



LOK
HOUSING

**Lok Housing
and Constructions
Limited**

The legacy
continues...

Annual Report 2009-10



“Every worthwhile accomplishment, big or little, has its stages of drudgery and triumph; a beginning, a struggle and a victory.” – *Mahatma Gandhi*

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Late Shri Lalit C. Gandhi

(14.07.1941 - 23.03.2010)

Our promoter

Our founder

Our visionary

He lives on through our unflinching commitment
to take his vision and mission forward

The vision of facilitating affordable homes for all,
to give back meaningful returns to all stakeholders
and to contribute meaningfully to the nation's wealth

Letter from the Chairman

Dear Shareholders,

This is my first letter addressing you as the Chairman and Managing Director of your Company. I write this letter to you with mixed feelings and a heavy heart, in the backdrop of the sudden loss of my father and founding promoter of the edifice called Lok Group, Late Shri Lalit Gandhi. Your Company's founder Chairman was a great visionary and a dynamic leader. His strengths were transparency, integrity and value-based approach towards business and society - which he conducted with humility and firm conviction. Over the years, Late Shri Gandhi's immense contributions, to the real estate industry especially in Mumbai have been far reaching and laudable.

I have been associated with your Company for almost one-and-a-half decade now, and have been fortunate enough to have worked



“This is my first letter addressing you as the Chairman and Managing Director of your Company, in the backdrop of the sudden loss of my father and founding promoter of the edifice called Lok Group.”

“It would be my sincere endeavour to take your Company forward pursuing the vision, mission and principles already laid down.”

closely with our former Chairman. I have been involved in almost all strategic business decisions and the execution of key projects in the recent past. My focus is now to move ahead with renewed momentum. It would be my sincere endeavour to take your Company forward pursuing the vision, mission and principles already laid down.

The clarity to take forward the legacy has brought a lot of focus and purpose and has enabled me and also the members of the Board, who have shared a long standing relationship with the Company collectively rise above the sudden vacuum created.

We, at Lok Housing, were clear that the passion and mission to service the unaddressed and neglected segment of mass housing in Mumbai; will need to be taken forward even more vigorously especially in the present real estate market scenario, where the prices are beyond the reach of the common man. At Lok Housing, building residential buildings is not merely constructing concrete structures but it is rather about redefining the way people live. Following its credo of providing 'Shelter for All', Lok Housing, along with Lok Group has contributed significantly to the development of Mumbai and its adjoining suburbs with over 40 mini and mega-residential complexes comprising of about 18,000 housing units.

While we have progressed, we have a long journey to cover in the times to come. Through this journey, we will continue to service the people, meeting their housing requirements - across all segments, especially the mass housing segment.

Update on operations

I am happy to inform you that the various measures and efforts adopted by your Company enabled the settlement and repayment of dues of all banks and financial institutions, barring one bank.

The conditions across the realty sector have improved dramatically, especially since the second quarter of the last fiscal, leaving behind the recessionary scenario, which cast dark shadows of gloom over the industry. We remain confident of harnessing the opportunities unfolding in the realty sector especially in Mumbai. Our focus of mass housing and our ability to now address each and every segment of the realty chain right from the budget, mid-segment and luxury segment enables us to convert opportunities into concrete results. Your Company's projects viz Phase-I of Lok Nirman at Khar and Lok Prabhat at Virar are progressing towards completion. Phase-II of Lok

Nirman and the last phase of Lok Everest will be launched shortly. Your Company's vast land bank located at Turbhe, Ambarnath, Kalyan, Vasai, Pune and Bangalore aggregating to over 650 acres, will provide sustainability and growth opportunities in the years to come.

Remaking of Mumbai

It is your Company's sincere commitment to promote the socio-economic cause of redevelopment of dilapidated buildings in the Island City of Mumbai. Your Company's founder Chairman has been a strong advocate of this subject and his sustained efforts resulted in the formation of Remaking of Mumbai Federation (RoMF), an inclusive body of various stakeholders in the housing sector working for the remaking of Mumbai. Your Company will continue to participate and promote the critical issue of redevelopment of dilapidated buildings in Mumbai.

On a concluding note

As we move ahead, I would like to thank all shareholders for their unrelenting support and reassure you, on behalf of the members of the Board and our key management personnel, that we remain committed to building on the legacy of trust, commitment and service to the people and to develop innovative housing solutions. I also take this opportunity to thank all our business associates, bankers, creditors, Government of Maharashtra, Local Governing Bodies and our valued customers for their continued support.

I would especially like to thank all staff members for their heart-felt assurance, unflinching support and confidence reposed that together we shall achieve, deliver and fulfil the goals set before us.

I seek your blessings, continued co-operation, trust and support in my endeavours to take your Company to the next growth platform of strength.

Thank you,

Darshan L. Gandhi



Board of Directors

Mr. Darshan L. Gandhi
Chairman & Managing Director

Ms. Naina M. Shah
Executive Director

Mr. Chiman J. Sanghavi
Director

Mr. Mayank R. Gandhi
Director

Mr. B. C. Jain
Director

Mr. Prayag K. Parekh
Director

Auditors :

M/s. Bhupendra Shroff & Co.
Chartered Accountants

Legal Advisors :

M/s. Pravin Mehta and Mithi & Co.

M/s. Udwardia, Udeshi

Bankers :

State Bank Of India

Uco Bank

Union Bank Of India

Company Secretary :

Mr. Vijay B. Sharma

Registered Office :

4, Lok Bhavan, Ground Floor,
Lok Bharati Complex, Marol Maroshi Road,
Andheri (E), Mumbai - 400 059

Notice

NOTICE is hereby given that the 25TH ANNUAL GENERAL MEETING of Lok Housing And Constructions Limited will be held at 4:00 p.m. on Monday, the 27th September, 2010 at M.C. GHIA HALL, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai 400 001 to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Chiman J. Sanghavi who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution** :

“RESOLVED THAT Shri B.C. Jain who was appointed as an Additional Director with effect from 26th March, 2010 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing candidature of Shri B.C. Jain for the office of a Director, be and is hereby appointed as a Director, liable to retire by rotation.”

5. To re-appoint Shri Darshan L. Gandhi as Managing Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution** :

“RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and any statutory modifications and re-enactment thereof, approval of the Board be and is hereby accorded to the appointment of Shri Darshan L. Gandhi as Managing Director of the Company on the following terms and conditions:

1. Tenure of Appointment:

From March 26, 2010 to March 31, 2013

2. Remuneration:

Shri Darshan L. Gandhi shall be entitled to receive the same remuneration package, as approved by the shareholders in the 23rd Annual General Meeting of the

Company held on 25th September, 2008, but however, it will be subject to provisions of Sections 198 & 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time.

3. Earned/Privilege Leave:

As per the rules of the Company.

4. Notice Period:

Appointment may be terminated at any time by either party hereto by giving to either party three month's notice of such termination and neither will have any claim against each other for damages or compensation by reason of such termination.

RESOLVED FURTHER THAT in the event of losses or inadequate profits in any Financial Year during the term of office of Shri Darshan L. Gandhi as Managing Director of the Company, the aforesaid remuneration package be paid to the appointee as minimum remuneration, subject to ceiling laid down in Schedule XIII of the Companies Act, 1956, as amended, modified or re-enacted from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary the above terms and conditions including remuneration subject to the provisions of Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII to the said Act as amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps which are proper and expedient to give effect to this Resolution.

RESOLVED FURTHER THAT Shri Vijay B. Sharma, Company Secretary of the Company be and is hereby authorised to take such actions as necessary to comply with the provisions of the Companies Act, 1956 and other laws as may be applicable.”

By Order of the Board

VIJAY B. SHARMA

Company Secretary

Place: Mumbai

Dated : 9th August, 2010.

NOTES FOR MEMBERS' ATTENTION :

1. THE RELEVANT EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NOS. 4 AND 5 OF THE NOTICE SET OUT ABOVE, IS ANNEXED HERETO.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. The instrument appointing a proxy, to be effective, must reach the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
4. The Register of Members and Share Transfer Books in respect of Equity Shares of the Company will remain closed from 21st September 2010 to 27th September 2010 (both days inclusive).
5. Shareholders holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with Share Certificates to the Company.
6. Shareholders are requested to bring their copies of Annual Report to the Meeting. Copies of the Annual Report may not be available for distribution to Shareholders at the venue.
7. Shareholders attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the venue.
8. Members having any queries relating to Annual Report are requested to send their queries at the Registered Office of the Company at least seven days before the date of the Meeting to enable the Management to be prepared with the replies.
9. **NOMINATION OF PHYSICAL SHARES:** Members holding shares in physical form are advised to nominate a person to whom his/her shares in the Company shall vest in the event of his/her death.
10. Members holding shares in dematerialized form are requested to bring their respective Client ID and DP ID Numbers at the venue, for identification.
11. The Company has paid Listing Fee for the Financial Year 2010-2011 to Bombay Stock Exchange Ltd. The Company's shares are listed only on Bombay Stock Exchange Ltd.
12. The Company's Registrar & Transfer Agents are :
Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai 400 078.
Tel. No. : 25946970. Fax No. : 25946969.
E-MAIL : rnt.helpdesk@linkintime.co.in

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956:

Item No. 4 :

Shri B.C. Jain has been appointed as an Additional Director on 26th March, 2010 under the provisions of Section 260 of the Companies Act, 1956 read with Article 91 of the Articles of Association of the Company. Shri B.C. Jain vacates office at 25th Annual General Meeting. However, being eligible, Shri B.C. Jain offer himself for appointment as regular Director.

The Company has received a notice in writing from a member, under Section 257 of the Companies Act, 1956, togetherwith the requisite deposit signifying his intention, proposing the appointment of Shri B.C. Jain as candidate for office of the Director, liable to retire by rotation.

The Board hereby recommends resolution vide Item No.4 for approval of the Shareholders.

Except Shri B.C. Jain, none of the other Directors of the Company is concerned or interested in this Resolution.

Item No. 5 :

Shri Darshan L. Gandhi was elected as a Chairman & Managing Director of the Company by the Board of Directors at its Meeting held on 26th March, 2010. Before the change in his designation, he was an Executive Director of the Company, and his tenure as Executive Director was commenced w.e.f. 1st April, 2008 and is getting expired on 31st March, 2013. The Board has decided and Shri Darshan L. Gandhi has accepted that he shall continue on same terms and conditions with respect to his employment and remuneration as approved by the Shareholders in the 23rd Annual General Meeting of the Company held on 25th September, 2008. Shri Darshan L. Gandhi is a qualified Civil Engineer from I.I.T. Mumbai and associated with the Lok Group Companies since 1995-1996. He has wide and rich experience of core construction activities and sound exposure to functions related to finance and market operations.

Remuneration Committee has recommended remuneration package for Shri Darshan L. Gandhi, relevant details are mentioned in Item No.5 of the Notice.

The above may be treated as an abstract of the terms of appointment of Shri Darshan L. Gandhi under Section 302 of the Companies Act, 1956.

The Board hereby recommends resolution vide Item No.5 for approval of the Shareholders.

Except Shri Darshan L. Gandhi, none of the other Directors of the Company is concerned or interested in this Resolution.

By Order of the Board
VIJAY B. SHARMA
Company Secretary

Place : Mumbai.

Dated : 9th August, 2010.

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 of Listing Agreement) :

i) Name of Director	Shri Chiman J. Sanghavi
Date of Birth	4th September, 1944
Age	65 years.
Date of Appointment	16th May, 2001.
Nature of expertise in specific functional areas	Shri. Chiman J. Sanghavi is associated with Lok Housing And Constructions Ltd. as a Director since the incorporation of the Company. Thereafter, he was an Executive Director of the Company for more than a decade. Since last 9 years he has been functioning as an Ordinary Director. Apart from his association with the Company since the day of incorporation, he is simultaneously looking after, since last 33 years, a Group of Companies which is manufacturing and dealing in Kitchen Equipments, Commercial Catering & Food Service Equipments for Hotels and Restaurants.
Qualification	B. Sc.
Directorships held in other public Companies (excluding foreign companies)	1. LL Cutlery & Allied Products Ltd.
Committee position held in other Companies	Nil.
No. of shares :	
(a) Own	5,510
(b) For other persons on beneficial basis	Nil.

ii) Name of Director	Shri B. C. Jain
Date of Birth	8th October, 1971
Age	38 years.
Date of Appointment	26th March, 2010.
Nature of expertise in specific functional areas	Shri B.C. Jain, aged 38 years, a highly experienced Professional from the field of Finance, Accounts, Taxation and Company Law. He is a Member of three prime professional institutes of India namely; <ul style="list-style-type: none"> i) The Institute of Chartered Accountants of India ii) The Institute of Company Secretaries of India iii) The Institute of Cost and Works Accountants of India. He is a former President of The Institute of Chartered Accountants of India – Western Region and is a Gold Medalist from the same Institute. Further he has profound and diverse exposure of real estate development and construction activities.
Qualification	B.Com, FCA, ACS, ICWA.
Directorships held in other public Companies (excluding foreign companies)	Nil
Committee position held in other Companies	Nil.
No. of shares :	
(a) Ownt	Nil.
(b) For other persons on beneficial basis	Nil.

iii) Name of Director	Shri Darshan L. Gandhi
Date of Birth	12th October, 1973
Age	36 years
Date of Appointment	27th February, 2007.
Nature of expertise in specific functional areas	Shri Darshan L. Gandhi is a qualified Civil Engineer from I.I.T. Mumbai and associated with the Lok Group Companies since 1995-1996. He has wide and rich experience of core construction activities and sound exposure to functions related to finance and market operations.
Qualification	B.E. (Civil) from IIT, Mumbai.
Directorships held in other public Companies (excluding foreign companies)	1) Lok Realty Corporation Ltd. - Chairman
	2) Remaking of Mumbai Housing Infrastructure & Finance Ltd. - Chairman
	3) LGNC Limited - Chairman
	4) Lok Exports And Imports Ltd. - Chairman
	5) Lok Estates & General Maintenance Ltd. - Chairman
	6) Byculla Real Estate And Investments Ltd. - Chairman
	7) Lok Holdings & Constructions Ltd. - Chairman
	8) Remaking of Mumbai Development Ltd. - Chairman
Committee position held in other Companies	Member in Audit Committee of Remaking of Mumbai Housing Infrastructure & Finance Ltd.
No. of shares :	
(a) Own	32,625
(b) For other persons on beneficial basis	7,500

Directors' Report

TO THE MEMBERS

Your Directors hereby present their Twenty-fifth Annual Report on the business operations of the Company along with the audited statement of accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS :

(Rs. in Lakhs)

	Year Ended March 31st	
	2010	2009
Income	2930.77	2480.73
Profit / (Loss) before tax	312.55	307.76
Provision for taxation		
a) Current Tax	53.10	32.00
b) Deferred Tax	188.90	226.00
c) Fringe Benefit Tax	-	6.34
Net Profit / (Loss) After Tax	70.55	43.36
Add : Balance brought forward	5117.28	5073.92
Balance Carried to balance sheet	5187.83	5117.28

2. DIVIDEND :

Your Directors do not recommend any dividend for Financial Year ended 31st March, 2010.

3. REVIEW OF OPERATIONS :

The global financial crisis in the previous years which caused collapse of several international Financial Institutions including investment Banks, mortgage lenders and insurance Companies. In these difficult times when most economies are struggling to stay afloat, healthy GDP growth driven by combined forces of booming economy, favourable demographics and liberated foreign direct investment regime coupled with stimulus package introduced by Government of India on several fronts not only make India survive in challenging time but emerge as second fast growing economy in the world. In such conducive and vibrant scenario, real estate sector will get desired boost.

During the year under review, the Company achieved total income of Rs.2930.77 lacs as against Rs. 2480.73 lacs in the previous year. During the year, Company has earned Net Profit after tax of Rs. 70.55 lacs against Net Profit of Rs.43.36

lacs in the previous year.

During the year under review, Shareholders had given their approval for the following matters :

- A) To issue GDRs/ADRs, OFIs and FCCBs to the maximum extent of US \$200 Millions.
- B) To raise amount up to Rs.400 Crores through QIP Mode.
- C) To issue 50,00,000 convertible warrants to Promoter Group Company. The said Company has exercised its option to convert 16,66,600 Convertible Warrants into 16,66,600 equity shares. The Board has approved conversion of warrants into aforesaid equity shares as on 31st May, 2010. Paid-up capital of the Company to that extent has increased.

The Company has a land of approximately 3,29,704.64 sq. mtrs. at Ambernath in the suburbs of Mumbai. This land was subject to the provisions of Urban Land Ceiling Act, and due to Annulment of Urban Land Ceiling Act by the Government of Maharashtra, said land is available for development. Your Directors have taken required steps to generate resources from it for the progress of the Company.

It is a pleasure to inform you that the Company has repaid most of its debts due to number of Banks and Financial Institutions, except amount payable to State Bank of India, with whom settlement is executed and payments are under process.

The proposal for demolishing of old and dilapidated structures and construction of high rise buildings is under consideration with Government of Maharashtra. In this direction, Remaking of Mumbai Housing Infrastructure & Finance Ltd.(ROMHIF) has submitted its proposal to redevelop around 30 acres of land (362 buildings and over 8000 tenements) in the Kalbadevi-Chira Bazar area in 'C' Ward of Mumbai. It proposes to demolish these old and dilapidated buildings and in their place construct high rise structure in the ear-marked plots. ROMHIF has been issued a letter by the High Power Committee(HPC) of the Govt of Maharashtra, expressing its support and requesting ROMHIF to convert the over 70% consent that it has received into appropriate format. ROMHIF has already begun the process for the same. Your Company has 49% stake in the shareholding of Remaking of Mumbai Development Ltd. which is the holding Company for ROMHIF which intends to develop this Pilot project of 30 acres and then increasing its size to 232 acres in the 'C' Ward of Mumbai.

The progress of construction activities at on-going projects such as Lok Mansarovar, Lok Prabhat and Lok Nirman is satisfactory. The funds derived from these on-going projects are being utilized for the expansion of the business of the Company.

4. FIXED DEPOSITS :

The Company has not accepted/renewed any Fixed Deposits during the year under review. The Company had no outstanding Fixed Deposits at the close of the year under review.

5. IN-HOUSE MANUFACTURING ACTIVITIES :

During the year under review, Company has attained turnover of Rs.177.57 lacs by sale of concrete blocks, against Rs.129.28 lacs in the previous year.

6. DIRECTORS' RESPONSIBILITY STATEMENT :-

In terms of section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that:-

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The directors have prepared the annual accounts on a going concern basis.

7. CORPORATE GOVERNANCE :

During the year under review, your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance stipulated in Clause 49 of the Listing Agreement have been complied with. A separate Report on Governance along with the Auditors' Certificate on its compliance, forms part of this Report and is annexed hereto.

8. DIRECTORS :

Shri Lalit C. Gandhi, Chairman & Managing Director of the Company left for his heavenly abode on 23rd March, 2010. The untimely death of Shri Lalit C. Gandhi was irreparable loss for the organization, as his guidance and wisdom was required the most. The Company has made good progress under his able guidance and contribution. His advice and

suggestions reflected his wisdom and experience, and he had a remarkable capability to express the most profound thoughts in the most easily understood form. He was Ex-President of Maharashtra Chambers of Housing Industry.

His endeavors and steps towards make-over and Remaking of Mumbai City cannot be forgotten. He started with a mission in the direction of Remaking of Mumbai by constituting Remaking of Mumbai Federation, a NGO, having the objectives of protecting the life and property of over a two million people living in old and dilapidated buildings in the city of Mumbai and simultaneously vowed to improve the quality of life of people of Mumbai, and to transform Mumbai into a world class city, through the process of redevelopment of old, dilapidated and cess buildings together with planned infrastructure to support the new development.

The Board placed on record its deep sense of appreciation for the services rendered by him during his tenure as Chairman & Managing Director of the Company.

At the Board Meeting of the Company held on 26th March, 2010, the Board unanimously elected Shri Darshan L. Gandhi as Chairman & Managing Director of the Company. Shri Darshan L. Gandhi was assisting his father late Shri Lalit C. Gandhi for more than 15 years and he is quite capable of handling daunting tasks faced by any organization during the challenging times.

Shri Chiman J. Sanghavi, Director of the Company shall be retiring at the ensuing Annual General Meeting and he is eligible, for re-appointment.

Shri B.C. Jain was appointed as an Additional Director of the Company w.e.f. 26th March, 2010 under Section 260 of the Companies Act, 1956 and he shall hold office upto the date of the ensuing Annual General Meeting of the Company. Notice under Section 257 of the Companies Act, 1956 has been received togetherwith requisite amount of deposit from a Member, signifying his intention to propose Shri B.C. Jain as Director of the Company at the ensuing Annual General Meeting.

9. AUDITORS :

The Company's Auditors, M/s. Bhupendra Shroff & Co., Chartered Accountants, Mumbai will hold office upto the conclusion of the 25th Annual General Meeting and are eligible for re-appointment.

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

Information relating to Conservation of Energy, Technology Absorption etc. pursuant to 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 is not provided as the same is not applicable to the Company.

Foreign Exchange earnings are Nil. Outgo on account of traveling expenses and Professional Fees during the year under review are Rs.3.35 lacs.

11. PARTICULARS OF EMPLOYEES :

During the year under review, there is no employee who was in receipt of remuneration, which, in the aggregate, was not less than the sum prescribed under Section 217(2A) of the Companies Act, 1956. Hence, information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not forming part of this report.

12. PERSONNEL:

The Directors wish to place on record their sincere appreciation for the outstanding contribution and devoted services of employees at all levels of the Company during the year under review.

13. ACKNOWLEDGMENTS :

The Directors acknowledge the valued co-operation and continued support extended to the Company by its Bankers, Financial Institutions and various other lenders. The Directors also place on record their gratitude to various departments of Government of Maharashtra and Government of India and authorities of different Municipal Corporations of Maharashtra, Bombay Stock Exchange Ltd., Securities And Exchange Board of India and the Advisors for their valuable co-operation.

And to our Shareholders, we are deeply grateful for the confidence and faith which you have always placed in us.

For and on behalf of the Board of Directors

DARSHAN L. GANDHI

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai.

Dated : 9th August, 2010.

Corporate Governance Report

(1) Corporate Governance - Philosophy :

The Company's philosophy of Corporate Governance is aimed at the attainment of highest level of transparency and accountability in all facets of its operations and assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations towards all its stakeholders, employees and government.

(2) Board of Directors :

(A) Size and Composition of Board :

The Board of the Company at present comprises of Six Directors out of which, four are Independent and Non-Executive Directors. The Chairman of the Board is an Executive Director. The constitution of the Board as on 31st March, 2010 is as under:

Name	Executive/ Non-Executive/ Independent
Mr. Darshan L. Gandhi	Executive – Chairman & Managing Director
Mr. Chiman J. Sanghavi	Non-Executive, Independent
Mr. Prayag K. Parekh	Non-Executive, Independent
Mr. Mayank R. Gandhi	Non-Executive, Independent
Mr. B. C. Jain	Non-Executive, Independent
Ms. Naina M. Shah	Executive

* Mr. Lalit C. Gandhi, Chairman & Managing Director of the Company expired on 23rd March, 2010.

(B) Board Meetings held during the Financial Year 2009-2010 :

During the Financial Year ended 2009-2010, eight Board Meetings were held on 15th May, 2009, 13th June, 2009, 31st July, 2009, 10th August, 2009, 30th September, 2009, 27th October, 2009, 29th January, 2010 and 26th March, 2010. The time gap between any two meetings was less than four months.

Attendance of each Director at the Board meetings, last Annual General Meeting and Number of Directorships in other Companies, and Chairmanship/Membership of Committee of each Director in the Company, and in various companies, are as detailed hereunder :

Name of the Director	Attendance Particulars		No. of directorships and Committee memberships/ chairmanships		
	Board Meetings	Last AGM	Other Directorships*	Committee Memberships*	Committee Chairmanships*
** Mr. Lalit C. Gandhi	7	Yes	-	-	-
Mr. Chiman J. Sanghavi	8	Yes	1	-	3
Mr. Prayag K. Parekh	-	Yes	-	1	-
Mr. Mayank R. Gandhi	8	Yes	1	2	-
Ms. Naina M. Shah	8	Yes	-	1	-
Mr. Darshan L. Gandhi	7	Yes	8	1	-
Mr. B. C. Jain	-	-	-	1	-

* This excludes Directorships held in Foreign Companies and Private Limited Companies.

** Mr. Lalit C. Gandhi, Chairman & Managing Director of the Company expired on 23rd March, 2010.

(C) Code of Conduct :

The Board of Directors of the Company have laid down Code of Conduct for all the Members and Senior Management Personnel of the Company for the year under review. All the Directors and Senior Management Personnel have confirmed their adherence to the provisions of this Conduct. A Declaration to this effect duly signed by Chairman & Managing Director is annexed hereto.

(3) Audit Committee:

Terms of reference :

The terms of reference of the Audit Committee include the matters specified under Clause 49 of the Listing Agreement entered into with the Stock Exchange as well as those in Section 292-A of the Companies Act, 1956 and inter-alia includes the following :

1. Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure

- that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
 3. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
 4. Reviewing with management the annual financial statements before submission to the board for approval, with particular reference to :
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause 2AA of Section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualification in Draft Audit Report.
 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors any significant findings and follow-up thereon.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 10. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
 13. To mandatorily review the following information :
 - a. Management discussion and analysis of financial condition and results of operations.
 - b. Statement of significant related party transactions submitted by the management.
 - c. Management letters / letters of internal control weaknesses.
 - d. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
 - e. Internal Audit Reports relating to Internal Control weakness.
 14. Carrying out any other function as is mentioned in the terms of reference of Audit Committee as amended from time to time by the Listing Agreement and Companies Act, 1956.

Composition of the Audit Committee :

The Audit Committee comprises of 3 Independent Non-Executive Directors. The Company Secretary acts as the Secretary of the Committee.

The Audit Committee met on 9th May, 2009, 29th July, 2009, 23rd October, 2009 and 25th January, 2010.

Details of the composition of the Audit Committee and the attendance at the Meetings held are as follows :

Name	Position	Meetings held	Meetings Attended
Mr. Chiman J. Sanghavi	Chairman	4	4
*Mr. Lalit C. Gandhi	Member	4	4
Mr. Mayank R. Gandhi	Member	4	4
**Mr. B. C. Jain	Member	N.A.	N.A.

* Mr. Lalit C. Gandhi, Chairman & Managing Director of the Company expired on 23rd March, 2010.

** Mr. B. C. Jain was appointed on 26th March, 2010, as a Member of the Audit Committee in place of Late Shri Lalit C. Gandhi.

(4) Remuneration Committee :

The remuneration policy is based on review of achievements on periodical basis which is in consonance with prevalent industry practice. The terms of reference of Remuneration Committee are to review and recommend the remuneration payable to the Managing Director and the Executive Director based on definite performance criteria, subject to the provisions of the Companies Act, 1956 and Schedule XIII of the said Act, approval of the Shareholders, and consent of the Central Government, if any.

The Remuneration Committee comprises of Mr. Chiman J. Sanghavi - Chairman, Mr. Prayag K. Parekh and Mr. Mayank R. Gandhi as Members.

The meeting of Remuneration Committee was held on 26th March, 2010 where the Committee considered and recommended the remuneration of Managing Director - Mr. Darshan L. Gandhi, subject to the approval of the Board, Shareholders and, if required, of the Central Government, within the framework provisions of the Companies Act, 1956.

Details of Remuneration to the Directors for the year :

The Non-executive Directors do not receive any remuneration except sitting fee @ Rs.2,000/- and re-imbusement of other out-of-pocket expenses for each Board Meeting attended by them.

Details of compensation paid / payable to the Directors for the year ended 31st March, 2010 is as follows:

(Amount in Rs.)

Name	Salary	Perquisites & Other Allowances	Sitting Fees	Total
Mr. Lalit C. Gandhi	Nil	Nil	Nil	Nil
Ms. Naina M. Shah	Nil	Nil	Nil	Nil
Mr. Darshan L. Gandhi	Nil	Nil	Nil	Nil
Mr. Chiman J. Sanghavi	Nil	Nil	16,000	16,000
Mr. Prayag K. Parekh	Nil	Nil	Nil	Nil
Mr. Mayank R. Gandhi	Nil	Nil	16,000	16,000
Mr. B. C. Jain	Nil	Nil	Nil	Nil
Total	Nil	Nil	32,000	32,000

(5) Shareholders’/Investors’ Grievance Committee:

The Shareholders’/Investors’ Grievance Committee, *inter alia*, approves issue of duplicate share certificates, oversees and review all matters connected with share transfer, transmission etc. The committee also looks into redressal of shareholders complaints, related to share transfer/transmission, non-receipt of share certificates, non-receipt of annual reports, non-receipt of dividend, etc. The Committee oversees the performance of the Registrar & Transfer Agents and recommend measures for overall improvements in the quality of shareholders’/investors’ services.

At the beginning of the year, there were no pending investor complaints. During the year, the Company has received no complaints. Apart from these 43 requests are received for change of address, issue of duplicate share certificates, transfer / transmission of shares and other miscellaneous requests. All the requests have been dealt with appropriately.

The above statistics do not include inquiries initiated through

regulatory authority. All inquiries have been properly & timely responded. However, no regulatory communication towards closure of these inquiries have been received by the Company.

Details of the composition of the Shareholders’/Investors’ Grievances Committee and the attendance at the Meetings held are as follows :

Name	Position	Meetings held	Meetings Attended
Mr. Chiman J. Sanghavi	Chairman	13	13
Mr. Lalit C. Gandhi	Member	13	12
Ms. Naina M. Shah	Member	13	13
Mr. Darshan L. Gandhi *	Member	13	01

* Mr. Darshan L. Gandhi was appointed w.e.f. 26th March, 2010 in place of Late Mr. Lalit C. Gandhi.

Mr. Vijay B. Sharma, Company Secretary, continues to be the Compliance Officer of the Company.

(6) Management Discussion and Analysis Report :

a) Industry structure and development :

With the liberalization and opening up of the economy, large number of corporate and multinational companies have entered into the housing construction activities. This has been instrumental for the housing construction industry getting more and more organized and as a result, the industry has started adopting new standards in terms of quality, professionalism, timely delivery and after sales service. In the changing scenario, even the players in the un-organized sector are compelled to adopt the changes in the industry and therefore the housing industry has become not only highly competitive but also customer-services oriented, which has enormously benefited the ultimate customer and promote long term interest of Housing Industry. Using the latest technology, methods, and providing better service to the clients is become concomitant of the real estate industry.

The change is observed in the current financial year, the shifting in the demand from high cost and large size luxury specification houses to moderate and low profile houses, the new units will be needed over the next decade to meet the demand among middle and lower middle income group and same will be concentrated in 8 to 10 tier II and tier III city in the country and such cities will emerge as growth centre.

Real estate sector witnessed a complete turn around in the current financial year on the back of government stimulus in form of easing liquidity and allowing number

of real estate companies to restructure the debt. Focus on low and middle income housing gain prominence and many projects mix were changed from commercial/retail to residential segment.

The housing construction industry has also started adopting new design technology for better earthquake resistance. Further, due to improvement in the quality of basic materials as well as introduction of new finishing materials, the overall quality and appearance of the finished products has been improved substantially. The housing construction industry has also started adopting mechanized construction methods which help speedier completion of the projects.

b) Strengths, Opportunities, Weaknesses And Threats :

i) Strengths :

- Capability to carry out large scale construction.
- Professional Management.
- In-house set up for architectural designs, project services and marketing.
- Number of options to finance housing and real estate projects such as Initial Public Offering (IPOs), Foreign Direct Investment (FDI), Venture Capital, Private Equity, Alternative Investment Market (AIM).

ii) Opportunities :

- Adequate demand for housing, especially in the real user-segment.
- The government has also reduced the threshold for integrated townships.
- As a parallel development, besides FDI, real estate funds are expected to pump money into the real estate sector.
- Prevalent government policies to encourage and promote housing construction Industry.
- Rapid urbanisation.
- Availability of housing loan from Banks & Housing Finance Companies at lower interest rate coupled with Income-Tax benefits.
- Proposed law to reform the unregulated construction industry, enables the future deals more obvious and transparent, in turn it attracts great deal of capital, particularly from the upper and middle income categories.
- Expected entrance of real estate mutual funds in the capital market. Simultaneously to spur reforms in the property market.

- Financing opportunities for housing and real estate sector.
- The shifting in the demand from big houses to small houses is an opportunity for the Company.
- Stable Government at centre is looked at by the industry to have firm and quick decision making ability.

iii) Weaknesses :

- Housing sector is not accorded the status of an industry.
- Rent Control Act.

iv) Threats :

- Rising prices of basic and ancillary inputs.
- Increased competition due to entry of multinational and other foreign bodies through Foreign Direct Investment route.
- Proposed Bill on reform on unregulated construction and real estate industry may create legal intricacies which lead to market distortion and may discourage inflow of capital in the industry from the enthusiastic entrepreneur.
- Raising funds from international market in the form of GDRs/ADRs/FCCBs, etc. may be under microscope scanner of Government of India and other regulatory bodies.
- Imposition of Vat/Service Tax on sale transaction which increase the cost of the product for the customer.
- The finance procedure do not clear the loan proposals as quick as it was being done in the earlier years.
- Approvals required from multiple agencies are now highly time consuming and circuitous procedures lead to project delays and affect the marketability of the projects.

Review of Operations :

The general policies either at national level or state level providing sufficient impetus to construction and real estate industry, on-going reforms may prove to be boon for constructions and real estate industry.

c) Segmentwise Performance :

Segmentwise Performance in the form of Statement is given herebelow :

SEGMENTWISE REVENUE, RESULTS AND CAPITAL PERFORMANCE

	Year Ended 31.03.2010 (Rs. in Lakhs)
1. Segment Revenue (Net sale/income from each segment should be disclosed under this head)	
a) Construction & Real Estate Development	2697.60
b) Cement Product Division	177.57
Total	2875.17
Less : Inter segment revenue	-
Net sales/income from operations	2875.17
2. Segment Results	
(Profit+)/ (Loss)(-) before tax and interest from each segment)*	
a) Construction & Real Estate Development	538.05
b) Cement Product Division	(4.44)
Total	533.61
Less : i) Interest **	263.25
Add : i) Other un-allocable income net off unallocable expenditure	42.19
Total Profit Before Tax	312.55

* Profit / (Loss) before tax and after interest in case of company having operations which are primarily of financial nature.

** Other than the interest pertaining to the segments having operations which are primarily of financial nature.

3. Capital Employed *** (Segment assets - Segment Liabilities)	
a) Construction & Real Estate Development	25090.48
b) Cement Product Division	62.31
Add : Unallocated Net Assets	594.01
Total	25746.80

*** Capital Employed is inclusive of Long Term Debts

d) Outlook :

The experts in housing industry believe that future of the industry is having huge potential to grow.

The housing industry is taking cue for the following positives :

- Increase of urban population in the years to come.
- Development of new urban areas, horizontal growth of Tier II and III cities, and effective utilization of prime land in large Tier I cities.

- Increase in number of middle class families.
- Expected increase in working population.
- Expected increase in income levels.
- Several other factors, such as rising incomes, evolving preferences. Emergence of nucleus families, tax incentives and home loan at competitive rates.
- Demographic and economies reform are driving India's growth. India's work force, on its way to becoming the youngest in the world, is expected to grow continuously over the next three to four decades.

The Company is mainly focusing on construction of mass housing complexes with all basic and social infrastructural facilities with an objective to provide shelter to all segments of the society. The demand for housing in "Actual-user-Segment" is rising in Mumbai and its extended suburbs, where the Company is developing its major housing projects.

The housing construction industry is getting more and more organised in the recent years with the entry of large number of corporates and Multinational firms in the housing construction activities.

e) Risk and Concerns :

Even though, the Company has been so far successful in getting bookings for flats in its various mass housing projects in the initial launch period, after creating the basic infrastructural facilities, the changing trend in the housing sector whereby the customers prefer purchase of ready flats than booking of flats at the ground level is one of the major concern.

In the changed scenario, the Company is necessitated to either ploy its financial resources which further squeezes its liquidity position, or hive-off its on-going new projects to other developers for the timely completion of projects. This entails element of financial risk till the flats are booked.

Inflationary elements put pressure on rate of interest charged by Housing Finance Companies, on the loan disbursed to the Borrower.

f) Internal Control Systems and their adequacy :

The Company has a proper and adequate system of internal controls to ensure that all the assets are safeguarded and protected against loss from unauthorised use or disposition, and that transactions are authorised, recorded and reported correctly.

A strong internal audit function and effective Audit

Committee of the Board have strengthened the Internal Control within the organisation.

g) Financial Statements :

The financial statements have been prepared in accordance with the requirements of the Companies Act, 1956 and applicable accounting standards issued by the Institute of Chartered Accountants of India. The estimates and judgment relating to the financial statements have been made on a prudent and reasonable basis, in order to ensure that the financial statements reflect the state of affairs of the Company in a true and fair manner.

FINANCIAL PERFORMANCE

(Rs. in lacs)

	Year Ended March 31st	
	2010	2009
1. Net Sales/Income from Operation	2875.17	2139.21
2. Other Income	55.60	341.52
3. Total Expenditure		
a) (Increase)/Decrease in Stock in Trade Including purchase of Finished Goods	18.90	(26.47)
b) Cost of Sales	1163.90	1115.13
c) Administration & Marketing Expenses	759.44	575.07
d) Other Expenses	13.41	14.24
4. Operating Profit (1+2-3)	975.12	802.76
5. Interest	263.25	87.62
6. Gross Profit (+) / (Loss) (-) after Interest but before Depreciation and Taxation (4-5)	711.87	715.14
7. Depreciation / Amortisation	399.32	407.44
8. Profit (+) / (Loss) (-) before tax (6-7)	312.55	307.70
9. Provision for taxation		
a) Current Tax	53.10	32.00
b) Deferred Tax	188.90	226.00
c) Fringe Benefit Tax	-	6.34
10. Net Profit (+) / (Loss) (-) (8-9)	70.55	43.36

h) Material developments in Human Resources :

In mass housing business activities, role of employees is very vital. The Company's motto is to function economically, achieve the planned target in time and

deliver quality products. Economy-Time-Quality aspects are pervasive in all activities of the Company.

As policy, the Chairman frequently conducts meetings of employees to appraise them about future plans of the Company. This provides an open forum for staff to express their views on various matters. It provides valuable feedback to assess opportunities, threats, strengths and weaknesses. The growth and development of the organisation is based on growth and development of human resources though it is long, painstaking process, but it is committed goal of the organisation.

- To bring the competence of the employees, the policy of investing in knowledge and development is continued and is being followed regularly.

The number of persons directly employed by the Company is 128.

Cautionary Note : Certain Statements in the Management Discussion and Analysis Report may be forward-looking and are stated as required by applicable laws and regulations. Many factors and variables may affect the actual results which could be different from that the Directors envisage in terms of the future performance and outlook.

(7) Disclosures :

(a) Related party transactions :

There were no material significant related party transactions during the Financial Year 2009-2010 that may have potential conflict with the interest of the company at large. The details of related party transactions as per Accounting Standard-18 are included in the notes to the accounts. Transactions with the related parties are disclosed in Note no. 17 of Schedule Notes to the Accounts in the accompanying Annual Report.

(b) Senior Management :

The Senior Management has made disclosures to the Board relating to all material, financial and commercial transactions stating that they did not have any personal interest that could result in a conflict with the interests of the Company at large.

(c) Accounting Standards :

The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India from time to time.

(d) Risk Management :

The Company has finalized to lay down the procedures to apprise the Board of Directors regarding key risk assessment and risk mitigation mechanism procedure. Such procedure shall be reviewed continuously.

Risk Mitigation :

The Board continuously takes necessary steps to reduce imminent risk to the resources of the Company. In that direction, Company is adopting newer technologies, innovation methods, flexibility in specification to suit individual requirements coupled with better services to the client.

Tailor-made stimulus package of government to the industry has renewed the economy which has given boost to the economy.

The Company has made efforts to boost sales by participating in the trade-fairs and exhibitions

(e) Mandatory Requirements :

The Corporation has complied with mandatory requirements as stipulated in Clause 49 of the Listing Agreement.

(f) Adoption of non-mandatory requirements in the Listing Agreement :

The Company has adopted non-mandatory requirements as regards to provisions;

- (a) Remuneration Committee (b) Publication of Quarterly Results in the newspapers.

In respect of the other non-mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

(g) Statutory compliance, penalties and strictures :

There has been no instance of non-compliance by the Company on any matter related to capital markets and hence the question of penalties being imposed on the Company by the Stock Exchange or The Securities And Exchange Board of India or any Statutory Authority does not arise.

(8) Secretarial Audit Report :

As stipulated by the Securities And Exchange Board of India (SEBI), a qualified Practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange and is also placed before the Board of Directors. 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 dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

(9) General Body Meetings:

The details as to the timings, date and venue of the last three Annual General Meetings are as follows:

Year	Date	Time	Venue
2007	22nd September, 2007	4:00 p.m.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai - 400 001.
2008	25th September, 2008	4:00 p.m.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai - 400 001.
2009	20th July, 2009	10:30 a.m.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai - 400 001.

There was no resolution requiring use of postal ballots at above mentioned Annual General Meetings. At the ensuing Annual General Meeting, there is no Resolution proposed to be passed through postal ballot.

Special Resolutions passed through the Postal Ballot procedure :

During the financial year 2009-2010, Special Resolutions passed through Postal Ballot are :

Requisite Approvals of Shareholders are obtained for the following matters :

- Issue of GDRs, ADRs, OFIs, FCCBs, pursuant to Section 81(1A) of the Companies Act, 1956.
- Issue of securities to Qualified Institutional Buyers, pursuant to Qualified Institutional Placements (Q.I.P.) issue, as provided under Chapter VIII for Q.I.P. of the SEBI (ICDR) Regulations, 2009.
- Preferential Allotment to Promoter Group Company pursuant to Section 81(1A) of the Companies Act, 1956.

Brief Resume of Directors :

A Brief Resume of Mr. Chiman J. Sanghavi, Mr. B.C. Jain and Mr. Darshan L. Gandhi are given in the accompanying Notice convening the Annual General Meeting of the Company.

(10) Means of Communication :

During the year under review, the quarterly results of the Company are published in 'The Free Press Journal', 'Navshakti' in compliance with the provisions of Clause 41 of the Listing Agreement. As the results of the Company

are published in the newspapers. Half-yearly reports are not sent to each household of shareholders. The quarterly results approved at Board Meetings. The proceedings of the Annual /General Meetings are submitted to the Stock Exchange shortly after the conclusion of the meeting. No presentations were made to the institutional investors or to analysts during the year under review.

(11) CEO / CFO Certification :

The CEO / CFO / Senior Manager (Accounts, Finance & Taxation) of the Company have certified to the Board as required under Clause 49(V) of the Listing Agreement.

(12) Shareholders' General Information :

i. Annual General Meeting:

Details of Annual General Meeting :

Day, Date & Time	Monday, 27th September, 2010 and 4:00 p.m.
Venue :	M.C. GHIA HALL, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai 400 001

ii. Financial Year : April to March.

iii. Financial Calendar for 2010-2011 (tentative) :

Financial results for Financial Year 2010-2011	Publication in newspaper
First quarter Results for Quarter ending 30th June, 2010.	2nd week of August, 2010
Second quarter Results for Quarter ending 30th September, 2010.	2nd week of November, 2010
Third quarter Results for Quarter ending 31st December, 2010.	2nd week of February, 2011
Fourth quarter Results for Year ending 31st March, 2011.	2nd week of May, 2011

iv. Dates of Book Closure : 21st September, 2010 to 27th September, 2010 (both days inclusive).

v. Dividend Payment Date : Not Applicable.

vi. Stock Exchanges where listed : Bombay Stock Exchange Ltd.

vii. Stock Code : (500256)

Demat ISIN No. : INE367C01011.

viii. Stock Market Price Data for the year 2009-2010 :

Month	Bombay Stock Exchange Ltd. *		Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2009	27.40	14.07	11,492.10	9,546.29
May, 2009	34.75	20.80	14,930.54	11,621.30
June, 2009	46.45	26.95	15,600.30	14,016.95
July, 2009	35.10	23.45	15,732.81	13,219.99
August, 2009	38.40	29.15	16,002.46	14,684.45
September, 2009	43.75	35.10	17,142.52	15,356.72
October, 2009	42.35	32.20	17,493.17	15,805.20
November, 2009	45.90	30.00	17,290.48	15,330.56
December, 2009	50.40	38.10	17,530.94	16,577.78
January, 2010	62.45	42.50	17,790.33	15,982.08
February, 2010	50.60	39.00	16,669.25	15,651.99
March, 2010	46.00	33.20	17,793.01	16,438.45

* Source : Daily stock prices from BSE official website.

ix. Registrar & Transfer Agents : Linkintime India Pvt. Ltd.

Address for correspondence : C-13, Pannalal Silk Mills Compound , L.B.S. Marg, Bhandup (W), Mumbai 400 078.
Tel. Nos. : 25946970.
Fax : 91-22-25946969.

Email : rnt.helpdesk@linkintime.co.in

The Telephone No. of the

Registered Office of the Company : 40494949.
The Fax no. is : 29201727.

Email : lokshares@rediffmail.com

x. Share Transfer System

Transfer of Shares in physical form is processed and approved as per provisions of the Companies Act, 1956 and guidelines laid down under Listing Agreement. As per SEBI guidelines, the Company has offered the transfer cum demat facility to the Shareholders so that Shareholders/ Transferees can dematerialise their shares. In this regard, the Company has complied with all the rules, regulations and procedures as prescribed under the law.

Pursuant to SEBI (Depository & Participants) Regulations, 1996, Certificates have been received from a Company Secretary in Practise for dematerialization of the shares and for conducting Secretarial Audit on quarterly basis for reconciliation of the shares/share capital of the Company.

The Company also complied with the provisions of the Clause 47 (C) of the Listing Agreement.

xi. Distribution of shareholding as at 31st March, 2010 :

No. of shares	Shareholders		Shareholding	
	Numbers	%to Total Holders	Number of shares	% to Capital
1 - 500	30446	86.67	4381924	10.22
501 – 1000	2409	6.86	1985543	4.63
1001 - 2000	1130	3.22	1739298	4.06
2001 - 3000	363	1.03	942693	2.20
3001 - 4000	193	0.55	694468	1.62
4001 - 5000	163	0.46	784445	1.83
5001 - 10000	223	0.63	1657695	3.86
10001 & above	202	0.58	30696625	71.58
Total	35129	100.00	42882691	100.00

xii. Shareholding pattern as at 31st March, 2010 :

Category	Number of shares held		Total		Shares pledged or otherwise encumbered	
	Physical Shares	Demat Shares	No of Shares	% to Total	Number of Shares	As a Percentage
Promoters holding	57110	20747611	20804721	48.52	3401900	7.93
Persons acting in concert	97340	0	97340	0.23	0	0
Mutual Funds & UTI	27500	1800	29300	0.07	0	0
Banks, FIs., Insurance Companies, * (Central/State Govt., Institutions / Non-Govt. Institutions)	10300	0	10300	0.02	0	0
Foreign Institutional Investors	0	40538	40538	0.09	0	0
Private Corporate Bodies	425050	6078201	6503251	15.16	0	0
Indian Public	621322	13708183	14329505	33.42	0	0
NRI, OCBs	100	1067636	1067736	2.49	0	0
Transit Shares	0	0	0	0	0	0
GDR	0	0	0	0	0	0
Total	1238722	41643969	42882691	100.00	3401900	7.93

xiii. Break up shares in Physical and Demat form as on 31st March, 2010 :

	No of Shares	Percentage of shares
Physical Segment	1238722	2.89
Demat Segment:		
NSDL	34783978	81.11
CDSL	6859991	16.00
Total	42882691	100.00

xiv. Outstanding GDRs/ ADRs/Warrants :	Privately placed 50,00,000 Convertible Warrants are allotted to Saturn Trading Pvt. Ltd. , a Promoter Group Company @ Rs.40/- (Rs.10/- Face Value + Rs.30/- Premium) on 31st December, 2009. Saturn Trading Private Limited exercised an option and converted 16,66,600 Convertible Warrants into Equity Shares of the Company. Allotment Committee of the Board approved the same on 31st May, 2010. The shareholders have approved to issue GDRs/ADRs/ OFIs/FCCBs/Warrants, etc. to the extent of US \$200 Millions (United States Dollars Two Hundred Millions). Further the Company is authorized to issue Equity Shares to Q.I.B. to the extent of Rs.400 Crores (Rupees Four Hundred Crores Only) under Q.I.P. mode.
xv. Subsidiary Company	N.A.
xvi. Plant Locations	J-66, Plot No. 256, MIDC, Addl. Industrial Area, Murbad, Thane - 421 401.
xvii. Address for correspondence :	Regd. Office : 4, Lok Bhavan, Ground Floor, Lok Bharati Complex, Marol Maroshi Road, Andheri(E), Mumbai 400 059. Tel. No. : 40494949 Fax No. : 29201727

xviii. Auditors' Certificate on Compliance with the conditions of Corporate Governance Under Clause 49 of the Listing Agreement :

To

The Members of Lok Housing And Constructions Ltd.

1. We have examined the compliance of conditions of Corporate Governance by Lok Housing And Constructions Ltd. (the Company) for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and 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.
4. 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 and behalf of
Bhupendra Shroff & Co.
Chartered Accountants

Sd/-
B. N. Shroff
Partner

Membership No.: 5039

Place : Mumbai.
Dated : 9th August, 2010.



DECLARATION

I, Darshan L. Gandhi, Chairman & Managing Director of Lok Housing And Constructions Ltd. do hereby declare that all the Members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct laid down by the Board for the year ended 31st March, 2010.

For Lok Housing And Constructions Ltd.

Sd/-

(Darshan L. Gandhi)

Chairman & Managing Director

Place : Mumbai.

Dated : 9th August, 2010.

Auditors' Report

AUDITORS' REPORT
TO THE MEMBERS OF
LOK HOUSING AND CONSTRUCTIONS LIMITED.

We have audited the Balance Sheet of LOK HOUSING AND CONSTRUCTIONS LIMITED as at 31st March, 2010 and the Profit & Loss Account of the Company for the year ended on that date annexed there to. 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. These 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 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.

We report that:

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we state that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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 Books of the Company;
 - c. The Balance Sheet and Profit & Loss Account and Cash Flow statement referred to in this report are in agreement with the Books of Account.
 - d. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;
 - e. On the basis of the confirmations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified from being

appointed as directors of the company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f. In our opinion and to the best of our knowledge and according to the information and explanation given to us the said Balance Sheet, Profit & Loss Account and Cash Flow Statement read together with the notes there on attached thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010;
 - ii. In the case of the Profit & Loss Account of the Profit of the Company for the year ended on that date and;
 - iii. In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For **BHUPENDRA SHROFF & CO.,**
Chartered Accountants
Firm No. 101458W

B N SHROFF
Partner

Membership No. 5039.

Mumbai,

Date : 9th August, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our Report of even date)

- 1a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1b. As per the information and explanations given to us physical verification of fixed assets has been carried out at regular intervals and we have been informed that no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its fixed assets.
- 1c. During the year, the Company has not disposed of any substantial / major part of fixed assets.
- 2a. As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.

- 2b. In our opinion and according to the information and explanations given to us the procedure for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of business.
- 2c. The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- 3a. As per the information furnished, the Company has outstanding unsecured advances given aggregating to Rs.16,89.91 lacs (previous year Rs.14,60.84 lacs) to 5 parties (previous year 5 parties) listed in the register maintained under Section 301 of the Companies Act, 1956, *the terms of which are prima facie prejudicial to the interest of the Company.*
- 3b. As per the information furnished, the Company has no loans taken (previous year Rs.562.50 lacs) from any party (previous year 1 party) listed in the register maintained under Section 301 of the Companies Act, 1956, the terms of which are prima facie not prejudicial to the interest of the Company.
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 purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control procedures.
- 5a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
- 5b. In our opinion and according to the information and explanations given to us, there are no transactions exceeding the value of Rs. five lacs each which have been made at prices which are unreasonable having regard to prevailing market prices at the relevant time.
6. In our opinion, the Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under. Hence, the Clause (vi) of the order is not applicable.
7. The Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business. However the same need to be strengthened.
8. We are informed that in case of the Company the Central Government has not prescribed maintenance of cost record as required under section 209(1)(d) of the Companies Act,1956.

- 9a. According to the information and explanations given to us and the records examined by us, the Company is generally depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, customs duty, excise-duty, cess and other statutory dues wherever applicable. Undisputed arrears of statutory dues outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable are as under:

Nature of dues	Period	Undisputed Tax Amount (excluding interest for delay) (Rs. in lacs)
Income tax	F.Y. 2007-08	15.95
Income tax	F.Y. 2008-09	44.41

- 9b. According to the records of the Company, dues of sales tax, income-tax, customs, wealth-tax, excise duty, cess (excluding interest) which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Nature of dues	Period	Forum	Disputed Tax Amount (Rs. in lacs)
Income tax	F.Y. 2002-03	CIT(A)	11.26
Income tax	F.Y. 2006-07	CIT(A)	75,68.88
Income tax	F.Y. 2006-07	ITAT	2,82.00
Income tax	F.Y. 2007-08	Assessing Officer	1,31.11
Income tax	F.Y. 2007-08	ITAT	1,98.00
Income tax	F.Y. 2008-09	ITAT	26.46

Please refer to Point no. 3 & 4 of notes to accounts

10. There are no accumulated losses of the Company as on 31st March, 2010. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. The Company has defaulted in repayment of dues to financial institutions, banks and debenture holders, and as per the Company's records the amount outstanding in this respect are as under :

Sr. No.	Name of Institution / Bank	Amount of due o/s on 31-03-2010 (Rs. in lacs)	Over due since
1.	State Bank of India	41,98.99	14.12.2007

For the purpose we have relied on figures available from the Company's records and not from those available from the

Banks / Financial Institutions as the figures either disputed or are not available from the Banks / Financial Institutions, due to the disputes.

12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, provisions of any special statute applicable to chit fund /nidhi / mutual benefit fund/ society are not applicable to the Company.
14. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in shares securities, debentures and other investments.
15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks or Financial Institutions.
16. In our opinion and according to the information and explanation given to us, on an overall basis, the term loans have been applied for the purpose of which they are obtained.
17. According to the information and explanations given to us and on the basis of an overall examination the balance sheet of the Company, in our opinion no funds raised on short-term basis have been used for long-term investment. Similarly no long-term funds have been used to finance short-term assets except permanent working capital.
18. According to the information and explanations given to us, during the year the Company has allotted 50,00,000 optionally convertible share warrants at Rs. 40/- per warrant (including a premium of Rs. 30/-) on preferential basis to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, during the year, the Company has not issued any debentures.
20. According to the information and explanations given to us, during the year the Company has not raised any money by way of public issues.
21. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For BHUPENDRA SHROFF & CO.,
Chartered Accountants
Firm No. 101458W

B N SHROFF
Partner
Membership No. 5039.

Mumbai,
Date : 9th August, 2010

Balance Sheet

as at 31st March, 2010

	SCHEDULE	31st MARCH 2010 Rupees in Lacs	31st MARCH 2009 Rupees in Lacs
FUNDS EMPLOYED			
SHAREHOLDER'S FUNDS			
Share Capital	A	4,288.27	4,288.27
Optionally Convertible Warrants		500.00	1,239.00
Reserves & Surplus	B	14,751.92	13,442.37
		<u>19,540.19</u>	<u>18,969.64</u>
LOAN FUNDS	C	5,367.55	6,191.91
DEFERRED TAX LIABILITY (NET)		839.06	650.16
		<u>25,746.80</u>	<u>25,811.71</u>
FUNDS UTILISED			
FIXED ASSETS			
Gross Block	D	2,369.18	2,368.26
Less : Depreciation		1,906.07	1,541.24
Net Block		463.11	827.02
INVESTMENTS			
CURRENT ASSETS, LOANS AND ADVANCES	E	594.01	348.56
Inventories	F	33,719.88	33,493.55
Sundry Debtors	G	3,514.65	4,039.81
Cash and Bank Balances	H	532.92	548.12
Loans and Advances	I	3,394.26	3,965.78
		<u>41,161.71</u>	<u>42,047.26</u>
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	J	15,496.36	16,523.05
Provisions	K	1,079.13	1,026.03
		<u>16,575.49</u>	<u>17,549.08</u>
NET CURRENT ASSETS		24,586.22	24,498.18
MISCELLANEOUS EXPENDITURE & LOSSES (to the extent not written off or adjusted)			
Preliminary Expenses	L	103.46	137.95
		<u>25,746.80</u>	<u>25,811.71</u>
NOTES TO ACCOUNTS	Q		

As per our report of even date attached

On behalf of the Board

For BHUPENDRA SHROFF & CO.

Chartered Accountants

Firm No. 101458W

 DARSHAN L. GANDHI
 Chairman & Managing Director

 NAINA M. SHAH
 Executive Director

 B. N. SHROFF
 Partner

 VIJAY B. SHARMA
 Company Secretary

Place : Mumbai

Date : 9th August, 2010

Profit and Loss Account

for year ended 31st March, 2010

	SCHEDULE	31st MARCH 2010 Rupees in Lacs	31st MARCH 2009 Rupees in Lacs
INCOME			
Sales		2,875.17	2,139.21
Other Income	M	55.60	341.52
Increase / (Decrease) in Stock		(18.90)	26.47
		<u>2,911.87</u>	<u>2,507.20</u>
EXPENDITURE			
Cost of Construction - Units Sold	N		
Land / Land Related Expenses		102.18	158.31
Development & Construction Expenses		800.73	816.87
Administration Expenses		523.24	457.85
Selling Expenses		217.33	96.70
Finance Expenses		263.21	87.58
Total Construction Cost		<u>1,906.69</u>	<u>1,617.31</u>
Cost of Trading Units Sold		122.52	-
Total Direct Cost		<u>2,029.21</u>	<u>1,617.31</u>
Expenses (C & BP Division)	O	157.38	160.51
Other Expenses	P	13.41	14.24
Preliminary Expense written off		34.49	34.49
Goodwill Amortised		344.11	344.11
Depreciation		20.72	28.84
Total Expenditure		<u>2,599.32</u>	<u>2,199.50</u>
PROFIT/(LOSS) BEFORE TAXATION		312.55	307.70
Less : Provision for Taxation		53.10	32.00
Less : Provision for Deferred Tax		188.90	226.00
Less : Provision for Fringe Benefit Tax		-	6.34
PROFIT/(LOSS) AFTER TAXATION		<u>70.55</u>	<u>43.36</u>
Profit b/f from previous year		5,117.28	5,073.92
Total available for Appropriation		<u>5,187.83</u>	<u>5,117.28</u>
APPROPRIATIONS:			
Transfer to General Reserve			
BALANCE CARRIED TO BALANCE SHEET		5,187.83	5,117.28
		<u>5,187.83</u>	<u>5,117.28</u>
Earnings per Share			
Basic Earnings Per Share		0.165	0.101
Diluted Earnings Per Share		0.163	0.100
Face Value Per Share		10	10
NOTES TO ACCOUNTS	Q		

As per our report of even date attached

On behalf of the Board

For BHUPENDRA SHROFF & CO.

Chartered Accountants

Firm No. 101458W

DARSHAN L. GANDHI
Chairman & Managing Director

NAINA M. SHAH
Executive Director

B. N. SHROFF
Partner

VIJAY B. SHARMA
Company Secretary

Place : Mumbai

Date : 9th August, 2010

Schedules

Annexed to and forming part of accounts for year ended 31st March, 2010

	31st MARCH 2010 Rupees in Lacs	31st MARCH 2009 Rupees in Lacs
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised		
6,50,00,000 (Previous year 6,50,00,000)		
Equity Shares of Rs.10/- each.	6,500.00	6,500.00
2,00,00,000 (Previous year 2,00,00,000)		
Preference Shares of Rs. 1/- each.	200.00	200.00
	6,700.00	6,700.00
Issued, Subscribed and Paid Up		
4,28,82,691 (Previous year 4,28,82,691)	4,288.27	4,288.27
Equity shares of Rs.10/- each fully Paid Up. (of above 1,92,27,791 equity shares of Rs.10/- each fully paid up issued for consideration other than cash on account of amalgamation of Lok Shelters Ltd. with the Company)		
	4,288.27	4,288.27
SCHEDULE 'B'		
RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last account	-	-
Add : Forfeiture of share warrants	1,239.00	-
Balance in Capital Reserve	1,239.00	-
Securities Premium	5,563.79	5,563.79
General Reserve	2,761.30	2,761.30
Profit and Loss Account	5,187.83	5,117.28
	14,751.92	13,442.37
SCHEDULE 'C'		
LOAN FUNDS		
(Secured)		
From Scheduled Banks	4,565.24	4,555.42
(Secured by mortgage of land and land development rights held as inventories and pledge of Fixed Deposit Receipts)		
17.50% Non Convertible Debentures	-	862.50
(Secured by mortgage of land and land development rights held as inventories)		
From Other Body Corporates	-	15.00
(Secured by mortgage of flats)		
Sub Total	4,565.24	5,432.92
(Unsecured)		
From Other Body Corporates	675.54	645.18
Hire Purchase Finance		
(Secured by Hypothecation of Leased Assets)	126.77	113.81
(originally secured against leased assets whose lease term have expired and asset retained by lessees)		
Sub Total	802.31	758.99
Total	5,367.55	6,191.91

SCHEDULE 'D'
FIXED ASSETS

(Rupees in Lacs)

Particulars	Gross Block			Depreciation / Amortisation				Net Block	
	As at 31-03-09	Addition / (Deletion) During The Year	As at 31-03-10	As at 31-03-09	Deletion During The Year	For The Year	As at 31-03-10	As at 31-03-10	As at 31-03-09
(A) Assets Self Used									
1. Goodwill	1,720.55	-	1,720.55	1,032.33	-	344.11	1,376.44	344.11	688.22
Sub Total (A)	1,720.55	-	1,720.55	1,032.33	-	344.11	1,376.44	344.11	688.22
(B) Assets Self Used									
2. Land	28.89	-	28.89	-	-	-	-	28.89	28.89
3. Building - Others	172.08	-	172.08	127.87	-	4.23	132.10	39.98	44.21
4. Plant & Machinery	93.59	-	93.59	79.10	-	2.05	81.15	12.44	14.49
5. Vehicles	22.92	-	22.92	18.92	-	1.20	20.12	2.80	4.00
6. Computers	212.40	0.21	212.61	188.78	-	9.49	198.27	14.34	23.62
7. Office Equipments	75.30	0.14	75.44	61.73	-	1.86	63.59	11.85	13.57
8. Furniture & Fixture	42.53	0.57	43.10	32.51	-	1.89	34.40	8.70	10.02
Sub Total (B)	647.71	0.92	648.63	508.91	-	20.72	529.63	119.00	138.80
Total(A+B)	2,368.26	0.92	2,369.18	1,541.24	-	364.83	1,906.07	463.11	827.02
Previous Year	2,363.74	4.52	2,368.26	1,168.56	0.27	372.95	1,541.24	827.02	1,195.18

	31st MARCH 2010 Rupees in Lacs	31st MARCH 2009 Rupees in Lacs
SCHEDULE 'E'		
INVESTMENTS		
LONG TERM		
TRADE INVESTMENTS (AT-COST)		
Unquoted		
10,00,000 Equity Shares of Rs.10/- each (Previous year 10,00,000) fully paid in Lok Realty Corporation Ltd.	100.00	100.00
200 Equity Shares of Rs.10/- each (Previous year 200) fully paid in Lok Estate & General Maintenance Ltd.	0.02	0.02
8,000 Equity Shares of Rs.10/- each (Previous year 8,000) fully paid in Shangri-la Golf & Health Resorts Pvt. Ltd.	0.80	0.80
Nil Equity Shares of Rs.1/- each (Previous year 24,50,343 Equity Shares of Rs.10/- each) fully paid in Remaking of Mumbai Housing Infrastructure & Finance Ltd.	-	245.04
1,96,000 Equity Shares of Rs.10/- each (Previous year 24,500) fully paid in Remaking of Mumbai Development Ltd.	492.94	2.45
1,012 Equity Shares of Rs.25 each (Previous year 1,012) Fully paid in Shyamrao Vithal Co-op Bank Ltd.	0.25	0.25
	594.01	348.56
SCHEDULE 'F'		
INVENTORIES		
(Valued at lower of cost or market value)		
Construction materials	105.46	104.99
Raw Material (C & BP Div.)	14.90	11.12
Finished Goods (C & BP Div.)	36.12	55.03
Work in progress-		
- Land Development Rights, Construction, Development, Administration, Marketing and Finance cost	33,563.40	33,212.06
Stock of trading units	-	110.35
	33,719.88	33,493.55

	31st MARCH 2010 Rupees in Lacs	31st MARCH 2009 Rupees in Lacs
SCHEDULE 'G'		
SUNDRY DEBTORS		
(Unsecured Considered good)		
Outstanding for more than 6 months	2,236.48	2,851.19
Others	1,278.17	1,188.62
(of the above Rs.29.46 lacs (Previous year Rs. 57.57 lacs) are due from companies /firms in which directors are interested)		
	3,514.65	4,039.81
SCHEDULE 'H'		
CASH AND BANK BALANCES		
Cash on Hand	5.49	41.01
Balance with Scheduled Banks	34.37	23.47
Fixed deposit with Scheduled Banks	493.06	483.64
	532.92	548.12
SCHEDULE 'I'		
LOANS AND ADVANCES		
(Unsecured considered good)		
Advance Income Tax	818.56	812.51
Advances recoverable in cash or in kind or for value to be received (of the above Rs.16,89.91 lacs (Previous year Rs.14,60.84 lacs) are due from companies /firms in which directors are interested)	2,528.83	3,078.19
Deposits	46.87	75.08
	3,394.26	3,965.78
SCHEDULE 'J'		
CURRENT LIABILITIES		
Sundry Creditors		
- For Land Development Rights **	4,587.47	4,681.88
- For Materials & Labour	611.95	1,056.03
- For Other Liabilities	236.05	296.98
Acceptance	528.77	505.96
Advances from customers	3,704.52	4,015.93
Other liabilities	5,827.60	5,966.27
(** Rs. 44,85 lacs of sundry creditors for land development rights are secured by property of the Company at Turbhe)		
	15,496.36	16,523.05

	31st MARCH 2010 Rupees in Lacs	31st MARCH 2009 Rupees in Lacs
SCHEDULE 'K'		
PROVISIONS		
For Income Tax	1,079.13	1,026.03
	<u>1,079.13</u>	<u>1,026.03</u>
SCHEDULE 'L'		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off)		
Preliminary Expenses	103.46	137.95
	<u>103.46</u>	<u>137.95</u>
SCHEDULE 'M'		
OTHER INCOME		
Miscellaneous Receipts	55.60	341.52
	<u>55.60</u>	<u>341.52</u>
SCHEDULE 'N'		
COST OF CONSTRUCTION UNITS SOLD		
Opening Work in Progress	33,212.06	26,780.26
Add : Expenses incurred during the Year		
Land / Land Related Expenses	N1 315.00	4,884.16
Development and Constn. Expenses	N2 336.18	1,870.29
Administration Expenses	N3 606.20	916.06
Marketing Expenses	N4 441.09	452.66
Finance Expenses	N5 559.56	(74.06)
	<u>35,470.09</u>	<u>34,829.37</u>
Less : Closing Work in Progress	33,563.40	33,212.06
	<u>1,906.69</u>	<u>1,617.31</u>
SCHEDULE 'N1'		
LAND / LAND RELATED EXPENSES		
Land/Land Development Rights	42.70	4,771.97
Land Related Expenses	272.30	112.19
	<u>315.00</u>	<u>4,884.16</u>

	31st MARCH 2010 Rupees in Lacs	31st MARCH 2009 Rupees in Lacs
SCHEDULE 'N2'		
DEVELOPMENT & CONSTRUCTION EXPENSES		
Materials Consumed :		
Opening Stock of Materials	104.99	143.00
Add: Purchases during the year	166.98	374.64
	271.97	517.64
Less: Closing stock of raw material	105.45	104.99
	166.52	412.65
Labour cost	129.20	419.22
Other Construction Expenses	81.35	124.43
Add : Provision for Cost to complete substantially completed Units (Net of Opening & Closing)	(40.89)	913.99
	336.18	1,870.29
SCHEDULE 'N3'		
ADMINISTRATION EXPENSES		
Salaries	208.64	392.68
Contribution to Provident & other funds	20.05	30.32
Gratuity	13.80	22.25
Staff Welfare Expenses	4.91	7.18
Services & Professional Fees	252.52	309.58
Travelling & Conveyance	10.07	8.89
Electricity Charges	20.26	20.19
Postage, Telegram & Telephone	7.76	19.03
Printing & Stationery	28.41	24.83
Insurance	0.77	0.62
Miscellaneous Expenses	26.82	64.28
Repairs & Maintainance	12.19	16.21
	606.20	916.06
SCHEDULE 'N4'		
MARKETING EXPENSES		
Advertisements and Sales Promotion Expenses	441.09	452.66
	441.09	452.66

	31st MARCH 2010 Rupees in Lacs	31st MARCH 2009 Rupees in Lacs
SCHEDULE 'N5'		
FINANCE EXPENSES		
Interest and Other Finance Charges Provision for the Current Year	559.56	824.98
Less : Interest waiver written back on debt restructuring	-	(899.04)
	559.56	(74.06)
SCHEDULE 'O'		
EXPENSES OF C.& B.P. DIVISION		
Consumption of Raw Materials	116.53	121.19
Other Manufacturing Expenses	21.94	18.76
Administration & Selling Expenses	18.88	20.52
Finance Charges	0.03	0.04
	157.38	160.51
SCHEDULE 'P'		
OTHER EXPENSES		
Listing Fees	1.18	0.53
Donations	1.35	0.57
Registration & Filing Fees	0.11	0.24
General Expenses	0.75	1.02
Auditor's Remuneration (Including Service Tax)		
Audit fees	6.62	8.82
Tax Audit Fees	2.21	1.38
Other Services	1.10	0.83
Membership Fee	0.09	0.85
	13.41	14.24

SCHEDULE : Q**NOTES FORMING PART OF THE ACCOUNTS****1) Accounting Policies :****a. Basis of Accounting**

Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956, except in the case of items which are uncertain in nature and not possible to quantify.

b. Revenue Recognition

- i. The Company follows substantial completed contract method of accounting in respect of its construction activity. Under this method profit in respect of units sold is recognised only when the work in respect of the relevant units are substantially completed, which is determined on technical estimates as certified by management.
- ii. The completion status of a project at the end of accounting period, estimated construction and development cost for completion relating to the sold units, which are considered for profit are estimated on the basis of technical evaluation, as certified by management and relied to by the auditors.
- iii. Revenue recognition in respect of transactions for sale of properties is on the date of execution of agreement to sale and are subject to execution of conveyance and compliance of applicable legal formalities. Revenue recognition in respect of constructed premises is on the basis of booking done by the prospective customer and the same is subject to execution of registered sale deed under the Maharashtra Ownership Flats Act (MOFA) and payment of consideration.
- iv. Sales in respect of a particular project is accounted for, net of cancellation, in the same accounting period.

c. Fixed Assets :-

Fixed Assets are stated at cost of acquisition less accumulated depreciation.

d. Depreciation

- i. Depreciation on fixed assets has been provided under Written Down Value method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- ii. Depreciation on additions to fixed assets has been charged from the date when they were first put to use.

- iii. Goodwill is amortised over period of five years in equal installments.

e. Inventories

- i. Construction materials are valued at cost.
- ii. Work in progress are valued at costs consisting of land development rights, construction, development, administration, marketing and finance expenses or market value whichever is lower. For this purpose items of similar nature are compared in totality.
- iii. Finished goods are valued at cost consisting of land development rights, construction, development, administration, marketing and finance expenses or market value whichever is lower. For this purpose items of similar nature are compared in totality.

2) Loans & borrowings:

- a. Secured Loans are subject to charge created / to be created on the assets/properties of the Company.
- b. In case of disputed /defaulted loans provision for interest due on outstanding secured loans taken by the Company has been made at the last contractual rate of interest.
- c. The Company is in the process of restructuring and renegotiating its outstanding unsecured loans. Consequently provision for interest due on outstanding unsecured loans has been made on simple interest basis at rate which is consistent with the trend at which other unsecured loans are restructured and renegotiated, and not at the original /last contracted rate of interest, further no provision is made on the unpaid interest. On account payments made by the Company to its lenders is first apportioned towards unpaid principal, instead of unpaid interest, without the consent of the lenders, this practice would result in to reduction in provision for probable interest liability.
- d. In respect of all the loans, secured and unsecured, (which are not re- negotiated) no provision has been made for compound interest and penal interest. The same will be accounted for on final settlement of the accounts with the lenders. To that extent Company has Contingent Liability which is unascertainable.
- e. The Company has not made provision in respect of penal interest and additional interest in respect of hire purchase installment due but not paid by the Company. The same will be provided as and when the claims are settled with the parties concerned. To that extent Company has Contingent Liability which is unascertainable.
- f. During the year under review the Company has entered in to Financial Restructuring with certain lenders,

according to which some lenders have agreed to waive / forgo accumulated finance cost to the tune of Rs. Nil (previous year Rs.8,99.04 lacs) and have also rescheduled the payment terms of the balance agreed amounts. This waived / forgone Finance Cost of Rs. Nil (previous year Rs.8,99.04 lacs) is credited by the Company to Work In Progress Account. The accumulated interest waiver which are pending fulfillment of settlement terms, for which the Company has taken credit in its Work In Progress account is Rs.21.77 lacs (previous year Rs. 21.77 lacs).

- g. The Company, in past, has entered in to settlement with several lenders of which the Company has failed to meet its commitment, as per the revised settlement terms with State Bank of India and Ranbaxy Laboratories Limited, the aggregate liability of which, as reflected in the books of account of the Company, is Rs.42,58.99 lacs (previous year Rs.46,37.67 lacs). The Company has taken interest credit of Rs. 21.77 lacs (previous year Rs. 21.77 lacs) (credited to Work in Progress), during the earlier financial years. In the opinion of the Company the concessions by way of interest waiver are still valid as, the Company has not received any legal notice for termination of the settlement terms and restatement of original liability from the concerned lenders, therefore the concessions are not reversed in the books of account.
- h. The balance in the secured loan account of State Bank of India as per the Company's books of accounts as on 31.03.2010 is Rs. 41.99 crores (including interest provision of Rs.14.75 crores). This balance is based on the settlement arrived at with the Bank vide its letter dated 14th June 2006. As per the said settlement the entire dues were to be paid off by 14th December, 2007 to which the Company has not adhered. The Company is in continuous dialogue with the Bank to settle the dues. The Company has not received any formal notice terminating the settlement. The Company has also not received any balance confirmation from the Bank. As per the legal advice received by the Company, the settlement agreement dated 14th June 2006 is valid, subsisting and binding till date. In view of the facts as mentioned herein it is not possible to ascertain whether the Bank has withdrawn the concessions granted in the settlement of June 2006. Accordingly the final liability towards this Bank loan is not ascertainable. The Company has to that extent unascertainable contingent liability towards any additional claim which may be made by the Bank against this loan liability.
- 3) The Company has received demand from the Income Tax Department for Rs.46.74 crores in respect of financial

year 2007-08. The said demand is on the basis of original return filed which were subsequently revised. As per the revised returns the tax demand would be Rs.4.62 crores which demand has been fully provided for. It is a settled law that upon filing a revised return the original return and the liabilities thereto become non-est in law, accordingly the demand raised by the department does not exist and is not tenable. The Company has already pointed out this error to the income tax department by making the necessary application for rectification of the above error, the conclusion of the said application is awaited.

- 4) The Company has received demand from the Income Tax Department for Rs.75.69 crores in respect of financial year 2006-07. The said demand has arisen on the basis that the Income Tax department has not accepted the revision of financial statements, in respect of financial year 2006-07, made by the Company. The Company has been legally advised on the merits and justification of its claim, accordingly the matter is pending in appeals, before the appropriate appellate authorities. To the extent of the said demand of Rs.75.69 crores, the Company has a Contingent liability whose fate will be determined by the outcome of the final order by the appellate authorities. The Company has not provided for the said liability.
- 5) No provision has been made for interest on delayed payments in terms of agreements for purchase of land as the claims are disputed and not acknowledged by the Company. The same will be provided as and when the claims are settled with the parties concerned. To that extent the Company has Contingent Liability the amount of which is unascertainable.
- 6) The Company had on 22nd May, 2008 issued on Preferential basis 35,00,000 Optionally Convertible Share Warrants @ Rs.354/- convertible into one equity share of Rs.10/- each at a premium of Rs.344/- within 18 months from the date of allotment. The Company had received a sum of Rs.12,39 lacs towards application money. Pursuant to the applicants not exercising the right to acquire the shares at the terms of issue, during the year under review, the said application money has been forfeited and a sum of Rs. 12,39 lacs received towards application money has been credited to Capital Reserve Account.
- 7) The Company has on 31st December, 2009 issued on Preferential basis 50,00,000 Optionally Convertible Share Warrants @ Rs.40/- convertible into one equity share of Rs.10/- each at a premium of Rs.30/- within 18 months from the date of allotment.
- 8) The balances in creditors, debtors, secured and unsecured loans are subject to confirmation. The management is of the opinion that all the debtors, loans and advances reflected in the financial statements are fully realizable and that there is no

impairment in them. During the year under review balances in the accounts of the several debtors, creditors and loan and advances have been written off, as in the opinion of the management the same are no longer receivable/ payable. The auditors have relied on the judgement of the management in this regard.

- 9) The Company has undertaken an exercise to evaluate the impairment of each inventory. On the basis of such exercise, the management is of the opinion that all the inventories which are carried over in the Balance Sheet are at their full realizable value. The auditors have relied on the judgement of the management as to the impairment of inventories.
- 10) Due to certain disputes the Company is not receiving payments from certain lease business debtors. Correspondingly, the Company has also not paid its certain hire purchase installments to the hire purchase vendors of such leased assets. No provision for bad and doubtful debts is made in respect of outstanding and disputed lease rentals.
- 11) The Company has obtained legal advise that the overdue bills discounted amounts and the construction loans received from customers are not considered as Deposits in terms of section 58A of the Companies Act, 1956. Accordingly they are classified as Current Liabilities.
- 12) **Managerial Remuneration :**
- Remuneration to directors in accordance with the conditions specified in Schedule XIII of the Companies Act, 1956,– Rs. Nil (previous year Rs. Nil).
 - The managerial remuneration is paid in accordance with the Schedule XIII of the Companies Act, 1956. In view of this the computation of Net profit u/s 198 read with section 349 of the Companies Act,1956, is not relevant and hence not given.
- 13) Expenditure in foreign currency on account of travelling. Rs.3.35 lacs (previous year Rs. Nil)
- 14) Information pursuant to part II of Schedule VI to the Companies Act
- A) SALES :**

i) Construction Division

(Rupees in Lacs)

Particulars	Unit	Quantity	Value(Rs.)
Residential Units and Development Rights	Square feet	59,764 (26,226)	26,97.60 (20,09.43)
Miscellaneous Income			51.37 (3,30.21)

ii) Cement & Building Product Division

(Rupees in Lacs)

Product	Quantity	Value
140 mm Solid	3,95,252 (4,03,293)	77.87 (64.55)
125mm solid	2,500 (13,500)	0.44 (1.77)
90mm solid	2,06,812 (2,24,400)	29.14 (25.51)
190mm solid	2,82,652 (1,67,350)	70.02 (37.62)
90mm Hollow	150 (0)	0.02 (0)
Broken	2,090 (9,078)	0.08 (0.33)
Other Recoveries		4.23 (11.31)

B) PRODUCTION

i) Cement & Building Product Division

(Rupees in Lacs)

Product	Quantity	Value
140 mm solid	3,39,820 (4,10,281)	66.94 (68.54)
125mm solid	0 (15,935)	0 (1.98)
90mm solid	2,27,334 (2,36,112)	31.94 (27.02)
190mm solid	2,47,226 (2,18,281)	61.31 (47.82)

C) QUANTITATIVE AND VALUE ANALYSIS OF CONSUMPTION :

i) Construction Division

(Rupees in Lacs)

Product	Unit	Quantity	Value
Cement	Bags	6,911 (24,707)	17.62 (62.30)
Steel	Tonnes	37.89 (313.83)	14.46 (1,29.34)
Others			1,34.44 (2,21.01)
Total			1,66.52 (4,12.65)

ii) Cement & Building Product Division

(Rupees in Lacs)

Product	Unit	Quantity	Value
Cement	Bags	28,636 (30,229)	55.27 (58.40)
Sand	Brass	821.57 (782.56)	16.40 (18.97)
Metal	Brass	958.20 (936.77)	13.41 (13.04)
Grit	Brass	2,676.15 (2,634.57)	31.45 (30.77)
Total			1,16.53 (1,21.18)

D) QUANTITATIVE AND VALUE ANALYSIS OF CLOSING STOCK
a) Construction Materials
i) Construction Division

(Rupees in Lacs)

Product	Unit	Quantity	Value
Cement	Bags	880 (1,043)	2.28 (2.64)
Steel	Tonnes	18.63 (30.28)	7.09 (11.55)
Others			96.09 (90.80)
Total			1,05.46 (1,04.99)

ii) Cement & Building Product Division
Raw Materials

(Rupees in Lacs)

Product	Unit	Quantity	Value
Cement	Bags	2,141 (814)	4.34 (1.65)
Sand	Brass	41.40 (35.08)	1.04 (0.88)
Metal	Brass	41.10 (29.45)	0.58 (0.41)
Grit	Brass	35.90 (22.30)	0.42 (0.26)
Others			8.52 (7.92)
Total			14.90 (11.12)

iii) Construction Division
Work in progress

(Rupees in Lacs)

	Sq.ft.		
Land Development Rights Construction, Development, Administrative, Marketing & Finance Expenses	86,17,605 (86,77,369)		3,35,63.40 (3,32,12.06)

Completed Residential Unit	Sq.ft.	Nil (4,205)	Nil (1,10.35)
Stock of Finished Goods (C & BPD)			36.12 (55.03)
			3,37,19.88 (3,34,93.55)

The area in respect of Land Development rights is tentative as it depends on rules and regulations of various Government Authorities.

- 15) Installments becoming due for sale of residential and commercial units, the construction work of which is in progress and not substantially completed are accounted as and when received under the head "Current Liabilities".

16) Segment Information

(Rupees in Lacs)

	Year Ended On 31.03.2010	Year Ended On 31.03.2009
	1	2
1. Segment Revenue		
(net sale/ income from each segment should be disclosed under this head)		
a) Construction & Real Estate Development	2697.60	2009.43
b) Cement Product Division	177.57	129.78
Total	2875.17	2139.21
Less: Inter segment revenue	-	-
Net sales/ income from operations	2875.17	2139.21
2. Segment Results		
Profit (+)/(Loss) (-) before tax and interest from each segment)*		
a) Construction & Real Estate Development	538.05	78.75
b) Cement Product Division	(4.44)	(10.71)
Total	533.61	68.04

Less: i) Interest **	263.25	87.62
Less: ii) Other un-allocable expenditure net off unallocable income.	(42.19)	(327.28)
Total Profit / (Loss) Before Tax	312.55	307.70
* Profit/ (Loss) before tax and after interest in case of company having operations which are primarily of financial nature.		
** Other than the interest pertaining to the segments having operations which are primarily of financial nature.		
3. Capital Employed ***		
(Segment assets- Segment Liabilities)		
a) Construction & Real Estate Development	25090.48	25392.11
b) Cement Product Division	62.31	71.04
	25152.79	25463.15
Add : Unallocated Net Assets	594.01	348.56
Total	25746.80	25811.71
*** Capital Employed is inclusive of Long Term Debts		

17) Related Parties disclosure :

1. Relationships:

(a) Key Management Personnel :

Mr. Lalit C. Gandhi
Ms. Naina M. Shah
Mr. Darshan L. Gandhi

(b) Relatives of Key Management Personnel and their Enterprises

Mrs. Shraddha D. Gandhi
Mrs. Rajni L. Gandhi

(c) Associate Companies :

Bahar Housing Developers
L. L. Builders
Lgnc Ltd.
Lok Builders
Lok Realty Corporation Ltd.

Remaking Of Mumbai Housing Infrastructure & Finance Ltd.

Remaking Of Mumbai Federation

Remaking Of Mumbai Development Ltd.

Nirman Engineers

NOTE:

2. Transactions Carried out with Related Parties referred to in 1 above, in ordinary Course of Business.

(Rupees in Lacs)

Related parties	REF.	REF.	REF.	TOTAL
Nature of Transactions	IN 1(a)	IN 1(b)	IN 1(c)	
Purchases :				
Goods and materials	-	-	-	-
Fixed assets	-	-	-	-
Sales :				
Goods, materials and construction services	-	-	-	-
Expenses :				
Rent and other service charges	-	-	-	-
Remuneration	-	2.34	-	2.34
Director's fees	-	-	-	-
Income :				
Rent and other service charges	-	-	-	-
Other receipts :				
Deputation of staff	-	-	-	-
Outstandings :				
Payable	1,18.79	57.78	3,22.95	4,99.52
Receivable	17.21	-	12.25	29.46
Loans and advances	-	-	5,38.83	5,38.83

18) Contingent Liabilities :-

- (i) Disputed Income Tax Liability Rs.82,17.71 lacs (previous year Rs. 84,36.66 lacs)
(ii) Please also refer to note no.3 and 4 hereto.

19) Previous year's figures have been regrouped and restated wherever necessary to confirm to this year's classification. Figures in brackets relates to previous year.

Signature to Schedules 'A' to 'Q'

As per our report of even date attached

For BHUPENDRA SHROFF & CO.

Chartered Accountants

Firm No. 101458W

B. N. SHROFF
Partner

Place : Mumbai

Date : 9th August, 2010

On behalf of the Board

DARSHAN L. GANDHI
Chairman & Managing Director

NAINA M. SHAH
Executive Director

VIJAY B. SHARMA
Company Secretary

Balance Sheet Abstract

and Company's General Business Profile

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

I. Registration Details

Registration No. **L 7 6 2 1 0 M H 1 9 8 5 P L C 0 3 7 1 4 3**

Balance Sheet Date **3 1 - M A R - 1 0**

State Code **1 1**

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

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement *

N I L

* Preference Share Capital

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

Sources of Funds
Total Liabilities **2 5 7 4 6 . 8 0**

Paid-up Capital **4 2 8 8 . 2 7**

Reserves & Surplus **1 4 7 5 1 . 9 2**

Unsecured Loans **8 0 2 . 3 1**

Application of Funds

Net Fixed Assets **4 6 3 . 1 1**

Net Current Assets **2 4 5 8 6 . 2 2**

Accumulated Losses **N I L**

Total Assets **2 5 7 4 6 . 8 0**

Convertible Warrants **5 0 0 . 0 0**

Secured Loans **4 5 6 5 . 2 4**

Deferred Tax Liability **8 3 9 . 0 6**

Investment **5 9 4 . 0 1**

Misc. Expenditure **1 0 3 . 4 6**

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

Turnover **2 9 1 1 . 8 7**

Profit/(Loss) before tax **3 1 2 . 5 5**

Earning Per Share in Rs. (Weighted Average) **0 . 1 6 5**

Total Expenditure **2 5 9 9 . 3 2**

Profit/(Loss) after tax **7 0 . 5 5**

Dividend rate % **-**

V. Generic Names of three Principal Product/services of Company (as per monetary terms)

Product Description :

- i) Real estate Development & Construction of residential premises **N O T A P P L I C A B L E**
- ii) Leasing **N O T A P P L I C A B L E**
- iii) Cement Concrete Block making **N O T A P P L I C A B L E**

As per our report of even date attached

On behalf of the Board

For BHUPENDRA SHROFF & CO.

Chartered Accountants

Firm No. 101458W

DARSHAN L. GANDHI
Chairman & Managing Director

NAINA M. SHAH
Executive Director

B. N. SHROFF
Partner

VIJAY B. SHARMA
Company Secretary

Place : Mumbai

Date : 9th August, 2010

Cash Flow Statement

for the period ended, 31st March 2010
(Pursuant to amendment to clause 32 of the Listing Agreement)

(Rupees in Lacs)

	Inflow / (Outflow) 31st March, 2010	Inflow / (Outflow) 31st March, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT / (LOSS) AFTER TAX AND EXTRAORDINARY ITEMS	70.55	43.36
ADJUSTMENTS FOR :		
- Depreciation	20.72	28.84
- Profit on Sale of Fixed Assets	-	(0.30)
- Preliminary Expense written off	34.49	34.49
- Goodwill Amortised	344.11	344.11
- Income Tax (Current Tax & Fringe Benefit Tax)	53.10	38.34
- Deferred Tax Adjustment	188.90	226.00
	641.32	671.48
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	711.87	714.84
ADJUSTMENTS FOR :		
- Trade and Other Receivables	1,102.72	(894.32)
- Inventories	(226.33)	(6,421.84)
- Trade Payables	(1,026.68)	6,800.87
	(150.29)	(515.29)
CASH GENERATED FROM OPERATIONS	561.58	199.55
Direct Taxes Paid	(6.04)	(477.65)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	555.54	(278.10)
EXTRAORDINARY ITEMS	-	-
NET CASH FROM OPERATING ACTIVITIES	555.54	(278.10)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
- Purchase of Fixed Assets	(0.92)	(5.14)
- Sale of Fixed Assets	-	0.65
- Purchase of Investments	(490.49)	-
- Sale of Investments	245.03	-
NET CASH USED IN INVESTING ACTIVITIES	(246.38)	(4.49)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from issue of Share Warrants (including Premium)	500.00	1,239.00
- Increase / (Decrease) in Long Term Borrowings (including provision for interest)	(824.36)	(1,068.79)
NET CASH IN FINANCING ACTIVITIES	(324.36)	170.21
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(15.20)	(112.38)
CASH AND CASH EQUIVALENTS AS AT 31st, March (Opening Balance)	548.12	660.50
CASH AND CASH EQUIVALENTS AS AT 31st, March (Closing Balance)	532.92	548.12

As per our report of even date attached

On behalf of the Board

For BHUPENDRA SHROFF & CO.
Chartered Accountants
Firm No. 101458W

DARSHAN L. GANDHI
Chairman & Managing Director

NAINA M. SHAH
Executive Director

B. N. SHROFF
Partner

VIJAY B. SHARMA
Company Secretary

Place : Mumbai
Date : 9th August, 2010

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LOK HOUSING AND CONSTRUCTIONS LTD.

Registered Office : 4, Lok Bhavan, Ground Floor, Lok Bharati Complex,
Marol Maroshi Road, Andheri (E), Mumbai 400 059.



Attendance Slip

To be handed over at the entrance of the Meeting venue

Name of the Member(s) 1) _____ Folio No. : _____ No. of Shares held _____
2) _____ Dp Id* No.: _____ Client Id* No.: _____

In the case of Proxy, Name of Proxy _____

I hereby record my presence at the TWENTY-FIFTH ANNUAL GENERAL MEETING at 'M.C. GHIA HALL, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai 400 001' at 4:00 p.m. on Monday, the 27th September, 2010.

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

Notes : 1) Member/Joint Members are requested to bring the attendance slip with them.

* 2) Applicable to the Members whose shares are held in dematerialised form.



LOK HOUSING AND CONSTRUCTIONS LTD.

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Marol Maroshi Road, Andheri (E), Mumbai 400 059.



Proxy Form

Name of the Member(s) 1) _____ Folio No. : _____ No. of Shares held _____
2) _____ Dp Id* No.: _____ Client Id* No.: _____

I/We _____

being a Member/Members of LOK HOUSING AND CONSTRUCTIONS LTD., hereby appoint _____ of _____

(or failing him / her) _____ of _____

(or failing him / her) _____ of _____

as my / our Proxy to attend and vote for me/us and on my/our behalf at the Twenty-fifth Annual General Meeting of the Company to be held at 4:00 p.m. on Monday, the 27th September, 2010.

Signed this _____ day of _____, 2010
Signed by the said _____ of _____



NOTE (S) :

1. The proxy need NOT be a member.
2. The proxy form signed across revenue stamp should reach Company's registered office at least 48 hours before the scheduled time of meeting.
3. Company reserve the right to ask for identification of the proxy.
4. Proxy cannot speak at the meeting or vote on a show of hands.

Book-Post



If undelivered, please return to:
Lok Housing and Constructions Limited
4, Lok Bhavan, Lok Bharati Complex,
Marol Maroshi Road, Andheri (East),
Mumbai 400 059, Maharashtra, India