

19th ANNUAL REPORT

2002-2003



ANSAL BUILDWELL LTD.

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**ANSAL BUILDWELL LTD.****BOARD OF DIRECTORS**

Shri Gopal Ansal
Chairman-Cum Managing Director
 Shri Deepak Ansal
 Shri Subhash Verma
 Shri K.S. Bakshi

COMPANY SECRETARY

Shri Ashok Babu

AUDITORS

M/s. Sekhri & Associates
 Chartered Accountants
 New Delhi.

BANKERS

Punjab National Bank
 Canara Bank
 Punjab & Sindh Bank
 Indian Overseas Bank
 Lord Krishna Bank Ltd.
 UTI Bank Ltd.

REGISTERED OFFICE

118, Upper First Floor,
 Prakashdeep Building,
 7, Tolstoy Marg,
 New Delhi - 110 001.

BRANCH OFFICES

3-E, Jubilee Building,
 45, Museum Road,
 Bangalore-560 001.

Ansals Riverdale
 Tripunithura
 Alinchuvadu Road
 (Near Arkkakadu Bridge)
 Eroor Kochi
 Tripunithura-682 306

Ansals Green Valley,
 Jakhan, Rajpur Road,
 Dehradun (Uttaranchal)

CONTENTS	Page
Board	1
Notice	2-3
Directors' Report	4-8
Corporate Governance Report	9-16
Managements Discussion & Analysis	17-19
Auditors' Report	20-21
Balance Sheet	22
Profit & Loss Account	23
Schedules	24-33
Statement of Cash Flows	34
Consolidated Accounts	35-43
Subsidiary Company	
- Ansal Chaudhary Developers Pvt. Ltd.	44-54

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Tuesday, the 30th September, 2003 at 11.00 a.m. at Sri Sathya Sai International Centre and School, Lodhi Road, Institutional Area, Pargati Vihar, New Delhi-110003 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2003 and the Profit & Loss Account for the Financial Year ended on that date together with the Directors' Report and Statutory Auditors' Report thereon.
2. To appoint a Director in place of Shri Deepak Ansal who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

4. 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 applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreements with Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, or any amendment or modification thereof and subject to such other approvals, permissions and sanctions as may be necessary, and such conditions and modification as may be prescribed or imposed by any Authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company ('the Board') or any Committee/person(s) authorised by the Board, consent be and is hereby accorded to delist the Equity Shares of the Company from the Stock Exchanges at Ahmedabad, Delhi, Kanpur and Jaipur.

Resolved Further that authority be and is hereby accorded to the Board or any committee/person(s) authorised by the Board, to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds and things as may be necessary, expedient and desirable, for the purpose of giving effect to this Resolution."

Registered Office :
118, Upper First Floor, Prakashdeep Building,
7, Tolstoy Marg, New Delhi-110 001.

By order of the Board
for Ansal Buildwell Ltd.

Dated: 23rd August, 2003

ASHOK BABU
Company Secretary

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE ANNUAL GENERAL MEETING.
- b) The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in regard to special business set out in item No. 4 is annexed herewith.
- c) The Register of Beneficial Owners, Register of Members and the Share Transfer books of the Company shall remain closed from 22nd September, 2003 to 30th September, 2003 (both days inclusive).
- d) Members holding shares in physical form are requested to send physical transfer of shares and notify change in address, if any, to the Company's Registrar and Share Transfer Agents (RTA) M/s. Intime Spectrum Registry Limited, A-31, 3rd Floor, Naraina Industrial Area, Phase-I, New Delhi-110028 quoting correct Folio Number(s) and in case of shares held in dematerialized form to the concerned Depository Participant.
- e) Members having multiple accounts in identical names or joint accounts in same order are requested to intimate the Company the ledger folios of such accounts to enable the Company to consolidate all such share holdings into one account.
- f) The Company has already transferred all unclaimed dividend declared upto the financial year ended 31st March, 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders, who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, NCT of Delhi & Haryana, Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi-110003.



- g) Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the dividend for the financial year ended 31st March, 1995 which remain unclaimed/unpaid for a period of seven years has been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Further, the dividend for financial year ended 31st March, 1996, which will remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders, who have not encashed the dividend warrant(s) so far for any of the financial year 1995-96, 1996-97, 1997-98 & 1998-99 are requested to surrender the unencashed warrants to the Company and obtain payment by writing to the Company or its Registrar and Share Transfer Agent immediately. It may also be noted that pursuant to Section 205B of the Companies Act, 1956, once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as stated above, no claim against the Company shall lie in respect thereof.
- e) Trading in the shares of the Company has been made compulsory in dematerialized form w.e.f. 26th March, 2001. The Company has already joined the Depository System and the ISIN for the shares of the Company is INE 030C01015. Members, who desire to have their holding of shares in dematerialized form are requested to approach the Company's RTA through a Depository Participant.
- f) As per the amended provisions of the Companies Act, 1956, facility for making nominations is now available for shareholders, in respect of Equity shares, held by them. Nomination form (Form 2B) can be obtained from the Registered Office of the Company.
- h) MEMBERS DESIRING ANY INFORMATION/CLARIFICATION ON THE ANNUAL ACCOUNTS ARE REQUESTED TO WRITE TO THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 7 DAYS BEFORE THE DATE OF ANNUAL GENERAL MEETING SO THAT THE SAME MAY BE COMPILED WELL IN ADVANCE.
- i) As per the Indian Stamp (Delhi Amendment) Act, 2001, Schedule IA, Article 62(a) the stamp duty payable on share transfers has been increased from 50 Paise for every hundred rupees to 75 Paise for every hundred rupees or part thereof w.e.f. 30th July, 2001. So kindly ensure that share transfer stamps are affixed on the Share Transfer Deeds as per new rate, else the Transfer Deeds shall be liable to be rejected.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

The Equity Shares of Rs. 10/- each of your Company, are presently listed on the following Stock Exchanges in India:

- a) The Stock Exchange, Mumbai (BSE)
- b) The Delhi Stock Exchange Association Ltd.
- c) The Uttar Pradesh Stock Exchange Association Ltd., Kanpur
- d) The Stock Exchange, Ahmedabad
- e) The Jaipur Stock Exchange

Data on trading volumes indicates that the Company's shares, which are required to be compulsorily traded in the dematerialised form, are not traded in material volumes at Stock Exchanges other than The Stock Exchange, Mumbai (BSE). BSE accounts for more than 95% of the traded volumes of the Company's shares and have extensive networking of trading terminals, which facilitates trading by Members/Investors across the country. The trading volumes in the Company's shares on the other Stock Exchanges are either nil or insignificant. Continued listed on such Stock Exchanges neither serves the interest of the Members/Investors nor that of the Company.

The Board of Directors of your Company ('the Board') at its meeting held on 23rd August, 2003, accordingly recommended for the approval of the Members, the proposal to voluntarily delist the Company's shares from the Stock Exchange at Ahmedabad, Delhi, Jaipur and Kanpur. The Company's shares will, however, continue to be listed on the BSE.

Delisting of the Company's shares from the aforesaid Stock Exchanges would result in administrative convenience and saving in costs on account of listing fees, etc.

In accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, consent of the Members by way of a Special Resolution is required for voluntary delisting of the Company's shares from the aforesaid Stock Exchanges.

None of the Directors of your Company is interested in this Special Resolution.

The Board recommends this Special Resolution for your approval.

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF ANNUAL REPORT AT THE MEETING

DIRECTORS' REPORT

Dear Shareholder,

Your Directors have pleasure in presenting the Nineteenth Annual Report together with Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2003.

FINANCIAL RESULTS

The Working Results of the Company are briefly given below:

	Current Year (Rs. in Lacs)		Previous year (Rs. in Lacs)	
Sales & Other Income	<u>5200.82</u>		<u>5171.59</u>	
Profit Before Interest & Depreciation etc.	<u>640.11</u>		<u>706.65</u>	
LESS:				
— Interest	473.77		536.82	
— Depreciation	<u>45.33</u>	<u>519.10</u>	<u>46.24</u>	<u>583.06</u>
		<u>121.01</u>		<u>123.59</u>
ADD:				
— Surplus Profit Brought Forward From Previous Year	<u>4.80</u>		<u>3.61</u>	
	<u>125.81</u>		<u>127.20</u>	
APPROPRIATIONS				
— Provision For Taxation	47.80		50.77	
— Provision for Deferred Tax Liability	0.11		3.63	
— Transfer To General Reserve	<u>72.00</u>	<u>119.91</u>	<u>68.00</u>	<u>122.40</u>
— Surplus Profit Carried to Balance Sheet.	<u>5.90</u>		<u>4.80</u>	

DIVIDEND

In view of your Company's proposed investments in new Real Estate ventures, both within and outside India, it is necessary to conserve resources. Therefore, no dividend is proposed for the year ended 31st March, 2003.

OPERATIONS

Your Company has been able to sustain sales and other Income during the year under review despite continuing recession in Real Estate Market in the Country. The sales and other income during the year under review is Rs. 52.01 crores as compared to Rs. 51.72 crores in the previous year. Gross profits stands at Rs. 6.40 crores as against Rs. 7.07 crores in the preceding year. Profit before tax is Rs. 1.21 crores. Out of the disposable surplus of Rs. 77.90 lacs, a sum of Rs. 72 lacs has been transferred to General Reserves which stood at Rs. 1132.36 lacs at the end of the year. The reasons for not achieving higher profitability are the prevailing market conditions.

During the Financial Year under review the Company has achieved substantial progress in ongoing projects. The Sushant Lok, Phase-II Colony on the outskirts of Delhi has been expanded further by acquiring contiguous lands. Further Licence applications and land use conversion applications are under process. However, some Licences for additional land have also been granted by the Government. The development works in the additional licenced lands are in progress. As the recession in the Real Estate Market continues, sale of properties has been a difficult task. However efforts made to target middle income group clientele by offering independent floors and low cost expandable houses, the offered price of which suits the budget of this particular class of buyers, has proved to be a success and are continuing to be so. But recently some hurdles have been created by the authorities in this regard, the matter is being sorted out by all the developers jointly with the statutory authorities.



Partial success has already been achieved. The work on Independent Houses is in an advanced stage of completion while the construction activities on Independent Floor Schemes, sold in the last two Financial Years like Sushant Floors, Royale Residency, Royale Casa, Flexi Homes, Florence Series are progressing at a good pace.

The habitation in the Colony is gradually picking up. Handing over of physical possession to flat buyers of "Navkriti Arcade" a Commercial Complex is under process, while work of another Commercial Complex, "Sushant Towers" is nearing completion and possessions in this building will be offered during current year.

In Bangalore, the residential project, Krsna-II is virtually complete while another residential complex, "Ansal Forte" has almost been completed. As regards Cochin, the residential project, "Ansal Reverdales" comprising of plots and independent villas, is under development and construction on sold units is in progress.

The project launched in Hills of Uttranchal State at Dehradun is progressing well both in terms of sales as well as construction. The construction work on houses sold and development works are progressing at a rapid pace.

As you are already aware the Company has signed a Joint Venture with M/s. Chaudhary Group of Nepal. We are in the process of handing over the first two Projects, namely the Kathmandu Residency and Mountview Residency Phase I. Works on Mountview Residency Phase II is going to commence very soon and the sales response of Phase II has been very encouraging.

On construction contracts front the work on Shillong Project whose client is M/s North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences is progressing well.

As regards the C-Dot contract, we are likely to complete the Project in the current year, that is, 2003. Due to incessant rains, Dwarka Drain Project has been affected but the work is likely to pick up after the rainy season. The Project at Guwahati has been running behind schedule because of the Client not giving possession of the Site and the matter regarding extension of time is being taken up with the Client.

PROSPECTS AND FUTURE OUTLOOK

Even though property prices have been on a downward trend in the last five years, we expect the scene to change. To this effect the Company is expanding its horizon in Gurgaon by procuring additional lands and has already succeeded in this to some extent. During the current Financial Year fresh licences for additional lands procured have been obtained and new built-up schemes launched.

The Company is also thinking of giving consultancy in sales and marketing expertise in real estate to various unknown/new property owners. The Company has recently tied up such an arrangement in Moradabad and subsequently plans to enter the city directly for real estate works.

Company is trying to procure some more Hi-tech Engineering Contracts in addition to the existing contract at Shillong, which is in progress. The Company has also entered into Agreements with other companies to work on back to back basis for execution of projects worth Rs. 125 Crores.

Since the response of the first three Projects in Kathmandu has been encouraging, the Company plans to procure more Projects in and around Kathmandu in the near future.

You will be pleased to note that your Company is seriously exploring the possibilities of entering Infrastructural and Tourism related projects. In addition to this, continuing efforts are being made to enter into the smaller towns of Uttar Pradesh, Rajasthan, Haryana and Punjab.

STATUTORY STATEMENTS

None of the employees of the Company was in receipt of remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 for the whole of the year under review or any part thereof. Therefore the Statement showing particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not annexed hereto.

As regards disclosure under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the

Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, it has been advised that the disclosure of particulars relating to Conservation of Energy is not applicable to the Company.

The Company has so far not undertaken any Research & Development activities or Development of any Technology in the field of constructions. Provision relating to disclosure of information in respect of foreign exchange earnings and outgo as required under Rule 2(C) is already given in Para 2(c) & (d) of Part B of Schedule 13 'Notes on Accounts' forming part of Audited Annual Accounts.

In view of insufficient information from the suppliers regarding their status as SSI units, amount due to Small Scale Industrial Undertakings as on 31st March, 2003 could not be ascertained and accordingly the same could not be disclosed in the Financial Statement.

CORPORATE GOVERNANCE

Corporate Governance and Management Discussions and Analysis Report alongwith Certificate of the Auditors of your Company pursuant to clause 49 of the Listing Agreement with the Stock Exchanges has been included in this Report as Annexure. Your company has been practising the principles of good Corporate Governance over the years. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Accounts for the year ending as on that date together with the Reports of Directors' and Auditors' thereon of M/s. Ansal Chaudhary Developers (P) Ltd., the Subsidiary Company is attached herewith. Statement as required under Section 212 of the Companies Act, 1956 is also annexed herewith.

The consolidated Balance Sheet of Ansal Buildwell Limited and its subsidiary M/s. Ansal Chaudhary Developers (P) Ltd., for the Financial Year 31st March, 2003 and Profit and Loss Account for the Financial year ended on that date together with the Schedules is attached hereto.

DEPOSITORY SYSTEM

Pursuant to the directions of the Securities and Exchange Board of India (SEBI) effective from 26th March, 2001 trading in the Company's shares in dematerialization form has been made compulsory for all investors. Dematerialised form of trading would facilitate quick transfers and save stamp duty on transfer of shares. However, members are free to keep the shares in physical form or to hold the shares with a "DEPOSITORY PARTICIPANT" in demat form. For this purpose the Company has appointed M/s. Intime Spectrum Registry Ltd. as Registrar and Share Transfer Agent (RTA) of the Company. The specific ISIN No. allotted to the Company by NSDL and CDSL is INE030C01015.

FIXED DEPOSITS

Fixed Deposits from the public, shareholders and employees as on 31st March, 2003 stood at Rs. 396.08 Lacs. Fifty One Deposits amounting to Rs. 11,64,000/- remained unclaimed as on that date and out of above Thirty Two deposits amounting to Rs. 3,19,000/- were claimed as refund/renewal in the current year. However, the balance amount of Rs. 8,45,000/- still remains unclaimed.

DIRECTORS

Shri Deepak Ansal, Director of the Company retires by rotation and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under:

- (i) That in the preparation of the Annual Account, the applicable accounting standards had been followed and no material departures have been made from the same.
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair



view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- (iii) That the Directors had 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) That the Directors had prepared the annual accounts on a going concern basis.

DELISTING OF EQUITY SHARES FROM SOME STOCK EXCHANGES

The Equity Shares of your Company are presently listed on five Indian Stock Exchanges viz. The Stock Exchange Mumbai and the Stock Exchanges at Delhi, Ahmedabad, Jaipur and Kanpur. The Company has paid Annual Listing fees to all the Stock Exchanges upto the year 2003-2004.

Data on trading volumes indicates that the Company's shares, are not traded in material volumes at Stock Exchanges other than Mumbai Stock Exchange (BSE) and it account for more than 95% of the traded volumes of the Company's shares and have extensive networking of trading terminals, which facilitates trading by Members/Investors across the Country.

The Board of Directors of your Company at its meeting held on 23rd August, 2003, accordingly recommended for the approval of the Members, the proposal to voluntarily delist the Company's shares from the four Stock Exchanges at Delhi, Ahmedabad, Jaipur and Kanpur. The Company's shares will, however, continue to remain listed on the Mumbai Stock Exchange.

A Special Resolution seeking your approval to such delisting is appearing in the notice convening the 19th Annual General Meeting of the Company.

AUDITORS

M/s Sekhri & Associates, Chartered Accountants, who retire at the conclusion of this Annual General Meeting and being eligible for re-appointment, have expressed their willingness to be re-appointed as Statutory Auditors of the Company. They have given certificate that the appointment, if made, would be within the limit prescribed under section 224(1) of the Companies Act, 1956. Your Directors recommend their appointment for another year.

ACCOUNTS AND AUDITORS' REPORT

The observations of the Auditors are self-explanatory and/or suitably explained in Notes to the Accounts.

ACKNOWLEDGEMENTS

The Directors wish to place on record their thanks and gratitude to :

- i) The Central and State Governments, as well as their respective Departments and Development Authorities connected with the business of the Company for their co-operation and continued support;
- ii) The Bankers and Housing Finance Companies as well as other Institutions for the financial facilities and support;
- iii) The Members, Depositors, Suppliers/Contractors for the trust and confidence reposed and to the customers for their valued patronage.

The Board also takes this opportunity to express their sincere appreciation of the efforts put in by the employees at all levels for achieving the results and hopes that they would continue their sincere and dedicated endeavour towards achieving better working results during the current year.

Registered Office:

118, Upper First Floor, Prakashdeep Building,
7, Tolstoy Marg, New Delhi - 110001.

for & on behalf of the Board

GOPAL ANSAL

Chairman-cum-Managing Director

Dated: 23rd August, 2003

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1. Name of the Subsidiary Company	ANSAL CHAUDHARY DEVELOPERS PVT. LTD.
2. No. of Shares held in the Subsidiary Company	30600 Equity Shares of Rs. 62.50 each fully paid up
3. Percentage of holding in the Subsidiary Company	51%
4. Financial Year ended	31st March, 2003
5. Profit after tax (Losses) of the Subsidiary Company for the financial year so far as it concerns the members of Ansal Buildwell Ltd. which have not been dealt with in the accounts of Ansal Buildwell Ltd. for the financial year ended 31st March, 2003	
For the financial year	Rs. 11,87,736.00
For Previous Year	Rs. 11,93,771.00
6. The net aggregate of Profits/(Losses) of the Subsidiary Company which have been dealt with in the account of Ansal Buildwell Ltd. for the financial year ended 31st March, 2003.	
For the financial year	NIL
For previous year	NIL

GOPAL ANSAL
Chairman cum Managing Director

SUBHASH VERMA
Director

DEEPAK ANSAL
Director

ASHOK BABU
Company Secretary

R.L. GUPTA
Addl. Vice President (Finance)

Place : New Delhi
Date : 23rd August, 2003

SATISH CHANDER
DGM (Finance)

GIRISH GULLA
DGM (Finance)