

21st

Annual Report 2004 - 2005



ANSAL BUILDWELL LTD.

(AN ISO 9001 : 2000 COMPANY)

Project Completed



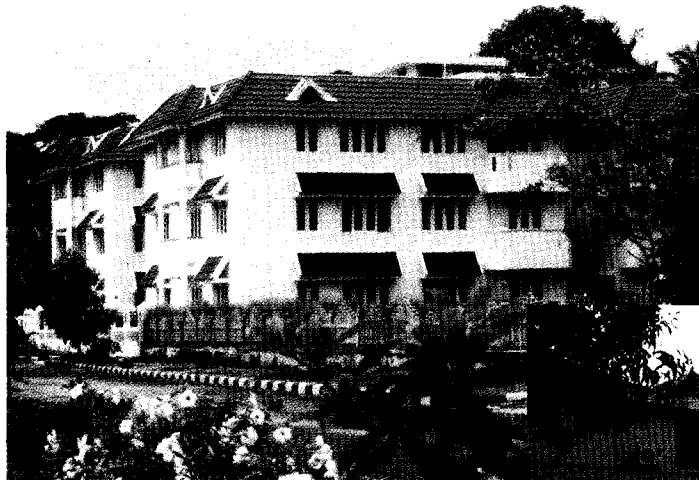
Oriental Homes, Gurgaon



Harmony Homes, Gurgaon



Report Junction



Ansal Riverdale Club, Cochin



Ansal Riverdale, Cochin




ANSAL BUILDWELL LTD.
BOARD OF DIRECTORS

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

G.M. & COMPANY SECRETARY

Shri Ashok Babu

AUDITORS

M/s Sekhri & Associates
 Chartered Accountants
 New Delhi

BANKERS

Punjab National Bank
 Canara Bank
 Punjab & Sind Bank
 Indian Overseas Bank

REGISTERED OFFICE

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

BRANCH OFFICES

35/3, Bannerghatta Road,
 2nd Floor, above Festo Controls,
 Shamanna Garden,
 Opp. Near Mico back Gate
 Bangalore - 560 030

Ansals Riverdale
 Tripunithura
 Alinchuvadu Road
 (Near Arkkakadavu Bridge)
 Eror, Kochi
 Tripunithura - 682 306

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

75-Madhubani,
 Near Madhubani Park
 Kanth Road
 Muradabad (UP)

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ANSAL BUILDWELL LTD.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twentyfirst Annual General Meeting of the Company will be held on Friday, the 30th September, 2005 at 11.00 a.m. at Sri Sathya Sai International Centre and School, Lodhi Road, Institutional Area, Pargati Vihar, New Delhi-110 003 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2005 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 declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri K.S. Bakshi who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. Re appointment of Shri Gopal Ansal, as Chairman Cum Managing Director.

To consider and, if thought fit, to pass with or without modifications(s) the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310,311 read with schedule XIII and any other applicable provision if any of the Companies Act, 1956 and subject to necessary approvals and consent as may be required, approval of the shareholders be and is hereby accorded to the re-appointment of Shri Gopal Ansal as Chairman cum Managing Director of the Company for a period of 3 years from 1st April, 2006 on the remuneration and the terms and conditions as set out below.

1. BASIC SALARY

Basic Salary of Rs. 1,50,000/- (Rupees One Lac fifty thousand only) per month in the grade of Rs. 1,50,000-10,000-1,80,000.

2. PERQUISITES

In addition to above, he shall be entitled to the following perquisites:

CATEGORY “A”

1. Housing : Residential Furnished Accommodation (Company Leased) or in lieu thereof House Rent Allowance upto 40% of the basic salary.
2. Gas, Electricity, Water and Furnishings : The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% (ten Percent) of the basic Salary.
3. Medical Reimbursement : Expenses incurred for self and his family members subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
4. Leave Travel Concession: For self and family members once in a year incurred in accordance with the Rules specified by the Company.
5. Club Fees: Fee of Clubs, subject to a maximum of two clubs but this shall not include entrance fee or life membership fee.
6. Personal Accident Insurance: Premium not to exceed Rs. 20,000/- per annum.

The total monthly remuneration calculated as above should not exceed Rs. 3,00,000/- (Rupees Three lacs only) per month pursuant to Section II of Part-II of schedule XIII of the Companies, Act, 1956

CATEGORY “B”

The following perquisites which shall also be allowed but they will not be included in the computation of the ceiling on perquisites.


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1. Company's contribution to provident fund @ 12% of the salary or at such other rate as per the laws applicable in this behalf from time to time.
2. Company's contribution towards Superannuation Fund as per the rules of the Company's Superannuation Scheme as may be applicable from time to time, provided, however that the Company's contribution to the Superannuation Fund together with the contribution to the Provident Fund shall not exceed 27% of the salary or any higher amount that may be permissible under the law.
3. Gratuity in accordance with the Rules of the Company as applicable to the Senior Executives of the Company for each completed year of service.
4. Encashment of leave at the end of the tenure.

CATEGORY "C"

Provision of car with driver and free Telephone/Communication facilities at Residence for business purpose.

RESOLVED FURTHER THAT the Board of Directors/Remuneration Committee of the Company be and is hereby authorised to vary and/or revise the remuneration of the said Chairman & Managing Director within the permissible Limits under the provisions of the Companies Act, 1956 or any statutory amendments thereto from time to time and to settle any question or difficulty in connection therewith or incidental thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director, payment of salary, perquisites and other allowances shall be as aforesaid subject to the limits/approvals prescribed under Section II of the part-II of the Schedule-XIII of the Companies Act, 1956 as applicable from time to time and the actual remuneration payable shall be as recommended by the Remuneration Committee and approved by the Board of Directors of the Company."

Registered Office:

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

By order of the Board
For Ansal Buildwell Ltd.

ASHOK BABU

G.M. & Company Secretary

Dated: 24th August, 2005

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 FORTYEIGHT HOURS BEFORE THE ANNUAL GENERAL MEETING.
- b) The Register of Beneficial Owners, Register of Members and the Share Transfer books of the Company shall remain closed from 22nd September, 2005 to 30th September, 2005 (both days inclusive).
- c) (i) Dividend, if declared, will be payable to those members whose names appear in the Register of Members as on the 30th September, 2005. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of shares whose names appear in the statement of beneficial ownership furnished by the Depositories as at the end of business hours on 21st September, 2005.
(ii) No tax at source shall be deducted from Dividend amount payable to the members. Tax will be paid by the Company at the flat rate of 12.5% on the total amount of dividend payable and surcharge thereon @ 10% and education cess thereon @ 2%.
- 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 Agent (RTA) M/s Intime Spectrum Registry Limited, A-31, 3rd Floor, Naraina Industrial Area, Phase-I, New Delhi-110 028 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


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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-110 003.
- 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, 1996 and 1997 which remained 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, 1998, 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 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.
- h) 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.
- i) The Members desirous of appointing their nominee for the shares held by them may apply in the revised Nomination Form (Form 2-B) as amended by the Central Government vide their notification No. GSR 836(E) dated 24th October, 2000.
- j) Corporate Members intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
- k) Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- l) MEMBERS DESIRING ANY INFORMATION/CLARIFICATION ON THE ANNUAL ACCOUNTS ARE REQUESTED TO WRITE TO THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 10 DAYS BEFORE THE DATE OF ANNUAL GENERAL MEETING SO THAT THE SAME MAY BE COMPILED WELL IN ADVANCE.

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

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO.5

Shri Gopal Ansal was appointed as Chairman cum Managing Director of the Company for a period of 5 years effective from 1st August, 2001 and his tenure would end on 31st July, 2006. The Board of Directors intended to review his term of appointment, and accordingly in the Board Meeting held on 30th July, 2005 the Board has reappointed him as Chairman cum Managing Director for a further period of 3 years w.e.f. 1st April, 2006 and approved remuneration in accordance with the provisions of sections 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 and subject to other necessary approvals, which is commensurate with his qualification, experience and the responsibilities entrusted to him

Shri Gopal Ansal is a qualified Civil Engineer (B.Sc. Engg. Civil) and is associated with Ansal group for the last 33 years. During his tenure as above, the Company has gained several new heights by way of number of projects, turnover and


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profitability etc. He has to his credit vast, rich and varied experience in the field of development and construction of multistoreyed buildings and execution of large value hi-tech engineering projects on turnkey basis. The Company has already executed a large number of commercial, residential and real estate development projects under his able guidance.

In terms of Section 198, 269, 309, 310 read with amended Schedule – XIII of the Companies Act, 1956, Shareholders' approval by way of Special Resolution is necessary for the appointment and payment of remuneration upto an amount as stated in the Resolution at Item No. 5 of the accompanying Notice. However, the actual remuneration to be paid to Shri Gopal Ansal shall be as recommended by the Remuneration committee and approved by the Board of Directors in accordance with the statutory guidelines/provisions as may be applicable from time to time.

Shri Gopal Ansal and Shri Deepak Ansal, being related to him, may be deemed to be interested in the Resolution. No other Director is interested in or concerned with the Resolution.

Statement containing the information for shareholders reference as prescribed under Schedule – XIII of the Companies, 1956 is appended here to as Annexure-II and forms part of this Notice.

The aforesaid appointment and payment of remuneration of Shri Gopal Ansal, Chairman cum Managing Director may be regarded as abstract of the terms of re-appointment and memorandum of Interest under section 302 of the Companies Act, 1956.

ANNEXURE - I

DETAIL OF DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	: Sh. Kanwaljit Singh Bakshi
1. Date of Birth	: 26th October, 1946
2. Date of Appointment	: 29/08/2000
3. Experience in specific functional areas	: He is a qualified Civil Engineer with over 36 years of professional experience in the field of Civil Engineering (Execution and Planning) and Real Estate Development in different parts of the country e.g. <ul style="list-style-type: none"> a) Resurfacing and Extension of Runways at 39 Airports including quarrying and other earth Works. b) Designing and Resurfacing of about 750 Kms. of Highways in India and Abroad. c) Construction of Multi-Storey Luxury Flats and Housing and Commercial Complexes.
4. Directorship in other Companies	: As Managing Director <ul style="list-style-type: none"> 1. Oriental Structural Engineers Pvt.Ltd As Director <ul style="list-style-type: none"> 1. Continental Engines Ltd. 2. Ansal Buildwell Ltd. 3. Bombay Builders (India) Pvt. Ltd. 4. Central Park Estates Pvt. Ltd. 5. Indian Technocrat Ltd.



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ANNEXURE - II

Dear Shareholder(s),

Reg: Information in respect of Shri Gopal Ansal, Chairman cum Managing Director

In compliance with the provisions of Part II of Section II of Schedule XIII amended vide Notification No. G.S.R. 36(E) dated 16.01.2002, the following information forming part of the Explanatory Statement to the Special Resolution proposed to be passed under Agenda Item No.5 of the enclosed Notice dated 24th August, 2005, 21st Annual General meeting of the Company scheduled to be held on 30th September, 2005

I. General Information

1. Nature of Industry : Real Estate Development and Construction etc.
2. Date or expected date of commencement : Already Existing Company.
3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions : Not Applicable
4. Financial Performance based on given indicators.

Particulars	2004-2005 (Rs. in Lacs)	2003-2004 (Rs. in Lacs)
Total Sales & Other Income	8280.99	6414.44
Gross Profit	717.87	728.90
Less: Interest	464.95	538.72
Depreciation	57.01	43.72
Provisions for Taxation	85.25	77.65
Provision for deferred Tax Liability(Net)	(1.57)	(14.15)
Net Profit	112.23	82.95

5. Export performance and net foreign Exchange collaborations : Not applicable
6. Foreign Investment or Collaborators if any : Investment of Rs. 19,12,500/- in Subsidiary company in Nepal i.e.
Ansal Chaudhary Developers Pvt. Ltd.

II. Information about the Appointee

1. Background details : Shri Gopal Ansal is a qualified Civil Engineer and is associated with 'Ansal Group' for the last 33 years. He is a Director of the Company for the last 15 years and he was appointed as Chairman and Managing Director of the Company w.e.f. 1st August, 2001 for a period of 5 years. He has to his credit vast, rich and varied experience in the field of development and construction of multi-storeyed buildings and execution of large value hi-tech engineering projects on turnkey basis. Under his able guidance and direction, the Company has executed large number of commercial, Residential and Real Estate Development Projects.


ANSAL BUILDWELL LTD.

- | | | | | | | | | | | | |
|-----------------------|--|---|---|-----------------------|--------------------|-----------|------------|-----------|------------|-----------|-------------|
| 2. | Past Remuneration | : | <table border="0"> <tr> <td style="text-align: left;"><u>Financial Year</u></td> <td style="text-align: left;"><u>Amt. In Rs.</u></td> </tr> <tr> <td>2002-2003</td> <td>1,20,000/-</td> </tr> <tr> <td>2003-2004</td> <td>1,32,000/-</td> </tr> <tr> <td>2004-2005</td> <td>11,75,920/-</td> </tr> </table> | <u>Financial Year</u> | <u>Amt. In Rs.</u> | 2002-2003 | 1,20,000/- | 2003-2004 | 1,32,000/- | 2004-2005 | 11,75,920/- |
| <u>Financial Year</u> | <u>Amt. In Rs.</u> | | | | | | | | | | |
| 2002-2003 | 1,20,000/- | | | | | | | | | | |
| 2003-2004 | 1,32,000/- | | | | | | | | | | |
| 2004-2005 | 11,75,920/- | | | | | | | | | | |
| 3. | Recognition or awards | : | Company has been awarded ISO 9001:2000 certificate in the year 2004-2005. | | | | | | | | |
| 4. | Job Profile & his suitability | : | Shri Gopal Ansal was appointed as Chairman cum Managing Director of the Company for a period of 5 years w.e.f. 01.08.2001 and he still continues to hold that office. | | | | | | | | |
| 5. | Remuneration Proposed | : | In view of his performance and achievements the Board has proposed to increase his remuneration to Rs.1,50,000/- per month with effect from 1st April, 2006 and the perquisites etc. detailed in the Resolution at item No.5 of the agenda of the Notice for AGM for 2005. | | | | | | | | |
| | Basic Salary | : | Rs. 18,00,000/- per annum | | | | | | | | |
| | Perquisites and Benefits | : | As per details given in the Resolution No.5 to the Notice for Annual General Meeting, 2005. | | | | | | | | |
| | Housing | : | Upto 40% of Basic Salary | | | | | | | | |
| | Gas, Electricity, Water and Furnishings | : | Upto 10% of Basic Salary. | | | | | | | | |
| | Medical Reimbursement | : | Expenses incurred for self and his family subject to a ceiling of one month's salary in a year or three months' salary over a Period of three years. | | | | | | | | |
| | Leave Travel Concession Club Fees | : | As per rules of the company Fees of Clubs, subject to a maximum of Two clubs | | | | | | | | |
| | Personal Accident Insurance | : | Premium not exceeding Rs. 20,000/- per Annum. | | | | | | | | |
| | Provident Fund, Superannuation Fund, Gratuity, Leave encashment etc. | : | He will also be entitled to Provident Fund, Superannuation Fund, Gratuity, Leave encashment benefits as per rules of the Company. Company's contribution to Superannuation Fund together with contribution to Provident Fund shall not exceed 27% of the salary or any higher amount permissible under the law. | | | | | | | | |
| 6. | Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and Person(in case of expatriates the Relevant details would be w.r.t. the Country of his origin). | : | Though the exact latest data of the comparative profile with remuneration of the CEO/CMD of Real Estate Development and Construction Companies could not be obtained, however generally the CEOs/CMDs of Real Estate and Construction Companies of comparable status are receiving remuneration even higher than the proposed remuneration of Sh. Gopal Ansal, CMD. | | | | | | | | |
| 7. | Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any | : | Mr. Gopal Ansal, Chairman cum Managing Director of the Company is elder brother of Mr. Deepak Ansal, Director of the Company. | | | | | | | | |


ANSAL BUILDWELL LTD.
III. Other Informations

- | | |
|---|--|
| 1. Reasons of loss or inadequate profits | : Though the Company is earning profit but its profitability is affected due to some losses in construction contracts in North East region of the country. |
| 2. Steps taken or proposed to be taken for improvement | : Now that the Company is primarily focusing on the new remunerative Real Estate projects:- its core area and it expects to raise its turnover/profitability substantially in the current and ensuing years. |
| 3. Expected increase in productivity and profits in measurable term | : In the Financial Year 2005-2006, the Company expects to raise its Turnover to over Rs 90 crores and Net Profits to over Rs 2.5 Crores. |

IV Disclosures

Remuneration Package of Mr. Gopal Ansal which will inter-alia include Basic Salary of Rs. 18,00,000/- per annum, Perquisites and benefits, Housing upto 40% of the Basic Salary. Gas, Electricity, Water upto 10% of Basic Salary. In addition to this, Mr. Gopal Ansal will be entitled to avail LTC and Medical facilities as per rules of the Company which at present is monetary compensation equivalent to one Month Salary each for medical/LTC Benefits. He will also be entitled to personal accidental insurance equivalent upto Rs. 20,000/- of premium in a year. However actual aggregate remuneration payable to Mr. Gopal Ansal with effect from 1st April, 2006 shall not exceed Rs. 3,00,000/- p.m. pursuant to of Section-II of Part-II of Schedule XIII of the Companies Act, 1956. In addition, he will also be entitled to Provident Fund, Superannuation Fund, Gratuity & Leave encashment benefits as per rules of the Company.

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

Dated: 24th August, 2005

By order of the Board
For Ansal Buildwell Ltd.

ASHOK BABU
G.M. & Company Secretary