A.
c. the money lent by it, and	N. A.	N. A.	N. A.
d. the money borrowed by it for any purpose other than that of meeting current liabilities.	N. A.	N. A.	N. A.

Vishal Gupta
(Managing Director)

Varun Gupta
(Wholetime Director)

Place : New Delhi
Date : May 30, 2012

STATEMENT OF SUBSIDIARIES FINANCIALS

Particulars	Vatika Marketing Ltd. ₹	Topwell Projects Consultants Ltd. ₹	Latest Developers Advisory Ltd. ₹	Neemrana Builders LLP ₹	MG Homecraft LLP ₹	Ashiana Amar Developers ₹
Capital(held by Ashiana Housing Ltd & its subsidiaries)	500,000	500,000	500,000	13,173,247	22,593,273	74,297,377
Reserves	6,615,080	(140,390)	(140,326)	-	-	-
Total Assets	161,935,888	381,908,175	151,383,146	13,392,885	22,971,280	171,162,698
Total Liabilities	154,820,808	381,548,565	151,023,472	19,028	33,946	96,865,321
Investments (except investment in subsidiaries)	56,533,201	-	-	-	-	-
Turnover/ Total Income	111,320,229	4,604,449	4,447,158	4,244,919	-	238,965,233
Profit/ Loss before taxation	15,075,067	(57,729)	(64,130)	(40,878)	(77,333)	95,665,508
Provision for Taxation	3,600,000	-	-	-	-	1,262,000
Profit after Taxation	11,663,067	(57,729)	(64,130)	(40,878)	(77,333)	94,403,508
Proposed Dividend	8,500,000	-	-	-	-	-

ASHIANA HOUSING LIMITED

Consolidated

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF ASHIANA HOUSING LIMITED

We have audited the attached consolidated Balance Sheet of Ashiana Housing Limited and its subsidiaries Vatika Marketing Limited, Latest Developers Advisory Limited, Topwell Projects Consultants Limited, Neemrana Builders LLP and MG Homecraft LLP and Ashiana Amar Developers as at March 31, 2012, the consolidated Profit & Loss Account and the Cash Flow Statement for the year ended on that date 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. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, consolidated financial statements, issued by The Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Ashiana Housing Limited and its subsidiaries included in the consolidated financial statements.

On the basis of information and explanations given to us and on the consideration of separate audit reports on individual audited financial statements of Ashiana Housing Limited and its aforesaid subsidiaries, the said financial statements give a true and fair view:

- (i) In so far as it relates to the Consolidated Balance Sheet, of the state of affairs of the company as at March 31, 2012
- (ii) In so far as it relates to the Consolidated Profit & Loss Account, of the Profit for the year ended on that date; and
- (iii) In the case of Consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Aashish Jaiswal
Partner

Firm Registration No: 305123E
Membership Number: 66471

Place: New Delhi
Date: May 30, 2012

BALANCE SHEET

As at 31st March, 2012

Particulars	Notes	As at 31.03.2012 ₹	As at 31.03.2011 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	186,099,550	186,099,550
Reserves & Surplus	2	2,210,271,375	1,563,392,303
		2,396,370,925	1,749,491,853
Non-current Liabilities			
Long Term Borrowings	3	105,521,533	2,854,104
Deferred Tax Liabilities (Net)	4	31,110,000	32,438,000
Other Long Term Liabilities	5	149,745,554	129,194,000
Long Term Provisions	6	12,697,050	10,069,018
		299,074,137	174,555,122
Current Liabilities			
Advance from Customers	7	225,729,710	289,471,702
Trade Payables	8	74,103,600	32,869,650
Other Current Liabilities	9	281,362,802	101,652,937
Short-term Provisions	10	83,282,029	142,410,871
		664,478,141	566,405,160
Minority Interest		544,670	293,485
		3,360,467,873	2,490,745,620
ASSETS			
Non-current Assets			
Fixed Assets:			
Tangible Assets	11	435,508,806	412,138,156
Intangible Assets		4,423,545	3,187,948
Capital Work in Progress		-	4,660,023
Non-Current Investments	12	379,411,438	663,615,362
		819,343,789	1,083,601,489
Current Assets			
Current Investments	13	532,204,288	84,544,073
Inventories	14	1,239,569,498	750,842,317
Trade Receivables	15	54,937,340	28,934,292
Cash & Cash Equivalents	16	435,424,055	401,040,411
Short Term Loans & Advances	17	278,946,375	141,726,334
Other Current Assets	18	42,528	56,704
		2,541,124,084	1,407,144,131
		3,360,467,873	2,490,745,620
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS	31		

The Notes referred above form an integral part of the accounts.
In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Vishal Gupta
(Managing Director)

Ankur Gupta
(Jt. Managing Director)

Varun Gupta
(Wholetime Director)

Aashish Jaiswal
Partner
Firm Registration No: 305123E
Membership No: 66471
Place: New Delhi
Date: May 30, 2012

Bhagwan Kumar
(Company Secretary)
(ACS 12116)

Manojit Sengupta
(General Manager - F&A)

PROFIT & LOSS ACCOUNT

For the year ended 31st March, 2012

Particulars	Notes	2011-2012 ₹	2010-2011 ₹
INCOME			
Revenue from Operations	19	2,351,506,200	1,372,604,847
Income from Partnership	20	79,090,204	129,340,535
Other Income	21	59,171,934	40,905,373
Total (A)		2,489,768,338	1,542,850,755
EXPENSES			
Direct Costs:			
Purchases	22	547,805,386	78,152,998
Project Expenses	23	158,786,733	201,984,190
Ongoing Project Expenses Adjusted		931,144,002	495,779,444
Changes in Inventories	24	(466,357,849)	(137,924,234)
Hotel and Club Expenses	25	59,110,265	42,647,632
Project Maintenance Expenses	26	44,485,581	28,981,542
		1,274,974,118	709,621,572
Employee Benefits Expense	27	149,788,432	116,971,877
Advertisement & Business Promotion		69,170,149	57,728,460
Finance Costs	28	28,612,377	6,578,034
Other Expenses	29	99,103,501	73,509,144
Depreciation & Amortization expenses		23,982,313	20,193,338
		1,645,630,890	984,602,425
Profit Before Tax		844,137,448	558,248,330
Tax Expenses :	30		
(i) Current Tax		149,923,000	102,180,482
(ii) Deferred Tax		(1,328,000)	17,493,000
Total Tax Expense		148,595,000	119,673,482
Less : Minority Interest		(1,773)	(2,823)
Profit for the Year after tax		695,544,221	438,577,671
Earning Per Share (On Shares of nominal value of ₹ 10/- each) Basic and Diluted		37.37	23.57

The Notes referred above form an integral part of the accounts.
In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Vishal Gupta
(Managing Director)

Ankur Gupta
(Jt. Managing Director)

Varun Gupta
(Wholetime Director)

Aashish Jaiswal
Partner
Firm Registration No: 305123E
Membership No: 66471
Place: New Delhi
Date: May 30, 2012

Bhagwan Kumar
(Company Secretary)
(ACS 12116)

Manojit Sengupta
(General Manager - F&A)

NOTES TO THE ACCOUNTS

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
1. SHARE CAPITAL		
Authorised :		
35000000 (P.Y.35000000) Equity shares of ₹ 10/- each	350,000,000	350,000,000
Issued, Subscribed and Paid up :		
18609955 Equity shares of ₹ 10/- each fully paid up	186,099,550	186,099,550
	186,099,550	186,099,550
2. RESERVES & SURPLUS		
Capital Reserve	1,518,000	1,518,000
Capital Reserve on Consolidation	1,304,220	1,304,220
	2,822,220	2,822,220
Securities Premium Reserve		
As per Last Account	14,400,000	14,400,000
General Reserve		
As per last Account	1,524,864,206	1,068,448,600
Add : On Amalgamation	-	7,819,065
Add : Transfer during Consolidation	-	37,796,541
Add : Amount transferred from surplus in Profit & Loss Account	502,125,373	410,800,000
Closing Balance	2,026,989,579	1,524,864,206
Surplus/(Deficit) in the statement of Profit and Loss		
Balance as per last financial statements	21,305,877	31,378,878
Profit for the period	695,544,221	438,577,670
Less: Appropriations		
Proposed equity dividend	(41,872,399)	(32,567,421)
Tax on Proposed Equity dividend	(6,792,750)	(5,283,250)
Transfer to General Reserve	(502,125,373)	(410,800,000)
Net Surplus in the statement of Profit and Loss	166,059,576	21,305,877
	2,210,271,375	1,563,392,303
3. LONG -TERM BORROWINGS:		
SECURED LOANS		
Term Loan - from others		
(I) Construction Loan - From HDFC limited	107,764,151	-
Secured by way of (i) first exclusive mortgage on land admeasuring 86717.5 Sq. Mtr. in Ashiana Aangan Project along with construction thereon, both present and future and (ii) assignment of receivables including booking amount relating to Ashiana Aangan (Phase IV, V & VI) and all insurance proceeds, present & future. Terms of Repayment : 10% of all sale receipts of Ashiana Aangan project (Phase IV, V & VI) towards principal repayment to be completed with in 24 months from the date of disbursement. (19.05.2011)		
(II) Corporate Loan -From HDFC Limited	100,000,000	-
Secured by way of (i) first exclusive mortgage on land admeasuring 3774.80 sq. mtr. at Village Centre, Vasundhara Colony, Bhiwadi Dist. Alwar along with construction thereon, both present and future. (ii) Assignment of all receivables accruing from the hotel cum club facility and Retail Commercial Space situated at The Treehouse and Village Centre, Vasundhara Colony, Phase-2, Bhiwadi . Terms of Repayment : 120 EMI starting from the date of complete disbursement.		

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Vehicle Loans -	10,094,205	6,829,206
Secured against hypothecation of vehicles financed by them. Terms of Repayment : ₹ 7,867,916/- in 36 EMI ₹ 2,226,289/- in 48 EMI		
	217,858,356	6,829,206
Less : * Current Maturity (Refer Note No. 9)	112,336,823	3,975,102
* Excludes corporate Loan amount being unascertainable	105,521,533	2,854,104
4. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on Fiscal allowance of fixed assets	35,593,000	36,004,000
Less: Deferred Tax Assets on		
Unabsorbed losses and provisions	364,000	257,000
Employee Benefits	4,119,000	3,309,000
	31,110,000	32,438,000
5. OTHER LONG TERM LIABILITIES		
Security Deposit from Treehouse Members	23,562,782	24,145,401
Deposit from Customers	102,944,801	81,717,195
Lease Rent Deposit	23,237,971	23,331,404
	149,745,554	129,194,000
6. LONG TERM PROVISIONS		
Provision for Gratuity	12,697,051	10,069,018
	12,697,051	10,069,018
7. ADVANCE FROM CUSTOMERS		
Customer Advance	2,443,318,904	1,211,195,788
Less: Ongoing Projects Adjustment Account	2,217,589,194	921,724,086
	225,729,710	289,471,702
8. TRADE PAYABLES		
Sundry Creditors	74,103,600	32,869,650
	74,103,600	32,869,650
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer Note No. 3)	112,336,823	3,975,102
Interest accrued but not due on borrowings	62,874	-
Unclaimed Dividends	6,778,430	5,363,678
Service Tax received from real estate customers (Subjudice)	67,686,558	20,006,586
Security deposits	14,796,136	9,143,729
Other liabilities	79,701,981	63,163,842
	281,362,802	101,652,937
10. SHORT-TERM PROVISIONS		
Provision for Taxation - Net	34,616,880	104,560,200
Proposed Dividend	41,872,399	32,567,421
Corporate Dividend Tax	6,792,750	5,283,250
	83,282,029	142,410,871

11. FIXED ASSETS

	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01.04.2011	Additions/ (Deductions)	As at 31.03.2012	Up to 01.04.2011	For the Period	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS								
Building	225,942,109	4,564,829	230,506,938	17,123,130	6,591,092	23,714,222	206,792,716	208,818,979
Plant & Machinery	142,496,760	17,695,579	160,192,339	21,280,427	7,357,149	28,637,576	131,554,763	119,410,573
Furniture & Fixtures	35,571,947	8,590,488	44,162,435	9,730,428	2,296,579	12,027,007	32,135,428	25,348,852
Electrical Installations	10,557,512	2,745,160	13,302,672	2,266,956	574,885	2,841,841	10,460,831	8,203,939
Equipments And Facilities	25,245,914	3,059,135	28,067,767	3,253,103	1,262,076	4,470,417	23,597,350	21,754,414
		(237,282)		-	(44,762)			
Computers	17,156,355	2,156,439	19,312,794	7,863,370	2,783,972	10,647,342	8,665,452	9,100,938
Vehicles	26,381,163	9,240,471	27,692,164	6,174,154	2,561,683	5,389,898	22,302,266	19,983,619
		(7,929,470)		-	(3,345,939)			
	483,351,760	48,052,101	523,237,109	67,691,568	23,427,436	87,728,303	435,508,806	412,621,314
		(8,166,752)			(3,390,701)			
INTANGIBLE ASSETS								
Goodwill	100,000	-	100,000	-	100,000	100,000	-	100,000
Goodwill on Amalgamation	21,124	-	21,124	-	-	-	21,124	21,124
Software	3,058,237	2,946,936	6,005,173	474,571	1,128,181	1,602,752	4,402,421	2,583,666
	3,179,361	2,946,936	6,126,297	474,571	1,228,181	1,702,752	4,423,545	2,704,790
TOTAL	486,531,121	50,999,037	529,363,406	68,166,139	24,655,617	89,431,055*	439,932,351	415,326,104
		(8,166,752)			(3,390,701)			
Capital Work In Progress	4,660,023	3,953,532	-	-	-	-	-	4,660,023
		(8,613,555)						
GRAND TOTAL	491,191,144	54,952,569	529,363,406	68,166,139	24,655,617	89,431,055	439,932,351	
		(16,780,307)			(3,390,701)			
PREVIOUS YEAR FIGURES	474,204,828	171,852,441	485,600,601	52,392,795	20,193,338*	65,614,474	-	419,986,127
		(160,456,668)			(6,971,659)			

* Includes ₹ 673,304 (PY NIL) charged to Project Expenses

Particulars	As at 31.03.2012	As at 31.03.2011
12. NON-CURRENT INVESTMENTS		
(A) In Immovable Properties:		
Retail space at Village Centre, Bhiwadi	88,515,920	88,515,920
Building at W-177, Greater Kailash - II, New Delhi	32,939,879	32,939,879
21 nos single room Flats in Rangoli-II at Bhiwadi	93,500	93,500
Land at RIICO Industrial Area, Bhiwadi, Rajasthan	1,782,139	1,782,139
Building at Ashiana Plaza, Patna	1,616,571	1,616,571
Bageecha office, Bhiwadi	313,042	313,042
Flats at Utsav, Bhiwadi	7,432,216	-
Shops, Ashiana Trade Centre, Jamshedpur	313,186	313,186
Common Facility Area at Utsav, Bhiwadi	2,563,744	2,563,746
	135,570,197	128,137,983
In Capital of Partnership Firms:		
Ashiana Amar Developers	-	154,302,561
Ashiana Manglam Developers	147,054,098	133,365,061
Ashiana Manglam Builders	40,000,000	-
Ashiana Greenwood Developers	16,301,435	119,047,570
Megha Colonizers	39,437,216	112,873,483
Ashiana Amar Infrastructure	-	14,203,468
	242,792,749	533,792,143
(A)	378,362,946	661,930,126

Particulars	As at 31.03.2012	As at 31.03.2011
(B) 1. In Fully paid up Equity Shares:		
Quoted	822,272	1,459,018
Unquoted	206,218	206,218
	1,028,490	1,665,236
2. In Government Securities (B)	20,000	20,000
	1,048,490	1,685,236
Total (A) + (B)	379,411,436	663,615,362
13. CURRENT INVESTMENTS		
1. In Fully paid up Equity Shares		
Quoted	3,522,843	4,330,749
	3,522,843	4,330,749
1. In Mutual Funds (Unquoted)		
Debt Funds/ Liquid Funds/ FMPs	490,795,274	74,446,365
Equity Funds	-	6,597,938
Bonds	39,008,200	-
	533,326,317	85,375,052
Less: Provision for diminution in value	1,122,029	830,980
	532,204,288	84,544,072
14. INVENTORIES		
Stock		
Land :		
Project Launched	93,875,911	104,395,830
Others	605,760,437	116,094,678
Unsold completed constructions	133,545,501	172,797,607
Work-in-progress	344,300,165	301,225,368
Construction materials	60,560,343	55,252,390
Hotel & club consumables	1,107,286	969,799
Maintenance Material	419,855	106,645
	1,239,569,498	750,842,317
15. TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Due for more than six months	12,041,415	9,505,351
Other Debts	42,895,925	19,428,941
	54,937,340	28,934,292
16. CASH AND BANK BALANCES		
Cash-in-hand	2,111,090	1,201,681
Cheques-in-hand	26,049,907	218,804
Balances with Scheduled Banks :		
In Current Account	124,453,651	54,304,273
In Unclaimed Dividend Account	6,778,430	5,363,678
In Fixed Deposit Account *	276,030,977	339,951,975
	435,424,055	401,040,411
* Amount matring after the close of next year	223,019,283	173,955,435
* Pledge with Bank & Others	76,825,279	19,101,344
17. SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance against land	99,552,658	76,464,678
Advances recoverable in cash or in kind or for value to be received	103,466,562	37,904,930
Service Tax Paid under protest	67,393,825	20,485,626
Deposits	8,533,330	6,871,100
	278,946,375	141,726,334

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
18. OTHER CURRENT ASSETS		
Preliminary Expenses (To the extent not written off or adjusted)	42,528 42,528	56,704 56,704
19. REVENUE FROM OPERATION	2011-2012	2010-2011
Real Estate:		
a) Completed Projects (on Possession)	421,650,172	338,310,241
b) Ongoing Projects	1,723,122,469	911,282,805
Hotel & club:		
Rooms, Restaurant, Banquets and other services	121,275,512	68,167,636
PROJECT MAINTENANCE CHARGES:		
General Maintenance Charges	66,765,050	44,794,950
Capital Maintenance Charges (Net)	8,107,014	2,954,864
Commission from Realty Service	10,585,983	7,094,351
	2,351,506,200	1,372,604,847
20. INCOME FROM PARTNERSHIP		
Share of profit from Partnership Firm	26,909,904	114,632,035
Project Management Fees	52,180,300	14,708,500
	79,090,204	129,340,535
21. OTHER INCOME		
Interest	30,103,865	24,360,278
Income from Investments:		
Rent	4,200,971	2,613,437
Dividend	1,010,783	884,103
Profit on sale of investments	10,715,902	2,662,253
Fee and Subscription	1,372,103	1,104,550
Rent and Hire charges	1,240,721	466,272
Profit on sale of Fixed Assets	-	6,197
Documentation Charges	21,000	1,767,576
Miscellaneous Income	10,220,497	5,153,334
Provision for Diminution in value of investment written back	-	65,635
Item related to Previous Year(Net)	-	1,601,993
Liabilities Written Back	286,092	219,745
	59,171,934	40,905,373
22. PURCHASES		
Land	522,594,835	46,575,245
Flats/ Bungalows/ Shops	25,210,551	31,577,753
	547,805,386	78,152,998
23. PROJECT EXPENSES		
Consumption of construction materials (Indigenous)	600,239,908	396,922,959
Wages	109,988,463	72,007,615
PRW Charges	111,152,763	53,275,543
Power & Fuel	10,867,749	7,786,585
Other project related expenses	165,864,121	93,582,184
	998,113,004	623,574,886
Less: Ongoing Project Adjustment	839,326,271	421,590,696
	158,786,733	201,984,190
24. CHANGES IN INVENTORIES		
Opening Stock :		
Land:		
Project Launched*	79,032,986	87,385,374
Less: Transfer to investments	(571,278)	-
Others	78,461,708	87,385,374
	116,094,678	89,132,806

Particulars	2011-2012 ₹	2010-2011 ₹
Unsold completed construction*	190,470,896	93,426,308
Less: Transfer to investments	(6,860,938)	-
Work-in-progress	332,957,820	286,644,761
	711,124,164	556,589,249
Less: Closing Stock:		
Land:		
Project Launched*	93,875,911	104,395,830
Others	605,760,437	116,094,678
Unsold completed construction	133,545,501	172,797,607
Work-in-progress	344,300,165	301,225,368
	1,177,482,014	694,513,483
	(466,357,849)	(137,924,234)
* Net of ongoing project adjustment amounting to ₹ 91,817,731/-P.Y. ₹ 74,188,748/-		
25. HOTEL & CLUB EXPENSES		
Consumables (indigenous)	17,866,140	12,748,638
Personnel	13,810,917	9,654,404
Power & fuel	10,538,463	8,589,670
Other running expenses	16,894,746	11,654,922
	59,110,266	42,647,632
26. PROJECT MAINTENANCE EXPENSES		
Consumption of Maintenance Materials (Indigenous)	3,520,443	2,078,942
Work Charges	17,042,717	12,344,120
Power & Fuel (net)	4,945,815	1,155,014
Security charges	12,463,928	8,987,216
Other Maintenance Expenses	6,512,678	4,416,250
	44,485,581	28,981,542
27. EMPLOYEE BENEFIT EXPENSE		
Salary, Wages, bonus and allowances	108,679,692	86,047,384
Directors' Remuneration	19,830,186	16,052,496
Contribution to Provident & Other Funds	2,882,618	2,173,091
Staff & Labour welfare expenses	18,395,936	12,698,906
	149,788,432	116,971,877
28. FINANCE COSTS		
Interest		
- On Term Loan	23,494,919	5,404,163
- Others	995,030	1,173,871
Loan Processing & Other Financial Charges	4,122,428	-
	28,612,377	6,578,034
29. OTHER EXPENSES		
Rent	12,155,533	9,767,696
Rates and Taxes	1,553,518	522,575
Insurance	492,511	552,633
Public Relation and Communication	2,583,684	1,184,590
Establishment Charges	23,164	19,856
Travelling and Conveyance	13,656,873	10,792,506
Legal and Professional expenses	16,546,811	7,660,273
Commission	889,545	650,285
Telephone, Telex & Fax	5,122,464	4,844,010
Printing & Stationery	4,554,441	4,570,301
Repairs and Maintenance :		
To Machineries	3,341,992	1,402,452
To Building	3,257,026	2,652,658
To Others	13,662,712	6,420,010
Directors' Fees	34,750	27,000

Particulars	2011-2012 ₹	2010-2011 ₹
Auditors' Remuneration :		
For Statutory Audit	960,678	882,400
For Internal Audit	932,935	785,386
For Tax Audit	224,720	223,100
For Other Services	589,765	315,556
Miscellaneous expenses	16,014,139	16,361,448
Irrecoverable Balances Written off	420,233	879,687
Fixed Assets Written Off	-	2,113,598
Items relating to previous year (Net)	33,741	
Loss on Sale of Fixed Assets	1,761,218	50,144
Provision for Diminution in value of current Investment	291,049	830,980
	99,103,501	73,509,144
30. TAX EXPENSES		
Income Tax	149,562,000	112,020,000
Deferred Tax	(1,328,000)	17,493,000
Wealth Tax	361,000	306,000
Income tax Adjustments	-	(10,145,518)
	148,595,000	119,673,482

31. NOTES ON ACCOUNTS

1) SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements include the financial statements of Ashiana Housing Limited and its subsidiaries. The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard AS – 21 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India ('ICAI') and notified pursuant to the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements are prepared on the following basis:

- Consolidated Financial Statements normally include consolidated Balance Sheet, consolidated statement of Profit & Loss Account, consolidated statement of Cash flows and notes to the Consolidated Financial Statements and explanatory statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.
- The Consolidated Financial Statements include the financial statements of the company and all its subsidiaries.
- The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating inter-group balances / transactions and resulting elimination of unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated.
- Minority interest represents the amount of equity attributable to minority shareholders / partners at the date on which investment in a subsidiary is made and its share of movements in equity since that date.
- Notes to the Consolidated Financial Statements represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and / or a parent having no bearing on the true and fair view of the Consolidated Financial Statements have not been disclosed in the Consolidated Financial Statements.

SYSTEM OF ACCOUNTING :

The company adopts accrual basis of accounting in the preparation of accounts.

FIXED ASSETS

- Fixed assets are valued at cost less depreciation/ amortization
- Capital Work in progress is valued at cost

DEPRECIATION AND AMORTIZATION

- Depreciation on tangible asset is provided on straight line basis in accordance with the provision of Schedule VI of Companies Act, 1956 except that depreciation on the Fixed Assets held by Ashiana Amar Developers, is provided at the rate as specified in Income Tax Rules, 1962.
- Intangible assets are amortised over the period of useful life of the assets as estimated by the management except that depreciation on intangible assets held by Ashiana Amar Developers, is provided at the rate as specified as Income Tax Rule, 1962.

INVENTORIES

Inventories are valued as follows:

Construction Material and Hotel & Club consumables	At Lower of cost and net realizable value. However, materials and other items are not written down below cost if the constructed units/food & beverages in which they are used are expected to be sold at or above cost. Cost is determined on FIFO basis.
Leasehold and Freehold Land, Unsold Completed Construction and Work in Progress	At Lower of cost and net realizable value. Cost includes direct materials, labour and construction overheads.

REAL ESTATE PROJECTS AND SALES

- Revenue in respect of the projects undertaken before March 31, 2006 and the projects which have not reached the level of completion as considered appropriate by the management within March 31, 2011, as discussed in (b) below, is accounted for (i) on delivery of absolute physical possession of the respective units on completion, or (ii) on deemed possession of the respective units on completion or (iii) on physical possession for fitout, as considered appropriate by the management based on circumstantial status of the project.
- Revenue in respect of projects undertaken on or after April 01, 2006 which have reached the level of construction as considered appropriate by the management within March 31, 2011 is recognised on the "Percentage of Completion Method" (POC) of accounting and represents value of units contracted to be sold to the extent of actual work done against total estimated cost of execution. The corresponding cumulative amount at the close of the year appears under "Current Liabilities" as deduction from "Advance from customers".

The estimates of saleable area and construction cost are reviewed periodically by the management and effect of any change in estimates is recognised in the period such changes are determined.

- Revenue from rooms, food and beverages, club and other allied services, is recognised upon rendering of the services.
- Project maintenance charges and other income is accounted for on accrual basis except where the receipt of income is uncertain.
- Interest on delayed payments and other charges are accounted for on certainty of realisation.

OTHER INCOME

Other income is accounted on accrual basis except where the receipt of income is uncertain.

TAXES ON INCOME

- Current Tax is determined as the amount of tax payable in respect of taxable income for the year.
- Deferred Tax is recognised, subject to consideration of prudence, in respect of deferred tax Assets/Liabilities arising 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 period. Deferred tax in respect of differential income due to accounting of sales on percentage completion basis, being not determinate, is not recognised.

INVESTMENTS

- a) Long term investments are carried at acquisition cost and investments intended to be held for less than one year are classified as current investments and are carried at lower of cost and market value. Long Term Investments which have attained the stage of permanent diminution in their value are revalued at their current value.
- b) Value of Intangible capital rights created in favour of the company in the process of Real Estate activities, being not determinate, are not shown in the books of accounts.

FOREIGN CURRENCY TRANSACTIONS

Income and Expenditure in foreign currency is converted into rupee at the rate of exchange prevailing on the date of the transactions.

EMPLOYEE BENEFITS

- a) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- b) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/exemptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

IMPAIRMENT OF ASSETS :

Impairment Loss in the value of assets, as specified in Accounting Standard -28 is recognised whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.

2) Contingent Liability, not provided for, in respect of :

- a) Contested demand of

	<u>2011- 2012</u>	<u>2010 - 2011</u>
ESIC	NIL	(₹ 4.28 lakhs)
Cess - Sonari land	₹ 37.53 lakhs	(₹ 29.15 lakhs)
Service tax	₹ 17.94 lakhs	(NIL)
- b) Contested claim of the Government of Rajasthan for refund of State Capital Subsidy including interest ₹ 54.75 lakhs (₹ 52.50 lakhs). However, the company has deposited ₹ 15.00 lakhs under protest.
- 3) a) In view of non confirmation/response from the suppliers regarding their status as SSI units, the amount due to Small Scale Industrial undertaking can not be ascertained.
- b) Due to non receipt of confirmation/response from the suppliers for compliance under the Micro, Small and Medium Enterprises Development Act, 2006, the company is unable to provide the information required under the said act.

4)The earning per share has been calculated as specified in Accounting Standard 20 on "Earnings Per Share" issued by ICAI and related disclosures are as below :

	<u>2011- 2012</u>	<u>2010 - 2011</u>
a) Amount used as numerator in calculating basic and diluted EPS: Profit after tax (₹ in lakhs)	6,955.44	4385.75
b) Weighted average number of equity shares used as the denominator in calculating EPS (Nos. in lakhs). Opening Balance	186.10	186.10
	186.10	186.10

- 5)On the basis of physical verification of assets, as specified in Accounting Standard - 28 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on March 31, 2012.
- 6)The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India. The subsidiaries (which along with Ashiana Housing Ltd., the parent, constitute the Group) considered in the preparation of these consolidated financial statements are:

Name	Country of Incorporation/ Formation	Percentage of voting power/ Profit sharing as at 31st March, 2012	Percentage of voting power/ Profit sharing as at 31st March, 2011
Vatika Marketing Limited	India	100%	100%
Latest Developers Advisory Ltd	India	100%	100%
Topwell Projects Consultants Ltd.	India	100%	100%
Neemrana Builders LLP	India	98.50%	98.50%
MG Homecraft LLP	India	98.50%	98.50%
Ashiana Amar Developers	India	100%*	N/A

* 5% Held by Vatika Marketing Limited, a Subsidiary Company

7)Financial Information of Subsidiaries:

Particulars	Vatika Marketing Ltd. ₹	Topwell Projects Consultants Ltd. ₹	Latest Developers Advisory Ltd. ₹	Neemrana Builders LLP ₹	MG Homecraft LLP ₹	Ashiana Amar Developers ₹
Capital(held by Ashiana Housing Ltd & its subsidiaries)	500,000	500,000	500,000	13,173,247	22,593,273	74,297,377
Reserves	6,615,080	(140,390)	(140,326)	-	-	-
Total Assets	161,935,888	381,908,175	151,383,146	13,392,885	22,971,280	171,162,698
Total Liabilities	154,820,808	381,548,565	151,023,472	19,028	33,946	96,865,321
Investments (except investment in subsidiaries)	56,533,201	-	-	-	-	-
Turnover/ Total Income	111,320,229	4,604,449	4,447,158	4,244,919	-	238,965,233
Profit/ Loss before taxation	15,075,067	(57,729)	(64,130)	(40,878)	(77,333)	95,665,508
Provision for Taxation	3,600,000	-	-	-	-	1,262,000
Profit after Taxation	11,663,067	(57,729)	(64,130)	(40,878)	(77,333)	94,403,508
Proposed Dividend	8,500,000	-	-	-	-	-

- 8) a) Previous year figures above are indicated in brackets.
- b) Previous year figure have been regrouped/rearranged, wherever found necessary.
- c) This being first year of consolidation of Ashiana Amar Developers, previous year figures of the said firm are not consolidated hence, figures for the current year are not comparable with previous year figures to such extent.

<p>For B. CHHAWCHHARIA & CO. Chartered Accountants</p> <p>Aashish Jaiswal Partner Firm Registration No: 305123E Membership No: 66471 Place: New Delhi Date: May 30, 2012</p>	<p style="text-align: center;">Signature to Notes "1 to 31"</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center; width: 33%;"> <p>_____</p> <p>Vishal Gupta (Managing Director)</p> </td> <td style="text-align: center; width: 33%;"> <p>_____</p> <p>Ankur Gupta (Jt. Managing Director)</p> </td> <td style="text-align: center; width: 33%;"> <p>_____</p> <p>Varun Gupta (Wholetime Director)</p> </td> </tr> <tr> <td style="text-align: center; width: 33%;"> <p>_____</p> <p>Bhagwan Kumar (Company Secretary) (ACS 12116)</p> </td> <td colspan="2"></td> </tr> </table>	<p>_____</p> <p>Vishal Gupta (Managing Director)</p>	<p>_____</p> <p>Ankur Gupta (Jt. Managing Director)</p>	<p>_____</p> <p>Varun Gupta (Wholetime Director)</p>	<p>_____</p> <p>Bhagwan Kumar (Company Secretary) (ACS 12116)</p>			<p>_____</p> <p>Manojit Sengupta (General Manager - F&A)</p>
<p>_____</p> <p>Vishal Gupta (Managing Director)</p>	<p>_____</p> <p>Ankur Gupta (Jt. Managing Director)</p>	<p>_____</p> <p>Varun Gupta (Wholetime Director)</p>						
<p>_____</p> <p>Bhagwan Kumar (Company Secretary) (ACS 12116)</p>								

CASH FLOW STATEMENT

As at 31st March, 2012

	2011-2012 ₹	2010-2011 ₹
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	844,137,448	558,248,329
Adjusted for :		
Depreciation	23,982,313	20,193,338
Depreciation charged to project expenses	673,304	-
Interest Income (other than from customers)	(20,241,551)	(14,203,657)
Income from Long Terms Investment	(42,837,560)	(120,791,828)
Provision for Diminution in value of Investment	291,049	765,345
Interest Paid	28,612,377	6,578,034
Preliminary Expenses written off	14,176	-
Fixed assets written off	-	2,113,598
(Profit) / Loss on sale of Fixed Assets	1,761,218	(6,197)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	836,392,774	452,896,962
Adjusted for :		
Trade and other receivables	(163,223,089)	(102,927,447)
Inventories	(488,727,181)	(65,369,152)
Trade Payables and advances from customers	50,306,340	155,739,124
Miscellaneous expenditure	-	(56,704)
CASH GENERATED FROM OPERATIONS	234,748,844	440,282,783
Direct Taxes paid / adjusted	(219,866,320)	(18,461,541)
Cash flow before extra ordinary items	14,882,524	421,821,242
Net cash from Operating activities (A)	14,882,524	421,821,242
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(49,377,891)	(16,065,943)
Sale of Fixed Assets	3,014,833	1,212,507
Net Purchase/ sale of Investments	(126,121,534)	(133,087,374)
Interest Income	20,241,551	14,203,657
Other Income from Long Term Investments	5,211,754	3,497,540
Net Cash from Investing activities (B)	(147,031,287)	(130,239,613)
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term and other borrowings	231,580,704	(785,595)
Interest Paid	(28,612,377)	(6,578,034)
Dividend paid	(36,435,919)	(26,530,138)
Proceeds from issuance from share capital	-	5,255,000
General Reserve	-	49,069,606
Repayment of Loans	-	(71,584,098)
Net Cash used in Financing activities (C)	166,532,408	(51,153,259)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)	34,383,645	240,428,370
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	401,040,411	160,612,041
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	435,424,055	401,040,411
01. Proceeds from long term and other borrowings are shown net of repayment.		
02. Cash and Cash equivalents represent cash and bank balances only.		

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Aashish Jaiswal
Partner
Firm Registration No: 305123E
Membership No: 66471
Place: New Delhi,
Date: May 30, 2012

Vishal Gupta
(Managing Director)

Ankur Gupta
(Jt. Managing Director)

Varun Gupta
(Wholetime Director)

Bhagwan Kumar
(Company Secretary)
(ACS 12116)

Manojit Sengupta
(General Manager - F&A)

ASHIANA HOUSING LIMITED

Registered Office: 5F, Everest, 46/C, Chowringhee Road, Kolkata – 700 071

PROXY FORM

I/We.....
of.....being a member(s) of the above mentioned company hereby

Appoint Mr./Mrs./Miss.....
ofor failing him / her, Mr./Mrs./Miss.....
of.....

As my/our Proxy to attend and vote for me/us on my behalf at the 26th Annual General Meeting of the company to be held on Wednesday, August 08, 2012 at 10:30 A.M. at 'Kalakunj' (Basement – Kalamandir), 48, Shakespeare Sarani, Kolkata - 700 017.

Signed this.....day of.....2012.

Signature.....

Registered Folio No. /Client ID No.....No. of Shares.....

D.P. ID No.....

Affix
Re. I/-
Revenue
Stamp

- Note: 1. Any member entitled to attend and vote at the meeting is entitled to attend or either vote in person or by proxy and the proxy need not be a member.
2. The Proxies, in order to be effective, must be received by company not less than 48 hours before the time of the Meeting at the Registered Office: Registered Office : 5F, Everest, 46/C, Chowringhee Road, Kolkata - 700 071



ASHIANA HOUSING LIMITED

Registered Office: 5F, Everest, 46/C, Chowringhee Road, Kolkata – 700 071

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the attending member.....
(in Block Letters)

Members registered folio number.....

Name of the Proxy (in Block Letters)

(To be filled in if the proxy attends instead of the Members)

No. of Shares held.....

I hereby record my presence at the 26th Annual General Meeting of the company held at 'Kalakunj' (Basement - Kalamandir), 48, Shakespeare Sarani, Kolkata - 700 017 on Wednesday, August 08, 2012 at 10:30 A.M

.....
Member's Proxy's Signature
(To be signed at the time of handing over the slip)

NOTE: Copy of the Annual Report may please be brought to the meeting hall.



Disclaimer: Some of the statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include changes in industry structures, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.



Nurturing Smiles

Head Office

ASHIANA HOUSING LIMITED

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Saket District Centre, Saket,

New Delhi - 110 017.

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