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**39th Annual Report  
2005 -2006**

**ANSAL PROPERTIES & INFRASTRUCTURE LIMITED**  
(AN ISO 9001: 2000 COMPANY)



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**BOARD OF DIRECTORS**

Shri Sushil Ansal	<i>Chairman</i>
Shri Anil Kumar	<i>Whole Time Director &amp; Chief Executive Officer</i>
Shri Pranav Ansal	Director
Shri D.N. Davar	Director
Dr. R. C. Vaish	Director
ACM O. P. Mehra (Retd.)	Director
Shri Rahul C. Kirloskar	Director
Shri Lalit Bhasin	Director
Shri P. R. Khanna	Director

**AUDIT COMMITTEE MEMBERS**

Shri D.N. Davar	Chairman
Dr. R. C. Vaish	Vice-Chairman
ACM O. P. Mehra (Retd.)	Member
Shri P. R. Khanna	Member

**SR. VICE PRESIDENT & COMPANY SECRETARY**

Shri Amitav Ganguly

**STATUTORY AUDITORS**

M/s Khanna & Annadhanam  
Chartered Accountants  
New Delhi-110001

**FINANCIAL INSTITUTION**

Housing Development Finance Corporation Limited

**BANKERS**

Punjab National Bank  
UCO Bank  
The Jammu & Kashmir Bank Ltd.  
Oriental Bank of Commerce  
Syndicate Bank

**REGISTERED OFFICE OF THE COMPANY**

115, Ansal Bhawan  
16, Kasturba Gandhi Marg  
New Delhi-110001

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**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 39<sup>th</sup> Annual General Meeting of the Company will be held on Thursday, the 28<sup>th</sup> day of September, 2006 at 10.00 A.M. at Sri Sathya Sai International Centre & School, Lodhi Road, New Delhi-110003 to transact the following businesses:

**ORDINARY BUSINESS**

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and the Profit & Loss Account together with the Consolidated Financial Statement of Accounts for the year ended on that date, together with the Directors' Report and Auditors' Report thereon.
- 2 To declare Dividend on Equity Shares.
- 3 To appoint a Director in place of Dr. R.C. Vaish who retires by rotation and, being eligible, offers himself for re-appointment.
- 4 To appoint a Director in place of ACM O.P. Mehra (Retd.), who retires by rotation and, being eligible, offers himself for re-appointment.
- 5 To appoint a Director in place of Mr. Lalit Bhasin, who retires by rotation and, being eligible, offers himself for re-appointment.
- 6 To appoint Statutory Auditors of the Company and to fix their remuneration.

**SPECIAL BUSINESS****7. Appointment of Mr. Pranav Ansal, as regular Director of the Company.**

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

**"RESOLVED THAT** Mr. Pranav Ansal, who has been appointed as an Additional Director of the Company w.e.f. 22<sup>nd</sup> April, 2006 under Section 260 of the Companies Act, 1956 (the Act), and, applicable provisions of the Articles of Association, by the Board of Directors at its meeting held on the 22<sup>nd</sup> April, 2006, and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a member alongwith a deposit of Rs.500/- signifying his intention to propose Mr. Pranav Ansal, as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

**8. Revision of salary grade of Mr. Sushil Ansal, Chairman of the Company.**

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 Sections 198, 309 and 310 read with Schedule-XIII of the Companies Act, 1956, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 1956, and provisions of Articles of Association of the Company, the salary grade of Mr. Sushil Ansal, Chairman, which has been revised and extended, as follows, by the Board of Directors following approval from the Compensation/ Remuneration Committee at their respective Meetings held on the 29<sup>th</sup> June, 2006, in terms of authorization conferred on them by the Members vide the Ordinary Resolution passed at Annual General Meeting held on the 26<sup>th</sup> September, 2005, be and is hereby approved:-

Existing salary grade w.e.f. 01.04.2005	Revised and extended salary grade w.e.f. 01.04.2007
Rs. 3,00,000-25,000-4,25,000/-	3,00,000-25,000-4,25,000-50,000-8,25,000/- (i.e. increase the grade limits by Rs. 4,00,000/-)

**RESOLVED FURTHER THAT** the other terms and conditions of his appointment and remuneration, other than increase in his remuneration w.e.f. 01.04.2006, by way of annual increment in accordance with his salary grade, as approved by the Board of Directors on the recommendation of Compensation/ Remuneration Committee at their respective meetings held on the 29<sup>th</sup> June, 2006, in terms of authorization conferred on them by the Members vide Ordinary Resolution passed at Annual General Meeting held on the 26<sup>th</sup> September, 2005, shall remain the same.



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**9. Authorization to Board for creation of charge etc. in terms of Section 293(1)(a) of the Companies Act, 1956.**

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 Ordinary Resolution passed by the Members at their Annual General Meeting held on the 26<sup>th</sup> September, 2005, and pursuant to the provisions of section 293(1)(a) of the Companies Act, 1956, as may be amended from time to time, and other applicable provisions, if any, of the Companies Act, 1956, and the Articles of Association of the Company, approval and consent of the Company be and is hereby accorded to the Board of Directors of the Company to charge / mortgage / create security/encumber in respect of the whole or substantially the whole of the undertaking/s of the Company including all or any of its moveable or immoveable property(ies), both present and future, from time to time, on behalf of the Company, for securing the loan(s) up to Rs. 2000 crores availed / to be availed by the Company, in any form or manner or otherwise, in one or more tranches, from any bank/ financial institution/other lenders, on such terms and conditions, as may be decided by the Board of Directors, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or its Committee/s to which the Board may delegate its powers, from time to time, be and are hereby authorized and empowered, on behalf of the Company, to do or cause to be done all such acts, deeds, things and matters, as may be necessary, and, also incidental thereto to give effect to this Resolution which include, to finalize, sign and/or execute any document(s)/ agreement(s), other deeds or writings, and affixing the common seal of the Company on such paper/s, as may be necessary, as per the provisions of the Articles of Association of the Company."

**10. Increasing the borrowing powers of the Board in terms of Section 293(1)(d) of the Companies Act, 1956.**

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 Ordinary Resolution passed by the members at their Annual General Meeting held on the 26<sup>th</sup> September, 2005, and pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, as may be amended from time to time, and other applicable provisions, if any, of the Companies Act, 1956, and the Articles of Association of the Company, approval and consent of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow money(s), from time to time, for and on behalf of the Company, from any bank/ financial institution/lenders, in any form or manner or otherwise, in one or more tranches, whether unsecured or secured, on such terms and conditions as may be decided by the Board of Directors, notwithstanding that the moneys to be borrowed together with money(s) already borrowed by the Company {apart from the temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business} exceed the aggregate of paid up share capital and free reserves of the Company, { i.e. reserves not set apart for any specific purpose}, provided that the total amount of the borrowings by the Board of Directors, at any time, shall not exceed the limit of Rs. 2000 crores over and above the aggregate of paid up share capital and free reserves of the Company .

**RESOLVED FURTHER THAT** the Board of Directors of the Company or its Committee/s to which the Board may delegate its powers, from time to time, be and are hereby authorized and empowered, on behalf of the Company, to do or cause to be done all such acts, deeds, things and matters, as may be necessary, and, also incidental thereto to give effect to this Resolution which include, to finalize, sign and/or execute any document(s)/ agreement(s), other deeds or writings, and affixing the common seal of the Company on such paper/s, as may be necessary, as per the provisions of the Articles of Association of the Company."

**Regd. Office:**

115, Ansal Bhawan  
16, Kasturba Gandhi Marg  
New Delhi - 110 001

By Order of the Board  
for **Ansal Properties & Infrastructure Ltd.**

( Amitav Ganguly )

Sr. Vice President & Co. Secretary

Dated: 28<sup>th</sup> August, 2006

**NOTES:**

- a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself 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 nos. 7 to 10 are annexed herewith.
- c) The Register of Beneficial Owners, Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, the 20<sup>th</sup> September, 2006 to Thursday, the 28<sup>th</sup> September, 2006 (both days inclusive).
- d) i) Dividend, if declared, will be payable to those members whose names appear in the Register of Members/Beneficial Owners as will be provided by the Depositories (i.e. National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)) at the close of business hours on the 28<sup>th</sup> September, 2006, for this purpose.
- ii) No tax at source shall be deducted from the Dividend amount payable to the members. Tax will be paid by the Company at the flat rate of 12.5% and surcharge there on @ 10% of tax and cess @ 2% of tax and surcharge (aggregating to 14.025%).
- e) Members are already aware that the Company has appointed M/s. Intime Spectrum Registry Limited, A-31, Naraina Industrial Area, Phase-I, New Delhi-110028, as Share Transfer Agent (STA), both for electronic connectivity and Share Transfer work w.e.f. 30<sup>th</sup> January, 2003. Members can make correspondence with STA for Share Transfer requests, dividend and change of address related queries. To avoid misuse of Dividend Warrants/ Cheques, members are requested to send details of Bank / its address and Account number, for printing on Dividend Warrants/cheques. This should be sent to reach the Registered Office of the Company before the Annual General Meeting.
- f) Members having multiple accounts in identical names or joint accounts in the same order are requested to intimate the Company / STA, the ledger folio of such accounts to enable the Company to consolidate all such shareholdings into one account.
- g) Members are hereby informed that pursuant to Section 205A(5) of the Companies Act, 1956, (The Act) the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the unpaid Dividend Account, to the credit of Investors Education and Protection Fund established by the Central Government under sub section (1) of Section 205C of the Act. No claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years and transferred to the Fund, as aforesaid.
- In accordance with above provisions, unclaimed / unpaid Dividend for the years ended 31<sup>st</sup> March, 1995, 31<sup>st</sup> March, 1996, 31<sup>st</sup> March, 1997 & 31<sup>st</sup> March, 1998 have been transferred to Investor Education and Protection Fund. Dividend for the year ended 31<sup>st</sup> March, 1999, declared in the 32<sup>nd</sup> Annual General Meeting of the Company held on 25<sup>th</sup> October, 1999, shall be transferred to the said Fund within 30 days of 12<sup>th</sup> December, 2006 as per aforesaid provisions.
- h) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends up to the dividend for the period ended 31<sup>st</sup> March, 1994 have been transferred to the General Revenue Account of the Central Government. Any claim for payment of such unclaimed dividend should be made by an application in the prescribed form to the **Registrar of Companies, NCT of Delhi & Haryana, New Delhi, at the address: Paryavaran Bhawan, 11nd Floor, CGO Complex, Lodhi Road, New Delhi - 110003.**

- i) Those Members who have not so far encashed their Dividend Warrants/Cheques for the Accounting Year ended 31<sup>st</sup> March, 1999, or any subsequent years may immediately approach the Company / STA for revalidation of Unclaimed Dividend Warrants/Cheques or for fresh Warrants/ Cheques. Dividend for the year ended 31<sup>st</sup> March, 1999, shall be transferred to Investor Education and Protection Fund, very shortly, as stated in note (g) above.
- j) The Company is registered with the following depositories for dematerialization of its Equity Shares:-
- National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013
  - Central Depository Services (India) Ltd. (CDSL), at Phiroze Jeejeebhoy Towers, 28<sup>th</sup> Floor, Dalal Street, Mumbai- 400001
- NSDL & CDSL have granted a new Registration No. i.e. ISIN INE-436A01026 after subdivision of Equity Shares of the Company from Rs. 10/- each, fully paid up, to Rs. 5/- each, fully paid up, pursuant to the approval given by the Members at their Extra Ordinary General Meeting held on the 2<sup>nd</sup> May, 2006.
- k) As per the provisions of Section 109A of the Companies Act, 1956, facility for making nominations is available to the Members, in respect of Equity Shares, held by them. Requests for nomination facility should be made in the prescribed form (Form 2B) a copy of which can be obtained on request from the Registered Office of the Company.
- l) Members desiring any information/clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least 15 days before the date of Annual General Meeting so that the same may be attended to, well in advance.
- m) The relevant information of Directors, by way of brief resume, seeking reappointment/appointment under items nos. 3 to 5 and 7 as required under Clause – 49 of the Listing Agreement entered with the Stock Exchanges are given herein below:

Name of the Director/s	Dr. R.C. Vaish	ACM O.P. Mehra (Retd.)	Mr. Lalit Bhasin	Mr. Pranav Ansal
Date of Birth	19.06.1941	19.01.1919	19.01.1939	27.11.1968
First date of appointment	11.02.1992	23.03.2000	30.10.2002	22.04.2006
Expertise in specific functional areas	Eminent practicing Chartered Accountant having more than 40 years of rich and varied experience with specialization in international taxation and finance, tax planning and off-shore investment.	Ex-Chief of Air staff and Ex-Governor of States of Maharashtra and Rajasthan. Has vast experience in administration, planning and management of the affairs of several organization / Institutions.	Distinguished lawyer with four decades of law practice. He has held/holds several important posts as General Secretary of Bar Association of India, President of Indian Society for Afro Asian Studies, Honorary Life Member and Council Member of International Bar Association.	Varied experience, expertise and business acumen of Real Estates Business.
Qualification/s	M.A. (Accounting) M.Com, LL.B, Ph.D (Economics) ,FCA	M.A. (History)	B.A. (Hons.),LL.B	B.Com

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Name of Companies in which Directorships held	Express Papers Ltd.	News	Ropssa Properties & Enterprises Pvt. Ltd.	Bell Ceramic Ltd.* India Gypsum Ltd. Asian Hotels Ltd. * Godfrey Philips India Ltd. *+ Indian Petrochemicals Corporation Ltd. Bharat Hotels Ltd. * Modi Care Ltd. Apollo Zippers India Ltd. Urban Infrastructure Trustee Ltd	Ansal Township & Projects Ltd.
	Mayar India Ltd.* Jaiprakash Hydropower Ltd. Goetze (India) Ltd. *+ Omax Autos Ltd. Bharat Consultants Private Ltd. OCL India Ltd.		C J International Hotels Ltd. * Polyplex Corporation Ltd. * Mayar India Ltd. Adyar Gate Hotels Ltd.		
Shareholding in the Company	0		0	0	3621000 (10.34% of the Total paid up capital)

\* Represents the Membership(s)/ Chairmanship(s) of the Audit Committee formed by these Companies.

+ Represents the Membership(s)/ Chairmanship(s) of the Investors Grievance Committee formed by these Companies

**MEMBERS ARE REQUESTED TO BRING THEIR COPY OF ANNUAL REPORT AT THE MEETING. NO ADDITIONAL COPIES SHALL BE SUPPLIED AT THE VENUE.**

**EXPLANATORY STATEMENT AS REQUIRED U/S. 173(2) OF THE COMPANIES ACT, 1956.**

**Item No. 7.**

Mr. Pranav Ansal, having extensive experience, expertise and business acumen of Real Estates Business has been appointed as an Additional Director w.e.f. 22.04.2006 by the Board of Directors at their meeting held on the 22<sup>nd</sup> April, 2006. He holds the office up to the date of this Annual General Meeting, in terms of the provisions of section 260 of the Companies Act, 1956 (The Act) read with Article 105 of the Articles of Association of the Company. The Company has also received a notice from a member of the Company together with a deposit of Rs. 500/- as prescribed under Section 257 of the Act, signifying his intention to propose the candidature of Mr. Pranav Ansal as a Director of the Company.

The Articles of Association of the Company permit the above and can be inspected by the members of the Company at its Registered Office on any working day during business hours, and, at the Annual General Meeting.

Your Directors recommend to pass the proposed Resolution given in item no. 7 as an Ordinary Resolution.

Mr. Pranav Ansal is interested in the proposed Resolution. Mr. Sushil Ansal, Chairman and Mr. Rahul C. Kirloskar, Director, being related to him may also be deemed to be interested in this Resolution.



**Item No. 8**

Shri Sushil Ansal was re-appointed as Chairman & Whole Time Director of the Company for a period of Five years w.e.f. 01.04.2005 by the Members by way passing an Ordinary Resolution at the Annual General Meeting of the Company held on the 26<sup>th</sup> September, 2005. Through the said resolution authority has been granted to the Board of Directors, to vary and/or modify his remuneration within the limits laid down in the Schedule XIII of the Companies Act, 1956, during his tenure of five years, after getting approval from the Compensation / Remuneration Committee of the Company.

Pursuant to the said authorization, the Board, on approval of the Compensation/ Remuneration Committee, has increased the remuneration of Mr. Sushil Ansal, by way of annual increment in accordance with his salary grade, at its meeting held on the 29<sup>th</sup> June, 2006, payable w.e.f 01.04.2006, as follows:-

**Revised Salary & Perquisites, per month**

Sl. No.	Particulars	Amount (Rupees)	
		Existing w.e.f. 01.04.2005	Revised w.e.f. 01.04.2006
1.	Basic Salary	3,00,000/- p.m. {3,00,000-25,000-4,25,000}	4,25,000/- p.m. {3,00,000-25,000-4,25,000}
2.	House Rent Allowance/ Rent Free Accommodation	Residential Rent Free furnished accommodation or in lieu thereof House Rent Allowance @ 60% of the Salary {per month} over and above 10% payable by him.	Residential Rent Free furnished accommodation or in lieu thereof House Rent Allowance @ 60% of the Salary {per month} over and above 10% payable by him.

There is/are no changes/s in his other components of remuneration, except as revised herein above. However, consequent upon the said increase, the salary grade of Mr. Sushil Ansal, as approved by the Members, has been exhausted. Therefore, the Compensation/ Remuneration Committee and Board, subject to the approval of the Members, have also revised and extended his salary grade, at their respective meetings, as set out in the Resolution.

The revised and extended salary grade of Mr. Sushil Ansal, which is subject to the approval of the Members, in terms of the decisions of the Compensation/ Remuneration Committee and the Board and the provisions of the Companies Act, 1956, be regarded as an abstract of the variations of terms of his remuneration, and Memorandum of Interest of the Director under Section 302 of the Companies Act, 1956.

The Articles of Association of the Company permit the above and can be inspected by the Members of the Company at its Registered Office on any working day during business hours, and, at the Annual General Meeting.

Your Directors recommend to pass the proposed Resolution given in item no. 8 as an Ordinary Resolution.

Mr. Sushil Ansal, is interested in the proposed Resolution. Mr. Pranav Ansal and Mr. Rahul C. Kirloskar, Directors, being related to him may also be deemed to be interested in this Resolution.

**Item No. 9**

As per the provisions of section 293(1)(a) of the Companies Act, 1956 {The Act}, the Board of Directors of a public company shall not without the consent of the company in a general meeting, sell, lease or otherwise dispose off the whole, or substantially the whole of the undertaking of the Company. The creation of charge/ mortgage/other security/encumbrance by a company of its undertakings/ properties in favour of lending institutions/ other lenders from which it borrows moneys, is covered under this provision.



In view of the above, an Ordinary Resolution was passed by the Members, at the Annual General Meeting held on the 26<sup>th</sup> September, 2005, giving authority to the Board to charge/mortgage the undertaking/s including properties of the Company to secure the loan/s up to Rs. 300 crores in favour of lender/s. Now, keeping in view the expansion of the business of your Company, and requirement for raising more funds, from time to time, the Board of Directors has approved the said charging/mortgaging/creating security/ encumbering of the undertaking/s of the Company including its properties for an increased limit of borrowing up to Rs 2000 crores, at its Meeting held on the 28<sup>th</sup> August, 2006, subject to the approval of Members by way of an ordinary resolution under the aforesaid section and other applicable section/s, if any. This is only an enabling resolution so that Board can take relevant decision/s for giving security for its borrowings, at appropriate time(s).

The Articles of Association of the Company permit the above and can be inspected by the Members of the Company at its Registered Office on any working day during business hours, and, at the Annual General Meeting.

Your Directors recommend to pass the proposed Resolution given in item no. 9 as an Ordinary Resolution.

None of the Directors is interested in the proposed Resolution.

#### **Item No. 10**

As per the provisions of section 293{1} {d} of the Companies Act, 1956 {The Act}, the Board of Directors of a public company shall not, without the consent of the company in a general meeting, borrow, together with moneys already borrowed, {excluding temporary loans from bankers in the ordinary course of business}, exceeding the aggregate of paid-up share capital and free reserves of the company.

In view of the above, an Ordinary Resolution was passed by the Members, at the Annual General Meeting held on the 26<sup>th</sup> September, 2005, giving authority to the Board to borrow money to the maximum extent of Rs. 500 crores. Now, keeping in view the expansion of the business activities of the Company which requires raising of more funds, from time to time, your Board of Directors, at its Meeting held on the 28<sup>th</sup> August, 2006, has decided to increase the said borrowing limit from Rs. 500 crores to Rs. 2000 crores which shall be over and above the aggregate of paid up share capital and free reserves of the Company. The aforesaid Board resolution has been passed keeping in view the provisions of said section 293{1}{d} and other applicable provisions of the Companies Act, 1956, if any, and the said decision is subject to the approval of Members, by way of an ordinary resolution. This is only an enabling resolution so that the Board can take relevant decision/s for borrowing/s, at appropriate time(s).

The Articles of Association of the Company permit the above and can be inspected by the Members of the Company at its Registered Office on any working day during business hours, and, at the Annual General Meeting.

Your Directors recommend to pass the proposed Resolution given in item no.10 as an Ordinary Resolution.

None of the Directors is interested in the proposed Resolution.

**DIRECTORS' REPORT**

Dear Members,

Your Directors take pleasure in presenting the 39th Annual Report together with the Audited Statements of Accounts of your Company for the Financial year ended the 31st March, 2006.

**1. COMPANY'S PERFORMANCE**

<b>A. Financial Highlights</b>		(Rs. in Crores)	
<b>Particulars</b>	<b>2005-2006</b>	<b>2004-2005</b>	
Sales & Other Income	<b>355.15</b>	<b>212.88</b>	
Profit (Before Interest, Depreciation Exceptional Item and Taxes)	<b>82.62</b>	<b>37.28</b>	
Less : Interest	<b>12.03</b>	<b>17.42</b>	
Depreciation	<b>2.13</b>	<b>14.16</b>	<b>01.13</b>
Profit Before Tax & Exceptional Item	<b>68.46</b>	<b>18.73</b>	
Less : Provision for taxation			
- Current Tax {net of deferred tax}	<b>17.91</b>	<b>5.11</b>	
- Earlier Year	<b>(0.30)</b>	<b>17.61</b>	<b>5.11</b>
Profit After Tax and before Exceptional Item	<b>50.85</b>	<b>13.62</b>	
Less : Exceptional Item (net of tax)	<b>10.29</b>	<b>-</b>	
Net profit	<b>40.56</b>	<b>13.62</b>	
Add : Surplus Profit brought forward from previous year	<b>16.89</b>	<b>7.25</b>	
<b>DISPOSABLE PROFIT</b>	<b>57.45</b>	<b>20.87</b>	
<b>APPROPRIATIONS</b>			
- Interim Dividend including Dividend Tax	<b>-</b>	<b>0.99</b>	
- Proposed Dividend including Dividend Tax	<b>3.99</b>	<b>0.99</b>	
- Transfer to General Reserve	<b>30.00</b>	<b>2.00</b>	<b>3.98</b>
<b>Surplus carried to Balance Sheet</b>	<b>23.46</b>	<b>16.89</b>	

**B. Operations**

During the Financial Year under report the performance of the Company has recorded commendable all round growth. Net Profit for the year 2005-06 stood at Rs. 4,056 lacs as against Rs. 1,362 lacs in the year 2004-05, thus recording an increase of 198%. The total turnover for the year ended March 31, 2006 stood at all time high of Rs. 35,515 lacs, as compared to Rs 21,288 lacs for 2004-05, posting a 67 % increase. Earning Per Share (EPS) has gone up from Rs. 7.78 to Rs. 23.17, showing a rise of 198%, as on year to year basis.

**C. Change in Accounting Policy**

Keeping in view the recent Guidance Note on "Recognition of Revenue by Real Estates Developers" issued by the Institute of Chartered Accountants of India, the large sized housing projects being implemented by the Company and to rationalize revenue recognition from these projects resulting in more equitable basis of revenue recognition over the project period, with effect from 1st April, 2006, the revenue on sale of plots is recognised on proportionate basis when 50% of the progress has generally been achieved as against 2/3rd of the progress achieved in the earlier years.