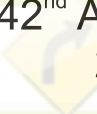




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42nd Annual Report
2008-09

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Ansal Properties & Infrastructure Limited

(AN ISO 9001:2000, ISO 14001:2004 AND OHSAS18001:2007 COMPANY)



COMPANY INFORMATION

BOARD OF DIRECTORS

Shri Sushil Ansal	Chairman & Whole Time Director
Shri Pranav Ansal	Vice Chairman & Managing Director
Shri Anil Kumar	Dy. Managing Director & Chief Executive Officer
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	Director
Dr. R. C. Vaish	Director
ACM O.P. Mehra (Retd.)	Director
Shri P. R. Khanna	Director

PRESIDENT (CORP. AFFAIRS) & COMPANY SECRETARY

Shri Amitav Ganguly

ADDL. VICE PRESIDENT (FINANCE & ACCOUNTS)

Shri Lalit Rustagi

FINANCIAL INSTITUTIONS

Housing Development Finance Corporation Limited
Infrastructure Leasing & Financial Services Limited

BANKERS

Punjab National Bank
UCO Bank
The Jammu & Kashmir Bank Ltd.
Oriental Bank of Commerce
Syndicate Bank
Yes Bank Ltd.
HDFC Bank Ltd.
IDBI Bank Ltd.
Central Bank of India

REGISTERED OFFICE

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

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd Annual General Meeting of the members of the Company will be held on Tuesday, the 29th September, 2009 at 2.30 P.M. at FICCI Auditorium, Tansen Marg, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 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 Shri Lalit Bhasin who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri P. R. Khanna who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company and to fix their remuneration.

M/s Khanna & Annadhanam, Chartered Accountants, New Delhi, the Statutory Auditors, have resigned w.e.f 1st September, 2009 and the casual vacancy so caused shall only be filled by the Company in general meeting in terms of proviso to subsection (6) clause (a) of Section 224 of the Companies Act, 1956 (the Act).

The Board of Directors (Board) of the Company, keeping in view the provisions of Section 224 of the Companies Act, 1956, has at its meeting held on the 2nd September, 2009, proposed that M/s S.R. Batliboi & Associates, Chartered Accountants, Gurgaon, Haryana, who have given a written certificate dated 2nd September, 2009 in terms of proviso to sub section (1) of Section 224 of the Act to the effect that the appointment, if made, will be in accordance with the limits specified in sub section (1B) of Section 224 of the Act, be appointed at this Annual General Meeting (AGM) as Statutory Auditors of the Company. They are to hold office from the conclusion of this AGM until the conclusion of the next AGM on such remuneration as may be determined by the Board. Your Directors accordingly recommend the appointment of M/s S.R. Batliboi & Associates, Chartered Accountants, Gurgaon, Haryana, as Statutory Auditors of the Company.

None of the Directors is interested in the matter.

The following Ordinary Resolution is proposed :

To consider, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED as an Ordinary Resolution that whereas M/s. Khanna & Annadhanam, Chartered Accountants, New Delhi, the Statutory Auditors of the Company, have resigned w.e.f. 1st September, 2009 causing a casual vacancy in terms of proviso to subsection (6) clause (a) of Section 224 of the Companies Act, 1956, and, to fill such vacancy M/s. S.R. Batliboi & Associates, Chartered Accountants, Gurgaon, Haryana, who have given a certificate dated 2nd September, 2009 in terms of proviso to sub section (1) of Section 224 of the Companies Act, 1956, to the effect that appointment, if made, will be in accordance with the limits specified in sub section (1B) of the Section 224 of the said Act, be and are hereby appointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM at such remuneration as may be decided by the Board of Directors of the Company, subsequently."

SPECIAL BUSINESS

6. **To approve and authorize the issue of Equity Shares by way of Preferential Issue to the persons other than Promoters / Promoter Group**

To consider and if thought fit, to pass with or without modification (s) the following resolution as a **Special Resolution**:

"RESOLVED as a Special Resolution that in accordance with the provisions of Section 81/81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment to or re-enactment thereof) (hereinafter referred to as "the Act"), The Securities and Exchange Board of India (Disclosure and Investors Protection) Guidelines, 2000 {"The Guidelines"}, Foreign Exchange Management Act, 1999 and subject to the enabling provisions of Memorandum and Articles of Association of the Company, the Listing

Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and in accordance with the applicable guidelines / rules / regulations / notifications issued by the Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI"), Government of India / State Government(s) / Local Authorities ("Government" or "GOI"), or any other relevant authority, and clarifications / circulars thereon, issued from time to time, if any, and subject to all such statutory, regulatory and Government approvals, permissions or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any or more of them while granting such approvals, permissions or sanctions; 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 or have delegated all or any of its powers, from time to time) to offer, issue and allot, in one or more tranches, by way of preferential issue upto 1,26,11,233 (One Crore Twenty Six Lacs Eleven Thousand Two Hundred Thirty Three) nos. of Equity Shares of the Company at a price of Rs. 70/- per Equity Share {face value of Rs 5/- and premium of Rs 65/-} (i.e. aggregating to Rs. 88.28 crores), for cash, to IPRO Funds Ltd., Mauritius, a SEBI approved sub account of a Foreign Institutional Investor (FII) (hereinafter referred as Investor) in accordance with the Chapter XIII (i.e. Guidelines for preferential issue) of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and other applicable laws, rules, regulations and guidelines prevailing in this regard.

RESOLVED FURTHER THAT the Relevant Date for the purpose of determining the price of issue of Equity Shares in accordance with Guidelines is 30th August, 2009, being 30 days prior to 29th September, 2009, (i.e. the date on which this Annual General Meeting in relation to the proposed issue under Section 81(1A) of the Companies Act 1956, is held) and accordingly the price has been calculated as Rs 70/- per share;.

RESOLVED FURTHER THAT:

- (i) The Equity Shares to be allotted to the Investors shall be in dematerialized form.
- (ii) The full amount per Equity Share (i.e. Rs. 70/-) shall be paid at the time of application.
- (iii) The Equity Shares to be allotted to the Investors shall be subject to a lock-in-period from the date of allotment pursuant to the applicable provisions of Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000.
- (iv) The Equity Shares to be allotted shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares of the Company.
- (v) The allotment of the Equity Shares shall be governed by the rules/ regulations/ guidelines issued by SEBI or RBI any other statutory authority as the case may be, or any modification/s thereof.
- (vi) The Board to decide and approve the other terms and conditions of the issue subject to agreement with the Investor and also shall be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, subject however to the compliance with the applicable guidelines, notification, rules and regulations;

RESOLVED FURTHER THAT for giving effect to this Resolution, the Board or Committee thereof be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board or Committee may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to this resolution, to accept any modification/s as stipulated by the investor or any authority/ies, settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of Equity Shares, enter into any agreements or other instruments, and to take such actions or give such directions as they may consider as being necessary or desirable in connection with the issue and allotment of Equity Shares, including listing of the said Equity Shares with the Stock Exchanges and dematerialization of such Equity Shares as may be required."

7. To approve and authorize the issue of Warrants by way of Preferential Issue to the Promoters / Promoter Group

To consider and if thought fit, to pass with or without modification (s) the following resolution as a **Special Resolution:**

"RESOLVED as a Special Resolution that in accordance with the provisions of Section 81/81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment to or re-enactment thereof) (hereinafter referred to as "the Act"), The Securities and Exchange Board of India (Disclosure and Investors Protection) Guidelines, 2000 {"The Guidelines"} and subject to the enabling provisions of Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and in accordance with

the applicable guidelines / rules / regulations / notifications issued by the Securities and Exchange Board of India ("SEBI"), Government of India / State Government(s) / Local Authorities ("Government" or "GOI"), or any other relevant authority, and clarifications / circulars thereon, issued from time to time, if any, and subject to all such statutory, regulatory and Government approvals, permissions or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any or more of them while granting such approvals, permissions or sanctions; 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 or have delegated all or any of its powers, from time to time) to offer, issue and allot, in one or more tranches, by way of preferential issue, aggregating upto 1,65,12,838 (One Crore Sixty Five lacs Twelve Thousand Eight Hundred Thirty Eight) nos. of Warrants of the Company at a price of Rs. 70 per Warrant, for cash, (i.e. aggregating to Rs. 115.59 crores) to the following Promoters / Promoter Group with an option to the Warrant holder to acquire, for every Warrant, one fully paid up Equity Share of Rs. 5/- each at a premium of Rs. 65/- each aggregating to an issue price of Rs. 70/- per share, which price is calculated in accordance with the Chapter XIII (i.e. Guidelines for preferential issue) of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and other applicable laws, rules, regulations and guidelines prevailing in this regard.

Sr. No.	Name of proposed Warrant Holders	No. of Warrants
1.	Shri Sushil Ansal	20,64,105
2.	Dr. Smt. Kusum Ansal	45,41,029
3.	Sushil Ansal & Sons (HUF)	16,51,285
4.	Smt. Sheetal Ansal	41,28,209
5.	Pranav Ansal & Sons (HUF)	24,76,926
6.	Master Ayush Ansal U/G Sh. Pranav Ansal	8,25,642
7.	Km. Anushka Ansal U/G Sh. Pranav Ansal	8,25,642
	TOTAL	1,65,12,838

(hereafter collectively referred to as "Promoters/ Promoter Group")

RESOLVED FURTHER THAT the Relevant Date for the purpose of determining the price of issue of Warrants in accordance with Guidelines is the 30th August, 2009, being 30 days prior to 29th September, 2009, (i.e. the date on which this Annual General Meeting in relation to the proposed issue under Section 81(1A) of the Companies Act 1956, is held) and accordingly the price has been calculated as Rs 70/- per Warrant.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of resultant Equity Shares as may be required to be issued and allotted upon exercise of options by the Warrantholders to acquire such shares, subject to the provisions of applicable law/s.

RESOLVED FURTHER THAT:

- One new Equity Share of the Company of the face value of Rs.5/- each at a price of Rs. 70 /- per share {i.e. premium of Rs 65/-} in lieu of one Warrant shall be issued and allotted at a price calculated in accordance with the existing SEBI (DIP) Guidelines, 2000 and duly certified by the Statutory Auditors of the Company.
- The amount of Rs.28.90 crores (Rupees Twenty Eight Crores and Ninety Lacs only) being 25 % of the aggregate amount in respect of the total Warrants to be issued and allotted to the Promoters / Promoter Group will be payable, by the warrant holders, before allotment which shall be adjusted against the price of the Equity Shares payable by the Warrant holders at the time of exercising the option i.e balance 75% of the price of the equity shares shall be paid by the warrant holders before allotment of such shares.
- The option to acquire Equity shares be exercised by the Warrant holders at any time before the expiry of 18 months from the date of allotment of the Warrants. The option to convert Warrants into shares shall be exercised by the Warrant holders, in one or more tranches, during the period of 18 months from the date of allotment of Warrants.

- (iv) In the event the Warrant holder does not exercise the option given under the Warrants within 18 months from the date of allotment of Warrants, the said Warrants shall lapse and the amount paid by the Warrant holder shall stand forfeited by the Company.
- (v) In the event of the Company making a Bonus Issue by way of capitalization of its reserves prior to allotment of Equity Shares resulting from the exercise of the option under the Warrants, the number of Equity Shares to be allotted against such Warrants shall stand augmented in the same proportion in which the Equity Shares increase as a consequence of such Bonus Issue and the premium shall stand reduced on pro-rata basis.
- (vi) In the event of the Company making a Rights Issue by way of issue of new Equity Shares prior to allotment of Equity Shares resulting from the exercise of the option under the Warrants, the entitlement for the Equity Shares under the Warrants shall stand increased in the same proportion in the Rights Offer and such additional Equity shares will be offered to the Warrant holders at the same price at which the existing shareholders are offered Equity Shares on Rights basis.
- (vii) The Equity Shares to be allotted on exercise of option by the Warrant holder shall be in dematerialized form.
- (viii) The Warrants to be allotted to the Promoters/ Promoter Group and the resultant Equity Shares arising there from shall be subject to a lock-in-period from the date of allotment pursuant to the SEBI (Disclosure and Investor Protection) Guidelines, 2000.
- (ix) The resultant Equity Shares to be issued and allotted by the Company on exercise of the options by the Warrant holders in the manner aforesaid shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares of the Company.
- (x) The issue of the Warrants as well as resultant Equity Shares arising from the exercise of the options given under the Warrants shall be governed by the guidelines issued by SEBI or any other statutory authority as the case may be or any modification thereof.
- (xi) The Warrants shall not carry any voting and dividend rights.

RESOLVED FURTHER THAT for giving effect to this Resolution, the Board or Committee thereof be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board or the Committee may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to this resolution, to accept any modification/s as stipulated by any authority/ies, settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of Warrants or the resultant Equity shares that may arise on exercise of the options by the Warrant holders, at such time or times and at such tranche or tranches as may be appropriate, enter into any agreements or other instruments, and to take such actions or give such directions as they may consider as being necessary or desirable in connection with the issue and allotment of Warrants including the resultant Equity Shares, including listing of the said Warrants and/or Equity Shares with the Stock Exchanges and dematerialization of such Warrants and/or Equity Shares as may be required."

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)

President (Corp. Affairs) & Company Secretary

Dated: 2nd September, 2009

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 scheduled time for commencement of Annual General Meeting.
- b) The Register of Beneficial Owners, Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, the 22nd September, 2009 to Tuesday, the 29th September, 2009 (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 will be provided by the Depository {i.e. National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)} as per the book closure.

- 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 15% and surcharge there on @ 10% of tax and cess @ 3% of tax and surcharge (aggregating to 16.995%).
- d) Members are already aware that M/s. Link Intime India Pvt. Ltd. (formerly Intime Spectrum Registry Limited) A-40, 2nd floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028, is the Share Transfer Agent (STA) of the Company, both for electronic connectivity and Share Transfer work w.e.f. 30th 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.

- e) 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.
- f) 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 amount for the years ended 31st March, 1995, 31st March, 1996, 31st March, 1997, 31st March, 1998, 31st March, 1999, 31st March, 2000 & 31st March, 2001 have been transferred to Investor Education and Protection Fund. Dividend for the year ended 31st March, 2002, declared in the 35th Annual General Meeting of the Company held on the 30th September, 2002, shall be transferred to the said Fund within 30 days from the 4th November, 2009 as per aforesaid provisions.

- g) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends up to the dividend for the period ended 31st 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: 4th Floor, IFCI Tower, Nehru Place, New Delhi - 110019.
- h) Those members who have not so far encashed their dividend warrants/cheques for the Accounting Year ended 31st March, 2002, 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 31st March, 2002, shall be transferred to Investor Education and Protection Fund, very shortly, as stated in note (f) above.
- i) The Company is registered with the following depositories for dematerialization of its Equity Shares:-
 - i) National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013
 - ii) Central Depository Services (India) Ltd. (CDSL), at Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai- 400001

The Registration no. granted by NSDL & CDSL is ISIN INE-436A01026.

- j) 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.
- k) 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.
- l) The relevant information of Directors, by way of brief resume, seeking reappointment under items nos. 3 and 4 of the notice as required under Clause 49 of the Listing Agreement entered with the Stock Exchanges is given herein below:

Name of the Director/s	Shri Lalit Bhasin	Shri P. R. Khanna
Date of Birth	19.01.1939	02.07.1933
First date of Appointment	30.10.2002	30.08.2003
Expertise in specific functional areas	<p>Shri Lalit Bhasin, 70 years, is a distinguished lawyer with four decades of law practice. He holds several important posts as Honorary General Secretary of Bar Association of India, President, Society of Indian Law firms, President of Indian Society for Afro Asian Studies, Honorary Life Member, of International Bar Association, Member of the Central Council of The Institute of Company Secretaries of India, Member of High level group constituted by the GOI, Ministry of Company Affairs for setting up Indian Institute of Corporate Affairs (IICA), Executive President of Indian Law Foundation and Treasurer of Institute of Marketing and Management. He has received several awards including the Indira Gandhi National Unity Award, Award for excellence in professionalism by Institute of Marketing Management, Indira Gandhi Priyadarshani Award, Award of Distinction by International Bar Association etc. He has authored several books on diverse subjects. He has been nominated on the Advisory Committee of the Central Government for advising on matters arising out of the administration of the Companies Act.</p>	<p>Shri P. R. Khanna, 76 years, is a Fellow Member of the Institute of Chartered Accountants of India, having over 50 years of experience in practice. Mr. Khanna started his career in 1956 as a practicing chartered accountant. He was a senior partner in Khanna & Annadham, Chartered Accountants and retired in May 1998. He was also Partner in-charge from 1985 to 1996, of Delhi Office of Deloitte Haskins & Sells, Chartered Accountants.</p> <p>Shri Khanna has vast experience & knowledge in finance, accounting, company law and corporate consultancy matters. During his career, he served as Chairman, NIRC & Member Central Council of the ICAI. He also served as Chairman of the Company Law Committee, Member of the Accounting Standard Board etc. of the ICAI. He had also acted as Member, Board of Trustees of UTI and a Director of SBI. He has been Director of several reputed Companies viz. SBI Capital Markets Ltd., Godfrey Philips India Ltd., Punjab Tractors Ltd. etc. He is presently member of the governing body of Shri Ram College of Commerce, Delhi and Shriram Industrial and Scientific Research Foundation.</p>
Qualification/s	B.A. (Hons.) LL.B.	Fellow Member of ICAI
Name of other Companies in which Directorships held	<ol style="list-style-type: none"> 1. Godfrey Philips India Limited 2. Saint-Gobain Gyproc India Limited 3. Asian Hotels Limited 4. Bharat Hotels Limited 5. Urban Infrastructure Trustees Limited 6. Apollo Zippers India Limited 7. Modi Care Limited 8. Omax Autos Limited 9. Chillwinds Hotels Ltd. 10. Quattro Legal Solutions Private Limited 11. Comma Consulting Private Limited 12. iMark Public Relations Private Limited 	<ol style="list-style-type: none"> 1. Indag Rubber Limited 2. Uniproducts India Limited 3. DCM Shri Ram Industries Limited 4. UTI Assets Management Company Limited 5. U.T. I. International Ltd. Guernsey – Channel (100% subsidiary of UTI Assets Management Co. Ltd.) 6. Carnation Auto India Pvt. Ltd. 7. Select Infrastructure Pvt. Ltd. 8. C & S Electric Limited
Shareholding in the Company	0	0

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

Explanatory Statement under Section 173(2) of the Companies Act, 1956 and SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009

Item No. 6

In view of various on going projects and expansion of the business of your Company, by way of development of residential/integrated townships, commercial complexes, shopping malls and other real estate activities, at various cities/towns in India, there is substantial increased requirement of funds.

In this regard, IPRO Funds Ltd., Mauritius, a SEBI approved sub account of Foreign Institutional Investor (hereinafter referred as Investor) is proposing to invest upto 1,26,11,233 nos. of Equity Shares of the Company at a price of Rs. 70/- per Equity Share {face value of Rs 5/- and premium of Rs 65/-}(i.e. aggregating to Rs. 88.28 crores).

Accordingly, the Board of Directors of your Company has recommended the issuance of 1,26,11,233 nos. of Equity Shares at a price of Rs. 70/- per Equity Share at its meeting held on the 28th August, 2009

As per the Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 {in short, SEBI Guidelines}, the issue of Equity Shares on a preferential basis, has to be made at a price not less than the higher of the following:

- (1) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the "Relevant Date"; or
- (2) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the "Relevant Date".

The "Relevant Date", in this case, means the date thirty days prior to the date on which the meeting of general body of shareholders is held for the proposed preferential issue under Section 81(1A) of the Companies Act 1956. Accordingly, the "Relevant Date" is 30th August, 2009, being 30 days prior to 29th September, 2009 (i.e. the date on which this Annual General Meeting of the Company in relation to the proposed issue under Section 81(1A) of the Companies Act 1956, is to be held). The price of the Equity Share as calculated in terms of the said SEBI Guidelines, as on that date is Rs 69.025 which is the minimum price. The minimum price so computed is based on the prices quoted on the National Stock Exchange, in which highest trading volume of the shares of the Company has been recorded during the preceding six months prior to the Relevant date.

The price of each Equity Share is Rs. 70/- which consists of Rs 5/- towards face value of the share and Rs 65/- towards premium. This is negotiated price and, as permitted, is higher than the price calculated in accordance with SEBI Guidelines. Moreover, as per the said Guidelines, the Equity shares to be held by the Investors shall be subject to lock-in from the date/s of the allotment thereof in terms of applicable provisions of chapter XIII of SEBI Guidelines.

The Company undertakes that it shall re-compute the price of the Equity Shares in terms of provisions of applicable SEBI Regulations where it is required to do so, and moreover, if the amount payable on re-computation of price is not paid within the time stipulated in the said Regulations, the said Equity Shares shall continue to be locked in till such amount is paid by the Investor.

The proposed preferential issue shall not result in any change in the management control of the Company. The existing Promoters shall remain in the management and control.

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 further issue of shares to other than shareholders. Accordingly, the Board has recommended the Resolution contained in Item No.6 to be passed by the Shareholders, to enable it to issue and allot Equity Shares on preferential basis to the Investors in terms of Chapter XIII of the SEBI Guidelines, and on the terms mentioned herein.

The Equity shares to be issued and allotted to the Investor are subject to the compliance of Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, Memorandum and Articles of Association of the Company and the terms and conditions as agreed between the Company and Investors. The Equity Shares that shall be issued and allotted to the Investor shall rank pari - passu in all respects with, and carry the same rights including dividend as the existing Equity Shares of the Company.