

Structuring a saga of success

Annual Report
2010-11



Building lifestyles since 1967

VISION & MISSION

To fulfill growing aspirations of
our customers by building world class
real estate solutions & redefining lifestyle standards



CONTENTS

	Page No.
Company Information	1
Director's Report	2-18
Corporate Governance Report	19-42
Management Discussion & Analysis	43-55
Auditor's Report	56-59
Balance Sheet	60
Profit & Loss Account	61
Cash Flow Statement	62
Schedules	63-94
Balance Sheet Abstract & Business Profile	95
Consolidated Accounts	96-131
Information of Subsidiary Companies as per Section 212 (8) of Companies Act, 1956	132-133

CHAIRMAN'S MESSAGE

“The dream that was shared between our visionary co-founder Late Lala Chiranjiv Lal Ansal and myself has seen us through four glorious decades of uplifting the quality of lives. This in turn, has put us in an enviable position of being the catalysts of change in the region. What started as a family business in 1967, has now become a professionally managed organization with interests in diverse aspects of real estate. The key role that we have been playing is that of changing the behavior patterns of people by introducing them to a certain lifestyle. Now we are geared to further this transition by donning an all new identity built on the same solid foundation of excellence, teamwork and commitment. I would like to sum up thoughts by saying, "We had dreamt of enriching the lives of our brethren by creating world class real estate solutions and redefining lifestyle standards". Quite aptly, we are headed towards this direction”

Sushil Ansal

COMPANY INFORMATION

BOARD OF DIRECTORS

Shri Sushil Ansal	Chairman & Whole Time Director
Shri Pranav Ansal	Vice Chairman & Managing Director
Shri Anil Kumar	Joint Managing Director & Chief Executive Officer
Shri Vijay Jindal	Joint Managing Director
Shri D. N. Davar	Director
Dr. R. C. Vaish	Director
Dr. Prem Singh Rana	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
Shri P. R. Khanna	Member

PRESIDENT (CORPORATE AFFAIRS) & GROUP COMPANY SECRETARY

Shri Amitav Ganguly

SR. VICE PRESIDENT (FINANCE & ACCOUNTS) & CFO

Shri Lalit Rustagi

STATUTORY AUDITORS

M/s. S. S. Kothari Mehta & Co.
Chartered Accountants
New Delhi

FINANCIAL INSTITUTIONS

Housing Development Finance Corporation Limited
IFCI Limited
Life Insurance Corporation of India
LIC Housing Finance

BANKERS

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

REGISTERED OFFICE

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

Our presence pan India ...



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 44th Annual Report along with the Audited Statements of Accounts of your Company for the Financial Year ended the 31st March, 2011.

1. COMPANY PERFORMANCE

A. Financial Highlights

(Rupees in Lacs)

Particulars	For the year ended 31.03.2011		For the year ended 31.03.2010	
Sales & Other Income		109490		77559
		=====		=====
Profit (Before Interest, Depreciation, Exceptional Items and Taxes)		21487		19792
Less : Interest	8886		9712	
Depreciation	<u>906</u>	9792	<u>858</u>	10570
Profit Before Tax		11695		9222
Less : Provision for taxation		4080		2490
Profit After Tax		7615		6732
Add:- Debenture redemption reserve reversed		5400		-
Add: - Surplus Profit brought forward from previous year		8406		5942
Disposable Profit		21421		12674
APPROPRIATIONS :-				
- Proposed Dividend including Dividend Tax		917.73		767.74
- Transfer to General Reserve		-		1000
- Debenture redemption Reserve		-		2500
Surplus carried to Balance Sheet		<u>20503</u>		<u>8406</u>

B. Operations

Net Profit for the year 2010-11 stood at Rs 7,615 Lacs as against Rs. 6,732 Lacs in the year 2009-10. The total turnover including other income for the year 2010-11 stood at Rs. 1, 09,490 Lacs, as compared to Rs. 77,559 Lacs for the year 2009-10. In the current year no amount has been transferred to General Reserve.

2. ISSUE AND ALLOTMENT OF EQUITY SHARES

During the Financial Year 2010-11, the following issue and allotment of Equity shares have been done by the Company in pursuance of the applicable provisions of the Companies Act, 1956, Foreign Exchange Management Act, 1999, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (In short "SEBI Regulations"), and, the approvals received from its members on the 8th June, 2010 through Postal Ballot:-

- a) 85,50,000 Nos. of Equity shares of the Company of Rs. 5/- each, fully paid up, were allotted at a price of Rs. 82.50 per Equity share (Rs. 5/- towards face value and Rs. 77.50 towards premium) aggregating to Rs. 70.54 crores, in the month of June, 2010, to five identified Resident Investors on Preferential Issue basis in terms of Chapter VII of the said SEBI Regulations.
- b) 2,57,26,291 Nos. of Equity shares of Rs. 5/- each, fully paid up, were allotted at a price of Rs. 89.95 per Equity share (Rs. 5/- towards face value and Rs. 84.95 towards premium) aggregating to Rs. 231.41 crores, on the 13th October, 2010, to the QIBs under Qualified Institutions Placement, in terms of Chapter VIII of the said SEBI Regulations.

3. **CHANGE IN CAPITAL STRUCTURE**

Consequent upon the corporate actions, as aforesaid, from the end of previous Financial Year 2009-10, the following changes have taken place in paid up Equity share Capital of your Company:-

Sl. No.	Details of allotment(s)/ Corporate Action	No. of Equity Shares allotted	Cumulative No. of Equity shares (after Allotment)
1	No. of Equity shares as on the 31 st March, 2010	-	12,31,28,585
2	Allotment made to Five Resident Investors on Preferential Issue basis in the month of June, 2010	85,50,000	13,16,78,585
3	Allotment made to Qualified Institution Buyers under Qualified Institutions Placement basis on the 13 th October, 2010	2,57,26,291	15,74,04,876

4. **DIVIDEND**

The Board of Directors of your Company has recommended Dividend, for the year ended the 31st March, 2011, of Re. 0.50 per Equity share of Rs. 5/- each, fully paid up (total Dividend amount aggregating to Rs. 7,87,02,438/-, excluding dividend tax, on 15,74,04,876 Equity shares of Rs. 5/- each), at its meeting held on the 26th May, 2011, wherein the Audited Annual Accounts for the year ended on that date (i.e. 31st March, 2011) was approved by the Board. Dividend will absorb Rs. 917.73 lacs including dividend tax.

5. **BUSINESS**

Your Company is one of the leading real estate developers in India with over four decades of real estate experience. From last 44 years, it has been engaged in the development of integrated townships and other large mixed-use and stand-alone developments in the residential, commercial, retail and hospitality segments, as well as Agro SEZs, IT/ITES and industrial parks, with a focus on large-scale mixed use developments, particularly in residential projects. As an established developer your Company has several well known buildings in Connaught Place (CBD of New Delhi) viz. Akash Deep, Surya Kiran, Vikas Minar, Amba Deep, Statesman House etc., the Company has developed its brand image through long decades. It has taken lead in promoting the affordable housing segment of the residential property market, particularly in key cities of Northern India. The majority of its projects are located in the NCR, the States of Uttar Pradesh, Haryana, Rajasthan and Punjab. The business is being carried on by the Company on its own as well through various joint venture partners and collaborators.

The Management's Discussion and Analysis Report forming part of the Directors' Report gives a detailed overview about the general economic scenario of the Global and the Indian economy and particularly the realty sector in the Country, including the unprecedented downturn and signs of revival, and beyond, which has and shall have impact on the nature of Company's business and generally in the classes of business in which the Company has interest. With the gradual upturn happening, your Company has ambitious growth plans to be achieved by way of establishing new and expansion of existing real estate activities.

Real Estates Business

Historically, the real estate sector in India was unorganized and characterized by various factors that impeded organized dealing, such as the absence of a centralized title registry providing title guarantee, lack of uniformity in local laws and their application, non availability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values, however, in recent years, the real estate sector in India has been marked by a trend towards greater organisation and transparency accompanied by various regulatory reforms.

Your Company has at present, projects under assorted stages of implementation across residential, commercial, retail, SEZ and Industrial Parks segments. Townships form the major portion of the land bank and real estate development plans. About 19 integrated townships, including two Hi-Tech Townships, have components of realty segments, such as residential, which will be in majority, commercial, retail and social infrastructure - such as educational institutions, hospitals, clubs, etc.

Mention of some of the projects in the process of various stages of development in these States, has been made in the Management's Discussion and Analysis Report.

Affordable Housings / Mid Income Housings

Everyone has a dream of having his /her own house, therefore, making a home or owning a home is one of the most important events in one's life and your Company plays a leading role to focus on affordable housing. The importance of affordable housing is undeniable. The growth of economy, the following recession and its gradual revival have taught lesson to both the suppliers and the consumers. Affordability can be counted as a consumer's ability to

purchase, and, your Company strongly believes that affordable housing is a subject that needs to be tackled with utmost priority. In the recent times, your Company has launched various independent houses and apartments under Affordable and Mid Income housing segment in the States of Rajasthan, Uttar Pradesh and Haryana, which have received good response from the customers proving that affordable / Mid Income housing concepts are attractive in the large middle-income market segment. The Company's focus continues in this segment, particularly in key cities in Northern India and it intends to capitalize the current market trends and mortgage products available in the real estate market.

Townships

Townships development is a trend that is portraying a new face of Indian real estate. A trend that has played an essential role in opening the floodgates for the development of integrated townships across the Country that offer their residents the promise of a quality lifestyle tailored to suit every budget.

This has brought in the FDIs with more and more foreign entities investing in such projects. India is proposing to set up separate regime complete with integrated townships for the planned growth of the knowledge industry because the growing IT sector in major cities is straining current infrastructure and adding to inflationary pressure. Your Company is also developing and promoting townships, which are fully integrated residential communities. The Company, as a developer, plans and builds the entire infrastructure, including roads, to allow the township to function. It has employed a series of reputed contractors to carry out development of the infrastructure.

Townships form the majority of real estate developments of your Company and are driven by the demand for high quality residential properties within easy reach of city centres and transport links. Some of the significant projects under development are as follows:-

Hi-Tech Township-Sushant Golf City, Lucknow

The Company is developing a Hi-Tech Residential Township, Sushant Golf City in Lucknow, sprawling across 3530 acres of land. A world-class international championship golf course surrounds residential and commercial areas, making life on the greens a reality. Designer landscaping, state-of-the-art infrastructure, excellent entertainment and healthcare facilities, lush greens; everything is specially designed to excel even under the most discerning eye. Township is divided into manageable and compact sectors with regulated single entry/ exit points.

This Hi-Tech Township proposes to offer residential plots, group housings, independent luxury villas, shop cum office complex, shopping malls, office space, non-polluting industries, schools, educational institutes, medical centres, professional educational zones, entertainment parks, tourist parks, clubs, hotels and also offer fully equipped health and recreational centres.

This Township has also planned to have 18-hole championship international standard golf course spread over 338 acres of land, designed by Dr. Martin Hawtree, U.K, a world renowned name behind more than 750 golf courses across the globe. This Township will provide fine mix of conveniences within the Township.

Some reputed institutions and business centres have already started operating or they are in the process of being operative shortly which includes Ansal Technical Campus, Goenka International School and a Bharti Wal-Mart bulk market centre. The Golf Academy is already in operation and it is the center of attraction for Sushant Golf City at Lucknow Project.

Some residential clusters are already alive and people are shifting in the built houses which have added the attraction for this new project. The Express-way connecting Lucknow International Airport with the site is ready and now it is 15 minutes drive from the Airport. A cricket academy with the expertise of cricketer Shri Yuvraj Singh, and, another academy, Shri Mahesh Bhupathi Tennis Academy and an Iskcon spiritual centre are also being established and your Company has initiated development works at these centres. The Railways have already approved two big under bridges to connect parent city with the extended area. The development and construction operations, within the township, are in full swing which has given recognition to the Company as a master developer engaged in the creation of big townships.

Your Company is pleased to state that it has offered for possession about 1044 residential plots and about 119 built-up units of this ambitious Hi-Tech Township in Lucknow during the financial year.

Hi-Tech Township- SUSHANT MEGAPOLIS, Dadri, adjoining Greater Noida

The Government of Uttar Pradesh has awarded the Project for development of a Hi-Tech Township to the Consortium led by your Company. The Consortium has set up Ansal Hi-Tech Townships Limited (Ansal Hi-Tech) as the Special Purpose Vehicle to implement the Project. This Township is being developed on an area measuring 2,504 acres under the brand "SUSHANT MEGAPOLIS" having saleable area of about 77 million square feet. Your Company has planned to develop the project in four stages with all the facilities pertaining to sports & recreation, medical and education including golf course. Megapolis is well connected with Delhi and other vital commercial centres through expressways and highways, i.e. Gautam Budh Expressway to Greater Noida, Eastern peripheral expressway, NH-91. The Project lies within the National Capital Region (NCR). The Mega city situates near the proposed International Airport and adjoins North India's largest proposed rail terminal coming up in Bodaki on the Delhi Howrah railway line.

The first phase of the development of the project is underway. About 700 acres of land have already been acquired out of the total land area under planning of 2504 acres.

Megapolis is gifted with five natural lakes and a grand canal, which enhance the township's beauty. It will offer one of the finest 18-hole international golf courses in India designed by World Champion golfer Nick Faldo from U.K and it will also offer a state-of-the-art Mahesh Bhupathi Tennis Academy.

This township Project will be a perfect blend of nature's glory, modern infrastructure, elegance and luxury.

Integrated Township-Golf Link, Mohali

Your Company is developing an integrated township in Mohali, {Punjab} spread over about 309 acres of land. This project is at the prime location near Swaraj Mazda plant, on Kharar Landran Road. This Project has all the facilities that include hospitals, shopping complexes, schools and community centres.

Integrated Township-Esencia, Gurgaon

Your Company is all set to achieve one more first with the launch of the 'Esencia' township project, in Sector 67 & 67A, Gurgaon with the objective of creating eco-friendly and environmentally sustainable living. This township project has been registered as the pilot project for green rating for integrated development by GRIHA (Green Rating for Integrated Habitat Assessment), in India. Esencia will offer well-designed homes with the best amenities. The Project is being implemented through a joint venture. The total developable area is about 220 acres.

Landscaping is an integral part of life at Esencia. With an aim to create a sustainable green cover with minimal maintenance, the landscaping at Esencia is planned around carefully designed parks and open areas.

Integrated Township-Ghaziabad (Aquapolis)

Your Company is developing a joint venture project named Aquapolis, in Ghaziabad (U.P), located near Hapur By-Pass, which is about 127 acres of township having a saleable area of about 5.01 million square feet.

Aquapolis will provide latest world-class designs with all the amenities.

Other Integrated Townships

Your Company's other integrated townships are Sushant City, Ajmer, Sushant City, Jaipur, Sushant City, Jodhpur, Sushant City, Meerut and others. The facilities in these townships include health centres, shopping complexes, schools, parks, community centres and underground parking systems.

Power/Infrastructure Project

Your Company had commissioned a 12MW Wind Power Project in Gujarat in the month of September, 2007. The Company had entered into a power purchase agreement with Gujarat Urja Vikas Nigam Limited for the sale of electricity produced at its Wind Farm for a period of 20 years. Over the last five years, this project is working satisfactorily.

6. CORPORATE SOCIAL RESPONSIBILITY {CSR}

Your Company strongly believes that pursuit and fulfilment of Corporate Social Responsibility is as critical as Corporate Governance in the organisation. The Company extends full support to Governments' schemes for the economically weaker sections and to the underprivileged communities. Moreover, environmental issues remain very significant. Hence, to create awareness amongst employees and others towards environment, your Company organizes various Tree Plantation Camps / activities from time to time. The projects of your Company are aimed at environmental protection, its up-gradation, conservation, water harvesting, plantation of saplings/trees, etc.

Your Company is implementing the vision of social development through various CSR initiatives. Shri Sushil Ansal, Chairman of the Company has been actively associated with the social welfare activities of the Human Welfare Mission, founded by his father late Shri Chiranjil Lal Ansal. The Chairman has expanded the scope of the welfare activities of the Group to help and reach out to innumerable people belonging to the socially and economically backward strata of the society.

In order to give a more meaningful ambit to the human welfare activities being carried out by the Human Welfare Mission, its name and status were changed to Charanjiv Charitable Trust in 1976.

Your Company is supporting the following CSR initiatives through Charanjiv Charitable Trust {CCT} and other NGOs.

Education

The Charanjiv Charitable Trust, set up by the Ansals in 1976, currently runs schools in Palam Vihar and Sushant Lok in Gurgaon. Currently over 6000 students are studying in these schools.

The Trust is also in the process of setting up a large number of schools, which will provide quality education.

Charanjiv Charitable Trust (CCT) had also promoted the Ansal Institute of Technology (AIT) in Gurgaon in the year 2000. AIT, an institution for higher education, today conducts undergraduate courses in Engineering in affiliation with