

**BOARD OF DIRECTORS**

: Shri Deepak Ansal  
Chairman & Managing Director  
Shri Sham Lal Chopra  
Shri S.L. Kapur  
Shri Ashok Khanna  
Shri Pradeep Anand  
Directors  
Shri Kushagr Ansal  
Wholetime Director

**V.P. & COMPANY SECRETARY  
STATUTORY AUDITORS**

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

**BANKERS**

: Canara Bank  
AXIS 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**  
G-8 Block-48, Punit Vrindavan,  
Sanjay Place,  
**Agra – 282 002**

6, First Floor, Gyan Complex,  
M.P. Nagar, Zone - II  
**Bhopal – 462 013**

SCO-817, First Floor, NAC  
Manimajra  
**Chandigarh-160 191**

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**

11/A, Scheme No. 54  
Opp. Satya Sai School, A. B. Road  
**Indore**

122/235, Sarojini Nagar,  
**Kanpur – 208 012**

GF & LGF, SCO-11  
Sector - 8, Urban Estate  
**Karnal**

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

TF-3, First Mall, Mall Road,  
**Ludhiana – 141 001**

Panchvati Enclave  
Sector-4A, Shatabdi Nagar,  
**Meerut**

Whispering Meadows Project,  
B-103, Daffodil Bldg.,  
Opp. Model Town, Nr. Veena Nagar,  
Bal Rajeshwar Road,  
Mulund (W),  
**Mumbai – 400 080**

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

S-309, 3<sup>rd</sup> Floor, Manipal Centre,  
Dickenson Road,  
**Bangalore-560 042**

Hall no. A/201, IInd Floor,  
South Block,  
Bahu Plaza, Gandhi Nagar,  
**Jammu**

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Email : [ahcl@ansals.com](mailto:ahcl@ansals.com) Web Site : [www.ansals.com](http://www.ansals.com)

## NOTICE

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Company will be held on Thursday, the 27<sup>th</sup> day of September, 2007 at 11.00 A.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 31<sup>st</sup> March, 2007 and Profit & Loss Account for the financial year ended on that date together with the Directors' Report and Statutory Auditors' Report thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2007.
3. To appoint a Director in place of Shri Ashok Khanna, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.L. Kapur, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise Board of Directors to fix their remuneration. M/s Khanna & Annadhanam retiring Auditors are eligible for re-appointment.

### 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 in supersession of the Resolution passed at the meeting of the shareholders of the company held on 30<sup>th</sup> day of September, 2005 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 Rs. 1000 crores (Rupees One Thousand 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 are hereby authorized 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".

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule – XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time and subject to the other necessary approvals, if any, consent of the Company be and is hereby accorded for the re-appointment of Shri Deepak Ansal as Managing Director of the Company for a further period of 5 (five) years from 01.04.2008 to 31.03.2013 on the remuneration and the terms and conditions as set out below 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. 5,00,000/- (Rupees Five Lacs only) per month in the grade of Rs. 5,00,000-1,50,000-9,50,000-2,00,000-15,50,000.
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'**  
**Housing:** Residential Furnished Accommodation (Company Leased) or in lieu thereof House Rent Allowance at the rate of 50% of the salary.  
**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).  
**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.  
**Leave Travel Concession:** For self and his family members once in a year incurred in accordance with the Rules specified by the Company.  
**Club Fees:** Fees of clubs subject to a maximum of five clubs.  
**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. 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.

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.

Gratuity & Leave encashment in accordance with the Rules of the Company as applicable to the Senior Executives of the Company for each completed year of service.

#### **CATEGORY 'C'**

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

RESOLVED FURTHER THAT Shri Deepak Ansal shall not be entitled to any sitting fee or other payments for attending meetings of the Board, or where applicable, any committee/s thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary and/or revise the remuneration of Shri Deepak Ansal 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, the remuneration as aforesaid shall be paid as minimum remuneration to Shri Deepak Ansal"

**8. 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 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 or Rules framed thereunder and subject to the approval of Central Government, consent of the Company be and is hereby accorded to increase in salary of Mrs. Divya Ansal, Advisor (Interior Design and Landscape) of the Company wife of Shri Deepak Ansal, Chairman & Managing Director with effect from 1<sup>st</sup> October, 2007 as set out in the explanatory statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to give from time to time such increments to Smt. Divya Ansal as they may deem fit within the revised grade".

Regd. Office:  
15 UGF, Indra Prakash,  
21 Barakhamba Road,  
New Delhi – 110 001

Place: New Delhi  
Dated: 23.08.2007

By Order of the Board

**( 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 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 20.09.2007 to 27.09.2007 (both day inclusive).
4. The Dividend on Equity Shares as recommended by the Board of Directors for the year ended 31st March 2007, when declared at the Annual General Meeting will be paid to the members whose name appear:-
  - i) As beneficial Owners as per list to be furnished by the Depositories in respect of the shares held in demat form and
  - ii) As Members on the Register of Members of the Company as on 27.09.2007 after giving effect to all valid share transfers in physical form which would be received by the Company upto end of Business hours on 19.09.2007.
5. Members who hold shares in dematerialized form may kindly note that their bank Account details, as furnished by their Depositories to the company, will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
6. In accordance with the provisions of Article 104 of the Articles of Association of the Company, Shri Ashok Khanna and Shri S.L. Kapur 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. 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 Intime Spectrum Registry Ltd., A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase - II, Near Batra Banquet Hall 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. As per the Companies Act 1956 the facility for making nomination is now available to the shareholders in respect of the Equity Shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents, **Viz. M/s Intime Spectrum Registry Ltd., A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028.**
13. 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.
14. **Photocopies of Attendance Slip will not be entertained for issuing Admission Cards for attending Annual General Meeting. However, in case of non-receipt of Notice of Annual General meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same.**

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**MEMBERS ARE REQUESTED TO BRING THEIR COPY OF ANNUAL REPORT AT THE MEETING**

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### **EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

#### **ITEM NO. 6**

Section 293(1)(d) of the Companies Act, 1956 requires sanction of the Company in General Meeting to authorize 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 the any specific purpose. At the Annual General Meeting held on 30th September, 2005, 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. 300 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. 300 crores to Rs. 1000 crores.

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

Your Directors recommend the Resolution for your approval.

#### **ITEM NO. 7**

Shri Deepak Ansal was re-appointed as Managing Director of the Company for a period of 3 years effective from 01st April, 2005 at the Annual General Meeting of the Company held on 30th September, 2004 and accordingly the tenure of his appointment shall expire on 31st March, 2008. The Board of Directors of your Company in their meeting held on 26<sup>th</sup> June, 2007 has approved the re-appointment of Mr. Deepak Ansal, as Chairman and Managing Director for a further period of five years w.e.f. 01st April, 2008 at a salary, perquisites and commission (in short, remuneration) in accordance with the provisions of Sections 198, 269, 309, 310, 311 and Schedule – XIII of the Companies Act, 1956. Details of the remuneration payable to him w.e.f. 01st April, 2008 are set out in the item no. 7 of the Notice.

Shri Deepak Ansal is a qualified Civil Engineer (B.Sc. Engg. Civil) and is associated with the Company for the last 24 years. The Company had gained several new heights by way of number of projects, turnover and profitability etc. under his stewardship. 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 hi-tech engineering projects on turnkey basis. The Company has already executed a large number of Commercial, Residential and Real Estate Development Projects under his able guidance. The Company as on date has established pan India presence and is in the process of executing Integrated Township Projects in Tier – II and Tier – III cities across India.

In terms of Section 198, 269, 309, 310, 311 read with Schedule-XIII of the Companies Act, 1956 as amended from time to time, Shareholders' approval by way of Ordinary Resolution is necessary for the appointment and payment of remuneration as stated in the Resolution at item no. 7 of the accompanying Notice.

The aforesaid appointment and payment of remuneration of Mr. Deepak Ansal as Chairman & Managing Director of the Company may be regarded as abstract of the terms of re-appointment and memorandum of interest under Section 302 of the Companies Act, 1956. Mr. Deepak Ansal is concerned or interested in the proposed Resolution. Shri Kushagr Ansal, Whole Time Director, being related to Shri Deepak Ansal, may be deemed to be concerned or interested in this Resolution.

Your Directors recommend the Resolution for your approval

**ITEM NO. 8**

Mrs. Divya Ansal was appointed as an Advisor (Interior Design and Landscape) of the Company w.e.f. 01st July, 2005 at 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 the Company's Rules from time to time as approved by the members by way of passing Special Resolution at the Annual General Meeting of the Company held on 30.09.2005.

There has been substantial increase in the number and quantum of the Real Estate projects procured by the company after her appointment and that Mrs Divya Ansal has been contributing her expertise/experience in almost all the projects. The Company has benefited a lot with the wide experience of Mrs. Divya Ansal in the fields of Interior Designing, Horticulture and Landscaping. Mrs. Divya Ansal has displayed exceptional skills, devotion and sincerity in carrying out work in the fields of interior design, horticulture and landscape. She has contributed her work experience to the Company in its various projects in the fields of Interior Design, Horticulture and Landscaping.

Apart from being a Rotarian, Mrs. Divya Ansal has also been 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 Suraj Kumari Charitable Trust and also on the Governing Body of the Chiranjiv Bharati School at Lucknow.

Mrs. Divya Ansal is the wife of Shri Deepak Ansal, Chairman & Managing Director of the Company. Pursuant to the outstanding and exceptional skills of Mrs. Divya Ansal contributing to the excellent performance of the Company, it has been proposed to increase the remuneration of Mrs. Divya Ansal by way of revising her pay scale / grade.

The Board of Directors have, in their meeting held on 23.08.2007 as per the recommendation of the Selection Committee (meeting held on 2<sup>nd</sup> August, 2007) considered and approved the increase in the remuneration of Mrs. Divya Ansal by way of revising her basic salary to Rs. 2,50,000/- per month in the pay scale of (Rs. 250000-25000-300000-50000-400000/-) 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, subject to the approval of shareholders and Central Government.

None of the Directors of the Company except Shri Deepak Ansal, Shri Kushagr Ansal and Shri Pradeep Anand being related to Mrs. Divya Ansal may deem to be interested in the proposed Resolution.

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

Regd. Office:  
15 UGF, Indra Prakash,  
21 Barakhamba Road,  
New Delhi – 110 001

Place: New Delhi  
Dated: 23.08.2007

By Order of the Board

( Mohinder Bajaj )  
V.P. & Company Secretary

**Details of Directors seeking Appointment / reappointment at the Annual General Meeting as per clause 49(IV)(G)(i) of the Listing Agreement.**

Particulars	Mr. S.L. Kapur	Mr. Ashok Khanna
Date of Birth	07.03.1937	05.11.1947
Date of Appointment	15.05.2006	31.07.2000
Qualification	M.A. (Maths), LL.B	B. Tech (Honours) Textile "Ethnologist" from Bradford University, England
Experience	25 years in the Government of Punjab on various assignments including Chief Secretary, Home Secretary, Financial Commissioner (Taxation) and retired from the post of a Member of the Board for Industrial and Financial Reconstruction (BIFR).	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 ASSOCHAM and past President of PHD Chamber of Commerce & Industry.
Expertise in specific functional area	Commerce and Industry	Industrialist
Directorships held in other Public Companies (excluding Foreign Companies) as at 31 <sup>st</sup> March, 2007.	a) Dhir & Dhir Asset Reconstruction & Securitisation Company Ltd. b) Yes Bank Ltd. c) Shivam Autotech Ltd. d) Anika International Ltd. e) Sara Textiles Ltd. f) Uniproducts (India) Ltd.	a) Khanna Quartz Ltd. b) K-Watch Ltd. c) Khanna Watches Ltd. d) Jaycee Coach Builders Ltd.
Memberships/Chairmanships of Committees of other public Companies (includes only Audit Committee and Shareholders / Investors Grievance Committee) as at 31 <sup>st</sup> March, 2007.	a) Yes Bank Ltd. – Member, Audit Committee b) Shivam Autotech Ltd. – Member, Shareholders Grievance Committee c) Uniproducts (India) Ltd. – Member, Audit Committee d) Shivam Autotech Ltd. – Chairman, Audit Committee e) Uniproducts (India) Ltd. – Chairman, Shareholders /Investors Grievance Committee	Nil
Number of shares held in the Company as at 31 <sup>st</sup> March, 2007	Nil	Nil

## DIRECTORS' REPORT

Dear Shareholder,

The Directors of your Company have pleasure in presenting their 23<sup>rd</sup> Annual Report together with the Audited Statement of Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2007.

### FINANCIAL PERFORMANCE

The Working Results of the Company are briefly given below:

	Current Year (Rs.in Lacs)	Previous Year (Rs.in Lacs)
<b>Sales &amp; Other Income</b>	<b>20146.38</b>	<b>13045.92</b>
<b>Gross Profit (Before Interest and Depreciation) etc.</b>	<b>6832.37</b>	<b>3915.54</b>
Less :		
- Interest & Finance Charges	839.50	980.87
- Depreciation	87.40	76.13
Net Profit before Tax	5905.47	2858.54
Less : Provision for Tax	1549.21	798.98
Net Profit After Tax but before prior period items	4356.26	2059.56
Less: Tax Provisions for earlier year	81.71	—
Net Profit after tax and prior period items	4274.55	2059.56
Add : - Surplus Profit Brought forward for Previous Year	3921.27	2308.51
Balance available for appropriation which has been Appropriated as under:	8195.82	4368.07
Appropriations:		
Proposed Dividend @ 18% (Previous Year @ 15%)	300.77	216.44
Dividend Tax thereon	51.12	30.36
Transfer to General Reserve	500.00	200.00
<b>Surplus Profit Carried to Balance Sheet</b>	<b>7343.93</b>	<b>3921.27</b>

### GENERAL RESERVE

The Company proposes to transfer a sum of Rs. 500 lacs (Previous Year Rs. 200 lacs) to the General Reserve out of the amount available for appropriation. An amount of Rs. 7343.93 lacs is proposed to be retained in Profit and Loss Account.

### DIVIDEND

Your directors have recommended a dividend of 18% (i.e. Rs. 1.80/- per equity share of Rs. 10/- each fully paid-up) for the year ended March 31, 2007, as against a dividend of 15% (Rs. 1.50/- per equity share of Rs. 10/- each fully paid up). The dividend, if approved, will be paid to those members whose names will appear on the Register of Members of your company as on September 27, 2007 in respect of shares held in physical form and to those beneficial owners whose names will appear on the list as on the close of business hours on September 19, 2007 to be provided by the Depositories to the Company.

### OPERATIONS

The all time high performance was achieved by the Company during the Financial Year 2006-2007 with increase in Turnover from Rs. 13045.92 lacs in previous year to Rs. 20146.38 lacs during the current year recording an increase of 54.43%. The Net Profit (Post Tax) for the year 2006-2007 stood at Rs. 4274.55 Lacs as against Rs. 2059.56 lacs in the year 2005-2006 recording an increase of 107.55%. The Earning Per Share (EPS) has gone up from Rs. 15.17 to Rs. 28.39 showing a rise of 87.15% on year to year basis.

### BUSINESS

The Company has undertaken timely steps to reap the advantages of Real Estate boom in India and has bagged 22 Integrated Township Projects at prestigious locations on its own and through joint ventures in Tier – I, Tier – II & Tier - III Cities. The Company has undertaken pivotal and pioneering steps ensures that the residents of these cities are provided with world class amenities. The projects are spread over in various States including Rajasthan, Haryana, Punjab, Uttar Pradesh, Maharashtra, Madhya Pradesh including NCR Region. These Integrated Townships will come up in the cities including Rewari, Karnal, Yamuna Nagar, Amritsar, Meerut, Kurukshetra, Agra, Ghaziabad, Ajmer, Zirakpur, Parwanoo, Jammu, Indore, Alwar and Bangalore etc.

In addition to the aforesaid the Company has also been enhancing its presence in the Metros including Delhi, Bangalore & Mumbai.

The Company will also be developing an I.T. Park in Bangalore in addition to Group Housing Project in its biggest ever Group Housing Development in approx 25 lacs sq. ft. area.

The Company has already received licences from the respective State Government/its Development Authorities for Projects of the Company at Indore, Agra, Meerut, Rewari and Karnal. The sanctions/licences for the projects at other locations are being processed and most of these would be procured by the company within the year 2007.

The Company also plans to build Budget Hotels and Serviced Apartments in the Integrated Townships/Shopping Malls being developed by it.

The strong brand image of 'Ansal Town' and 'Ansal Courtyard' will dot all the Integrated Townships. The two townships in Indore and Agra have already been launched and the Company will also be launching the Projects at Rewari, Karnal and Meerut shortly.

Real Estate development in India is growing at a pace of 30 percent each year. The predominant trend has been to set-up world-class business centres, campus style establishments, bearing a distinctive Corporate Stamp.

The Ansal Plaza – Mall at Vaishali (Ghaziabad) not only caters to the shoppers but also facilities for entertainment, Food Court, Fine Dine Space, Mini Amusement Park for kids and many more without compromising with the internal qualities at Mall. The attraction include three screen multiplex – Adlabs and the brands like Allen-Solly, Van-Heusen, Louis Phillippe, Reebok, Bata, Giordane, Cotton by Century, Cantabill, Provogue, Cat moss, Lee-Cooper, Snow white square, Hide-Design, Raymonds, Prime Honda, Sagar Ratna, Bercos, HDFC Bank, Citibank and many more.

The total value of the Projects with the Company and under Joint ventures is around Rs. 6000 crores. The Company will continue to deliver the best Real Estate products and enhance its prestige and services to the end users in the coming times.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

##### **1. Industry Structure, Developments, Opportunities and threats.**

Ever since the opening-up of Infrastructure sector and large scale Residential Complexes viz. Integrated Townships across the Country by the Govt. of India to the global players, host of new global property developers have entered India during the past one year for building Townships directly or through joint ventures focussed on property development. According to the international consultants as well as the National experts on the Real Estate Industry, India offers big opportunity as Real Estate yields are on upside.

The Real Estate Market in India predominantly continues to remain unorganised fairly fragmented, mostly characterized by small players with a local presence. The Company has already positioned itself at quite a number of locations at emerging Tier-II & Tier-III Townships spread over important district centres in various states and has acquired sizeable land banks for Development. The Real Estate Sector offers promising future for all its stakeholders and the company's new projects are expected to increase its Turnover and Profitability manifolds in future years. The Company will continue to strive for more and more remunerative projects.

##### **2. Segment-wise analysis**

Revenue of the Company is generated from two segments namely Development of Real Estate and Restaurants (Hospitality)

The hospitality division of the Company has been performing well with turnover of Rs. 5.24 crores with sizeable profits of Rs. 1.35 crores recorded in the Financial Year 2006-2007. The performance is expected to be better in the current financial year.

Capital Cars Pvt. Ltd., a joint venture company for sale / services of Honda Cars has contributed turnover of Rs. 145.80 crores and Net Profit of Rs. 3.00.crores to the Consolidated Accounts of the Company for the fiscal year 2006-2007. The major focus of the business of the Company will be 'Real Estate Development' only.

##### **3. Outlook**

The Government of India has deregulated and liberalised the Real Estate Sector after liberalization of a number of other sectors of the economy. Since then, it has been attracting foreign funds and/or the Real Estate overseas Investors as an attractive destination. The propellants for the real estate sector are:

- Growth of India's middle class creating demand for housing.
- Strong demographic impetus: India has the second largest population and work force in the world with a middle class of more than 300 million.
- Rising FDI levels have increased commercial space requirements by foreign firms.
- Expansion in organized retail sector.

Several factors including rapid population growth, rising incomes, emergence of nuclear families, tax incentives, availability of home loans at competitive rates are responsible for the growth demand for houses and hence extensive residential construction. There is currently a shortage of around 20 million units and the demand is expected to rise in the forthcoming years. The current scenario is very conducive for investment in the housing / real estate sector.

##### **4. Risks and Concerns**

The Indian Real Estate market is still in its infancy, largely unorganised and dominated by a large number of small players, with very few corporates or large players having national presence.

We do not apprehend any inherent risk in the Real Estate Industry in the long run except for certain primary concern that has afflicted the progress of Real Estate industry:-

- Restrictive legislation and any adverse changes, if any, in the Governmental Policies relating to Real Estate.
- Limited investment from organised sector has also hindered the growth in the sector.
- The Construction industry is already subject to a number of taxes and is considered as one of the overburdened tax segment.

As seen in the recent past the Government Policies have been supportive except for a few continuing irritants like high incidence of stamp duty and the non-availability of low cost long-term funds, tenancy laws etc. for the Real Estate/Construction Sector.

However, the said risks can be averted if the Government directs its policies in Real Estate Sector towards regulatory framework instead of being restrictive in nature. This is imperative in the current scenario where to control uneven growth of un-organized new players in the sector has become need of the hour.

##### **5. Internal Control systems and their adequacy.**

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. These procedures are designed to ensure that:

- All assets and resources are acquired economically, used efficiently and are adequately protected.

- Significant financial, managerial and operating information is accurate, reliable and is provided timely; and
- All internal policies and statutory guidelines are complied with.

#### 6. Material developments in Human Resources/Industrial Relations front, including number of people employed.

Company is continuously endeavouring to put in line Employees objectives with that of Business objectives of the organisation through its HR policies, process and other development initiatives to achieve its organizational goals.

Industrial Relations have been cordial and at peace at all the sites, branches and offices.

Total number of employees in the Company during the Financial Year 2006-2007 were 360.

#### AWARD OF ISO 9001 – 2000

Your Company continues to enjoy the privilege of certificates ISO 9001-2000 Certification granted to it on 16<sup>th</sup> April, 2002 through well known certification agency "DET NORSKE VERITAS". It will be the constant endeavour of the management to continuously stress on systems/quality for ultimate delivery of its products.

#### PARTICULARS OF EMPLOYEES

In accordance with Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, a Statement of particulars of Employees forming a part of this Report is annexed herewith under Annexure.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

##### Conservation of Energy, Technology Absorption

Your Company is not engaged in any manufacturing activity; as such particulars relating to Conservation of Energy and Technology Absorption as per section 217(1)(e) are not applicable. However in hospitality division, your company has appointed energy auditor and has implemented the suggestions given by energy auditor to save energy bills. The regular energy audit is carried out to identify the areas where energy can be utilised in an optimal manner.

##### Foreign Exchange Earnings and Outgo

Particulars of Foreign Exchange Earnings and Outgo –

a) Foreign Exchange Earnings	Rs. 31.70 Lacs
b) Foreign Exchange Outgo	
- Travel Expenses	Rs. 30.44 Lacs
- Professional Fee	Rs. 20.95 Lacs

#### SUBSIDIARY COMPANIES

During the Financial Year 2006-2007, the Company acquired four new wholly owned Subsidiary Companies. Third Eye Media Pvt. Ltd. was made wholly owned subsidiary of the Company on 26.06.2006, A.R. Paradise Pvt. Ltd. was made wholly owned Subsidiary of the Company on 05.09.2006, A.R. Infrastructure Pvt. Ltd. was made wholly owned subsidiary of the Company on 25.10.2006 and Fenny Real Estate Pvt. Ltd. was made wholly owned subsidiary of the Company on 01.12.2006.

As on date your Company has nine wholly owned Subsidiary Companies. In terms of the approval obtained from the Central Government under Section 212(8) of the Companies Act, 1956, copy of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors etc. of the Subsidiary Companies have not been attached with Company's Balance Sheet. These documents/other related detailed information will be available on information, upon request by any member of the Company / its subsidiaries. The annual accounts of the Subsidiary Companies will also be kept open for inspection by any shareholder of the Company at its head office and that of the subsidiary Companies concerned. Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements include the financial information of its subsidiaries and joint venture.

#### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared as per Accounting Standards AS 21 and AS 23, consolidating the Company's accounts with its subsidiaries and associates, has also been included as part of this Annual Report.

#### FIXED DEPOSITS

Fixed Deposits from the Public, Shareholders and Employees as on 31<sup>st</sup> March, 2007 stood at Rs. 2269.30 lacs as against Rs. 1401.18 lacs in the previous year. There were unclaimed Deposits amounting to Rs. 32.23 lacs pertaining to 142 depositors as on that date and out of above 80 depositors having deposits aggregating to Rs. 22.84 lacs have subsequently claimed refund or renewed their deposits. However, the balance amount of Rs. 9.39 lacs still remains unclaimed.

#### CORPORATE GOVERNANCE

Your Company attaches considerable significance to good Corporate Governance as an important step towards building strong investor confidence, improving investor protection and maximising long-term shareholder value. Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a Compliance Report on Corporate Governance, from the auditors on compliance of mandatory requirements have been annexed as part of this Report.

In order to comply with the provisions of newly inserted Clause 47(f) in the Listing Agreement with the Stock Exchange(s), the Company has designated an e-mail ID – sect@ansals.com which is exclusively for the clarifications / queries / grievance redressal of the investors of the Company.

#### DIRECTORS

In accordance with the provisions of Sections 255 & 256 of the Companies Act, 1956 and Article 104 of the Company's Articles of Association Sarvshri Ashok Khanna and S.L. Kapur, Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

#### LISTING OF EQUITY SHARES

During the year under review, your Company has got its equity shares listed at National Stock Exchange of India Ltd. (NSE) to provide more liquidity to the shares held by shareholders. The equity shares of your Company continues to be listed at Bombay Stock Exchange Limited (BSE). The Company has paid listing fees to Bombay Stock Exchange Ltd. as well as National Stock Exchange of India Ltd. for the Financial Year 2007-2008.

#### ISSUE OF EQUITY SHARES OF THE COMPANY ON CONVERSION OF EQUAL NOS.OF WARRANTS ISSUED ON PREFERENTIAL BASIS

The Board of Directors of your Company have allotted equity shares of the Company on conversion of equal number of warrants earlier issued on Preferential Basis as per details below:

Date of Allotment of Equity Shares	No. of equity shares allotted on conversion of equal no. of warrants
28.07.2006	500000
28.12.2006	780000
28.12.2006	330000
30.03.2007	670000
<b>Total</b>	<b>2280000</b>

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm the following in respect of the Audited Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2007:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed with no material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the Financial Year ended 31<sup>st</sup> March, 2007 and of the profit of the Company for that period;
- that the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the accounts for the year ended 31<sup>st</sup> March, 2007 have been prepared on a going concern basis.

#### AUDITOR'S REPORT

There are no qualification in the Auditor's Report calling for comments by the Board of Directors under Section 217 of the Companies Act, 1956.

#### AUDITORS

M/s Khanna & Annadhanam, Chartered Accountants, who retire at the conclusion of this 23<sup>rd</sup> Annual General Meeting and being eligible for reappointment, have expressed their willingness to be re-appointed as Statutory Auditors of the Company. They have given certificate to the effect that the appointment, if made, would be within the limit prescribed under section 224 (1B) of the Companies Act, 1956. Your directors recommend their appointment for another one year.

#### APPRECIATION

Directors wish to place on record their thanks and gratitude to;

- The Central and State Government as well as their respective Departments and Development Authorities connected with the business of the Company, Bankers of the Company, Housing Finance as well as other Institutions for their co-operation and continued support.
- The Shareholders, Depositors, Suppliers and Contractors for the trust and confidence reposed and to the Customers for their valued patronage.
- The Board also takes this opportunity to express its sincere appreciation for the efforts put in by the officers and employees at all levels in achieving the results and hopes that they would continue their sincere and dedicated endeavour towards attainment of better working results during the current year.

Regd. Office :  
15 UGF, Indra Prakash  
21, Barakhamba Road,  
New Delhi - 110 001

Place : New Delhi  
Dated : 23<sup>rd</sup> August, 2007

For and on behalf of the Board

(DEEPAK ANSAL)  
CHAIRMAN & MANAGING DIRECTOR