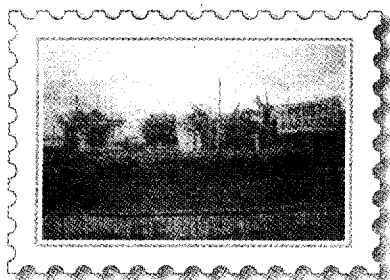
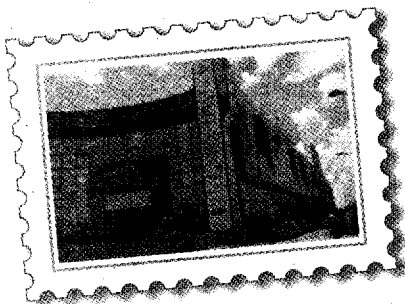
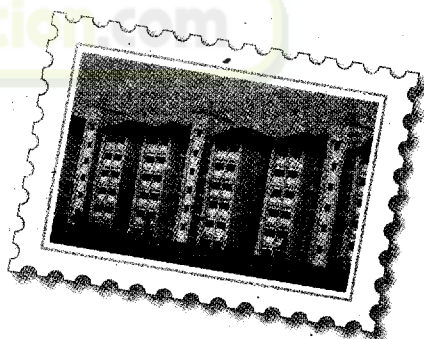


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**A N N U A L R E P O R T**  
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**The stamp of  
excellence**



**ANSAL HOUSING  
& CONSTRUCTION LTD.**

(AN ISO 9001 : 2000 COMPANY)

**BOARD OF DIRECTORS**

: Shri Deepak Ansal  
Chairman & Managing Director

Shri Sham Lal Chopra  
Shri Ashok Khanna  
Shri Pradeep Anand  
Shri P.N. Mishra  
Directors

**V.P. & COMPANY SECRETARY**

: Shri Mohinder Bajaj

**AUDITORS**

: M/s Khanna & Annadhanam  
Chartered Accountants  
New Delhi.

**BANKERS**

: Canara Bank  
UTI Bank Limited  
UCO Bank  
Punjab National Bank

**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

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

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

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

TF-3, 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 - 302  
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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Email : [ahcl@ansals.com](mailto:ahcl@ansals.com), Web Site : [www.ansals.com](http://www.ansals.com)



## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 21st Annual General Meeting of the Company will be held on Friday, the 30th day of September, 2005 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, 2005 and Profit & Loss Account for the year ended on that date together with the Directors' Report and Statutory Auditors' Report thereon.
2. To declare a dividend on Equity Shares for the year ended 31st March, 2005.
3. To appoint a Director in place of Shri P.N. Mishra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ashok Khanna, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

### **SPECIAL BUSINESS**

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

"RESOLVED THAT Shri Sham Lal Chopra, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 29th October, 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".

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

"RESOLVED THAT in supersession of the Resolution passed at the meeting of the shareholders of the company held on 27th day of September, 1995 and pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, consent of the company be and is hereby accorded to the Board of Directors of the Company for borrowing monies from time to time for the purposes of the Company, notwithstanding that the monies to be borrowed, together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business) either from the Company's Bankers and/or any one or more persons or Financial Institutions whether by way of advances, loans or bills discounting, issue of debentures or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties whether movable or immovable, or stock-in-trade and work-in-progress of the Company on such terms and conditions as may be considered suitable by the Board of Directors, shall exceed the aggregate of the paid-up Share Capital of the Company and its Free Reserves, that is to say Reserves not set part for any specific purpose, provided that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed at any time rupees 300 crores (Rupees Three Hundred Crores only).

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

8. 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 pursuant to the provisions of sections 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and enabling provisions in the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the company with the Stock Exchange, Mumbai where the shares of the Company are listed and in accordance with the regulations/ guidelines/ clarifications, if any, prescribed/ issued by the Securities and Exchange Board of India (SEBI), Foreign Exchange Management Act, 1999 (FEMA) and all other applicable laws and regulations and subject to the Company obtaining all approvals, permissions and sanctions as may be required, if any, from any and/or all Government or Regulatory Authorities and/or all other Financial Institutions or Bodies including banks and subject to such terms and conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any duly authorized committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent, approval and authority of the Company be

and is hereby accorded to the Board to create, issue/offer and allot 10,00,000 warrants with an option to the warrant holders to acquire, for every warrant, one fully paid up equity share of Rs 10/- each at a price of Rs. 104.50 per warrant aggregating to an issue price of Rs 10.45 crores (Rupees Ten Crores Forty Five Lacs only) which price is calculated in accordance with the guidelines for Preferential Issues issued by Securities and Exchange Board of India (SEBI) under SEBI (Disclosure of Investor Protection) Guidelines, 2000 and on such other terms as may be deemed appropriate by the Board on preferential basis of an amount not exceeding Rs. 10.45 crores in the aggregate to be issued to the other independent persons as specified in the Explanatory Statement on the terms and conditions given herein below:

- i) One new Equity Share of the Company of the face value of Rs. 10/- each at a price of Rs. 104.50 per share in lieu of one warrant shall be issued at a price calculated in accordance with the existing SEBI (DIP) Guidelines, 2000 and duly certified by the Statutory Auditors of the Company. Each Warrant will be convertible into one share at a price determined as per the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and duly approved by the Board of Directors.
- ii) The 'Relevant Date' for the preferential issue as per the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended upto date for the determination of applicable price for equity shares in lieu of the issue of the above mentioned warrants is 30th August, 2005 which is 30 days prior to the date of this Annual General meeting i.e. 30th September, 2005.
- iii) The amount of Rs. 1,04,50,000/- (Rupees One Crore Four Lacs Fifty Thousand only) being 10% of the total warrant amount will be payable at the time of making the application which will be kept by the Company as a deposit to be adjusted and appropriated against the price of the Warrants payable by the warrant holder at the time of making the allotment of warrants.
- iv) The option to acquire equity shares may be exercised by the warrant holders at any time before the expiry of 18 months from the date of allotment of warrants on payment of balance 90% payment due on each warrant. The option to convert warrants into shares may be exercised by the allottees in one or more tranches during the period of 18 months from the date of allotment of warrants.
- v) 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 warrants shall lapse and the amount of deposit shall stand forfeited by the Company.
- vi) In the event of company making a Bonus Issue by way of capitalisation 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 share increases as a consequence of such Bonus Issue and the premium shall stand reduced on prorata basis.
- vii) In the event of the company making a Rights Offer 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 of 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.
- viii) The Equity Shares to be allotted on exercise of option by the warrant holder shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- ix) The warrants shall be subject to a lock-in-period of one year from the date of allotment pursuant to the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended upto date and would continue to be locked in till the exercise of option for conversion/exchange by the warrant holders for equity shares.
- x) The equity shares to be issued and allotted by the company as a consequence of the conversion/exchange of the warrants 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.
- xi) The issue of the warrants as well as equity shares arising from the exercise of the option 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.
- xii) The warrants shall not carry any voting/dividend rights.

**RESOLVED FURTHER THAT** for the purposes of giving effect to the above Resolution, the Board be and is hereby authorised to do and perform all such acts, deeds and things as it may, in its absolute discretion deem necessary, desirable or appropriate to settle any question, difficulty or doubt that may arise in regard to the issue of warrants as it may think fit and to accept on behalf of the Company such conditions and modifications, if any, relating to the issue of warrants which may be imposed, required or suggested by any regulatory authority and which the Board in its discretion thinks fit and proper.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept any modification(s) to or to modify the terms of issue of the said new warrants subject to the provisions of the Companies Act, 1956 and SEBI Guidelines/Regulations, without being required to seek any further consent or approval of the company in general meeting;

**AND RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers to the committee of Directors of the Company to give effect to the aforesaid Resolution".





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

"RESOLVED THAT the company hereby grants its approval and consent under section 314(1B) of the Companies Act, 1956 and other applicable provisions, if any, and subject to the approval of the Central Government to the appointment of Mrs. Divya Ansal, wife of Mr. Deepak Ansal, Chairman & Managing Director of the Company, as Advisor (Interior Design & Landscape) with effect from 1st July, 2005 in the management cadre of the Company on a basic salary of Rs. 1,00,000/- in the Scale of (Rs. 1,00,000-10,000-1,50,000-25,000-2,00,000/-) per month and the usual benefits as applicable to the employees occupying the similar position in the said management cadre including, gratuity, provident fund, LTC and other benefits as per Company's Rules from time to time.

RESOLVED FURTHER THAT the Directors be and are hereby authorised to give from time to time such increments to Mrs. Divya Ansal as they may deem fit within the aforesaid grade".

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

"RESOLVED THAT in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 and also provisions of any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions, if any, of the Government of India, Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and all other appropriate and/or concerned authorities, and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create, issue, offer and allot in national and/or international offerings any securities including Global Depository Receipts and/or Foreign Currency Convertible Bonds and/or American Depository Receipts convertible into equity shares, preference shares whether Cumulative or Non-Cumulative/Redeemable/Convertible at the option of the Company and/or at the option of the holders of the security and/or securities linked to equity shares/debentures, bonds or warrants convertible into equity shares/preference shares (hereinafter referred to as 'Securities') for an aggregate sum of US \$ 25 Million with a green shoe option of such percentage of original issue as may be permissible or equivalent in Indian and /or any other currency(ies) (inclusive of such premium, as may be permitted by the Ministry of Finance/such other authorities) directly to Indian / Foreign / Resident / Non-resident investors (whether institutions, incorporated bodies, mutual funds/Trusts/Foreign Institutional Investors/Banks and/or individuals, or otherwise and whether or not such investors are members, promoters, directors or their relatives/associates, of the Company) through Public Issue(s) or Rights Issue(s) or Private Placement(s) or Preferential issue(s) or a combination thereof at such time or times in such tranches or tranches, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions as may be decided and deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors, wherever necessary in consultation with the Lead Managers, Underwriters, Advisors or through the intermediaries, in any markets as may be deemed fit by the Board including, but not limited to Initial Public Offer or Public Issue or Preferential Issuance in US or any other countries, so as to enable the Company to get listed at any stock exchanges in India and /or Luxemburg / Singapore/ Hong Kong / London / Nasdaq / New York Stock Exchanges and /or any of the Overseas Stock Exchanges.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of Securities in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practice and regulations, and under the forms and practices prevalent in securities markets.

RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and/or in the market and/or at the place of issue of the Securities in the international market and may be governed by applicable laws.

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorised to issue and allot such number of shares as may be required to be issued and allotted upon conversion of any Securities referred above or as may be necessary in accordance with the terms of the offering, all such shares being pari passu with the then existing shares of the company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the

entering into of underwriting, marketing and depository arrangement and institution / trustees / agents and similar agreements and to remunerate the Managers, underwriters and all other agencies /intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of securities, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such a manner as the Board may deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary and/or desirable for such purpose inter-alia, creation of mortgages/charges on all or any of the Company's assets present and future, such charge to rank pari-passu / second / subordinate to all mortgages/charges created/to be created by the Company for all existing and further borrowing and facilities, whatsoever, under Section 293(1)(a) of the Companies Act, 1956, in respect of the aforesaid securities, the entering into underwriting, marketing, depository, custodian arrangements and to remunerate all other agencies by way of commission, brokerage, fees and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilisation of the issue proceeds of the securities of the Company's projects/other corporate needs as it may deem fit and also to seek the listing of such Securities in one or more Stock Exchanges, in India as deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to the Chairman and Managing Director or any other Officer or Officers of the company to give effect to the aforesaid resolution".

**Regd. Office :**

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

By Order of the Board

Place : New Delhi  
Dated : 01.09.2005

(MOHINDER BAJAJ)  
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. 6, 7, 8, 9 & 10 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd September, 2005 to 30th September, 2005 (both days inclusive).
4. The Dividend as recommended by the Board of Directors, if approved, by the shareholders at their 21st Annual General Meeting shall be paid to those members whose names appear on the Register of Members of the Company on Friday, the 30th September, 2005. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on 22nd September, 2005 as per details furnished by the respective Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
5. 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.
6. In accordance with the provisions of Article 104 of the Articles of Association of the Company, Shri P.N. Mishra and Shri Ashok Khanna will retire by rotation at this Annual General Meeting and, being eligible, offer themselves for re-election.
7. 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 - I.



8. Pursuant to the provision of Section 205A(5) of the Companies Act, 1956, dividend for the Financial Year ended 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, 1997 to the Investor Education and Protection Fund (IEPF) on 24.01.2005.

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 IEP Fund
31.03.1998	25.09.1998	11.11.2005	12.11.2005

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.

9. 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.
10. 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.
11. 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.
12. The Company has made the application for listing of its securities at the National Stock Exchange (NSE).
13. Members/Proxies should fill in the Attendance Slip for attending the meeting.
14. 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. 6

Shri Sham Lal Chopra was appointed by the Board of Directors of your Company in their meeting held on 29th October, 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 Sham Lal Chopra as Director of your Company. Shri Sham Lal Chopra, was earlier on the Board of your Company and had resigned from the Board on 1st October, 2004 on account of his pre-occupation. Shri Sham Lal Chopra is former Chairman and Managing Director of Punjab National Bank having extensive experience of Banking and Finance.

None of the Directors other than Shri Sham Lal Chopra is concerned or interested in the Resolution.

Your Directors recommend the Resolution for your approval.

##### ITEM NO. 7

Section 293(1)(d) of the Companies Act, 1956, requires sanction of the company in General Meeting to authorise the Board of Directors to borrow monies where the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans from Banks) shall exceed the aggregate paid-up capital of the Company and its free reserves not set apart for any specific purpose. At the Annual General Meeting held on 27th September, 1995, the Company had authorised the Board of Directors to borrow monies in excess of the limits prescribed i.e. in excess of the paid-up capital and free reserves, within an overall ceiling of Rs. 100 crores.

The Company has shown substantial growth in its operations and in order to cope with the increased level of operations, it is considered desirable and necessary to augment the financial resources by enhancing the previous borrowing limit of Rs. 100 crores to 300 crores.

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

Your Directors recommend the Resolution for your approval.

#### ITEM NO. 8

The Company had earlier proposed to raise resources to the tune of approx. 34.58 crores for meeting the resources required for expansion of its Real Estate Business/Projects etc. In accordance with the Rules/Regulations of SEBI (Disclosure & Investor Protection) Guidelines, 2000 of SEBI the company made the allotment of 11,00,000 Equity Shares and 20,00,000 Warrants resulting in addition to the resources in due course for the company to the extent of approx. Rs. 20.61 crores. The present Private Placement of warrants to the independent party viz. Beach Financial Services Pvt. Ltd. will further generate resources of Rs. 10.45 crores and help further meet the objectives for growth of Real Estate Business of the Company. The balance amount will be made available through internal accruals.

The minimum price as per the SEBI pricing formula for preferential allotment is Rs. 104.50. This price is the higher of the average of the high and low of the closing prices, at the Stock Exchange, Mumbai during the 6 months prior to the relevant date, viz. 30.08.2005 (Rs. 66.68 per share) and the average of the high and low of the closing prices for the 2 weeks preceding the relevant date (Rs. 104.50 per share).

**Disclosure as required under Regulation 13.1A of SEBI (Disclosure & Investor Protection) Guidelines, 2000 for the purpose of allotment of Warrants to the other independent parties on preferential basis.**

Particulars	Issue of Warrants
The object/s of the Issue through preferential offer	The issue proceeds would be deployed for the existing operations and expansion, acquisition of new businesses, investment in Joint Ventures, reduction of debts to augment margin money requirements of the Company and for capital expenditure purpose.
Intention of Promoters/Directors/Key Management persons to subscribe to the preferential offer	Since the present issue of Warrants under Preferential Allotment is to other independent parties, the promoters or directors of the company would not be subscribing the preferential issue of warrants.
Shareholding pattern before and after the offer.	As given below
Proposed time within which the allotment shall be complete	In terms of SEBI (DIP) guidelines, 2000 within 15 days from the passing of Special Resolution i.e. on or before 15th October, 2005.
The identity of the proposed allottees and the percentage of the post preferential issue capital that may be held by them	As mentioned below

#### A. The total subscription amount of the proposed independent allottee on preferential basis is as follows:

S. No.	Proposed Allottee	Existing Share Holding	Proposed Allotment of Warrants (in Nos.)	%age of revised Capital	Post Allotment Holding (No. of equity shares)*
1	Beach Financial Services Pvt. Ltd.**	Nil	1000000	5.98	1000000

\* The percentages etc. have been worked out after conversion of warrants into equity shares had taken place.

\*\* M/s Beach Financial Services Pvt. Ltd. is promoted by Arvind Kumar Kabra & his relatives and their Associates. The Directors of the Company are Arvind Kumar Kabra, Vijay Laxmi Kabra, Harvinder Pal Singh and Adarsh Kumar Aggarwal.





The shareholding pattern before and after the issue is:

	Category	Pre-issue equity holding	%age of Shareholding	After considering equity shares arising on conversion of warrants already issued to Promoters & other Parties	%age of Shareholding	On Exercise of option given under warrants issued to the other investors	%age of shareholding
<b>A</b>	<b>PROMOTER'S HOLDING</b>						
<b>1</b>	<b>Promoters</b>						
	- Indian Promoters	5218208	38.06	6718208	42.77	6718208	40.21
	- Foreign Promoters	-	-	-	-	-	-
<b>2</b>	<b>Persons acting in concert</b>	-	-	-	-	-	-
	<b>Sub-Total</b>	<b>5218208</b>	<b>38.06</b>	<b>6718208</b>	<b>42.77</b>	<b>6718208</b>	<b>40.21</b>
<b>B</b>	<b>NON-PROMOTERS HOLDING</b>						
<b>3</b>	<b>Institutional Investors</b>						
	a Mutual Funds and UTI	3700	0.03	3700	0.02	3700	0.02
	b Banks, Financial Institutions Insurance Companies (Central/State Govt. Institutions/ Non-government Institutions)	76100	0.56	76100	0.48	76100	0.46
	c FIIs	102496	0.75	102496	0.65	102496	0.61
	<b>Sub-Total</b>	<b>182296</b>	<b>1.33</b>	<b>182296</b>	<b>1.16</b>	<b>182296</b>	<b>1.09</b>
<b>4</b>	<b>Others</b>						
	a Private Corporate Bodies	2870860	20.94	3120860	19.87	4120860	24.66
	b Indian Public	5393782	39.34	5643782	35.93	5643782	33.78
	c NRIs/OCBs	44398	0.32	44398	0.28	44398	0.27
	d Any other (please specify)	-	-	-	-	-	-
	<b>Sub-Total</b>	<b>8309040</b>	<b>60.61</b>	<b>8809040</b>	<b>56.07</b>	<b>9809040</b>	<b>58.70</b>
	<b>GRAND TOTAL</b>	<b>13709544</b>	<b>100.00</b>	<b>15709544</b>	<b>100.00</b>	<b>16709544</b>	<b>100.00</b>

A copy of the certificate of M/s Khanna & Annadhanam, the Statutory Auditors of the Company certifying that the above said issue is made in accordance with the requirements contained in the SEBI (Disclosure and Investor Protection) Guidelines, 2000 on preferential issue will be obtained and laid before the shareholders at the meeting.

None of the Directors is concerned or interested in Resolution.

Your Directors recommend the Resolution for your approval as Special Resolution.

#### ITEM NO. 9

Mrs. Divya Ansal is the wife of Mr. Deepak Ansal, Chairman & Managing Director of the Company and she has the wide experience in the fields of Interior Designing and Landscaping. She is President of the Bonsai Association of India, an affiliate of the parent body in Japan. Apart from being an active Rotarian, Mrs. Divya Ansal is also a Trustee of the Suraj Kumari Charitable Trust involved in various charitable activities including running of the School - Chiranjiv Bharati School, Lucknow and she is also actively involved in the day to day management of this Trust and is also on the Governing Body of the Chiranjiv Bharati School at Lucknow. She has been assisting the Company in its various projects in the fields of Interior Design and Landscaping.

Mrs. Divya Ansal has displayed exceptional skills, devotion and sincerity in carrying out her work in the fields of Interior Design, Horticulture and Landscape.

The Board of Directors in their meeting held on 25th May, 2005 recommended her case to the "Selection Committee" of the Board of Directors for consideration of her case for appointment as Advisor (Interior Design & Landscape).

The appointment of Mrs. Divya Ansal as Advisor (Interior Design and Landscape) of the Company was considered and cleared by the Selection Committee of the Board comprising of two independent directors and an expert in their meeting held on 28th June, 2005. Based on the recommendations of the "Selection Committee", the Board of Directors cleared her candidature for appointment as Advisor (Interior Design & Landscape) in their meeting held on 30th June, 2005 subject to the approval of Shareholders and the Central Government on the remuneration as stated in the Resolution.

Mrs. Divya Ansal has done B.Com from Jesus and Mary College, Delhi and topped the Delhi University in her 1st year in the college. She has done Ikebana being, she did her teacher's course in Ikebana from the Sogetsu School of Ikebana, Japan. She was President of the Delhi Ikebana International in year 2000-2001, attending conferences in Hong Kong, Taipei, Kuala Lumpur and Singapore.

It is expected that the company would benefit immensely with her induction as Advisor (Interior Design and Landscape) as the company has diversified into hospitality business under which it runs three restaurants i.e. Super Stars Restaurant, The Great Kabab Factor and Desi Dhaba.

None of the Directors of the Company except Shri Deepak Ansal is concerned or interested in the said Resolution.

The Board recommends the passing of the Resolution set out in the Special Resolution.

#### ITEM NO. 10

In order to explore profitable avenues in Real Estate Development the company requires long term financial resources. Your Board of Directors proposes to create, offer, issue and allot in one or more tranches and in one or more private or preferential offerings, Foreign Currency Convertible Bonds, American Depository Receipts, Global Depository Receipts, debentures or warrants and/or any other instrument whether convertible or otherwise and/or such other securities (hereinafter collectively referred to as "Securities"), of an aggregate value of upto USD 25 Million or its equivalent in any other foreign currency to persons for the purposes as may be permitted under the relevant guidelines in force, whether or not an existing shareholder of the Company, and on such terms and conditions as may be decided by the Board from time to time as it may deem appropriate in the interest of the Company. The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the terms of approval of the Government of India, Reserve Bank of India, Financial Institutions who have lent monies for the Company's projects and such other authorities as may be required.

The Company has expansion plans to set up Real Estate Projects/Townships in the emerging and economically important locations in Uttar Pradesh, Rajasthan, Haryana and other States of India. It has also decided to expand its Hospitality Business which is presently doing exceedingly well. It has also plans to make more investments in its Joint Venture business with Itochu for sales & servicing of Honda Cars.

The proposed national and/or international issue of Securities and/or other instruments as above may be made in one or more tranches, which may result in an increase of the issued and subscribed equity and/or preference share capital of the Company and the total amount raised through the aforesaid securities not to exceed US \$ 25 Million or its equivalent, of incremental funds for the company to meet the Company's plans for expansion of Real Estate Developments, capital expenditure and working capital requirements etc. The issue price of the securities to be issued in the proposed offerings will be determined by the Board of Directors at the time of the offer depending on the then prevailing market conditions. The Securities will be listed on such India/ International Stock Exchanges as the Board may be advised. Section 81 of the Companies Act, 1956, provides, inter-alia that where it is proposed to increase the Subscribed Share Capital of the Company by allotment of further shares, such further shares shall be offered to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion to the Capital paid-up on those shares as of that date unless the Shareholder decide otherwise. The Listing Agreements executed by the Company with the various Stock Exchanges also provide that the Company shall issue or offer in the first instance all Securities to the existing Equity Shareholders of the Company unless the Shareholders decide otherwise. The Special Resolution seeks the consent of the shareholders authorizing the Board of Directors to issue in one or more tranches the securities referred to therein in the national/international market to Foreign Financial Institutions, Foreign Investors/Collaborators, Non-resident Indians, corporate bodies, mutual funds banks, insurance companies, pension funds or otherwise shareholders of the Company or not through a public issue and/or on a private placement basis and/or preferential allotment basis.

The special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the issue as per the guidelines in force in this regard at the time of Issue (b) powers to issue and market any securities issued pursuant to the national and/or international offer including the power to issue such Securities in such tranche or tranches with/without voting rights.

The Directors of your Company may be deemed to be concerned or interested to the extent of the securities/ instruments that may be allotted to them or their relatives or to the Companies in which they or their relatives are Directors.

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

Your Directors recommend the Resolution for your approval as Special Resolution.