

22nd Annual Report 2005 - 2006



ANSAL BUILDWELL LTD.

(AN ISO 9001 : 2000 COMPANY)

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Ansal City Entrance Gate, Amritsar



Club Florence, Sushant Lok - II



Ansal City Entrance Gate, Kochi

**BOARD OF DIRECTORS**

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

Sr. 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
 HDFC Ltd.

REGISTERED OFFICE

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

BRANCH OFFICES

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

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

D-94, Ram Ganga Vihar,
 Phase - II, Near Sai Temple,
 Moradabad (U.P.)

Unit No. FUF-8, 4th Floor
 Plot No. 32, Central Mall,
 The Mall, Amritsar (Punjab)

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**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Second Annual General Meeting of the Company will be held on Friday, the 29th September, 2006 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, 2006 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 Deepak Ansal 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. To appoint Shri V. P. Verma as Director.

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **ORDINARY RESOLUTION**

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956 Shri V. P. Verma, who was appointed as an Additional Director of the Company and who under Section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Shri V.P. Verma for the office of Director, be and is hereby appointed as a Director of the Company and is liable to retire by rotation."

6. To approve the increase in the borrowing limits of the Company from Rs. 100 crores to Rs. 200 crores.

To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an **ORDINARY RESOLUTION**

"RESOLVED THAT in supersession of the Resolution passed at the 12th Annual General Meeting of the shareholders of the Company held on 20th August, 1996 and pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing monies from time to time for the purposes of the Company, notwithstanding that the monies to be borrowed, together with monies already borrowed by the Company (apart from temporary loan and advances obtained or to be obtained from the Company's bankers in the ordinary course of business) either from the Company's Bankers and/or any one or more persons or Financial Institutions whether by way of advances, loan or bills discounting, issue of debentures or otherwise and whether unsecured or secured by mortgage, charges, hypothecation, lien or pledge of the Company's assets and properties whether movable or immovable, or stock-in-trade and work-in-progress of the Company on such terms and conditions as may be considered appropriate by the



Board of Directors, be exceeding the aggregate of the paid-up Share Capital of the Company and its free reserves, that is to say Reserves not set apart for any specific purpose, provided that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed at any time Rs. 200 crores (Rupees Two hundred Crores only)".

"RESOLVED FURTHER that pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors be and is hereby authorised to secure the borrowing of monies as aforesaid with interest, costs, charges and other monies in such manner as they may think fit and for that purpose to execute mortgage, charge and/or hypothecate in respect of the whole or any part of the properties and assets of the Company, both present and future, and on such terms and conditions as the Board of Directors may think fit from time to time".

7. To approve and authorize issue of securities on public issue/private placement/preferential allotment/rights/any other basis.

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

"RESOLVED as a Special Resolution that in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment to or re-enactment thereof), the provisions of Memorandum and Articles of Association of the Company, and the provisions of any other applicable law/s including Foreign Exchange Management Act, 1999, and, subject to the approval of the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange(s) Foreign Investment Promotion Board or any other regulatory authority/institutions, as may be necessary and, subject also to the consents, permissions and sanctions of such other appropriate authorities, institutions or bodies, whether in India and/or abroad, as may be necessary, consent, authority and approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee to which the Board may delegate all or any of its powers) to offer, issue and allot on rights basis and/or public issue basis and/or private placement basis and/or by way of preferential allotment and/or any other basis equity shares / debentures/ bonds/ warrants/ securities, fully or partly convertible into equity shares/securities linked to equity shares, the right of conversion or to receive securities, at the option of the Company and/or the holders thereof, or otherwise, ADRs/GDRs/FCCBs, in Indian currency and/or foreign currency, in India and/or abroad, (hereinafter collectively referred to as "the Securities"), as the Company may be advised, to the shareholders/beneficial owners of shares of the Company, public, any other person/s including Foreign Institutional Investors (FIIs), Non-Resident Indians (NRIs) or any other non residents, promoters, promoters group, persons acting in concert, their relatives, associates, associate companies, their shareholders, trusts, societies, mutual funds, financial institutions, banks, companies, body corporates, and employees of the Company or subsidiary/ies or associates/associate companies, as the Board may in its absolute discretion decide(hereinafter collectively referred to as "the Investors"), whether or not the Investors are members of the Company, to all or any of them, jointly or severally, such offer, issue and allotment to be made at such time/s, in such tranch or tranches, at such price/s, at a discount or premium, and in such manner and form including in physical/demat, and on such terms and conditions as the Board may in its absolute discretion think fit and proper and in accordance with



the laws, rules, regulations and guidelines prevailing in this regard, provided that, the aggregate value of all securities issued and allotted or to be issued and allotted on conversion and/or on exercise of option by the Company and/or Investors, shall not exceed Rs. 250 Crores.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of shares as may be required to be issued and allotted upon conversion of any Securities and/or on exercise of option by the Company and/or Investors or as may be necessary in accordance with the terms of the above offerings and/or issues, subject to the provisions of applicable law/s.

RESOLVED FURTHER THAT in the event of the Company making a bonus issue of shares or rights issue of shares/debentures prior to allotment of equity shares on exercise of rights attached to the Securities/conversion of Securities, the holders of such Securities shall be entitled to all bonus shares or rights shares/debentures, in such proportion/s as may be decided by the Board, at any time after the date of issue of the Securities with rights attached or convertible Securities, subject to such terms and conditions as the Board may deem fit and proper, and also subject to the provisions of applicable law/s.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to agree to and to make and accept all such conditions, modifications and alterations stipulated by any relevant authorities while according approvals or consents to the issue, as may be required/considered necessary, proper or expedient, and to take all such actions/steps as may be necessary, desirable or expedient, including to take further consent/authority/approval of members through postal ballot/s, if required/necessary, under any law/s or otherwise, and, to resolve and settle all questions and difficulties that may arise in the proposed issues and allotments of the Securities, and to do all acts, deeds, matters and things which are incidental and consequential, as the Board may at its absolute discretion deem necessary or desirable for such purposes, including, if necessary, creation of such mortgages and/or charges in respect of the Securities on the whole or any part of the undertaking/s or uncalled capital of the Company, if any, under Section 293(1)(a) and other applicable provisions of the Companies Act, 1956, and to execute such documents or writings as the Board may consider necessary or proper or incidental to give effect to this Resolution”.

8. To approve the increase in the Authorised Share Capital of the Company from Rupees Ten crores to Rupees Twenty five crores.

To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an ORDINARY RESOLUTION.

“RESOLVED as an Ordinary Resolution that pursuant to the provision of Section 94 of the Companies Act, 1956, and other applicable provisions, if any, and Article No. 4 and other applicable articles of the Articles of Association of the Company, consent of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One crore) Equity Shares of Rs. 10/- (Rupees Ten each) to Rs. 25,00,00,000 (Rupees Twenty five crores only) divided into 2,50,00,000 (Two crore fifty lacs) equity shares of Rs. 10/- each.

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be substituted with the following new Clause:



“V. The Authorised Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty five Crores only) divided into 2,50,00,000 (Two crore fifty lacs) equity Shares of Rs. 10/- (Rupees Ten) each”.

RESOLVED FURTHER THAT the Board of Directors of the Company or its Committee, to which the Board may delegate its powers, from time to time, be and are hereby authorised to do all the necessary acts/deeds/things and to take all such consequential and incidental steps as may be required to give effect to this Resolution.”

9. To approve alteration in Articles of Association to increase the Authorised Share Capital of the Company from Rs. 10 Crores to Rs. 25 Crores.

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

RESOLVED as a Special Resolution that pursuant to provision of Section 31 of the Companies Act, 1956 and other applicable provisions, if any, and Article No. 4 and other applicable articles of Articles of Association of the Company, consent of the Company be and is hereby accorded to substitute the Article No. 3 of the Articles of Association of the Company with the following new Article.

“3. The Authorised Share Capital of the Company is 25,00,00,000 (Rupees Twenty five crores only) divided into 2,50,00,000 (Two crore fifty lacs) Equity Shares of Rs. 10/-each (Rupees Ten) each”.

RESOLVED FURTHER THAT the Board of Directors of the Company or its Committee, to which the Board may delegate its powers, from time to time, be and are hereby authorised to do all the necessary acts/deeds/things and to take all such consequential and incidental steps as may be required to give 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.

ASHOK BABU

Sr. G.M. & Company Secretary

Dated : 29th June, 2006

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 21st September, 2006 to 29th September, 2006 (both days inclusive).
- c) (i) Dividend, if declared, will be payable to those members whose names appear in the Register of Members/ Beneficial Owners as on the 29th September, 2006. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of share whose names



appear in the statement of beneficial ownership furnished by the Depositories as at the end of business hours on the 20th September, 2006.

- (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 Agents (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 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, 1997 and 1998 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, 1999, 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 en-cashed their dividend warrant(s) so far for any of the financial years 1998-99 and subsequent thereto are requested to surrender the un-en-cashed 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 the 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 V.P. Verma was appointed by the Board of Directors of your Company in their meeting held on 30th January, 2006 as an Additional Director pursuant to Section 260 of the Companies Act, 1956 read with Article No. 138 of the Articles of Association of the Company and he will hold office upto the date of ensuing Annual General Meeting to be held on 29th September, 2006. The Company has received notice pursuant to Section 257 of the Companies Act, 1956 together with deposit of Rs.500/- from a member signifying his intention to propose him as a Director of your Company. The Board considers that it would be in the interest of the Company to continue to avail the services of Shri V. P. Verma.

The Board of Directors recommends passing the resolution at item No.5.

Shri V.P. Verma is concerned or interested in the Resolution at item No.5. Save as aforesaid, none of the other Directors is in anyway concerned or interested in the said Resolutions.

Shri V.P. Verma is a Retired IRS (M.A., LL.B) and occupied various positions in the Tax Department, Ministry of Finance, Government of India. He retired as Chief Commissioner of Income Tax in Mumbai in 1992. He has to his credit, vast, rich and varied experience in the field of Tax and Corporate Laws. Apart from this, he has also been President and Chairman of Professional organisations and is still a member of organizations like PHD Chamber of Commerce and Industry, Bar Association Delhi, Arbitration Council of India etc.

Item No.6

Section 293(1)(d) of the Companies Act, 1956, requires sanction of the Company in General Meeting to authorise the Board of Directors to borrow monies where the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans from Banks) shall exceed the aggregate paid-up capital of the Company and its free reserves i.e. reserve not set apart for any specific purpose. At the Annual General Meeting held on 20th August, 1996, the Company has authorised the Board of Directors to borrow monies in excess of the limits prescribed i.e. in excess of the paid-up capital and free reserves, within an overall ceiling of Rs. 100 Crores.



ANSAL BUILDWELL LTD.

The Company has shown substantial growth in its operations and in order to cope with the increased level of operations, it is considered desirable and necessary to augment the financial resources by enhancing the previous borrowing limit of Rs. 100 Crores to Rs. 200 Crores.

The Board recommends to pass the Resolution set out in Item No.6

None of the Directors is concerned or interested in the Resolution.

Item No. 7

In view of the positive trends in the real estate business and the expansion of the business of the Company, by way of development of residential/integrated townships, commercial complexes, shopping malls and other real estate activities, at various cities/towns, your Board of Directors consider it advisable to raise funds through further issue of capital by way of equity shares/preference shares/debentures/bonds/warrants/securities, fully/partly convertible into equity shares and/or securities linked to equity shares, ADRs/GDRs/FCCBs, on rights basis/public issue basis/private placement basis/by way of preferential allotment/any other basis keeping in view the applicable law/s.

In terms of Section 81(1A) of the Companies Act, 1956, it is required to obtain approval of the shareholders, by way of passing of a Special Resolution in a General Meeting, for making any issue and allotment of shares to any person/s other than existing Equity Shareholders of the Company. Accordingly, the Board has recommended the Resolution contained in Item No.7 to be passed by the shareholders, to enable it to make further issue of capital as detailed in the said resolution up to the maximum extent of Rs 250 Crores.

Your Directors recommend passing of the Resolution contained in Item No. 7 as a Special Resolution.

The Memorandum and Articles of Association of the Company shall be available for inspection during office hours on all working days at the registered office of the Company.

None of the Directors is interested or concerned in the proposed resolution except to the extent that the Equity Shares as may be offered or allotted to them or to their relatives or the company (ies) in which they or their relatives may be shareholders or Directors.

Items No. 8 & 9

The Board of Directors have decided, subject to the approval of the shareholders, to increase the Authorised Share Capital of the Company from its present Rs. 10,00,00,000 (Rupees Ten crores only) to Rs. 25,00,00,000 (Rupees Twenty five crores only) for the purpose of meeting the future requirements of funds of the Company. The said increase shall be met by way of addition of 1,50,00,000 (One crore fifty lacs) equity Shares of Rs. 10/-.(Rupees Ten) each.

As a result of increase in the Authorised Share Capital of the Company (Items No. 8 & 9) the existing Authorised Share Capital of the Company as mentioned in Clause V of the Memorandum of Association and article No. 3 of Articles of Association of the Company shall be altered.

In terms of the Articles of Association of the Company and Section 94 of the Companies Act, 1956, it is required to obtain approval of the shareholders, by way of passing of an Ordinary Resolutions in a General Meeting, for increase in the Authorised Share Capital of the Company from Rupees Ten crores to Rupees Twenty five crores and consequent alterations in Clause V of the Memorandum of Association of the Company. In terms of provisions of Section 31 of the Companies Act, 1956 it is required to obtain approval of the shareholders by way of passing of a Special Resolution in General