

20th Annual Report 2003-2004



ANSAL HOUSING & CONSTRUCTION LTD.

BOARD OF DIRECTORS	:	Shri Deepak Ansal <i>Chairman & Managing Director</i> Shri Gopal Ansal Shri Sham Lal Chopra Shri Ashok Khanna Shri Pradeep Anand Shri P. N. Mishra <i>Directors</i>
ADDL. V. P. & COMPANY SECRETARY	:	Shri Mohinder Bajaj
AUDITORS	:	M/s Khanna & Annadhanam Chartered Accountants New Delhi
BANKERS	:	Canara Bank UTI Bank Limited UCO Bank Bank of India The Dhanalakshmi Bank Limited
REGISTERED OFFICE	:	15 UGF, Indra Prakash 21, Barakhamba Road, New Delhi – 110 001

BRANCH OFFICES	:	Priyadarshini Apartments, 28, Sarojini Naidu Marg, Civil Lines, Allahabad – 211 001
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6, First Floor, Gyan Complex,
M.P. Nagar, Zone - II
Bhopal – 462 013

Ansals Chiranjiv Vihar,
PO Kavi Nagar, Nr. Shastri Nagar,
Ghaziabad (U.P.) – 201 001

Ansals Anand Dham, Rishikesh Road,
Moti Chur, Haridwar-Via Raiwala
Haridwar – 249 205

A-1/12, Vishwas Khand, Gomti Nagar,
Lucknow – 226 001

3rd Floor, First Mall,
Mall Road,
Ludhiana – 141 001 (Punjab)

Ansals Suryodaya Vihar,
Shastri Nagar,
Meerut – 250 001

Whispering Meadows Project,
Building A-1, Flat No. B/101/103
Opp. Model Town, Near Veena Nagar,
Bal Rajeshwar Road, Mulund (W)
Mumbai – 400 080

SCO 91, 92 & 93, Sector – 5,
City Centre, Panchkula – 134 109

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the Company will be held on Thursday, the 30th day of September, 2004 at 3.00 P.M. at Sri Sathya Sai International Centre and School, Pragati Vihar, Lodhi Road, New Delhi – 110 003 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2004 and Profit & Loss Account for the year ended on that date together with the Directors' Report and Statutory Auditors' Report thereon.
2. To appoint a Director in place of Shri Ashok Khanna, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Pradeep Anand, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr.P.N. Mishra, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 30th January, 2004 and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation".

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule – XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approvals, consent of the Company is hereby accorded to the re-appointment of Shri Deepak Ansal as Managing Director of the Company for a period of 3 years from 01.04.2005 on the remuneration and the terms and conditions as set out below so, however, that the actual remuneration payable to Mr. Deepak Ansal shall be as recommended by the Remuneration Committee and approved by the Board of Directors of the Company subject to the overall remuneration given herein below:

1. **BASIC SALARY**
Basic Salary of Rs. 2,00,000/- (Rupees Two Lacs only) per month in the grade of Rs. 2,00,000-50,000-3,00,000-75,000-3,75,000.
2. **COMMISSION ON NET PROFITS**
Upto 2% of the net profits of the Company for each Financial Year as computed under provisions of Sections 349 and 350 of the Companies Act, 1956.
3. **PERQUISITES**
In addition to the above, he shall be entitled to the following perquisites;

CATEGORY 'A'

1. **Housing :** Residential Furnished Accommodation (Company Leased) or in lieu thereof House Rent Allowance at the rate of 50% of the salary.
2. **Gas, Electricity, Water and Furnishings :** The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% (ten percent of the Salary).
3. **Medical Reimbursement :** Expenses incurred for self and his family members subject to a ceiling of one months' salary in a year or three months' salary over a period of three years.
4. **Leave Travel Concession :** For self and his family members once in a year incurred in accordance with the Rules specified by the Company.
5. **Club Fees :** Fees of clubs subject to a maximum of five clubs.
6. **Personal Accident Insurance :** Premium not to exceed Rs. 20,000/- per annum on any policy, if any, taken by the Company or reimbursement to him in this behalf.

**CATEGORY 'B'**

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

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

CATEGORY 'C'

Provision of Car with Driver and free Telephone/Communication facilities at Residence for business purposes.

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

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

Regd. Office :

15 UGF, Indra Prakash
21, Barakhamba Road,
New Delhi - 110 001

By Order of the Board

Place : New Delhi

Dated : 24th August, 2004

(MOHINDER BAJAJ)

ADDL. V.P. & COMPANY SECRETARY

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED;
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item No. 5 & 6 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd September to 30th September, 2004 (both days inclusive).
4. The Company has already transferred all unclaimed dividends declared upto the financial year ended 31st March, 1995 to the General Reserve Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Shareholders who have so far not claimed or collected their dividends upto the aforesaid financial year are requested to claim their dividend from the Registrar of Companies, NCT of Delhi and Haryana, Paryavaran Bhawan, Lodhi Road, New Delhi - 110 002 in the prescribed form which will be furnished on receipt of request by the Registrar and Transfer Agents M/s Intime Spectrum Registry Ltd.
5. In accordance with the provisions of Article 104 of the Articles of Association of the Company, Shri Ashok Khanna and Shri Pradeep Anand will retire by rotation at this Annual General Meeting and, being eligible, offer themselves for re-election.
6. Information under clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/reappointment at the Annual General Meeting is separately annexed hereto as Annexure - 1.



7. Pursuant to the provision of Section 205A(5) of the Companies Act, 1956, dividend for the Financial Years ended 31st March, 1997 and 31st March, 1998, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to section 205(C) of the Companies Act, 1956. The Company has already transferred the unclaimed dividend for the year ended 31st March, 1996 to the Investor Education and Protection Fund (IEPF)

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial Year Ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
31.03.1997	24.12.1997	23.12.2004	22.01.2005
31.03.1998	25.09.1998	24.09.2005	23.10.2005

Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

8. Members having multiple accounts in identical names or joint accounts in same order are requested to intimate the Company the ledger folio of such accounts to enable the Company to consolidate all such shareholdings into one account and send the relevant Share Certificates.
9. Pursuant to the directions of the Securities Exchange Board of India (SEBI), trading in the shares of your Company is in compulsory de-materialised form for all investors. Members who have not yet got their shares de-materialised, are requested to opt for the same in their own interest and send their certificates through Depository Participant(s) with whom they have de-materialised account directly to the Registrar & Transfer Agent as appointed by the Company namely M/s In-time Spectrum Registry Ltd., A-31, 3rd Floor, Naraina Industrial Area, Phase - I, Near PVR, Naraina New Delhi - 110 028.
10. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.
11. Members/Proxies should fill in the Attendance Slip for attending the meeting.
12. Members desiring any information/clarification on the Annual Accounts are requested to write to the Company at its Registered Office at-least 7 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 UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

Shri P.N. Mishra was appointed by the Board of Directors of your Company in their meeting held on 30th January, 2004 as an additional Director of your Company pursuant to Section 260 of the Companies Act, 1956 and he holds office upto the date of the ensuing Annual General Meeting. Your Company has received a notice under section 257 of the Companies Act, 1956 from a member proposing the appointment of Shri P.N. Mishra as Director of your Company. Shri P.N. Mishra, was earlier on the Board of your Company and had resigned from the Board on 10th December, 2003 on account of his pre-occupation. Shri P.N. Mishra, a renowned Civil Servant (Retd.) has specialised in the field of Urban Planning and Development. He had been serving as Director Estates (U.P.), Vice Chairman, Ghaziabad Development Authority and several other important assignments during his service career.

Shri P.N. Mishra has vast experience of more than 27 years in Urban Planning/Development of Townships in India. He has developed fourteen townships – six of them big towns.

None of the Directors other than Shri P.N. Mishra is concerned or interested in the Resolution.

Your Directors recommend the Resolution for your approval.

ITEM NO. 6

Shri Deepak Ansal was appointed as Managing Director for a period of 5 years effective 1st April, 2000 and this tenure would end on 31st March, 2005. The Board in its meeting held on 24th August, 2004 reappointed him as Managing Director of the Company for a further period of 3 years with effect from 1st April, 2005 and approved remuneration in accordance with the provisions of sections 198, 269, 309, 310, 311 and Schedule XIII of the Companies Act, 1956 and subject to other necessary approvals which is commensurate

with his qualification, experience and the responsibilities entrusted to him.

Shri Deepak Ansal is a qualified Civil Engineer (B.Sc. Engg. Civil) and is associated with the Company for the last 21 years. He has to his credit vast, rich and varied experience in the field of development and construction of multistoreyed buildings and execution of large value high-tech engineering projects on turnkey basis. Under his able guidance and direction, the Company has executed large number of Commercial, Residential and Real Estate Development Projects.

In terms of Section 198, 269, 309, 310 read with amended Schedule – XIII to the Companies Act, 1956, Shareholders approval by way of Special Resolution and Govt. approval is necessary for the appointment and payment of remuneration upto an amount as stated in the Resolution at Item no. 6 of the accompanying Notice. However, the actual remuneration to be paid to Shri Deepak Ansal shall be as recommended by the Remuneration committee and approved by the Board of directors in accordance with the statutory guidelines/provisions as may be applicable from time to time.

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

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

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

ANNEXURE - 1

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE ANNUAL GENERAL MEETING AS PER CLAUSE 49 (VI) OF THE LISTING AGREEMENT.

A brief resume of Directors seeking appointment/re-appointment in the Annual General Meeting.

1. Mr. Ashok Khanna is a First Class B-Tech (Hons) Textile Ethnologist from Bradford University, England. He is Chairman of Khanna Watches Ltd., the promoters of K-Watch brand of quality Quartz Wrist Watches. He is also on the Board of renowned Companies and member of Managing Committees of PHD Chamber of Commerce & Industry, National Productivity Council and Assochem. He is on the Board of the following Companies :

Name of the Company	List of outside Directorships held	Board Committees Membership
Khanna Watches Ltd.	Chairman cum Managing Director	—
Khanna Quartz Ltd.	Chairman	—
K-Watch Ltd.	Chairman	—
J.B.C.L. Ltd.	Director	—
Haryana State Industrial Development Corporation Ltd. (HSIDC)	Director	—

He is not the Member of any Committees of Board of Directors in other Companies.

He is member of the Audit Committee of the Company.

2. Mr. Pradeep Anand is the Chairman of Asahi Battery Company Pvt. Ltd. and Asahi Meters Ltd. He has rich and vast experience in variety of Industries. He was earlier Vice Chairman and Managing Director of Punjab Anand Batteries Ltd. (India).

He is on the Board of the following Companies.

Name of the Company	List of outside Directorships held	Board Committees Membership
Ana Vision Limited	Director	—
Asahi Meters Ltd.	Chairman	—
Delta Colonizers Ltd.	Director	—
Namosidhi International Ltd.	Director	—
Rita Holdings Ltd.	Director	—
Shree Laxmi Holdings Ltd.	Director	—
Anand Zenner Company Pvt. Ltd.	Director	—
Asahi Battery Company Pvt. Ltd.	Chairman	—
Asahi Video Pvt. Ltd.	Director	—



Name of the Company	List of outside Directorships held	Board Committees Membership
Atam Impex Enterprises Pvt. Ltd.	Director	—
CLA Investment & Trading Co. Pvt. Ltd	Director	—
Cresco Technology Pvt. Ltd.	Alternate Director	—
Crosswell Pte Ltd.	Director	—
Jyoti Construction Co.(New Delhi) Pvt. Ltd	Director	—
Koshish Investment & Finance Pvt. Ltd.	Director	—
Sanjay Credits Pvt. Ltd.	Director	—
Sanjay Tubes Pvt. Ltd.	Director	—
Tripta Impex Enterprises Pvt. Ltd.	Director	—

He is not the Member of any Committees of Board of Directors in other Companies.

He is Member of two Committees of Board of Directors of the Company viz. Audit Committee and Share Transfer and Redressal of Shareholders' Grievances Committee.

3. Mr. P.N. Mishra, a renowned Civil Servant (Retd.) has specialised in the field of Urban Planning and Development. He had been serving as Director Estates (U.P.), Vice Chairman, Ghaziabad Development Authority and several other important assignments during his service career.

Mr. P.N. Mishra has vast experience of more than 24 years in Urban Planning/Development of townships in India. He has developed fourteen townships – six of them big towns.

He is on the Board of the following Companies.

Name of the Company	List of outside Directorships held	Board Committees Membership
Misty Meadows Resorts & Hotels Ltd.	Director	—
Kahtura Finvest Pvt. Ltd.	Director	—

He is not the Member of any Committees of Board of Directors in other Companies.

He was reappointed as member of the Audit Committee of the Company on 29.07.2004.

Regd. Office :

15 UGF, Indra Prakash
21, Barakhamba Road,
New Delhi - 110 001

By Order of the Board

Place : New Delhi
Dated : 24th August, 2004

(MOHINDER BAJAJ)
ADDL. V.P. & COMPANY SECRETARY

ANNEXURE - II

Dear Shareholder(s),

Reg: Information in respect of Shri Deepak Ansal, Chairman and Managing Director

In compliance with the provisions of Part II of Section II of Schedule XIII amended vide Notification No. G.S.R. 36(E) dated 16.01.2002, the following information forming part of the Explanatory Statement to the Special Resolution proposed to be passed under Agenda Item No. 6 of the enclosed Notice dated 24th August, 2004 for 20th Annual General Meeting of the Company scheduled to be held on 30th September, 2004.

I. GENERAL INFORMATION

- | | |
|---|--|
| 1. Nature of Industry | Real Estate Development and Construction etc. |
| 2. Date or expected date of Commencement of production. | Existing Company. The date of commencement of business is 22.10.1983 |
| 3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus. | Not Applicable |

4. Financial Performance based on given indicators. (Rs. In Lacs.)

Particulars	2003-2004	2002-2003
Total Sales & Other Income	7533.97	7486.50
Gross Profit	1501.59	1601.25
Depreciation	94.17	115.34
Provision for Taxation	41.72	73.55
Net Profit	334.80	363.00

5. Export performance and net foreign Exchange collaborations Not Applicable
6. Foreign Investment or Collaborators, If any. Investment of Rs. 3,08,56,887/- in 100% Subsidiary company in Lanka i.e. Housing and Construction Lanka Pvt. Ltd.

II. Information about the Appointee

1. Background details
- Shri Deepak Ansal was appointed as Managing Director initially on 01.04.95 and the appointment was further renewed for successive period of 5 years each ending on 31.03.2005. Shri Deepak Ansal is a qualified Civil Engineer (B.Sc. Engg. Civil) and is associated with the Company for the last 21 years. He has to his credit vast, rich and varied experience in the field of development and construction of multi-storeyed buildings and execution of large value high-tech engineering projects on turnkey basis. Under his able guidance and direction, the Company has executed large number of commercial, Residential and Real Estate Development Projects. Shri Deepak Ansal is brother of Shri Gopal Ansal and as such related to him.

Past Remuneration	Financial Year	Amt. In Rs
	2001-2002	2129999/-
	2002-2003	2223784/-
	2003-2004	2159733/-

3. Recognition or awards
- Awards in recognition of his achievements have come naturally to Shri Deepak Ansal. He was conferred the VIJAY RATNA AWARD for outstanding contribution to the building industry and adherence to strict quality controls. The award was presented to by Shri. H.R. Bhardwaj, Hon'ble Minister of State for Planning and Programme Implementation, in January 1992.
- The National Industrial Conference conferred the VIKAS JYOTI AWARD on Shri Deepak Ansal for excellence in the field of construction. The award was presented by Shri Khursheed Alam Khan, Hon'ble Governor of Karnataka, in the Seminar on National Unity and Economic Development held in May 1995.
- The BHARAT UDYOG AWARD for the year 1995 was conferred on Shri Deepak Ansal for the outstanding achievements of Ansal Housing & Construction Ltd. under his dynamic leadership. The award was presented by Shri K C Pant, Chairman, Finance Commission, in July 1995. Shri Deepak Ansal received the INDIA FORWARD AWARD for the year 1996 from the International Friendship Forum of India. This Award was presented by Shri Vasant Sathe, President, Indian Council for Cultural Relations, in February, 1996.
- He has also received the GIANI ZAIL SINGH SADBHAWNA AWARD, which was presented by Shri M.M. Jacob, Hon'ble Governor of Meghalaya, in May 1997.

4. Job Profile & his suitability
- Shri Deepak Ansal was appointed as Managing Director for a period of 5 years w.e.f. 01.04.1990 and the term was renewed for further period of 5 years w.e.f. 01.04.1995 and his term further renewed for a period of 5 years w.e.f. 01.04.2000. Shri Deepak Ansal was appointed



5. Remuneration Proposed

Basic Salary
Commission
Perquisites and Benefits

Housing
Gas, Electricity, Water and Furnishings
Medical Reimbursement

Leave Travel Concession
Club Fees
Personal Accident Insurance

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and Person (in case of expatriates the Relevant details would be w.r.t. the Country of his origin).

7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.

III. Other Informations :

1. Reasons of loss or inadequate profits.

2. Steps taken or proposed to be taken for improvement.

3. Expected increase in productivity and profits in measurable term

as Chairman of the company w.e.f. 24.08.2001. Presently he is working as Chairman and Managing Director of the Company.

In view of his performance and achievements the Board proposes to increase his remuneration to Rs. 2,00,000/- per month with effect from 01.04.2005 and the perquisites etc. detailed in the Resolution at item no. 6 of the agenda of the Notice for AGM for 2004.

Rs. 24,00,000/- per annum.

Upto 2% of Net Profit

As per details given in the Resolution No. 6 to the Notice for Annual General Meeting, 2004.

Upto 50% of Basic Salary

Upto 10% of Basic Salary.

Expenses incurred for self and his family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

As per rules of the company

Fees for club subject to maximum of five clubs.

Premium not exceeding Rs. 20,000/- per annum on any policy, if any, taken by the Company reimbursement to him in this behalf.

He will also be entitled to Provident Fund, Superannuation Fund, Gratuity, Leave encashment benefits as per rules of the company.

Though the exact latest data of the comparative profile with remuneration of the CEO/MD of Real Estate Development and Construction Companies could not be obtained, however generally the CEOs/MDs of Real Estate and Construction Companies of comparable status are generally receiving remuneration above Rs. 60 lacs per annum.

Mr. Deepak Ansal, Chairman & Managing Director of the Company is brother of Shri Gopal Ansal, Director of the Company.

The Company could not in the recent past concentrate on the new projects in Real Estate because of its expansion in other areas relating to hospitality and BPO businesses etc..

Now that it is primarily focussing on the new remunerative Real Estate projects :- its core area and expects to raise its turnover/ profitability substantially in the current and ensuing years.

In the Financial Year 2004-2005, the Company expects to raise its Turnover to Rs. 80 crores and Net Profits to over Rs. 4.5 crores.

IV Disclosures :

Remuneration Package of Mr. Deepak Ansal The Gross Remuneration which will inter-alia include Basic Salary of Rs. 24,00,000/- per annum, Commission upto 2% of Net profits, Perquisites and benefits, Housing upto 50% of the basic Salary, Gas, Electricity, Water upto 10% of Basic Salary. In addition to Mr. Deepak Ansal will be entitled to avail LTC and Medical facilities as per rules of the Company which at present is monetary compensation equivalent to one Month Salary each for medical/LTC/Benefits. He will also be entitled to personal accidental insurance equivalent upto Rs. 20,000/- of premium in a year. In addition he will also be entitled to Provident Fund, Superannuation Fund, Gratuity & Leave encashment benefits as per rules of the Company. The proposal will be submitted to the Government of India, Ministry of Company Affairs, Shastri Bhawan, 6th Floor, A Wing, New Delhi - 110 001 for their approval. However actual remuneration payable to Mr. Deepak Ansal with effect from 01.04.2005 shall be recommended by the Remuneration Committee and as approved by the Board of Directors of the Company.

Regd. Office :

15 UGF, Indra Prakash
21, Barakhamba Road,
New Delhi - 110 001

Place : New Delhi

Dated : 24th August, 2004

By Order of the Board

(MOHINDER BAJAJ)
ADDL. V.P. & COMPANY SECRETARY



DIRECTORS' REPORT

Dear Shareholder,

The Directors of your Company have pleasure in presenting their 20th Annual Report on the affairs of the Company together with the Audited Statements of Accounts of the Company for the Financial Year ended 31st March, 2004 and Statutory Auditors' Report thereon.

FINANCIAL PERFORMANCE

The Working Results of the Company are briefly given below:

	Current Year (Rs.in Lacs)	Previous Year (Rs.in Lacs)
Sales & Other Income	7533.97	7486.49
Gross Profit (Before Interest and Depreciation) etc.	1501.59	1601.24
Less :		
— Interest & Finance Charges	1030.90	1049.36
— Depreciation	94.17	115.33
	1125.07	1164.69
Net Profit before Tax	376.52	436.55
Add :		
— Surplus Profit Brought forward for Previous Year.	1512.13	1149.13
	1888.65	1585.68
Less : Provision for Tax (including Rs. (-16.64) Lacs for earlier years)	41.72	73.55
— Prior Period Expenses	—	—
Surplus Profit Carried to Balance Sheet	1846.93	1512.13

DIVIDEND

In view of your company's investment in new ventures viz. Hospitality, I.T. enabled services etc. the liquidity position of the company has been under pressure. Therefore no dividend is proposed for the financial year ended 31st March, 2004.

OPERATING PERFORMANCE

Your Company has recorded a turnover of Rs. 75.33 Crores with profit after tax of Rs. 3.35 Crores. The company has been endeavouring to bag more and more Housing and Real Estate Projects with reasonable returns.

The new residential projects which were launched in the Financial Year include Garden Enclave in Ghaziabad, Ansals Green at Kolar Road in Bhopal and Ansal Pradhan Enclave, Aerara Colony in Bhopal. All these projects got very good response from the buyers. The new project named 'Avantika - II' in Ghaziabad is expected to be launched soon. The Company is also preparing to launch a Group Housing Project in Lucknow.

The Housing Sector continued to witness growth during the Financial Year 2003-2004. During the year under review, company further offered possession to the allottees of plots and houses in its various schemes covering East End Project (Tronica City), Golf Links - I, Golf Links - II (Greater Noida), Chiranjiv Vihar, Avantika, Neelpadm - I, Neelpadm Kunj, Vaishali, (Ghaziabad), Panchvati Enclave (Meerut). The company had during the previous year offered possession to the allottees in commercial buildings viz. Fortune Arcade in Noida, Imperial Tower in Naraina, Majestic Tower in Vikas Puri and Vikas Deep, Laxmi Deep and Pragati Deep in Laxmi Nagar Distt. Centre. The occupants of these commercial buildings include prestigious corporates viz. ICICI Prudential, Century Pulp and Paper Mills, Citi Financials, Housing Development Finance Corporation Ltd., Reliance Infocomm Ltd., Seagull Pharma etc. The company has also offered possession to plot holders in its project "Bachittar Enclave" in Ludhiana. The Company now plans to take up construction of houses and other social infrastructure in this Project.

The response and progress of Mumbai Projects has been very encouraging and Ansal heights, Worli, Mumbai is at advanced stage of construction. Your company will be launching Phase - 2 of the project very soon.

The Company had undertaken a project in Sri Lanka entitled "Perth Paradise" through its subsidiary company M/s Housing & Construction Lanka Pvt. Ltd. The company is happy to inform that project has been appreciated by every one and 90 units have been transferred to ultimate allottees.

The Hospitality Division of the Company has been performing well with higher turnover of approximately Rs. 4.30 crores with sizeable projects recorded for the Financial Year 2003-2004 compared to Rs. 3.55 crores in the preceeding year. The performance is expected to be higher in the current financial year. The Division plans to add new Restaurants in the succeeding years.

The project for ultra modern mall which has been undertaken by your Company in Vaishali, Ghaziabad has attracted good brands like Food Plus, Bata, Discount Circuit, RAP Ad Labs, Rameshwar, Sahib, Sagar Ratna, Bercos, OTIK Plaza, HDFC, Fundoo Zone etc. The mall with 3 multiplexes would be opened by March, 2005.

The Company's investments in Capital Cars Pvt. Ltd. has been yielding returns with declaration of second dividend of 5% (2.5% last year) by the Company for the Financial Year ended 31st March, 2004. The growth prospects of your investments in this company are