

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, 3rd Floor, Manipal Centre,
 Dickenson Road,
Bangalore-560 042
 Hall no. A /201, 1st Floor,
 South Block,
 Bahu Plaza, Gandhi Nagar,
Jammu

CONTENTS	Page
Board of Directors	1
Notice	2
Directors' Report	7
Report on Corporate Governance	12
Auditors' Report	21
Balance Sheet	24
Profit & Loss Account	25
Schedules	26
Balance Sheet Abstract and Business Profile	45
Cash Flow Statement	46
Statement relating to Subsidiary Companies	47
Consolidated Accounts	50
Attendance Slip/Proxy Form	

Email : ahcl@ansals.com Web Site : www.ansals.com

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held on Thursday, the 27th 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 31st 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 30th 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 1st 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, 2nd 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, 2nd 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.**

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

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 26th 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 2nd 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 st 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 st 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 st March, 2007	Nil	Nil

DIRECTORS' REPORT

Dear Shareholder,

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

FINANCIAL PERFORMANCE

The Working Results of the Company are briefly given below:

	Current Year	Previous Year	
	(Rs.in Lacs)	(Rs.in Lacs)	
Sales & Other Income	<u>20146.38</u>	<u>13045.92</u>	
Gross Profit (Before Interest and Depreciation) etc.	<u>6832.37</u>	<u>3915.54</u>	
Less :			
- Interest & Finance Charges	839.50	980.87	
- Depreciation	<u>87.40</u>	<u>76.13</u>	1057.00
Net Profit before Tax	<u>5905.47</u>	<u>2858.54</u>	
Less : Provision for Tax	<u>1549.21</u>	<u>798.98</u>	
Net Profit After Tax but before prior period items	<u>4356.26</u>	<u>2059.56</u>	
Less: Tax Provisions for earlier year	<u>81.71</u>	<u>—</u>	
Net Profit after tax and prior period items	<u>4274.55</u>	<u>2059.56</u>	
Add : - Surplus Profit Brought forward for Previous Year	<u>3921.27</u>	<u>2308.51</u>	
Balance available for appropriation which has been Appropriated as under:	<u>8195.82</u>	<u>4368.07</u>	
Appropriations:			
Proposed Dividend @ 18% (Previous Year @ 15%)	300.77	216.44	
Dividend Tax thereon	51.12	30.36	
Transfer to General Reserve	<u>500.00</u>	<u>200.00</u>	<u>446.80</u>
Surplus Profit Carried to Balance Sheet	<u><u>7343.93</u></u>	<u><u>3921.27</u></u>	

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 16th 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 31st 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.OFWARRANTS 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
Total	2280000

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 31st March, 2007:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed with no material departures;
- ii) 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 31st March, 2007 and of the profit of the Company for that period;
- iii) 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
- iv) that the accounts for the year ended 31st 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 23rd 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;

- a) 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.
- b) The Shareholders, Depositors, Suppliers and Contractors for the trust and confidence reposed and to the Customers for their valued patronage.
- c) 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 :23rd August, 2007

For and on behalf of the Board

**(DEEPAK ANSAL)
CHAIRMAN & MANAGING DIRECTOR**

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the period ended 31st March, 2007.

A. EMPLOYED FOR THE WHOLE YEAR

Name of the Employee	Designation	Gross Remuneration (Rs.)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Yrs.)	Last Employment & Position held.
Deepak Ansal	Chairman & Managing Director	1,99,40,956	B.Sc. Engg. (Civil)	30	01.04.1990	54	Wholetime Director Ansal Properties & Industries Ltd.

B. EMPLOYED FOR PART OF THE YEAR

Kushagr Ansal	Wholetime Director	45,91,328	B.Com (H) MBA (Finance)	6	01.04.2006	28	President Ansal Housing & Construction Ltd.
---------------	--------------------	-----------	-------------------------	---	------------	----	---

NOTES :

1. Gross remuneration includes Basic Salary, Commission, House Rent Allowance, Employer's Contribution to Provident Fund, Superannuation Fund and Perquisites.
2. The employment of Shri Deepak Ansal and Shri Kushagr Ansal is contractual.
3. Other terms and conditions of employment are as per Service Rules of the Company.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance

The Company continues to focus on good Corporate Governance and its primary objective is attaining the highest level of transparency, accountability towards its stakeholders, including shareholders, employees, the Government and lenders and to maximize returns to Shareholders through creation of wealth on sustainable basis. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

Your Company's policy with regard to Corporate Governance is an integral part of Management and in its pursuit of excellence, growth and value creation, it continuously endeavours to leverage resources to translate opportunities into reality.

2. Board of Directors

a) Composition and Category of Directors

The Board of Directors consists of two promoter Director (one Executive Chairman and Managing Director and one Wholetime Director) and four Non-executive Directors as on 31.03.2007.

The Composition of Directors, their attendance at Board Meeting during the Financial Year 2006-2007 and last Annual General Meeting and their other Directorships / Committee Memberships in other Companies are as follows:

As on 31st March, 2007

Name of Director	Category	Attendance Particulars		Directorships/ Chairmanship held in other Companies*		Committee Memberships/ Chairmanship held in other Companies**	
		Board Meetings	Last AGM	As Director	As Chairman	As Member	As Chairman
Shri Deepak Ansal	P-E CMD	9	Yes	3	—	2	—
Shri Kushagr Ansal ***	P-E WTD	6	—	—	—	—	—
Shri Sham Lal Chopra	I-NED	10	Yes	1	—	—	—
Shri Ashok Khanna	I-NED	8	No	4	3	—	—
Shri Pradeep Anand	I-NED	7	Yes	3	—	—	—
Shri S.L. Kapur	I-NED	9	Yes	6	1	3	2

Note : (i) Where a Director is Chairman in other Companies, he has been included in both 'As Director' and 'As Chairman'.
(ii) None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are Directors.

P - E CMD Promoter & Executive Chairman and Managing Director

P - E WTD Promoter & Executive Wholetime Director

I - NED Independent & Non-Executive Director

* Excludes Directorships/Chairmanships held in Private Limited Companies, Foreign Companies, Companies U/s 25 of the Companies Act, 1956 and Memberships/ Chairmanships of Managing Committees of various Chambers/ Institutions.

** Memberships/Chairmanships of Audit Committee, Shareholders' Grievance Committee have been considered.

*** Shri Kushagr Ansal appointed as Wholetime Director w.e.f. 01.10.2006

b) Details of Meetings and attendance of Board of Directors held during the Financial Year 2006-2007.

Date of Board Meetings	No. of Directors Present
15.05.2006	5
01.06.2006	2
28.07.2006	4
26.08.2006	5
28.10.2006	6
21.11.2006	6
28.11.2006	5
28.12.2006	6
29.01.2007	5
30.03.2007	5

c) Executive Chairman & Managing Director

The Company has one Executive Chairman & Managing Director Shri Deepak Ansal who is responsible for overall planning, policy, strategy, operations and marketing activities of the Company.

d) **Wholetime Director**

The Company has appointed Shri Kushagr Ansal as Wholetime Director for a period of 5 years w.e.f. 1st October, 2006. Shri Kushagr Ansal has done MBA (Finance) from Bentley College, Waltham, USA, which is one of the front ranking Management Institutes in USA. He has attained state of the art expertise in System Management in addition to the exceptional skills in finance etc. He has rich and varied experience in Marketing and Finance. He is responsible for the overall marketing and business development operations of the Company.

e) **Retirement of Directors**

The Chairman and Managing Director was appointed for a period of 3 years with effect from 1st April, 2005 and that he is not liable to retire by rotation. Shri Kushagr Ansal was appointed by the Shareholders in their 22nd Annual General Meeting held on 29th September, 2006 as Wholetime Director w.e.f. 1st October, 2006 and that he is not liable to retire by rotation. The non-executive and independent Directors are liable to retire by rotation as per provisions of the Companies Act, 1956. Accordingly, Shri Ashok Khanna and Shri S.L. Kapur retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

SHRI ASHOK KHANNA

Shri 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 Chambers of Commerce.

SHRI S.L. KAPUR

Shri S.L. Kapur joined the Board of the Company as Additional Director w.e.f. 15th May, 2006. Shri S.L. Kapur is a renowned Civil Servant (retd.). He had served the Government of Punjab in various senior capacities including Chief Secretary, Home Secretary, Financial Commissioner (Taxation), Excise & Taxation Commissioner etc. He was earlier on the Board of the Company w.e.f. 31.07.2000 to 01.08.2003. He is also on the board of a number of reputed Companies.

3. **Committees of the Board:**

a) **Audit Committee**

To oversee the Company's Financial reporting process and disclosure of its financial information including internal control system, reviewing the Accounting Policies and Practices, report of the Company's Internal Auditor and Quarterly/Half Yearly/Yearly Financial Statements as also to review financial management & policies, the Company has set up an Audit Committee at the Board level on 30th January, 2001. The Committee comprises of following four Independent Directors:

- | | | |
|-----|----------------------|----------------------|
| i | Shri Sham Lal Chopra | Independent Director |
| ii | Shri Pradeep Anand | Independent Director |
| iii | Shri Ashok Khanna | Independent Director |
| iv | Shri S.L. Kapur * | Independent Director |

* Shri S.L. Kapur was appointed as Member of the Audit Committee by the Board of Directors in their meeting held on 26.08.2006.

Shri Sham Lal Chopra acts as the Chairman of the Committee and the Company Secretary is the Secretary of the Committee. Six Audit Committee Meetings were held during the Financial Year 2006-2007 on 15.05.2006, 28.07.2006, 26.08.2006, 28.10.2006, 21.11.2006 & 29.01.2007 respectively.

Attendance of each Member at the Audit Committee Meetings held during the year:

Name of the Member	No. of Meetings attended
Shri Pradeep Anand	5
Shri Ashok Khanna	5
Shri Sham Lal Chopra	6
Shri S.L. Kapur	3

ROLE OF THE AUDIT COMMITTEE

Audit Committee of the Board of Directors was constituted on 30th January, 2001. The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement with the Stock Exchange(s) read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee inter-alia includes:

1. review the compliance with internal control systems;
2. review the findings of the Internal Auditor relating to various functions of the Company;
3. hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;
4. review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
5. make recommendations to the Board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports;
6. recommending the appointment of statutory auditors and fixation of their remuneration.

The details of sitting fee paid to the Members during the financial year 2006-2007 for attending Audit Committee Meetings is as follows:

Name of the Members	Amount of Sitting Fee (Rs.)
Shri Pradeep Anand	75,000.00
Shri Ashok Khanna	87,500.00
Shri Sham Lal Chopra	95,000.00
Shri S.L. Kapur	60,000.00
Total	3,17,500.00

b) Committee of the Board

The Committee of the Board was constituted on 30th May, 1997 in pursuance of Article 116 of the Articles of Association of the Company with specific powers to look after the business delegated to it which falls between two Board Meetings and are emergent and cannot be postponed. The following are the members of the Committee as on date.

- i) Shri Sham Lal Chopra Independent Director
- ii) Shri Deepak Ansal Member (Executive Chairman & Managing Director)

One Meeting of Committee of the Board were held on 11th October, 2006 during the Financial Year 2006-2007.

The details of sitting fee paid to the Members during the financial year 2006-2007 for attending meetings of Committee of the Board is as follows:

Name of the Member	Amount of Sitting Fee (Rs.)
Shri Sham Lal Chopra	20,000.00

c) Share Transfer and Redressal of Shareholders Grievance Committee

The Board of the Company has constituted a Committee of Directors to specifically look after share transfer work and to look into the redressal of complaints like transfer of shares, non-receipt of annual report and non-receipt of dividend etc. named 'Share Transfer and Redressal of Shareholders Grievance Committee'. The Committee consists of the following Directors.

- i) Shri Sham Lal Chopra Chairman (Independent Director)
- ii) Shri Pradeep Anand Member (Independent Director)
- iii) Shri Deepak Ansal Member (Executive Chairman & Managing Director)

Shri Sham Lal Chopra acts as Chairman of the Share Transfer and Redressal of Shareholders Grievance Committee. The Company Secretary is the Secretary of the Committee. The Board has designated Shri Mohinder Bajaj, Vice President & Company Secretary as the Compliance Officer of the Company.

In order to process routine transfers a committee of two Members viz. Shri K.K. Singhal, Consultant (Business Development) and Shri Mohinder Bajaj, V.P. & Company Secretary was formed on 19th June, 2002.

Twenty Five Meetings of Senior Executives of Share Transfer Committee were held during the Financial Year 2006-2007.

The Share Department of the Company and the Registrar and Share Transfer Agent, M/s Intime Spectrum Registry Limited attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc.

The total number of complaints received and resolved to the satisfaction of Investors during the Financial Year 2006-2007 are as follows:

Particulars	Received	Resolved	Pending
Non-receipt of Share Certificates after transfer	14	14	Nil
Non-receipt of Dividend	2	2	Nil
Pending Demat requests	6	6	Nil
Pending Demat Requests	2	2	Nil
Non-receipt of Share Certificates after endorsement	13	13	Nil
Loss of Share Certificates/Issue of Duplicate Share Certificates	23	23	Nil
Asking procedure for transmission	2	2	Nil
Non-receipt of offer for Rights Issue	1	1	Nil
Non-receipt of Refund Order/Allotment Advice	4	4	Nil
Miscellaneous	7	7	Nil
Total	74	74	Nil

d) Selection Committee

The Board of Directors of the Company have constituted "Selection Committee" of the Board on 30th June, 2003. The Selection Committee comprises of two independent Directors, viz. Shri Sham Lal Chopra and Shri S.L. Kapur. Shri S.L. Kapur was appointed as Member of the Selection Committee by the Board of Directors in their meeting held on 26.08.2006.

The Committee looks into the appointments of relatives of Directors in the Company. No Meeting of Selection Committee was held during the Financial Year 2006-2007.

e) **Remuneration Committee**

The Board of Directors of the Company have constituted "Remuneration Committee" of the Board on 29th July, 2004. The Remuneration Committee comprises the following four Independent Directors:

1. Shri Sham Lal Chopra
2. Shri Pradeep Anand
3. Shri Ashok Khanna
4. Shri S.L. Kapur*

* Shri S.L. Kapur was appointed as Member of the Remuneration Committee of the Board of Directors in their meeting held on 26.08.2006.

Shri Sham Lal Chopra acts as the Chairman of Remuneration Committee.

The Committee looks into the remuneration of Executive Directors in the Company. One meeting of the Remuneration Committee was held on 26th August, 2006 during the Financial Year 2006-2007.

The details of sitting fee paid to the Members during the financial year 2006-2007 for attending meetings of Remuneration Committee is as follows:

S. No.	Name of the Member	Amount of Sitting Fee (Rs.)
1	Shri Sham Lal Chopra	20,000.00
2	Shri Pradeep Anand	20,000.00
3	Shri Ashok Khanna	20,000.00
	Total	60,000.00

Broad terms of reference of the Remuneration Committee are as under:

- a) to approve the remuneration and commission / incentive remuneration payable to the Managing Director for each financial year.
- b) to approve the remuneration and commission / incentive remuneration payable to the Managing Director each financial year.
- c) such other matters as the Board may from time to time request the Remuneration committee to examine and recommend / approve.

Remuneration Policy

While recommending/determining the remuneration packages, the Committee takes into account:

- a) financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc;
- b) the Company keeps itself in a position to bring objectively in determining the remuneration package while striking a balance between the interest of the company and the shareholders;

Remuneration to the Executive Director for the Financial Year 2006-2007

Name of the Director	Designation	Salary (Rs.)	Commission (Rs.)	Contribution to Provident Fund, Gratuity, Superannuation Fund and other benefits(Rs.)	Total (Rs.)
Shri Deepak Ansal	Chairman and Managing Director	45,00,000	1,23,66,579	30,74,377	1,99,40,956
Shri Kushagr Ansal	Wholetime Director	13,50,000	30,91,645	1,49,683	45,91,328

Sitting Fee to Non-Executive Directors for the meetings of the Board of Directors

The Company was paying sitting fee @Rs. 7500/- for each meeting of the Board of Directors to all directors other than Chairman and Managing Director and Wholetime Director and it was enhanced to Rs. 20000/- w.e.f. 26th August, 2006. No remuneration other than sitting fee is being paid to Non-Executive Directors. The sitting fee paid to the Non-Executive Directors for attending the meetings of Board of Directors for the year ended 31st March, 2007 is as follows.

Name of Director	Amount of Sitting Fee paid (Rs.)
Shri Sham Lal Chopra	1,62,500.00
Shri Ashok Khanna	1,35,000.00
Shri Pradeep Anand	1,15,000.00
Shri S.L. Kapur	1,55,000.00
Total	5,67,500.00

Details of Shares of the Company held by the Directors as on March 31, 2007

Name of Director	No. of Shares
Shri Deepak Ansal	1484510
M/s Deepak Ansal & Sons (HUF)	6900
Shri Kushagr Ansal	843830
Shri S.L. Chopra	360

Disclosure of Code of Conduct and Ethics for Directors & Senior Management

The Board of Directors has, in their meeting held on 22nd October, 2005, adopted the Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has already been posted on Website of the Company for general viewing.

All Directors, Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decision and policies in the best interests of the company and its Shareholders/Stakeholders.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Chairman & Managing Director is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the Financial Year 2006-2007

*Deepak Ansal
Chairman & Managing Director"*

4. General Body Meetings

a) Particulars of last three Annual General Meetings

Financial Year	Day	Date	Time	Venue
2003-2004	Thursday	30.09.2004	3.00 P.M.	Sri Sathya Sai International Centre and School, Pragati Vihar, Lodhi Road, New Delhi – 110 003
2004-2005	Friday	30.09.2005	3.00 P.M.	Sri Sathya Sai International Centre and School, Pragati Vihar, Lodhi Road, New Delhi – 110 003
2005-2006	Friday	29.09.2006	3.00 P.M.	Sri Sathya Sai International Centre and School, Pragati Vihar, Lodhi Road, New Delhi – 110 003

- b) No Special Resolution has been passed in the last year through Postal Ballot.
 c) No Special Resolution is proposed to be conducted this year through Postal Ballot.
 d) The details of matters relating to Special Resolutions passed in the last three AGMs are as under:

Financial Year 2005-2006

- i) To offer, issue and allot on Rights Basis / Private Placement Basis by way of Preferential Allotment and/or any other basis Equity Shares / Preference Shares / Debentures etc. to the Shareholders, Public or any other person including FIIs, QIBs, NRIs, Promoters, Non-Promoters etc. provided that the aggregate value of all the securities issued and allotted shall not exceed US \$ 50 Million.

Financial Year 2004-2005

- i) Issue and allotment of 10,00,000 warrants convertible into equity.
 ii) Appointment of Mrs. Divya Ansal as Advisor (Interior Design and Landscape) with effect from 1st July, 2005.
 iii) To create issue, offer and allot in national and international offering any securities including GDR/FCCB/ADR convertible into equity shares, preference shares whether cumulative or non-cumulative/Redeemable / Convertible at the option of the company or Security Holder and/or securities linked to equity shares / Debentures, Bonds, warrants convertible into equity shares/ preference shares aggregate sum of US \$ 25 Million.

Financial Year 2003-2004

- i) Re-appointment of Mr. Deepak Ansal as Managing Director of the company for a period of three years with effect from 1st April, 2005.

The matters relating to Special Resolutions passed in the Extraordinary General Meeting held on 28.12.2006 are as under:

- i) Placement of Equity Shares of the Company to the Qualified Institutional Buyers (QIBs) for an overall amount not exceeding Rs. 150 crores (including premium).

5. Disclosures

- a) The Company has complied with all the requirements of regulatory authorities on capital markets and no penalties/strictures have been imposed against it at any point of time in the last three years.
 b) There are no pecuniary relationships or transactions with the Non-Executive Directors other than sitting fee being paid to them.
 c) The amount of outstanding loan to M/s Geo Connect Ltd. (a wholly owned subsidiary Company) as on 31.03.2006 was Rs. 15.62 crores (excluding current account of Geo Connect Limited divisions). During the year M/s Geo Connect Ltd. has repaid a loan of Rs.5.26 crores and the loan amount outstanding with M/s Geo Connect Ltd. as on 31.03.2007 is Rs. 10.36 crores.
 d) Other than above, there is no materially significant related party transactions that may have potential conflict with the interests of the Company at large. All the related parties disclosure for the Financial Year ended 31st March, 2007 are specifically disclosed under schedule 16 to the Balance Sheet for the Financial Year 2006-2007.
 e) Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks through means of a property

defined framework.

- f) Certificate from Chairman & Managing Director and Chief Financial Officer
 Certificate from Shri Deepak Ansal, Chairman & Managing Director and Shri Sanjay Mehta, Chief Financial Officer, in terms of clause 49(V) of the Listing Agreement with the Stock Exchange for the financial period ended 31st March, 2007 was placed before the Board of Directors of the Company in its meeting held on 26th June, 2007.

6. Means of Communication

- a) Half Yearly report sent to each Household of shareholders : Half-yearly report has not been sent to each shareholder as the results of the Company were published in the Newspapers.
 The Economic Times (E) 30.10.06
 Nav Bharat Times (H) 30.10.06
- b) Quarterly results :
- i) Newspapers where quarterly Results were published : The Economic Times (E) 29.07.06
 Nav Bharat Times (H) 30.07.06
 The Economic Times (E) 30.10.06
 Nav Bharat Times (H) 30.10.06
 The Economic Times (E) 31.01.07
 Rashtriya Sahara (H) 31.01.07
- ii) Website where quarterly results are displayed : www.ansals.com
- c) EDIFAR Compliance Pursuant to clause 51 of the Listing Agreement, financial information like quarterly financial statements, shareholding pattern and segment-wise results etc are available on web-site www.sebidifar.nic.in with effect from the quarter ended 30th June, 2003.
- d) Whether the website also displays official news releases and presentations to institutional investors/analysts : Yes, the Company's official news releases and presentations to Institution Investors' /analysts are displayed on Company's Website i.e. www.ansals.com
- e) Newspaper where Audited Financial Results are published. : The Economic Times 27.06.2007
 Navbharat Times 28.06.2007
- f) Whether Management Discussion and Analysis is a part of Annual Report or not. : Yes

7. General Shareholders information:

- i) Annual General Meeting
 - Day, Date & Time : Thursday, the 27th September, 2007 at 11.00 A.M.
 - Venue : Sri Sathya Sai International Centre and School, Pragati Vihar, Lodhi Road, New Delhi - 110003
- ii) Financial Calendar : Financial year of the Company is 1st April to 31st March
 Approval of Unaudited Results (2007-2008) : Within one month from the end of the respective quarter.
 Financial Reporting for the Quarter ended June, 2007 : on or before July, 2007
 Financial Reporting for the Quarter ended Sept, 2007 : on or before October, 2007
 Financial Reporting for the Quarter ended Dec., 2007 : on or before January, 2008
 Financial Reporting for the Quarter ended Mar, 2008 : on or before April, 2008
- iii) Dates of Book Closure : 20.09.2007 to 27.09.2007 (both days inclusive)
- iv) Dividend (Proposed 18%) : Dividend, if any, declared in forthcoming 23rd Annual General Meeting will be paid within 30 days of the date of declaration.
- v) Registered Office : 15 UGF, Indra Prakash
 21, Barakhamba Road,
New Delhi – 110 001
 Tel : 011-43577100
 Email: ahcl@ansals.com
 Website: www.ansals.com

- vi) Listing on Stock Exchanges : Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
National Stock Exchange of India Ltd.
"Exchange Plaza", Bandra-Kurla Complex,
Bandra (E)
Mumbai - 400 051.
- vii) Listing Fees for the year 2006-2007 has been paid to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. where Company's shares are listed.
- viii) **Stock Code** :
1. Bombay Stock Exchange Limited : 507828
2. National Stock Exchange of India Ltd.: ANSALHSG
3. Equity ISIN : INE880B01015
- ix) **Share Transfer System:**
The Share Transfer work is handled by the Registrar. The Share Transfer Agent is M/s Intime Spectrum Registry Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase – II, Near Batra Banquet Hall, New Delhi - 110 028.
However, keeping in view the convenience of shareholders, documents relating to shares will continue to be received by the Company at its Registered Office at 15 UGF, Indra Prakash, 21, Barakhamba Road, New Delhi - 110 001.
- x) **Dematerialization/Rematerialization of Shares :**
All the requests for dematerialization and rematerialization of shares are received by our Registrar and Transfer Agent M/s Intime Spectrum Registry Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase – II, Near Batra Banquet Hall, New Delhi – 110028 through the respective Depository Participant of the clients directly and are demated within a stipulated period of 21 days.
- xi) **Investor correspondence**
All inquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address:
Compliance Officer : Mr. Mohinder Bajaj
V.P. & Company Secretary
Ansal Housing & Construction Ltd.
15 UGF, Indra Prakash
21 Barakhamba Road,
New Delhi – 110 001

5. Other Useful Information for Shareholders

- i) The Directors has recommended a dividend of Rs. 1.80 per equity share i.e. 18% on the paid-up equity share capital of the Company for the Financial Year ended 31st March, 2007.
- ii) Equity Shares of the Company are under compulsory demat trading by all investors w.e.f. 30th October, 2000. Considering the advantage of scripless trading shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience in future.
- iii) Members/Beneficial owners are requested to quote their Folio No. /D.P. & Client I.D as the case may be in all correspondence with the Company
- iv) Members holding shares in physical form are requested to notify to the Company, change in their addresses, if any and bank details.
- v) Beneficial owners of shares are requested to send their instructions regarding change of address, bank details, nomination, power of attorney etc. directly to their DP as the same are maintained by the DPs.
- vi) Section 109A of the Companies Act, 1956 extends nomination facility to individuals holding shares in physical form in companies. Members, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nomination in the prescribed nomination form.
- vii) **Issue of equity shares on preferential basis on conversion of warrants, each warrant convertible into one equity share**
During the year ended 31.03.2007, the Company has issued/ allotted 22,80,000 equity shares on conversion of equal number of warrants as per details given below:

Date of Allotment	No. of equity shares issued on conversion of warrants	Allotted to
28.07.2006	500000 Equity Shares	Non-promoters
28.12.2006	780000 Equity Shares	Promoters
28.12.2006	330000 Equity Shares	Non-promoters
30.03.2007	670000 Equity Shares	Non-promoters

- viii) **Extra Ordinary General Meeting**
One Extra Ordinary General Meeting was held on 28th December, 2006 during the Financial Year 2006-2007 in connection with placement of equity shares of the Company to the QIBs for an overall amount not exceeding Rs. 150 crores (including Premium)
- ix) **Listing on National Stock Exchange of India Limited**
The Equity Shares of the Company got listed at National Stock Exchange of India Ltd. (NSE) with effect from 06th October, 2006 to provide more liquidity to the Investors.

x) **Registrar and Share Transfer Agent**

The Company had appointed Share Transfer Agent for both the physical and demat transactions w.e.f. 1st April, 2003 as under:
M/s Intime Spectrum Registry Ltd.
A-40, 2nd Floor
Naraina Industrial Area, Phase – II,
Near Batra Banquet Hall,
New Delhi – 110 028
Tel. : 011-41410592-94, fax : 011-41410591
E-mail:delhi@intimespectrum.com : Web Site : www.intimespectrum.com

xi) **Distribution of Shareholding**

The distribution of shareholding as on 31st March, 2007.

Shareholding (No. of Shares)	Shareholders		Amount Total	
	Number	*% to total	(Rs.)	% to total
Upto 5000	16237	92.434	21088800	12.579
5001 10000	801	4.560	6113570	3.659
10001 20000	274	1.560	4207070	2.518
20001 30000	83	0.473	2113290	1.265
30001 40000	25	0.142	888240	0.532
40001 50000	33	0.188	1545180	0.925
50001 100000	46	0.262	3279690	1.963
100001 & above	67	0.381	127929520	76.561
Total	17566	100.000	167095440	100.000

xii) **Shareholding Pattern as on 31st March, 2007**

S.No.	Category	No. of Shares held	% of Shareholding
1	Promoters	6718208	40.206
2	Mutual Funds/UTI	428250	2.563
3	Banks, Financial Institutions, Insurance Companies	3000	0.018
4	Private Corporate Bodies	2963792	17.737
5	Indian Public	3991155	23.885
6	NRI, Foreign Nationals, OCBs and FIIs	2605139	15.591
	Total	16709544	100.00

xiii) **Dematerialization of shares and Liquidity:**

The shares of the Company fall under the category of compulsory delivery in dematerialized mode by all categories of investors. The Company has signed agreements with both the Depositories i.e. National Securities Depository Limited and Central Depositories Service (India) Limited. As on 31st March, 2007, 81.77% of the share capital of the company has already been dematerialized.

xiv) **Outstanding GDRs/ADRs/Warrants or any convertible instruments**

The Company has not issued any GDRs/ ADRs. The Company had issued 22,80,000 Equity Shares on conversion of equal number of Convertible Warrants during the Financial Year ended 31st March, 2007. There are no Convertible Warrants outstanding as at the year end.

xv) **Communication to the Company**

For expeditious disposal of the matters concerning shares and debentures etc., members are requested to address all letters directly to the Share Department of the company situated at the Registered Office of the Company at New Delhi, quoting reference of their folio numbers and/or Client ID and DP ID, e-mail ID, Telephone/Fax Number for prompt reply to their communication. Other queries may be sent at ahcl@ansals.com or faxed at 011-23350847. The Investor Grievances in the nature of the complaint may be send to the Company Secretary at following address:

Ansals Housing & Construction Ltd.
15 UGF, Indra Prakash,
21, Barakhamba Road,
New Delhi – 110 001

With a view to facilitate speedy communication, shareholder may furnish their e-mail Id to the Share Department of the Company.

xvi) **Market Price Data**

The monthly high and low quotations and volume of shares traded on BSE and NSE during the Financial Year 2006-2007 were as follows:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April' 2006	456.85	310.00	2046215	-	-	-
May' 2006	499.90	271.30	2881821	-	-	-
June, 2006	288.00	147.80	1624149	-	-	-
July' 2006	203.80	127.00	4399699	-	-	-
August' 2006	230.00	159.05	5506284	-	-	-
September'2006	231.40	189.00	2991218	-	-	-
October' 2006	307.35	215.25	8982820	307.65	214.65	3080321
November' 2006	380.70	272.25	6992816	379.50	272.00	5575830
December' 2006	373.60	300.00	1106400	371.10	301.00	790444
January' 2007	396.00	338.10	1240644	405.00	340.20	1083976
February' 2007	397.00	222.55	742908	397.90	211.40	712247
March' 2007	287.00	196.80	1009981	287.00	198.65	877512

9. Compliance with Mandatory Requirements and Adoption of non-mandatory requirements of clause 49 of the Listing Agreement with the Stock Exchange.

The Company has complied with all the mandatory requirements as per Clause 49 of the listing agreement. The Company has constituted Remuneration Committee to review and recommend remuneration of Executive Directors. Adoption of non-mandatory requirements of clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

10. Whistle Blower Mechanism

Though it is not a mandatory requirement but the employees of the Company have access to the Senior Management and Audit Committee to report about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The existence of the mechanism is appropriately communicated within the organization.

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Members of
M/s Ansal Housing & Construction Ltd.

We have examined the compliance of conditions of Corporate Governance by M/s Ansal Housing & Construction Ltd. for the year ended on 31st March, 2007, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has in all material respects complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Khanna & Annadhanam
Chartered Accountants

Place : New Delhi
Date : 26th June, 2007

(P.S. Pabreja)
Partner
Membership No. 10692

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of M/s **Ansal Housing & Construction Ltd.** as at **31st March 2007** and also the Profit and Loss Account and the Cash Flow Statements for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Reference is drawn to Note No.2 of Financial Notes of Schedule 16 regarding Investment in wholly owned subsidiary and loan given to it.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007. from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) The accounts read with accounting policies and other notes, in our opinion and to the best of our information and according to the explanations given to us, give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007 and ;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
 - iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For Khanna & Annadhanam
Chartered Accountants

(P.S.Pabreja)
Partner
Membership No. 10692

Place : New Delhi
Date : 26th June, 2007

**ANNEXURE TO THE AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 3 THEREOF)**

- & Leave encashment
1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) The Company has not disposed off a substantial part of the fixed assets during the year and hence the going concern assumption is not affected.
 2. In respect of its inventories
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
 3. a) The Company has granted unsecured interest free loan to one wholly owned subsidiary and advances to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1430.51 lacs and Rs.120 lacs respectively and year-end balance of loan was Rs.934.54 lacs and Rs.120 lacs respectively.
 - b) *Recoverability of loan to wholly owned subsidiary company with negative net worth would depend upon on the subsidiary generating significant profits/ cash flows in future (Refer paragraph 4 of Audit report).*
 - c) The company has not taken deposits from the parties covered in the register maintained under section 301 of the Companies Act.
 4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for sale of goods and services. During the course of audit, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
 5. a) According to information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered into the register in pursuance of section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time *except that the Company has given unsecured interest free loan to its wholly owned subsidiary (Note No.2 of Financial Notes).*
 6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies Acceptance of Deposits Rules, 1975. According to the information and explanations given to us, in this regard, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
 7. The Company has an internal audit system, *which needs further strengthening to be commensurate with its size and nature of its business.*
 8. The Central Government of India has not prescribed the maintenance of cost records U/s 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
 9. a) According to the information and explanations given to us, and records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues, wherever applicable.
 - b) According to the information and explanations given to us and the records of the Company examined by us, the disputed amounts payable in respect of income-tax, sales tax, wealth tax, custom tax and excise duty/cess not deposited with the appropriate authorities are as follows:

Nature of dues	Amount (Rs.In lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	109.95	Assessment year 2000-01	ITAT, Delhi Bench, New Delhi High Court, New Delhi CIT(A)-I, New Delhi
	139.99	2001-02	
	178.18	2004-05	
Wealth Tax	0.49	Assessment Year 2004-05	CWT (Appeals)-I, New Delhi
Sales Tax	7.65	Assessment Years 2003-04 and 2004-05	Dy Commissioner, Sales Tax, Ghaziabad.
	141.64		

10. The Company does not have any accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, during the year the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
12. According to the information and explanation given to us, The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures, and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanation given to us, during the year, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us and the records examined by us, terms loans obtained for financing real estate project, in our opinion, on an overall basis, were used for the real estate projects.
17. During the year the Company has borrowed short term funds of Rs.100 crores from LIC Mutual Fund with a tenor of 364 days by issuing unsecured debentures of Rs.100 crores. The funds have been primarily used for payment of advances for purchase of land and payment of external development charges etc. which is treated as 'Current Asset'.
18. The Company has made preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956. In our opinion and according to the information and explanations given to us, the price at which shares have been issued to these parties is not prejudicial to the interest of the Company.
19. During the year the Company has issued debentures of Rs.100 crores to LIC Mutual Fund. Since the debentures are unsecured, no security has been created for these debentures.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Khanna & Annadhanam
Chartered Accountants

(P.S.Pabreja)
Partner
Membership No. 10692

Place : New Delhi
Date : 26th June, 2007

BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULE	As at		As at	
		31st March, 2007	31st March, 2006	31st March, 2007	31st March, 2006
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	16,80,27,320		14,52,27,320	
Amount received against Convertible Warrants		—		1,89,62,000	
Reserves and Surplus	2	1,35,76,26,493		80,02,09,591	
			1,52,56,53,813		96,43,98,911
Loan Funds					
Secured Loans	3	97,00,95,158		69,28,97,506	
Unsecured Loans	4	1,43,63,51,377		26,71,59,918	
			2,40,64,46,535		96,00,57,424
Deferred Tax Liability (Net)			3,75,25,578		1,32,84,873
			<u>3,96,96,25,926</u>		<u>1,93,77,41,208</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	32,37,04,816		29,09,75,548	
Less : Depreciation		11,54,96,701		10,62,84,094	
Net Block			20,82,08,115		18,46,91,454
Investments	6		39,54,79,666		13,45,32,689
Current Assets, Loans and Advances					
Inventories	7	1,22,26,20,766		1,26,39,99,343	
Sundry Debtors		65,20,47,249		41,33,31,887	
Cash and Bank Balances		13,63,79,480		7,21,30,314	
Loans and Advances		2,55,01,31,424		1,22,00,49,005	
		4,56,11,78,919		2,96,95,10,549	
Less : Current Liabilities & Provisions	8				
Current Liabilities		1,14,97,53,617		1,31,74,11,574	
Provisions		4,54,87,157		3,39,12,660	
		1,19,52,40,774		1,35,13,24,234	
Net Current Assets			3,36,59,38,145		1,61,81,86,315
Miscellaneous Expenditure					
(to the extent not written off or adjusted)	9		—		3,30,750
			<u>3,96,96,25,926</u>		<u>1,93,77,41,208</u>

ACCOUNTING POLICIES AND FINANCIAL NOTES

Schedules referred to above form an integral part of the Accounts

As per our Report of even date attached
For **KHANNA & ANNADHANAM**
Chartered Accountants

Deepak Ansal
Chairman & Managing Director

Kushagr Ansal
Whole-time Director

Mohinder Bajaj
V.P. & Company Secretary

(P.S.Pabreja)
Partner
Membership No.10692

S.L.Chopra
Director

S.L.Kapur
Director

Sanjay Mehta
Chief Finance Officer

Place: New Delhi
Date : 26 June, 2007

Ashok Khanna
Director

Pradeep Anand
Director

Tarun Kathuria
Sr.General Manager (Finance)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	SCHEDULE	Current Year		Previous Year	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales and Other Income	10		2,01,46,37,526		1,30,45,91,962
Increase/(Decrease) in Stocks	11		(2,50,18,718)		2,96,04,958
			<u>1,98,96,18,808</u>		<u>1,33,41,96,920</u>
EXPENDITURE					
Cost of Construction	12		1,05,80,15,008		79,44,43,697
Consumption of Food, Beverages etc.	13		1,49,06,913		1,39,31,525
Administrative Expenses	14		23,34,59,356		13,42,67,444
Interest Expenses	15		8,39,50,411		9,80,86,606
Depreciation			87,39,992		76,13,872
			<u>1,39,90,71,680</u>		<u>1,04,83,43,144</u>
Profit Before Tax			59,05,47,128		28,58,53,776
Less : Provision for Taxation					
- Current Tax		12,85,00,000		7,50,00,000	
- Deferred Tax		2,42,40,705		33,02,157	
- Fringe Benefit Tax		21,80,000	15,49,20,705	15,96,230	7,98,98,387
Profit after Tax Before Prior Period Items			43,56,26,423		20,59,55,389
Less : Prior Period Items					
- Tax Provisions for Earlier Years			81,70,781		—
Profit after Tax and Prior Period Items			42,74,55,642		20,59,55,389
Add : Balance Brought Forward			39,21,26,883		23,08,51,425
			81,95,82,525		43,68,06,814
APPROPRIATIONS					
Proposed Dividend		3,00,77,179		2,16,44,316	
Dividend Tax		51,11,617		30,35,615	
Transfer to General Reserve		5,00,00,000		2,00,00,000	
			8,51,88,796		4,46,79,931
Balance Carried to Balance Sheet			73,43,93,729		39,21,26,883
Basic and Diluted Earning per share (Rs.)			28.39		15.17

**ACCOUNTING POLICIES
AND FINANCIAL NOTES**

16

Schedules referred to above form an integral part of the Accounts

As per our Report of even date attached

For KHANNA & ANNADHANAM
Chartered Accountants

Deepak Ansal
Chairman & Managing Director

Kushagr Ansal
Whole-time Director

Mohinder Bajaj
V.P. & Company Secretary

(P.S.Pabreja)
Partner
Membership No.10692

S.L.Chopra
Director

S.L.Kapur
Director

Sanjay Mehta
Chief Finance Officer

 Place : New Delhi
Date : 26 June, 2007

Ashok Khanna
Director

Pradeep Anand
Director

Tarun Kathuria
Sr.General Manager (Finance)

SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at		As at	
	31st March, 2007		31st March, 2006	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 1				
SHARE CAPITAL				
AUTHORISED				
1,99,90,000 Equity Shares of Rs.10/- each		19,99,00,000		19,99,00,000
5,01,000 Redeemable Cumulative Preference Shares of Rs.100/-each		5,01,00,000		5,01,00,000
		<u>25,00,00,000</u>		<u>25,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP				
1,67,09,544 (Previous year 1,44,29,544) Equity Shares of Rs.10/- each fully paid for cash	16,70,95,440		14,42,95,440	
Add : Forfeited Shares	9,31,880		9,31,880	
		<u>16,80,27,320</u>		<u>14,52,27,320</u>
		<u>16,80,27,320</u>		<u>14,52,27,320</u>

NOTES :

During the year, following shares were allotted on conversion of warrants:

- 5,00,000 equity shares at a premium of Rs. 56.50 per share to non-promoters.
- 7,80,000 equity shares at a premium of Rs. 56.50 per share to promoters.
- 10,00,000 equity shares at a premium of Rs. 94.50 per share to non-promoters.

	As at		As at	
	31st March, 2007		31st March, 2006	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 2				
RESERVES AND SURPLUS				
REVALUATION RESERVE				
As per last Balance Sheet	7,56,50,443		7,73,20,387	
Less : Transferred to Profit & Loss A/c	16,69,944		16,69,944	
		<u>7,39,80,499</u>		7,56,50,443
SECURITIES PREMIUM ACCOUNT				
As per last Balance Sheet	24,35,89,730		14,07,59,730	
Add : Received during the year	16,68,20,000	41,04,09,730	<u>10,28,30,000</u>	24,35,89,730
GENERAL RESERVE				
As per last Balance Sheet	8,88,42,535		6,88,42,535	
Add : Transferred from Profit & Loss Account	5,00,00,000		<u>2,00,00,000</u>	
		<u>13,88,42,535</u>		8,88,42,535
PROFIT & LOSS ACCOUNT - BALANCE		<u>73,43,93,729</u>		39,21,26,883
		<u>1,35,76,26,493</u>		<u>80,02,09,591</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2007		As at 31st March, 2006	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 3 SECURED LOANS				
From Scheduled Banks*				
Term Loans**	11,85,12,748		3,53,13,388	
Cash Credits	<u>32,42,66,134</u>		<u>41,24,36,516</u>	
	44,27,78,882		44,77,49,904	
Add: Interest Accrued and due	<u>1,15,496</u>	<u>44,28,94,378</u>	<u>9,95,635</u>	44,87,45,539
From Corporate Bodies***				
Term Loans**	52,68,50,188		24,41,51,967	
Add : Interest Accrued and due	<u>3,50,592</u>	<u>52,72,00,780</u>	—	<u>24,41,51,967</u>
		<u>97,00,95,158</u>		<u>69,28,97,506</u>

* The loans from Scheduled Banks are secured by charge over stocks of materials, vehicles, unsold finished stock, construction work-in-progress, book-debts, Kitchen Equipments, Furniture, Fixtures and other assets of Restaurants, equitable mortgage of land under projects, Commercial flats, office premises of the Company and also guaranteed by Chairman & Managing Director.

** Due within one year Rs. 3726.35 Lacs (Previous year Rs.785.93 lacs)

*** The loan from Corporate Bodies are secured by mortgage of unsold flats/lands, the personal properties of Chairman & Managing Director and his relatives, pledge of promoters equity, shares of Joint Venture company, assignment of rent receivables and guaranteed by Chairman & Managing Director.

**SCHEDULE 4
UNSECURED LOANS**

	As at 31st March, 2007		As at 31st March, 2006	
	Rs.	Rs.	Rs.	Rs.
Debenture*				
Unsecured Non Convertible Debenture		<u>1,00,00,00,000</u>		—
Deposits From Public		<u>22,37,07,000</u>		13,62,87,000
Term Loans **				
From Corporate Bodies	1,09,00,000		3,09,00,000	
From Banks	<u>20,00,00,000</u>		<u>9,99,72,918</u>	
	21,09,00,000		13,08,72,918	
Add: Interest Accrued and due	<u>17,44,377</u>	<u>21,26,44,377</u>	—	<u>13,08,72,918</u>
		<u>1,43,63,51,377</u>		<u>26,71,59,918</u>

* During the year, the company has issued unsecured redeemable debentures of the face value of Rs. 100 crores to LIC Mutual Fund with tenure of 364 days. These debentures are due for redemption on 27 Nov, 2007.

** Guaranteed by Chairman & Managing Director and corporate guarantee of M/s Geo Connect Ltd. (Wholly owned subsidiary company)

** Due within one year Rs. 984.00 lacs (Previous year Rs. 1308.73 lacs)

SCHEDULE FORMING PART OF THE BALANCE SHEET

**SCHEDULE 5
FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 1.4.2006	ADDITIONS DURING THE YEAR	SALES/ ADJUST- MENTS DURING THE YEAR	AS AT 31-03-2007	UPTO 31-3-2006 YEAR ENDED 31.03.2007	FOR THE ADJUST- MENTS DURING THE YEAR	TOTAL UPTO 31-03-2007	W DV AS ON 31-03-2007	W DV AS ON 31-3-2006
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Plant & Machinery	5,12,86,066	1,07,75,984	—	6,20,62,050	4,22,75,136	9,77,827	—	1,88,09,087	90,10,930
Vehicles	3,44,58,598	1,76,33,046	21,50,378	4,99,41,266	81,10,366	34,26,323	14,15,400	3,98,19,977	2,63,48,232
Office Equipments	36,76,779	12,51,003	—	49,27,782	14,46,277	2,51,556	—	32,29,949	22,30,502
Furniture & Fixtures	1,70,62,922	16,03,721	4,548	1,86,62,095	94,34,574	15,89,457	4,548	76,42,612	76,28,348
Air Conditioners & Refrigerators	77,82,148	4,60,581	—	82,42,729	32,78,793	3,81,675	—	45,82,261	45,03,355
Office Premises	16,34,99,070	—	—	16,34,99,070	3,32,23,726	26,63,317	—	12,76,12,027	13,02,75,344
Computers	88,44,657	27,22,370	—	1,15,67,027	63,46,548	9,88,498	—	42,31,981	24,98,109
Kitchen Equipments	43,65,308	6,570	—	43,71,878	21,68,674	3,53,902	—	18,49,302	21,96,634
TOTAL	29,09,75,548	3,44,53,275	21,54,926	32,32,73,897	10,62,84,094	1,06,32,555	14,19,948	20,77,77,196	18,46,91,454
Capital Work in progress	—	4,30,920	—	4,30,920	—	—	—	4,30,920	—
GRAND TOTAL	29,09,75,548	3,48,84,195	21,54,926	32,37,04,817	10,62,84,094	1,06,32,555	14,19,948	20,82,08,116	18,46,91,454
Previous Year	31,63,49,548	1,84,00,911	4,37,74,911	29,09,75,548	11,86,42,054	95,09,419	2,18,67,379	18,46,91,454	10,62,84,094

NOTES

1. Office Premises were revalued on 31st March, 1996 on the basis of approved valuer's report resulting in a net increase of Rs. 9,23,49,883/-.

	Current Year	Previous Year
	Rs.	Rs.
2. Depreciation has been charged to :		
- Profit & Loss Account	87,39,992	76,13,872
- Projects In Progress Account	2,22,619	2,25,603
- Revaluation Reserve	16,69,944	16,69,944
TOTAL	1,06,32,555	95,09,419

SCHEDULE FORMING PART OF THE BALANCE SHEET
**SCHEDULE 6
INVESTMENTS**

	As at 1st April, 2006	Additions during the year	Deletions during the year	As at 31st March, 2007
	Rs.	Rs.	Rs.	Rs.
LONG TERM INVESTMENTS (AT COST)				
A. TRADE INVESTMENTS				
Shares in Companies				
Unquoted				
- Wholly Owned Subsidiary Company				
(a) 68,48,100 (Previous year 68,48,100) Equity Shares of Srilankan Rs. 10/- each fully paid in Housing and Construction Lanka Pvt. Ltd.	3,56,82,000	—	—	3,56,82,000
(b) 48,79,250 (Previous year 48,79,250) Equity Shares of Rs. 10/- each fully paid in Geo Connect Ltd (Formerly known as Callnet India Ltd.)	4,89,71,689	—	—	4,89,71,689
(c) 10,000 (Previous year 10,000)Equity Shares of Rs. 10/- each fully paid in Wrangler Builders Pvt. Ltd	1,00,250	—	—	1,00,250
(d) 10,000 (Previous year 10,000)Equity Shares of Rs. 10/- each fully paid in Maestro Promoters Pvt. Ltd	1,00,250	—	—	1,00,250
(e) 10,000 (Previous year 10,000)Equity Shares of Rs. 10/- each fully paid in Anjuman Buildcon Pvt. Ltd	1,00,000	—	—	1,00,000
(f) 10,000 (Previous year Nil)Equity Shares of Rs. 100/- each fully paid in A. R. Paradise Pvt. Ltd	—	10,02,500	—	10,02,500
(g) 20,000 (Previous year Nil)Equity Shares of Rs. 10/- each fully paid in Fenny Real Estates Pvt. Ltd	—	2,00,530	—	2,00,530
(h) 49,200 (Previous year Nil)Equity Shares of Rs. 10/- each fully paid in A.R.Infrastructure Pvt. Ltd(at a premium of Rs.90/- per share)	—	49,32,300	—	49,32,300
(i) 10,000 (Previous year Nil)Equity Shares of Rs. 10/- each fully paid in Third Eye Media Pvt Ltd	—	1,00,000	—	1,00,000
- Others				
(a) Nil (Previous year 250)Equity Shares of Rs. 10/- each fully paid in Sun City Infrastructure Pvt. Ltd	2,500	—	2,500	—
(b) 250 (Previous year Nil)Equity Shares of Rs. 10/- each fully paid in Sun City Hi-Tech Projects Pvt. Ltd	—	2,500	—	2,500
(c) 250 (Previous year Nil)Equity Shares of Rs. 10/- each fully paid in Sun City HiTech Infrastructure Pvt. Ltd	—	2,500	—	2,500
B. OTHER INVESTMENTS				
- Shares in Companies				
Unquoted				
Joint Venture Company				
48,00,000 (Previous year 48,00,000) Equity Shares of Rs. 10/- each fully paid in Capital Cars (P) Ltd. (See Foot Note 1)	4,80,00,000	—	—	4,80,00,000
Others				
100 (Previous year 100) Equity Shares of Rs. 10/- each fully paid in Infinet India Ltd.	1,000	—	—	1,000
Quoted				
(a) 5,200 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.740.62/- each in Century Textile & Ind Ltd.	—	39,03,241	—	39,03,241
(b) 5,300 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.724.07/- each in Jai Prakash Associates Ltd.	—	38,90,585	—	38,90,585
(c) 3,800 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.639.03/- each in Reliance Capital & Finance Ltd.	—	24,66,299	—	24,66,299
* (d) 2,000 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.716.26/- each in Subex Azure Ltd.	—	14,52,523	—	14,52,523

	As at 1st April, 2006	Additions during the year	Deletions during the year	As at 31st March, 2007
	Rs.	Rs.	Rs.	Rs.
(e) 5,000 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.102.41/- each in Steel Authority of India Ltd.	—	5,62,049	—	5,62,049
(f) 2,000 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.250.35/- each in Orchid Chemicals Ltd.	—	5,20,703	—	5,20,703
- Units in Mutual Fund - Quoted				
(a) 7,500 (Previous year 7500) Master Gain Units of Rs. 10/- each fully paid of Unit Trust of India.	75,000	—	—	75,000
(b) 1,00,000 (Previous year 1,00,000) Units of Rs. 10/- each fully paid of Caninfrastructure Dividend Fund	10,00,000	—	—	10,00,000
(c) 48,899.76 (Previous year 48,899.76) Units of Rs. 10.225 each fully paid of Principal Infrastructure & Services Industries Fund	5,00,000	—	—	5,00,000
(d) 100000 (Previous year nil) Units of Rs.10 each fully paid of CANMULTICAP-GROWTHPLAN MF	—	10,00,000	—	10,00,000
C. SHORTTERM INVESTMENTS (AT COST)				
Quoted				
- Units in Mutual Fund				
(a) Nil (Previous year nil) - Principal Mutual Fund (24998250.122 Units at Rs.10 each, acquired & sold during the year)	—	25,00,00,000	25,00,00,000	—
(b) Nil (Previous year nil) - Tata Liquid Fund (224311.811 Units at Rs.1114.52 each, acquired & sold during the year)	—	25,00,00,000	25,00,00,000	—
(c) 19091374.737 (Previous year nil) Units at Rs.10 each of UTI Liquid Cash (See FootNote 2)	—	25,00,00,000	5,90,86,253	19,09,13,747
(d) Nil (Previous year nil) - DSPML Liquid Plus Fund (57981.846 Units at Rs.1034.807 each, acquired & sold during the year)	—	6,00,00,000	6,00,00,000	—
(e) Nil (Previous year nil) - Birla Index Fund (919121.87 Units at Rs.21.7599 each, acquired & sold during the year)	—	2,00,00,000	2,00,00,000	—
(f) Nil (Previous year nil) - Birla FMP Quarterly Fund (2172987.162 Units at Rs.11.5049 each, acquired & sold during the year)	—	2,50,00,000	2,50,00,000	—
(g) 3676038.113 (Previous year nil) Units at Rs.13.6016 each of LIC MF Liquid Fund	—	5,00,00,000	—	5,00,00,000
	13,45,32,689	92,50,35,730	66,40,88,753	39,54,79,666
		CURRENTYEAR		PREVIOUSYEAR
		Rs.		Rs
Aggregate cost of quoted shares/units		25,62,84,147		15,75,000
Aggregate cost of unquoted shares/units		13,91,95,519		13,29,57,689
Market Value of quoted shares/units		25,85,53,181		19,54,852
Foot Notes:				
1 Pledged with Housing Development & Finance Corporation Ltd. as security for Term Loan.		3,00,00,000		3,00,00,000
2 Pledged with DSP Merrill Lynch Ltd. as security for Term Loan.		19,09,13,747		—

SCHEDULE FORMING PART OF THE BALANCE SHEET
**SCHEDULE 7
CURRENT ASSETS, LOANS & ADVANCES**

	Rs.	As at 31st March, 2007 Rs.	Rs.	As at 31st March, 2006 Rs.
A. CURRENT ASSETS				
Inventories				
(As valued & Certified by the Management)				
Building Materials, Restaurant's Provisions, Beverages etc. & Stores	3,86,27,487		3,84,08,704	
Land, Flats, Houses & Farm Land	4,82,12,716		7,32,31,434	
Projects-in-progress	1,13,57,80,563		1,15,23,59,205	
Note : For valuation of inventories refer Accounting Policy No. 5		1,22,26,20,766		1,26,39,99,343
Sundry Debtors				
(Unsecured considered good)				
Due for a period exceeding six months	5,11,46,351		6,25,84,380	
Others	60,09,00,898		35,07,47,507	
		65,20,47,249		41,33,31,887
Cash & Cheques in Hand				
(Including imprest with staff)	4,93,22,017		3,71,29,613	
Bank Balances				
With Scheduled Banks:				
In Current Account (Rs.14.55 lacs (Previous year Rs. 7.21 lacs) earmarked for unclaimed Dividend)	3,32,02,993		1,40,89,072	
In Fixed Deposits (Rs.126.34 lacs (Previous year Rs.116.00 lacs) pledged as margin money against Bank Guarantees/ Letter of Credit/pledged with authorities)	5,26,77,200		2,03,40,517	
Interest accrued on Fixed Deposits	11,77,270		5,71,112	
		13,63,79,480		7,21,30,314
Total (A)		<u>2,01,10,47,495</u>		<u>1,74,94,61,544</u>
B. LOANS & ADVANCES				
(Unsecured Considered Good)				
Loans to wholly owned subsidiary Companies				
- Housing & Construction Lanka (P) Ltd.	1,34,84,740		—	
- Geo Connect Ltd.	9,34,53,731	10,69,38,471	14,30,51,260	14,30,51,260
Housing Loan to Staff		9,77,166		99,000
Advances against Land/Projects :				
Wholly Owned Subsidiaries				
- Maestro Promoters Pvt. Ltd.	15,55,48,143		8,66,41,310	
- Wrangler Builders Pvt. Ltd.	13,42,37,405		10,10,19,469	
- Geo Connect Ltd.	19,20,89,393		15,62,93,498	
- Anjuman Buildcon Pvt. Ltd.	32,95,52,111		7,27,06,168	
- A R Infrastructure Pvt. Ltd.	2,58,51,430		—	
- A R Paradise Pvt. Ltd.	7,15,58,452		—	
- Fenny Real Estates Pvt. Ltd	38,64,821		—	
- Third Eye Media Pvt Ltd.	7,68,74,689		—	
Others	1,29,63,33,943	2,28,59,10,387	53,54,57,074	95,21,17,519
Advances Tax Paid (Net of Provision)				
Advance Income Tax/Tax Deducted at Source	29,50,68,380		25,23,06,159	
Less : Provision for income tax/wealth tax	28,42,15,076	1,08,53,304	26,65,87,462	(1,42,81,303)
Other Advances recoverable in cash or in kind or for value to be received		14,54,52,096		13,90,62,529
Total (B)		<u>2,55,01,31,424</u>		<u>1,22,00,49,005</u>
Total (A+B)		<u>4,56,11,78,919</u>		<u>2,96,95,10,549</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2007 Rs.	As at 31st March, 2006 Rs.
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors - Small Scale Industries	2,14,892	3,54,260
- Others	12,38,71,988	15,16,67,147
Advances from Customers	79,53,54,174	1,01,49,27,349
Liability towards Investors Education and Protection Fund U/s 205C of Companies Act, 1956 *		
— Unclaimed Dividends	14,54,761	7,21,722
— Unclaimed Deposits	32,78,000	38,91,000
— Interest Accrued on Unclaimed Deposits	5,87,381	6,39,432
	<u>53,20,142</u>	<u>52,52,154</u>
Security Deposits/Retention Money	4,06,77,311	3,91,72,957
Other Liabilities	14,47,08,882	10,00,32,909
Interest Accrued but not due	3,96,06,228	60,04,798
TOTAL (A)	<u>1,14,97,53,617</u>	<u>1,31,74,11,574</u>
B. PROVISIONS		
Dividend	3,00,77,179	2,16,44,316
Dividend Tax	51,11,617	30,35,615
Superannuation, Leave Encashment & Gratuity	1,02,98,361	92,32,729
TOTAL (B)	<u>4,54,87,157</u>	<u>3,39,12,660</u>
TOTAL (A + B)	<u>1,19,52,40,774</u>	<u>1,35,13,24,234</u>
Due to Chairman & Managing Director and Whole time Director	127,363	3,58,590

* These figures reflect the position as at 31st March, 2007. The actual amount to be transferred to the Investor Education and Protection Fund shall be determined on the due dates.

	As at 31st March, 2007 Rs.	As at 31st March, 2006 Rs.
SCHEDULE 9		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Deferred Revenue Expenditure		
Gross Value at Beginning of the Year	63,09,320	63,09,320
Add : Addition During the Year	—	—
Gross Value at Closing of the Year (A)	<u>63,09,320</u>	<u>63,09,320</u>
Accumulated Amortisation at the Beginning of the Year	59,78,570	47,16,706
Amortisation During The Year	3,30,750	12,61,864
Accumulated Amortisation at the End of the Year (B)	<u>63,09,320</u>	<u>59,78,570</u>
Net Carrying Amount at the End of the Year (A - B)	<u>—</u>	<u>3,30,750</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT
**SCHEDULE 10
SALES & OTHER INCOME**

	Rs.	Current Year Rs.	Rs.	Previous Year Rs.
INCOME FROM OPERATIONS				
Real Estate Operations				
Sale of Commercial/Residential Flats, Shops, Houses and Plots	1,84,61,22,989		1,13,17,24,037	
Interest From Customers	3,02,87,529		3,19,75,281	
Rent Received (Gross)*	3,14,89,720		2,43,25,882	
Administration Charges	2,60,55,295		1,77,26,623	
Forfeiture against cancellation	59,65,279		24,13,671	
		1,93,99,20,812		1,20,81,65,494
Hospitality Operations				
Sale of Food & Beverage (Note No.15)	4,86,99,879		4,31,09,920	
Other Income	36,91,356		28,98,147	
		5,23,91,235		4,60,08,067
OTHER INCOME				
Profit on Sale of Fixed Assets		9,377		45,28,942
Profit on Sale of :				
- Long Term Investments	45,98,614		3,82,12,990	
- Current Investments	—		1,39,309	
		45,98,614		3,83,52,299
Income From Long Term Investments				
- Dividend	1,17,28,021		42,49,304	
- Interest on Bonds (Gross)*	—		13,036	
		1,17,28,021		42,62,340
Interest (Gross)*				
- From Bank	28,51,171		11,77,824	
- From Others	15,42,932		1,22,790	
		43,94,103		13,00,614
Miscellaneous Income		15,95,364		19,74,206
		2,01,46,37,526		1,30,45,91,962
* Tax Deducted at Source				
- Interest on Bonds		—		2,925
- Interest		6,30,591		2,55,351
- Rent		1,37,90,824		91,15,709

	Rs.	Current Year Rs.	Rs.	Previous Year Rs.
SCHEDULE 11 INCREASE / (DECREASE) IN STOCKS				
Stocks as on 31.03.2007				
Flats, Shops, Houses, Plots, Farms etc.	4,73,67,267		7,23,85,985	
Less : Stock as on 31.03.2006				
Flats, Shops, Houses, Plots, Farms etc.	7,23,85,985	(2,50,18,718)	4,27,81,027	2,96,04,958
		(2,50,18,718)		2,96,04,958

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Rs.	Current Year Rs.	Rs.	Previous Year Rs.
SCHEDULE 12				
COST OF CONSTRUCTION				
Opening Balance of Projects-in- Progress Account		1,15,23,59,205		98,05,78,648
Add : Expenses Incurred During the Year				
Payments Against Land		37,04,88,014		40,79,06,981
Expenses Through Contractors		17,06,54,238		13,60,16,104
Materials/Stores Consumed		14,80,64,722		14,80,54,519
Plan Submission Fee		4,15,11,641		11,00,44,775
Brokerage and Commission		2,95,59,021		2,53,39,826
Advertisement and Publicity		2,97,95,338		96,75,193
Salary, Wages & Other Benefits		2,48,70,165		1,57,66,473
External Development Charges		7,04,74,918		3,75,91,501
Sundry Expenses		6,16,77,440		7,20,86,751
Interest on Borrowings		8,20,91,514		—
Lease Rent		39,97,561		25,40,290
Repair and Maintenance — Plant and Machinery		10,15,099		14,73,311
Depreciation		2,22,619		2,25,603
Architects Fees		88,12,116		9,86,351
		<u>2,19,55,93,611</u>		<u>1,94,82,86,326</u>
Less :				
- Miscellaneous Income	17,98,040		14,83,424	
- Closing Balance of Project-in- Progress Account	<u>1,13,57,80,563</u>	<u>1,13,75,78,603</u>	<u>1,15,23,59,205</u>	<u>1,15,38,42,629</u>
Cost of Construction Charged to Profit & Loss Account		<u>1,05,80,15,008</u>		<u>79,44,43,697</u>

SCHEDULE 13
CONSUMPTION OF PROVISIONS, BEVERAGES,
WINES & SMOKES (Note No.15)

	Current Year Rs.	Previous Year Rs.
Opening Stock	17,36,223	18,76,143
Add: Purchases during the year	1,48,85,831	1,37,91,605
Less : Closing Stock	<u>17,15,141</u>	<u>17,36,223</u>
	<u>1,49,06,913</u>	<u>1,39,31,525</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Rs.	Current Year Rs.	Rs.	Previous Year Rs.
SCHEDULE 14				
ADMINISTRATIVE EXPENSES				
Rent		49,25,416		25,29,658
Salaries, Wages, Commission and Other Benefits		8,10,47,327		5,63,90,896
Contribution to Provident and Other Funds		95,95,082		81,30,252
Repair and Maintenance				
—Plant and Machinery	3,10,367		79,539	
—Building	1,25,779		1,59,968	
—Others	20,49,491		46,37,501	
		<u>24,85,637</u>		48,77,008
Advertisement & Publicity		3,05,91,425		17,98,071
Bank Charges		53,75,193		41,81,054
Postage & Telephone		51,70,987		42,44,664
Printing & Stationary		69,18,132		31,64,704
Travelling & Conveyance		1,23,14,384		84,78,518
Insurance		17,80,609		13,27,025
Exchange Fluctuation Loss		12,034		812
Office Maintenance		98,37,329		38,40,446
Electricity		50,97,357		49,41,967
Payment to Auditors (Inclusive of Service Tax)				
—Audit Fee	3,36,720		3,36,720	
—Limited Review & Consolidated Accounts	1,17,852		1,12,955	
—Certification	1,44,790		1,75,710	
—Reimbursement of Expenses	984		2,460	
—Tax Audit	72,956		61,220	
		<u>6,73,302</u>		6,89,065
Directors' Fees		9,65,000		2,47,500
Charity & Donations		—		14,001
Loss on Sale of Long Term Investments		68,83,160		—
Loss on Sale of Fixed Assets		3,44,159		2,25,115
Miscellaneous Expenses		98,15,817		87,49,740
Amounts Written Off		2,16,100		—
Consultation/Development Fee Written Off		3,30,750		12,61,864
Franchise Management Fee		26,11,380		19,74,243
Professional Charges		3,09,90,572		1,28,10,853
Legal Fees		28,31,750		26,79,980
Business Promotion		8,56,022		14,21,344
Rates & Taxes		17,90,432		2,88,664
		<u>23,34,59,356</u>		<u>13,42,67,444</u>
SCHEDULE 15				
INTEREST EXPENSES				
Interest on Public Deposits		172,40,601		163,06,659
Interest on Term Loans		530,69,612		307,26,319
Interest on Debenture		314,24,657		—
Interest Others		592,97,481		477,38,746
Finance Charges		50,09,574		33,14,882
		<u>16,60,41,925</u>		9,80,86,606
Less: Interest Charged to Project in Progress		8,20,91,514		—
		<u>8,39,50,411</u>		<u>9,80,86,606</u>

SCHEDULE FORMING PART OF THE ACCOUNTS

SCHEDULE 16 ACCOUNTING POLICIES AND FINANCIAL NOTES

A. SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Ansal Housing and Construction Limited's main business is Real Estate promotion and development in residential and commercial segments.

2. BASIS OF ACCOUNTING

The Financial Statements have been prepared to comply in all material respects with the mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956. The Financial statements have been prepared under the historical cost convention on the basis of going concern and on an accrual basis except as stated otherwise.

3. USE OF ESTIMATES

The preparation of the financial statements requires estimates/ assumptions to be made that affect the reported amount of Assets and Liabilities on the date of the financial statements and reported amount of revenues and expense during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

4. REVENUE RECOGNITION

- For the Real Estate division the Company follows the percentage of completion method of accounting. As per this method, the revenue is recognised in proportion to the actual cost incurred as against the total estimated cost of the project under execution with the Company subject to actual cost being 30% or more of the estimated cost. As the project progresses, estimated costs are revised based on current cost indices and other information available to the Company. Expenses incurred on repairs and maintenance on completed projects are charged to the Profit & Loss Account.
- Indirect costs (detailed in Schedule 14) are treated as 'Period Costs' and are charged to the Profit and Loss Account in the year incurred.
- Whereas all income and expenses are accounted for on accrual basis, Interest on delayed payments from customers against dues is taken on realisation owing to practical difficulties and uncertainties involved.

5. INVENTORIES

Inventories are valued as under :-

- Building Material, Stores, Spares parts etc. At cost using FIFO method.
- Food, Beverage and related stores At lower of cost (using FIFO method) or net realisable value.
- Completed Units (Unsold) At lower of cost or market value,
- Project/Contracts work in progress At cost
Cost of Completed units and project/ work in progress includes cost of land , construction/development cost and other related costs incurred .

6. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. However, revalued assets are stated at revalued amount less accumulated depreciation.

7. DEPRECIATION

Depreciation is provided on 'Straight Line Method' on pro-rata basis at rates prescribed in Schedule-XIV to the Companies Act, 1956. Shuttering and Scaffolding are treated as part of Plant and Machinery and depreciated at the rate applicable to Plant & Machinery.

8. INVESTMENTS

Current Investments are stated at lower of cost and market value. Long term investments are stated at cost. Decline in value of long term investments is recognised if it is not temporary.

9. RETIREMENT AND OTHER BENEFITS

- Contributions to the Provident Fund are charged to revenue each year.
- Contributions under the superannuation plan are made to the fund administered and managed by the Life Insurance Corporation of India and are charged to revenue each year.
- Provision for Gratuity is made on the basis of contribution made to Life Insurance Corporation of India under the "Employees Group Gratuity-cum-Life Insurance Scheme".
- Provision for leave encashment is made on the basis of actuarial valuation done at the year end.

10. BORROWING COST

The borrowing costs which have direct nexus and are directly attributable to the construction of a qualifying asset are charged to the cost of that asset and other interest costs are expensed as period costs.

SCHEDULE FORMING PART OF THE ACCOUNTS

11. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. All monetary assets and liabilities are restated at the closing rate and resultant loss or gain is charged to Profit & Loss Account. Long term investments are stated at exchange rate prevailing on the date of transaction.

12. MISCELLANEOUS EXPENDITURE

Consultation/Development Fee paid to Franchiser for restaurants operation are amortised over a period of five years.

13. SEGMENT REPORTING

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenditure net of unallocated income".

14. TAXES ON INCOME

Provision for current tax is made based on taxable income for the year. Deferred tax is recognised/provided on timing difference between taxable income and accounting income subject to consideration of prudence.

15. IMPAIRMENT

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss and necessary adjustments there against. Reversal of impairment loss is recognised as income in the Profit Loss Account.

B. FINANCIAL NOTES

1. CONTINGENT LIABILITIES

	As at 31st March, 2007 Rs. in lacs	As at 31st March, 2006 Rs. in lacs
a) Guarantees given by the Company in favour of Banks on behalf of other Companies	0.00	20.00
b) Other Claims against the Company not acknowledged as debts	104.17	96.62
c) Claims by customers for refund of amount deposited / Interest	239.78	337.16
d) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 20.04 Lacs (previous year Rs. Nil).		
e) i) The Assessing Officer vide order dated 28.02.2002 passed under section 158[BC (c)] of the Income Tax Act, 1961, had levied tax / penal interest of Rs.205.43 lacs. The Commissioner of Income Tax (Appeals) has allowed partial relief resulting in the demand being reduced to Rs.137.23 lacs. The Company has filed appeal before the Income Tax Appellate Tribunal. Pending decision of the Tribunal, no provision for the demand has been considered necessary.		
ii) Other disputed income tax demand Rs.413.83 lacs (Previous Year 554.52 lacs).		
f) The Assessing Officer vide exparte order 15.02.2007 passed under UP Sales Tax Act has levied additional sales tax of Rs.87.60 lacs on sale of flats / houses to customers on installment basis and Rs.54.04 lacs for restaurant operations for the year 2004-05. The Company has moved application for reopening the assessments. Pending assessment no provision of the demand has been made.		
g) Uttar Pradesh Revenue Authorities have demanded Rs.574.64 lacs (Previous year Rs.574.64 lacs) towards deficiency in Stamp Duty on allotment of land to the company on leasehold basis by UP State Industrial Development Corporation Ltd. Against these demands the company has paid Rs.46.46 lacs under protest and the balance demand has been stayed by the Hon'ble High Court / Board of Revenue. Pending decision, no provision has been considered necessary.		
2. The Company has invested Rs. 489.72 lacs (Previous year Rs. 489.72 lacs) in the wholly owned subsidiary M/s Geo Connect Limited. The Company has also given loan amounting to Rs. 934.54 lacs (Previous year Rs.1430.51 lacs) to the subsidiary. The Company has also given a surety of Rs. 100 lacs (Previous year Rs.100 lacs) to Customs / Excise Authorities. The subsidiary has incurred losses resulting in negative net worth of the subsidiary. After restructuring of its business, the subsidiary has started generating profits and it is expected that it will repay the loan in due course.		
3. During the year, the Company has acquired 100% share capital of M/s Third Eye Media Private Ltd., A R Infrastructure Private Ltd., Fenny Real Estate Private Ltd. and A R Paradise Private Ltd. as a result of which these Companies have become wholly owned subsidiaries of the Company.		
4. Advances against Land / Projects to wholly owned subsidiaries aggregating to Rs. 9895.76 lacs (Previous year Rs. 4166.60 lacs) represent cost of land acquired / to be acquired by the company under collaboration / other arrangements on behalf of the subsidiary companies. The lands acquired are registered in the name of the subsidiary companies but under possession and control of the company.		

SCHEDULE FORMING PART OF THE ACCOUNTS

5. Operating Lease:

- a) The Company has taken various residential / commercial premises under cancelable operating lease. These lease are normally renewable on expiry.
- b) The rental expenses in respect of operating leases is Rs. 49.25 Lacs (previous year Rs.25.30 Lacs).

6. Based on the information / documents available with the Company, Sundry Creditors include:

	Current Year Rs.	Previous Year Rs.
a) Amounts due to small scale undertakings (total amount)	2.15 Lacs	3.54 Lacs
b) Name of the parties where the amount is due for more than 30days M/s Zeta Industrial Corporation (P) Ltd. M/s Bhaskar Power Projects Pvt Ltd M/s Hindustan Tiles		
c) The company has not received intimation from suppliers regarding the status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any relating to the amounts unpaid at the year end together with interest payable as required under the said Act has not been given.		

7. a) Details of Managerial Remuneration

	Current Year Rs.	Previous Year Rs.
Chairman & Managing Director(CMD) and Whole Time Director (WTD)		
Salary and Allowances	58,50,000	36,00,000
Commission	1,54,58,224	50,86,942
Perquisites and Benefits	23,07,647	1,04,621
Contribution to Provident, Gratuity and Superannuation Fund	9,16,413	7,16,000
Directors' Meeting Fee	9,65,000	2,47,500

b) Computation of Net Profit in accordance with section 198 of the Companies Act 1956 and Commission payable to Chairman & Managing Director(CMD) and Whole Time Director(WTD)

	Rs.	Rs.	Rs.	Rs.
Profit before tax as per Profit & Loss Account		59,05,47,128		28,58,53,776
Add :				
Directors' remuneration	58,50,000		36,00,000	
Director's Commission	1,54,58,224		50,86,942	
Perquisites & Benefits	23,07,647		1,04,621	
Contribution to Provident, Gratuity and Superannuation Fund	9,16,413		7,16,000	
Loss on Sale of Investments	68,83,160			
Directors' Meeting Fees	9,65,000	3,23,80,444	2,47,500	97,55,063
		<u>62,29,27,572</u>		<u>29,56,08,840</u>
Less :				
Profit on Sale of Investments	45,98,614		3,83,52,299	
Profit on Sale of Fixed Assets	—	45,98,614	29,09,420	4,12,61,719
		<u>61,83,28,958</u>		<u>25,43,47,121</u>
Commission*		<u>1,54,58,224</u>		<u>50,86,942</u>

* Commission is payable @ 2% p.a. to Managing Director for F.Y.2006-07 (Previous year @ 2%) and 1% p.a. to Whole Time Director w.e.f. 1st October, 2006

8. Deferred Tax Liability (Net)

Detail of Deferred tax liability (Net) :	As at 31st March, 2007		As at 31st March, 2006	
	Rs. In Lacs.	Rs. In Lacs.	Rs. In Lacs.	Rs. In Lacs.
a) Deferred Tax Assets				
Arising on account of timing differences in :				
- Accrued Expenses allowable on actual payments	36.53		20.19	
- Short Term Capital Loss	7.99	44.51	—	20.19
b) Deferred Tax Liabilities				
Arising on account of timing differences in :				
- Depreciation	163.71		151.95	
- Interest Capitalised on Borrowing Cost	256.06		0.00	
- Deferred Revenue Expenditure	0.00	419.77	1.09	153.04
Deferred Tax Liability (Net) (b - a)		<u>375.26</u>		<u>132.85</u>

SCHEDULE FORMING PART OF THE ACCOUNTS

9. Segment Reporting

a) Information about Primary Business Segments

(Rs. in Lacs)

	Real Estate		Restaurant		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE						
External Revenue	19,415.26	12,146.69	523.91	460.08	19,939.17	12,606.77
Inter Segment Revenue	—	—	—	—	—	—
Total Revenue	19,415.26	12,146.69	523.91	460.08	19,939.17	12,606.77
RESULT						
Segment Result [Profit/(Loss)]	6,823.58	3,468.20	134.63	97.84	6,958.21	3,566.04
Un-allocated expenditure net of un-allocated income (excludes income from investment)					376.50	152.78
Operating Profit					6,581.71	3,413.26
Interest expenses					839.50	980.87
Interest/dividend income and surplus on disposal of investments					163.27	426.15
Income Tax					1,630.91	798.98
Profit after taxation and before exceptional items					4,274.56	2,059.55
Exceptional items					—	—
Net Profit					4,274.56	2,059.55
OTHER INFORMATION						
Segment assets	45,279.08	29,016.80	601.09	593.63	45,880.17	29,610.43
Unallocated corporate assets					5,768.50	3,280.22
Total Assets					51,648.67	32,890.65
Segment Liabilities	10,943.71	13,079.46	48.67	37.45	10,992.38	13,116.91
Unallocated corporate liabilities					25,399.75	10,129.75
Total Liabilities					36,392.13	23,246.67
Capital expenditure during the year	337.61	178.65	11.23	5.36	—	—
Depreciation	67.70	55.18	19.70	20.96	—	—
Deferred Revenue Expenditure written off	—	—	3.31	12.62	—	—
Non-cash expenses other than depreciation, deferred revenue expenditure (Advance written off)	2.00	—	0.16	—	—	—

b) Notes:

- (i) The Company is organised into two main business segments, namely, Real Estate Development and running Restaurants. Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure and the internal financial reporting systems.
- (ii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments .
- (iii) There are no secondary Segments.

SCHEDULE FORMING PART OF THE ACCOUNTS
10. Related Party Disclosures

The following transactions were carried out with the related parties in the ordinary course of business

a) Details relating to parties referred to item no. 1 to 5 below.

(Rs in Lacs)

Particulars	Current Year					Previous Year
	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Joint Venture / Associates	Total	Total
Remuneration						
Mr. Deepak Ansal		199.41			199.41	95.08
Ms. Divya Ansal			13.44		13.44	10.08
Mr. Kushagr Ansal		45.91			45.91	18.54
Total					258.76	123.70
Rent paid- Ms. Divya Ansal			10.14		10.14	7.80
Rent received						
Capital Cars Pvt. Ltd.				21.43	21.43	14.70
Ansals Clubs Ltd.				7.32	7.32	6.90
Total					28.75	21.60
Dividend Received						
Capital Cars Pvt. Ltd.				48.00	48.00	30.00
Interest on FDR's					—	4.91
Expenses Reimbursed to						
Geo Connect Ltd.	0.97				0.97	97.46
Others				2.30	2.30	2.93
Total					3.27	100.39
Expenses Reimbursed from						
Geo Connect Ltd.	75.33				75.33	11.17
Others				9.26	9.26	22.78
Total					84.59	33.95
Purchase of Fixed Assets from						
Capital Cars Pvt. Ltd.				29.69	29.69	-
Investment made during the year						
M/s A.R. Infrastructure Pvt. Ltd.	49.32				49.32	-
M/s A.R. Paradise Pvt. Ltd.	10.03				10.03	-
Others	3.01				3.01	31.82
Total					62.36	31.82
Advance paid to						
Anjuman Buildcon Pvt. Ltd.	2,568.46				2,568.46	727.06
Maestro Promoters Pvt. Ltd.	689.07				689.07	486.97
M/s Third Eye Media Pvt. Ltd.	768.75				768.75	-
M/s A.R. Paradise Pvt. Ltd.	715.58				715.58	-
Others	741.85				741.85	2,425.12
Total					5,483.71	3,639.15
Advance Adjusted						
Anjuman Buildcon Pvt. Ltd.	973.77				973.77	-
Wrangler Builders Pvt. Ltd.	236.70				236.70	-
Maestro Promoters Pvt. Ltd.	298.17				298.17	515.30
M/s A.R. Infrastructure Pvt. Ltd.	271.84				271.84	-
Others	27.85				27.85	-
Total					1,808.33	515.30

Contd..

SCHEDULE FORMING PART OF THE ACCOUNTS						(Rs in Lacs)
Particulars	Current Year					Previous Year
	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Joint Venture / Associates	Total	Total
Profit share to						
Anjuman Buildcon Pvt. Ltd.	6.12				6.12	-
Wrangler Builders Pvt. Ltd.	5.63				5.63	-
Maestro Promoters Pvt. Ltd.	3.67				3.67	1.13
M/s A.R. Infrastructure Pvt. Ltd.	5.19				5.19	-
Others	2.19				2.19	-
Total					22.80	1.13
Advance Outstanding as on 31.03.07						
Geo Connect Ltd.	1,920.89				1,920.89	1,562.93
Anjuman Buildcon Pvt. Ltd.	3,295.52				3,295.52	727.00
Wrangler Builders Pvt. Ltd.	1,355.44				1,355.44	1,010.19
Maestro Promoters Pvt. Ltd.	1,555.48				1,555.48	866.41
Others	1,781.49				1,781.49	-
Total					9,908.82	4,166.53
Loan repaid						
Geo Connect Ltd.	526.00				526.00	145.00
Loan given outstanding as at 31.03.2007						
Geo Connect Ltd.	934.54				934.54	1,430.51
Investment made outstanding as at 31.03.2007						
Housing & Construction Lanka Pvt. Ltd.	356.82			-	356.82	356.82
Geo Connect Ltd.	489.72			-	489.72	489.72
Capital Cars Pvt. Ltd.	-			480.00	480.00	480.00
Others	65.35			0.01	65.36	3.01
Total					1,391.90	1,329.55
Debtors						
Ansal Properties & Industries Ltd.				232.14	232.14	233.79
Outstanding in Current Account (Credit) as on 31.03.07						
Geo Connect Ltd.	101.75			-	101.75	131.77
Ansal Buildwel Ltd.	-			45.84	45.84	46.14
Others	-	1.27	0.12	0.22	1.62	62.24
Total					149.21	240.15
Outstanding in Current Account (Debit) as on 31.03.07						
Chiranjiv Bharti School				21.86	21.86	22.64
Ansal Clubs Ltd.				51.66	51.66	40.94
Capital Cars Pvt. Ltd.	-				-	1.74
Total					73.52	65.32
Guarantees & Collaterals Given as on 31.03.07						
Geo Connect Ltd.	-				-	120.00
Guarantees & Collaterals taken From as at 31.03.07						
Geo Connect Ltd.	-				-	1,000.00
Mr. Deepak Ansal		10,274.50			10,274.50	7,980.62
Advance Received					-	259.00
Advance Refunded						291.25

Contd..

SCHEDULE FORMING PART OF THE ACCOUNTS

(Rs in Lacs)

	Current Year					Previous Year
	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Joint Venture / Associates	Total	Total
Equity Shares Allotted (including share premium)						
Mr. Deepak Ansal		110.17			110.17	110.17
Ms. Divya Ansal			52.87		52.87	52.87
Mr. Kushagr Ansal		62.64			62.64	62.64
Mr. Karun Ansal			58.35		58.35	58.35
M/s. Deepak Ansal (HUF)			0.50		0.50	0.50
Sungrace Securities Services Pvt. Ltd.				53.07	53.07	53.07
Snow White Cable Network Pvt. Ltd.				30.87	30.87	30.87
Glorious Properties Pvt. Ltd.				55.81	55.81	55.81
Global Consultants & Designers Pvt. Ltd.				81.60	81.60	41.70
Akashdeep Portfolios Pvt. Ltd.				12.82	12.82	12.82
Total					518.70	478.80
Money Received against warrants						
Mr. Deepak Ansal		99.16			99.16	121.18
Ms. Divya Ansal			47.58		47.58	58.15
Mr. Kushagr Ansal		56.38		-	56.38	68.90
Mr. Karun Ansal			52.52		52.52	64.18
M/s. Deepak Ansal (HUF)			0.45		0.45	0.54
Sungrace Securities Services Pvt. Ltd.				47.76	47.76	58.36
Snow White Cable Network Pvt. Ltd.				27.79	27.79	33.95
Glorious Properties Pvt. Ltd.				50.23	50.23	61.39
Global Consultants & Designers Pvt. Ltd.				73.44	73.44	49.84
Akashdeep Portfolios Pvt. Ltd.				11.54	11.54	14.09
Total					466.85	530.58
Amount received against warrants outstanding as on 31.03.07					-	51.87
Deposits Repaid to						
Geo Connect Limited	27.00				27.00	-
Moon Light Electric Co. Pvt. Ltd.				57.78	57.78	-
Others					-	76.00
Total					84.78	76.00
Deposits Received from						
Geo Connect Limited	123.82				123.82	-
Others					-	33.00
Total	123.82				123.82	33.00
Dividend Paid for the Year 2005-06						
Mr. Deepak Ansal		19.78			19.78	11.58
Ms. Divya Ansal			9.49		9.49	5.53
Mr. Kushagr Ansal		11.24	-		11.24	6.26
Mr. Karun Ansal			10.47		10.47	6.10
M/s. Deepak Ansal (HUF)			0.09		0.09	-
Sungrace Securities Services Pvt. Ltd.				9.53	9.53	5.55
Snow White Cable Network Pvt. Ltd.				5.55	5.55	3.23
Glorious Properties Pvt. Ltd.				10.01	10.01	5.83
Global Consultants & Designers Pvt. Ltd.				10.61	10.61	6.44
Akashdeep Portfolios Pvt. Ltd.				2.30	2.30	1.28
Total					89.07	51.80

SCHEDULE FORMING PART OF THE ACCOUNTS

b) Names of the related parties and description of relationship :

1. Wholly Owned Subsidiaries
 - M/s Geo Connect Ltd. (Formerly known as Callnet India Ltd.)
 - M/s Housing & Construction Lanka Pvt. Ltd.
 - M/s Maestro Promoters Pvt. Ltd.
 - M/s Wrangler Builders Pvt. Ltd.
 - M/s Anjuman Buildcon Pvt. Ltd.
 - M/s A R Infrastructure Pvt. Ltd.
 - M/s A R Paradise Pvt. Ltd.
 - M/s Fenny Real Estates Pvt. Ltd.
 - M/s Third Eye Media Pvt Ltd.
2. Key Management Personnel
 - Mr. Deepak Ansal (Chairman & Managing Director)
 - Mr. Kushagr Ansal (Whole Time Director)
3. Relatives of Key Management Personnel
(With whom transaction taken place during the year)
 - Mrs. Divya Ansal (wife of Mr. Deepak Ansal)
 - Mr. Karun Ansal (son of Mr. Deepak Ansal)
 - Mr. Deepak Ansal (H.U.F.- Karta Mr. Deepak Ansal)
 - M/s Capital Cars Pvt. Ltd.
4. Joint Venture
5. **Associates**
 - 5.1 Enterprise in which Key Management personnel having substantial interest
 - M/s Infinet India Ltd.
 - M/s Akash Deep Portfolios Private Ltd.
 - 5.2 Enterprises in which relative of Key Management personnel having substantial interest
 - M/s Ansal Properties & Industries Ltd.
 - M/s Ansal Buildwell Ltd.
 - M/s Chiranjiv Bharti School
 - M/s Ansal Clubs Ltd.
 - M/s Moonlight Electric Company Private Ltd.
 - M/s Sungrace Security Services Private Ltd.
 - M/s Snow White Cable Network Private Ltd.
 - M/s Global Consultant & Designers Private Ltd.
 - M/s Glorious Properties Private Ltd.

11. Disclosure of loans and advances in the nature of loans to Subsidiaries and Associates: (Rs. In Lacs)

Name of the Company	Relation	As at 31st March, 2007	Maximum Balance
M/s Geo Connect Limited (Interest free)	Wholly owned Subsidiary Company	934.54	1,430.51

12. Particulars of Earning per share (Basic & Diluted)	Current Year	Previous Year
Net Profit for the year after prior period items (Rs. in Lacs) (Numerator)	4,274.56	2,059.55
Number of Equity shares at the beginning of the year	1,44,29,544	1,27,82,520
Number of Equity shares at the year end	1,67,09,544	1,44,29,544
Weighted Average number of equity shares outstanding during the year (Denominator)	1,50,57,434	1,35,77,746
Nominal value of the equity share (Rs.)	10.00	10.00
Basic & diluted earning per share (Rs.)	28.39	15.17

13. Disclosure in respect of Company's Joint Venture entity in India pursuant to Accounting Standard 27 ' Financial Reporting of Interests in Joint Ventures' issued by the Institute of Chartered Accountants of India.

a) Name of the Venture	Proportion of Ownership interest as at 31st March 2007	Proportion of Ownership interest as at 31st March 2006
Capital Cars Private Limited (incorporated in India)	40.00%	40.00%
b) The aggregate of Company's share in the above venture in :	Rs in Lacs	Rs in Lacs
Assets		
Net Fixed Assets	1034.74	943.56
Net Current Assets	1474.12	691.46
Miscellaneous Expenditure to the extent not written off	6.14	0.01
Liabilities		
Share Capital	480.00	480.00
Loans Taken	1708.02	904.94
Deferred Tax Liability	41.14	45.60
Income		
Sale of Goods & Services	14460.21	9957.12
Other Income	120.00	124.75
Expenditure		
Cost of Sales	13620.75	9359.47
Employes Costs	239.62	179.69
Operating & other Expenses	357.34	305.28
Interest & Finance Charges	86.77	32.85
Depreciation	67.64	58.43
Tax Expense	70.58	47.37
Contingent Liabilities	2.28	2.28
Capital Commitment	—	—

SCHEDULE FORMING PART OF THE ACCOUNTS

14. Information pursuant to Part-II of Schedule-VI to the Companies Act, 1956.

	Current Year		Previous Year	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
a) Consumption of Building Materials *				
Bricks (Nos)	14,09,839	39,04,899	21,71,424	51,25,456
Cement (Bags)	67,658	1,54,04,962	74,042	1,17,18,768
Steel (MT)	713	2,06,71,586	965	2,22,04,099
Others**(Grit, Badarpur, Sand and Stores)	—	10,80,83,275	—	10,90,06,196

* Quantities issued to Contractors on recoverable basis are not treated as consumption

** Items being too many, quantitative details are not practicable.

b) Value of Imports calculated on C.I.F. Basis in respect of			
- Project Material		—	49,67,234
c) Earning in foreign currency through credit cards as per bank certificates/advices		31,70,392	27,47,348
d) Expenditure in Foreign Currency (charged to Profit & Loss account)			
- Travelling		30,44,549	13,14,513
- Professional Fee		20,95,154	—
e) Other requirements are not applicable			

15. The Ministry of Company Affairs in exercise of its powers conferred by sub-section (4) of section 211 of the Companies Act, 1956 by its Order No. 46/53/2007-CL-III Dated 4th May 2007 has exempted the Company from giving details in respect of purchase, consumption, turnover, stock etc. of the hospitality division for the years ended 31st March 2007. However, the said Order requires the Company to disclose certain additional particulars which are given below:

(a) Income from Food and Beverage and Other Services for the year include income from Wine and Liquor Rs.126.63 lacs (Previous Year Rs.144.86 lacs) and Telephone and Telex Rs.Nil (Previous Year Nil) respectively.

(b) The break-up of consumption of Provisions, Beverages, Stores, Wines & Smokes are as follows :

	Current Year			Previous Year		
	Provisions, Beverages, Stores (excluding wine and liquor) and Smokes	Wine and Liquor	Total	Provisions, Beverages, Stores (excluding wine and liquor) and Smokes	Wine and Liquor	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening	12,30,997	5,05,226	17,36,223	12,76,901	5,99,242	18,76,143
Add: Purchases	1,21,34,714	27,51,117	1,48,85,831	1,08,74,466	29,17,139	1,37,91,605
	1,33,65,711	32,56,343	1,66,22,054	1,21,51,367	35,16,381	1,56,67,748
Less: Closing Stock	14,41,106	2,74,034	17,15,140	12,30,997	5,05,226	17,36,223
Consumption during the year	1,19,24,605	29,82,309	1,49,06,914	1,09,20,369	30,11,155	1,39,31,525

16. Previous Year figures have been regrouped/rearranged wherever considered necessary, to make them comparable with Current Year's figures.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

State Code	55
Registration No.	16821
Balance Sheet date	31.03.2007

Capital raised during the year

Public Issue :	Rs. Nil
Right Issue :	Rs. Nil
Bonus Issue :	Rs. Nil
Private Placement :	Rs. 2,28,00,000

Position of mobilisation and deployment of funds

Total Liabilities	Total Assets
Rs. 3,96,96,25,926	3,96,96,25,926

Sources of funds

Paid up Capital	Reserve and Surplus
Rs. 16,80,27,320	Rs. 1,35,76,26,493
Secured Loans	Unsecured Loans
Rs. 97,00,95,158	Rs. 1,43,63,51,377
Deferred Tax Liability (Net)	
Rs. 3,75,25,578	

Application of funds

Net Fixed Assets	Investments
Rs. 20,82,08,115	Rs. 39,54,79,666
Net Current Assets	Misc. Expenditure
Rs. 3,36,59,38,145	Rs. 0

Performance of the Company

Turnover	Total Expenditure
Rs. 2,01,46,37,526	Rs. 1,42,40,90,398
Profit/(Loss) before tax	Profit/(Loss) after tax
Rs. 59,05,47,128	Rs. 42,74,55,642
Earnings per share	Dividend rate
Rs. 28.39	18%

Generic Names of three Principal Products/ Services of Company

Item Code No. (ITC Code)	N.A.
Product Description	Real Estate Deveploment/ Promotion & Construction of High rise commercial & Residential Buildings. Hospitality Services including Food & Beverages

Deepak Ansal
Chairman & Managing Director

Kushagr Ansal
Whole-time Director

Mohinder Bajaj
V.P. & Company Secretary

S.L.Chopra
Director

S.L.Kapur
Director

Sanjay Mehta
Chief Finance Officer

Place: New Delhi
Date : 26 June, 2007

Ashok Khanna
Director

Pradeep Anand
Director

Tarun Kathuria
Sr.General Manager (Finance)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	Rs.	Current Year Rs.	Previous Year Rs.
A. Cash flow from Operating Activities:			
Net profit before Tax, Appropriations and Extra-Ordinary items		59,05,47,128	28,58,53,776
Adjustment for :			
Loss on Sale of fixed assets	3,44,159		2,25,115
Depreciation	89,62,611		78,39,475
Amount written off	2,16,100		—
Miscellaneous expenditure written off	3,30,750		12,61,864
Interest & finance charges	8,39,50,411		9,80,86,606
Investment income	(1,17,28,021)		(42,62,340)
Profit on sale of Assets	(9,377)		(45,28,942)
Loss on sale of Investment	68,83,160		—
Profit on sale of Investment	(45,98,614)	8,43,51,179	(3,83,52,299)
Operating profit before Working Capital changes		67,48,98,307	34,61,23,255
Adjustments for Working Capital changes			
Increase/(Decrease) in Creditors & other Liabilities	(20,02,61,743)		39,49,44,869
Decrease/(Increase) in Inventories	4,13,78,577		(21,47,36,719)
Decrease/(Increase) in Sundry Debtors	(23,87,15,362)		(12,79,62,719)
Decrease/(Increase) in Loans and Advances	(1,34,12,76,701)	(1,73,88,75,229)	(80,67,41,033)
Cash generated from Operation		(1,06,39,76,922)	(40,83,72,347)
Direct Taxes Receipt/(Paid)	(16,39,85,388)	(16,39,85,388)	(4,63,51,593)
NET CASH FROM OPERATING ACTIVITIES		(1,22,79,62,310)	(45,47,23,940)
B. Cash flow from Investing Activities:			
Sale of Investments	66,18,04,207		11,01,53,349
Investment Income received	1,17,28,021		42,62,340
Loan to Subsidiary company	3,61,12,789		1,44,28,331
Sale of Fixed Assets	4,00,196		2,62,11,359
Purchase of Fixed assets	(3,48,84,194)		(1,84,00,912)
Purchase of Investment	(92,50,35,730)		(48,98,279)
NET CASH FROM INVESTING ACTIVITIES		(24,98,74,711)	13,17,56,188
C. Cash flow from Financing Activities :			
Proceeds from issuance of			
- Share Capital & Warrant	17,06,58,000		13,99,92,000
Net Proceeds from Short Term Borrowing	17,48,30,161		—
Proceeds from Long Term Borrowing	1,59,93,96,000		41,82,56,000
Repayment of Long Term Borrowing	(32,96,64,880)		(11,95,98,731)
Interest & Finance Charges paid	(4,91,86,202)		(9,90,70,685)
Payment of Dividend/transferred to Investor Education and Protection Fund	(2,39,46,892)		(1,43,64,375)
NET CASH USED IN FINANCING ACTIVITIES		1,54,20,86,186	32,52,14,209
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,42,49,166	22,46,457
CASH AND CASH EQUIVALENTS (OPENING BALANCE)		7,21,30,314	6,98,83,857
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)		13,63,79,480	7,21,30,314

Note :

- Cash and cash equivalents include cash & cheques in hand and balance with Schedule Banks and amount tallies with the amount disclosed in schedule 7 to the Balance Sheet.
- Previous Year figures have been regrouped/rearranged wherever considered necessary, to make them comparable with Current Year's figures.

Deepak Ansal
Chairman & Managing Director

Kushagr Ansal
Whole-time Director

Mohinder Bajaj
V.P. & Company Secretary

S.L.Chopra
Director

S.L.Kapur
Director

Sanjay Mehta
Chief Finance Officer

Place : New Delhi
Date : 26th June, 2007

Ashok Khanna
Director

Pradeep Anand
Director

Tarun Kathuria
Sr.General Manager (Finance)

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of **Ansal Housing & Construction Ltd.** derived from the audited financial statement for the year ended 31st March, 2007 and found the same to be drawn in accordance therewith and also with the requirements on Clause 32 of the Listing Agreement with Stock Exchange.

For KHANNA & ANNADHANAM
Chartered Accountants

(P.S. PABREJA)
Partner

Membership No. 10692

Place : New Delhi
Date : 26th June, 2007

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1	Name of subsidiary Companies	Housing & Construction Lanka Pvt. Ltd.	Geo Connect Ltd.	Maestro Promoters Pvt. Ltd.	Wrangler Builders Pvt. Ltd.	A.R. Paradise Pvt. Ltd.	Fenny Real Estate Pvt. Ltd.	A.R. Infrastructure Pvt. Ltd.	Third Eye Media Pvt. Ltd.	Anjuman Buildcon Pvt. Ltd.
2	No. of Shares held in the subsidiary Company by Ansal Housing & Construction Ltd. As at 31.03.2007	6848100	4879250	10000	10000	10000	20000	49200	10000	10000
3	Face value of Shares	SLR 10/- each	Rs.10/- each	Rs.10/- each	Rs.10/- each	Rs.100/- each	Rs.10/- each	Rs.10/- each	Rs.10/- each	Rs.10/- each
4	Percentage of holding in the subsidiary Company	100%	100%	100%	100%	100%	100%	100%	100%	100%
5	Financial Year of the subsidiary ended on	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007
6	Net aggregate amount of Profit/(Loss) of the subsidiary so far as these concern members of the Company									
	a) Dealt with in the accounts of the Company for the period ended 31st March,2007									
	(i) For the Financial Year of the subsidiary	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(ii) For the previous financial years of the subsidiary since this become subsidiary of Ansal Housing & Construction Ltd.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	b) Not dealt with in the accounts of the Company for the period ended 31st March,2006									
	(i) For the Financial Year of the subsidiary	Rs. (35,06,681) SLR (82,22,855)	291,26,034	1,39,255	3,30,265	44,214	1,11,823	3,05,280	(16,423)	3,08,025
	(ii) For the previous financial years of the subsidiary since this become subsidiary of Ansal Housing & Construction Ltd.	Rs. (46,85,774) SLR (1,07,33,845)	32,71,386	66,441	(46,361)	NIL	NIL	NIL	NIL	(69,380)

Notes:

- i) Currency converted into Indian Rupees at the Exchange rate, 1SLR =0.4265 INR

For and behalf of the Board of Directors

Place : New Delhi
Date : 23rd August,2007

(DEEPAK ANSAL)
Chairman & Managing Director

STATEMENT REGARDING SUBSIDIARY COMPANIES

(Rs. in lacs)

ITEM	Housing & Construction Lanka Pvt. Ltd.	Geo Connect Ltd.	Maestro Promoters Pvt. Ltd.	Wrangler Builders Pvt. Ltd.	A.R. Paradise Pvt. Ltd.	Fenny Real Estate Pvt. Ltd.	A.R. Infrastructure Pvt. Ltd.	Third Eye Media Pvt. Ltd.	Anjuman Buildcon Pvt. Ltd.
Funds Employed									
Issued and Subscribed Share Capital	356.82	487.93	1.00	1.00	10.00	2.00	4.92	1.00	1.00
Share Application Money	134.85	-	-	-	-	-	-	-	39.00
Reserves	-	-	1.71	2.26	0.21	-	46.62	-	2.39
Liabilities									
- Secured Loans	-	-	-	-	-	-	-	-	-
- Unsecured Loans	-	934.54	-	0.08	-	-	114.48	0.23	-
Total	491.67	1422.46	2.71	3.34	10.21	2.00	166.02	1.23	42.39
Application of Funds									
Fixed Assets									
- Net Block	5.43	377.32	-	-	-	-	0.03	-	-
Investments	-	-	-	11.58	0.00	0.00	0.00	0.00	-
Net Current Assets	321.70	(446.07)	2.71	(8.24)	9.93	1.69	165.87	0.50	41.68
Deffered Tax Asset (Net)	-	501.71	-	-	-	-	-	-	-
Miscellaneous Expenditure	-	-	-	-	0.28	0.06	0.12	-	0.71
Profit & Loss Account	164.54	989.50	-	-	-	0.25	-	0.72	-
Total	491.67	1422.46	2.71	3.34	10.21	2.00	166.02	1.23	42.39
Turnover	130.56	1558.92	2.62	5.63	0.80	1.39	5.21	-	6.28
Profit/(Loss) before Taxation	(35.07)	443.46	2.15	5.13	0.49	1.12	3.85	(0.16)	4.68
Provision for Taxation	-	(148.27)	(0.76)	(1.83)	(0.04)	(0.01)	(0.78)	-	1.60
Profit/(Loss) after Taxation	(35.07)	295.18	1.39	3.30	0.44	1.12	3.07	(0.16)	6.28
Proposed Dividend	-	-	-	-	-	-	-	-	-

Notes:

- i) Currency converted into Indian Rupees at the Exchange rate, 1SLR =0.4265 INR
- ii) The above data in respect of the subsidiaries are as on 31st March,2007.
- iii) The consolidated annual accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary company investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be available for inspection in its head office and head office of the subsidiary companies concerned.

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF THE ANSAL HOUSING & CONSTRUCTION LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached consolidated Balance Sheet of Ansal Housing & Construction Limited (AHCL), its subsidiaries and joint venture as at 31st March 2007, consolidated Profit & Loss Account and the consolidated Cash Flow Statement for the year ended on that date.
2. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements of the Parent Company, its Subsidiaries and Joint Venture for the year ended 31st March, 2007. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.
3. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.
4. We did not audit the financial statements of nine Subsidiaries – Geo Connect Limited, Anjuman Buildcon Private Limited, Wrangler Builders Private Limited, Maestro Promoters Private Limited, A.R. Paradise Private Limited, Third Eye Media Private Limited, Fenny Real Estate Private Limited, A.R. Infrastructure Private Limited, Housing & Construction Lanka Private Limited and one Joint Venture Company – Capital Cars Private Limited whose financial statements reflect total assets of Rs.16798.68 lacs as at 31st March 2007 and total revenue of Rs.17466.63 lacs for the year then ended and net cash flows from operating activities of Rs.563.79 lacs. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and Joint Venture is based solely on the reports of the other auditors.
5. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21- "Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India, on the basis of the separate financial statements of the Company, its Subsidiary Companies and Joint Venture included in the Consolidated Financial Statements.
6. To the best of our information and according to the explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and the aforesaid Subsidiaries and Joint Venture Companies, in our opinion the attached consolidated financial statements read with accounting policies and notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2007.
 - (ii) in the case of Consolidated Profit & Loss Account, of the profit of the Group for the year ended on that date.
 - (iii) In the case of Consolidated Cash Flow Statement, of consolidated cash flows of the Group, for the year ended on that date.

For KHANNA & ANNADHANAM
Chartered Accountants

(P.S. PABREJA)
Partner
Membership No.10692

Place: New Delhi
Date : 23rd August, 2007

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULE	As at		As at	
		31st March, 2007	31st March, 2006	31st March, 2007	31st March, 2006
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	16,80,27,320		14,52,27,320	
Amount received against Convertible Warrants		—		1,89,62,000	
Reserves and Surplus	2	1,30,36,53,801		71,38,82,782	
			1,47,16,81,121		87,80,72,102
Subsidiary's' Share Application Money			39,00,000		39,00,000
Loan Funds					
Secured Loans	3	1,08,88,97,240		74,53,90,918	
Unsecured Loans	4	1,49,98,30,215		31,29,67,918	
			2,58,87,27,455		1,05,83,58,836
			4,06,43,08,576		1,94,03,30,938
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	61,31,16,767		56,57,47,194	
Less : Depreciation		23,56,62,648		20,10,38,006	
Net Block			37,74,54,119		36,47,09,188
Investments	6		25,74,48,147		27,36,500
Current Assets, Loans and Advances					
Inventories		1,89,15,25,519		1,66,51,78,744	
Sundry Debtors		82,39,27,292		48,44,82,139	
Cash and Bank Balances		21,16,12,534		9,13,76,375	
Loans and Advances		1,91,66,06,537		82,66,79,342	
		4,84,36,71,882		3,06,77,16,600	
Less : Current Liabilities & Provisions	8				
Current Liabilities		1,37,57,80,849		1,50,66,84,208	
Provisions		4,77,01,352		3,57,81,328	
		1,42,34,82,201		1,54,24,65,536	
Net Current Assets			3,42,01,89,681		1,52,52,51,064
Deferred Tax Asset (Net)		1,26,45,743		5,17,68,640	
Group share in Joint Venture		(41,13,802)	85,31,941	(45,60,598)	4,72,08,042
Miscellaneous Expenditure					
(to the extent not written off or adjusted)	9		6,84,688		4,26,144
			4,06,43,08,576		1,94,03,30,938
ACCOUNTING POLICIES					
AND FINANCIAL NOTES					
Schedules referred to above form an integral part of the Consolidated Accounts					

As per our Report of even date attached
For KHANNA & ANNADHANAM
Chartered Accountants

Deepak Ansal
Chairman & Managing Director

Kushagr Ansal
Whole-time Director

Mohinder Bajaj
V.P. & Company Secretary

(P.S.Pabreja)
Partner
Membership No.10692

S.L.Chopra
Director

S.L.Kapur
Director

Sanjay Mehta
Chief Finance Officer

Place: New Delhi
Date : 23 August, 2007

Ashok Khanna
Director

Tarun Kathuria
Sr.General Manager (Finance)

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	SCHEDULE	Current Year		Previous Year	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales & Other Income	10		3,63,56,18,081		2,41,52,32,954
Increase/(Decrease) in Stocks	11		<u>(2,56,93,656)</u>		<u>3,49,65,090</u>
			<u>3,60,99,24,425</u>		<u>2,45,01,98,044</u>
EXPENDITURE					
Cost of Construction	12		1,06,63,76,876		80,59,88,882
Consumption of Food, Beverages etc	13		1,49,06,913		1,39,31,525
Cost of Sales - Share of Joint Venture			1,36,14,00,101		94,13,07,316
Administrative Expenses	14		38,89,94,918		24,96,01,742
Interest Expenses	15		9,26,53,993		10,24,88,669
Depreciation		2,49,69,544		2,37,06,582	
Group share in Joint Venture		<u>67,63,890</u>		<u>58,42,634</u>	
		3,17,33,434		2,95,49,216	
Impairment Loss		<u>47,32,817</u>		<u>93,93,380</u>	
			<u>3,64,66,251</u>		<u>3,89,42,596</u>
			<u>2,96,07,99,051</u>		<u>2,15,22,60,730</u>
Profit Before Tax			64,91,25,374		29,79,37,314
Less : Provision for Taxation					
- Current Tax		12,90,02,167		7,67,46,061	
- Deferred Tax		3,90,67,889		34,69,237	
- Fringe Benefit Tax		<u>23,69,462</u>		<u>15,96,230</u>	
		17,04,39,518		8,18,11,528	
Group share in Joint Venture		<u>70,88,542</u>		<u>47,36,686</u>	
Profit after Tax Before Prior Period Items			47,15,97,314		21,13,89,100
Less : Prior Period Items					
- Tax Adjustment for earlier years			81,70,781		—
- Prior Period Expenses			<u>1,73,838</u>		<u>540</u>
Profit after Tax			46,32,52,694		21,13,88,560
Less : Amount Capitalised as Capital Reserve			—		640
Profit after Tax , before Appropriations			46,32,52,694		21,13,87,920
Add : Balance Brought Forward -Group			28,14,66,755		12,16,35,749
Add : Balance Brought Forward- Group share in Joint Venture		2,52,49,338		2,30,56,944	
Less : Adjustment on part disposal of Investment		—		<u>40,11,389</u>	
			<u>76,99,68,787</u>		<u>35,20,69,224</u>
APPROPRIATIONS					
Proposed Dividend		3,00,77,179		2,16,44,316	
Dividend Tax		51,11,617		30,35,615	
Transfer to General reserve		5,00,00,000		2,00,00,000	
Dividend Tax - Group share in Joint Venture		<u>8,15,760</u>		<u>6,73,200</u>	
Balance Carried to Balance Sheet			<u>68,39,64,231</u>		<u>30,67,16,093</u>
Earnings per share					
Basic and Diluted Earning per share (Rs.)			30.77		15.57

ACCOUNTING POLICIES

AND FINANCIAL NOTES

Schedule referred to above form an integral part of the Consolidated Accounts

As per our Report of even date attached

For KHANNA & ANNADHANAM
Chartered Accountants

Deepak Ansal
Chairman & Managing Director

Kushagr Ansal
Whole-time Director

Mohinder Bajaj
V.P. & Company Secretary

(P.S.Pabreja)
Partner
Membership No.10692

S.L.Chopra
Director

S.L.Kapur
Director

Sanjay Mehta
Chief Finance Officer

Place : New Delhi
Date : 23 August, 2007

Ashok Khanna
Director

Tarun Kathuria
Sr.General Manager (Finance)

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	Rs.	As at 31st March, 2007 Rs.	Rs.	As at 31st March, 2006 Rs.
SCHEDULE 1				
SHARE CAPITAL				
AUTHORISED				
1,99,90,000 Equity Shares of Rs.10/- each		19,99,00,000		19,99,00,000
5,01,000 Redeemable Cumulative Preference Shares of Rs.100/-each		<u>5,01,00,000</u>		<u>5,01,00,000</u>
		<u>25,00,00,000</u>		<u>25,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP				
1,67,09,544 (Previous year 1,44,29,544) Equity Shares of Rs.10/- each fully paid for cash		16,70,95,440		14,42,95,440
Add : Forfeited Shares		<u>9,31,880</u>		<u>9,31,880</u>
		<u>16,80,27,320</u>		<u>14,52,27,320</u>

Notes

During the year, following shares were allotted on conversion of warrants:
- 5,00,000 equity shares at a premium of Rs. 56.50 per share to non-promoters.
- 7,80,000 equity shares at a premium of Rs. 56.50 per share to promoters.
- 10,00,000 equity shares at a premium of Rs. 94.50 per share to non-promoters.

	Rs.	As at 31st March, 2007 Rs.	Rs.	As at 31st March, 2006 Rs.
SCHEDULE 2				
RESERVES AND SURPLUS				
REVALUATION RESERVE				
As per last Balance Sheet	7,56,50,443		7,73,20,387	
Less : Transferred to Profit & Loss A/c	<u>16,69,944</u>		<u>16,69,944</u>	
		7,39,80,499		7,56,50,443
SECURITIES PREMIUM ACCOUNT				
As per last Balance Sheet	24,35,89,730		14,07,59,730	
Add: Received during the year	<u>16,68,20,000</u>		<u>10,28,30,000</u>	
		41,04,09,730		24,35,89,730
FOREIGN CURRENCY TRANSLATION RESERVE				
As per last Balance Sheet	(9,16,019)		(5,52,475)	
Add: Exchange differences arising during the year on translation of financial statement of a non-integral foreign operation.	<u>(26,27,175)</u>	(35,43,194)	<u>(3,63,544)</u>	(9,16,019)
GENERAL RESERVE				
As per last Balance Sheet	8,88,42,535		6,88,42,535	
Add : Transferred from Profit & Loss Account	<u>5,00,00,000</u>		<u>2,00,00,000</u>	
		13,88,42,535		8,88,42,535
PROFIT & LOSS ACCOUNT - BALANCE				
Group share in Joint Venture		65,05,79,621		28,14,66,755
		<u>3,33,84,610</u>		<u>2,52,49,338</u>
		<u>1,30,36,53,801</u>		<u>71,38,82,782</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2007		As at 31st March, 2006	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 3 SECURED LOANS				
From Scheduled Banks*				
Term Loans**	11,85,12,748		3,73,13,388	
Cash Credits	32,42,66,134		41,24,36,516	
	<u>44,27,78,882</u>		<u>44,97,49,904</u>	
Add: Interest Accrued and due (Since Paid)	1,15,496		9,95,635	
	<u>44,28,94,378</u>		<u>45,07,45,539</u>	
Group share in Joint Venture @	11,88,02,082	56,16,96,460	5,04,93,412	50,12,38,951
From Corporate Bodies***				
Term Loans**	52,68,50,188		24,41,51,967	
Add: Interest Accrued and due	3,50,592	52,72,00,780	—	24,41,51,967
		<u>1,08,88,97,240</u>		<u>74,53,90,918</u>

* The loans from Scheduled Banks are secured by charge over stocks of materials, vehicles, unsold finished stock, construction work-in-progress, book-debts, Kitchen Equipments, Furniture, Fixtures and other assets of Restaurants, equitable mortgage of land under projects, Commercial flats, office premises of the Company and also guaranteed by Chairman & Managing Director.

** Due within one year Rs. 3726.35 Lacs (Previous year Rs.805.93 lacs)

*** The loans from Corporate Bodies are secured by mortgage of unsold flats/lands, the personal properties of Chairman & Managing Director and his relatives, pledge of promoters equity, shares of Joint Venture Company, assignment of rent receivables and guaranteed by the Chairman & Managing Director.

@ Share of loan in Joint Venture is secured by parri passu first charge on current assets and movable fixed assets and further secured by deposit of title deed of the building.

**SCHEDULE 4
UNSECURED LOANS**

	As at 31st March, 2007		As at 31st March, 2006	
	Rs.	Rs.	Rs.	Rs.
Debentures*				
Unsecured Non Convertible debentures		1,00,00,00,000		—
Deposits From Public		22,37,37,500		13,62,95,000
Term Loans **				
From Bank	20,97,18,338		9,99,72,918	
From Corporate Bodies	1,26,30,000		3,67,00,000	
	<u>22,23,48,338</u>		<u>13,66,72,918</u>	
Add: Interest Accrued and due	17,44,377			
	<u>22,40,92,715</u>			
Group share in Joint Venture @	5,20,00,000	27,60,92,715	4,00,00,000	17,66,72,918
		<u>1,49,98,30,215</u>		<u>31,29,67,918</u>

* During the year, the Parent Company has issued unsecured redeemable debentures of the face value of Rs. 100 crores to LIC Mutual Fund with tenure of 364 days. These debentures are due for redemption on 27 Nov, 2007.

** Guaranteed by Chairman & Managing Director and corporate guarantee of M/s Geo Connect Ltd. (Wholly owned subsidiary company)

** Due within one year Rs. 2502.00 lacs (Previous year Rs. 1366.73 lacs)

@ Guaranteed by Itochu Corporation, Japan, Joint Venturer

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET
SCHEDULE 5
FIXED ASSETS

PARTICULARS	AS AT 1.4.2006		ADDITIONS DURING THE YEAR		GROSS BLOCK		SALES/ADJUSTMENTS DURING THE YEAR		AS AT 31-3-2007		UPTO 31-3-2006 YEAR ENDED 31.03.2007		FOR THE YEAR ENDED 31.03.2007		DEPRECIATION		ADJUSTMENTS DURING THE YEAR		TOTAL UPTO 31-3-2007		NET BLOCK		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Goodwill on Consolidation	2,86,14,720	3,52,858	—	2,89,67,578	—	2,89,67,578	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Plant & Machinery	6,19,11,989	1,07,97,699	26,618	7,26,83,070	26,618	7,26,83,070	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Vehicles	3,45,83,117	1,76,82,136	21,57,450	5,01,07,803	21,57,450	5,01,07,803	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Office Equipments	93,00,408	12,93,489	28,296	1,05,65,601	28,296	1,05,65,601	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Furniture & Fixtures	2,84,84,541	19,26,527	22,960	3,03,88,108	22,960	3,03,88,108	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Air Conditioners & Refrigerators	1,98,89,116	5,56,626	—	2,04,45,742	—	2,04,45,742	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Office Premises	16,34,99,070	—	—	16,34,99,070	—	16,34,99,070	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Computers	9,61,97,007	29,86,428	—	9,91,83,435	—	9,91,83,435	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Kitchen Equipments	43,65,308	6,570	—	43,71,878	—	43,71,878	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Sub Total	44,68,45,276	3,56,02,333	22,35,324	48,02,12,285	22,35,324	48,02,12,285	17,21,17,205	2,68,94,472	14,56,499	19,75,55,178	17,21,17,205	2,68,94,472	14,56,499	19,75,55,178	28,26,57,107	27,47,28,071	4,30,920	—	—	—	—	—	—
Capital Work In Progress	—	4,30,920	—	4,30,920	—	4,30,920	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total	44,68,45,276	3,60,33,253	22,35,324	48,06,43,205	22,35,324	48,06,43,205	17,21,17,205	2,68,94,472	14,56,499	19,75,55,178	17,21,17,205	2,68,94,472	14,56,499	19,75,55,178	28,30,88,027	27,47,28,071	4,30,920	—	—	—	—	—	—
Add : Group Share In Joint Venture	12,32,77,127	1,86,62,202	50,90,559	13,68,48,770	50,90,559	13,68,48,770	2,89,20,802	67,63,890	23,10,041	3,33,74,652	2,89,20,802	67,63,890	23,10,041	3,33,74,652	10,34,74,118	9,43,56,324	—	—	—	—	—	—	—
Total	57,01,22,403	5,46,95,455	73,25,883	61,74,91,975	73,25,883	61,74,91,975	20,10,38,007	3,36,58,362	37,66,540	23,09,29,830	20,10,38,007	3,36,58,362	37,66,540	23,09,29,830	38,65,62,145	36,90,84,395	43,75,208	(91,08,026)	(43,75,208)	(91,08,026)	(43,75,208)	(43,75,208)	(43,75,208)
Less : Impairment Loss	(43,75,208)	—	—	(43,75,208)	—	(43,75,208)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grand Total	56,57,47,195	5,46,95,455	73,25,883	61,31,16,767	73,25,883	61,31,16,767	20,10,38,007	3,83,91,180	37,66,540	23,56,62,648	20,10,38,007	3,83,91,180	37,66,540	23,56,62,648	37,74,54,119	36,47,09,187	43,75,208	(91,08,026)	(43,75,208)	(91,08,026)	(43,75,208)	(43,75,208)	(43,75,208)
Previous Year	56,71,17,551	6,86,32,783	7,00,03,140	56,57,47,194	7,00,03,140	56,57,47,194	19,90,33,643	3,14,80,674	2,94,76,311	20,10,38,006	19,90,33,643	3,14,80,674	2,94,76,311	20,10,38,006	36,47,09,188	36,47,09,188	—	—	—	—	—	—	—

1. Office Premises were revalued on 31st March, 1996 on the basis of approved valuer's report resulting in a net increase of Rs. 9,23,49,883/-.

Current Year

	Rs.
Depreciation has been charged to :	
- Profit & Loss Account	3,64,66,251
- Projects in Progress Account	2,52,437
- Goodwill Account	2,548
- Revaluation Reserve	16,69,944
TOTAL	3,83,91,180

Previous Year

	Rs.
Depreciation has been charged to :	
- Profit & Loss Account	2,95,49,216
- Projects in Progress Account	2,61,514
- Goodwill Account	—
- Revaluation Reserve	16,69,944
TOTAL	3,14,80,674

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

**SCHEDULE 6
INVESTMENTS**

	As at 1st April, 06	Additions during the	Deletions during the	As at 31st March, 07
	Rs.	Rs.	Rs.	Rs.
LONGTERM INVESTMENTS (AT COST)				
A. TRADE INVESTMENTS				
Shares in Companies				
Others				
(a) Nil (Previous year 250) Equity Shares of Rs. 10/- each fully paid in Sun City Infrastructure Pvt. Ltd	2,500	—	2,500	—
(b) 250 (Previous year Nil) Equity Shares of Rs. 10/- each fully paid in Sun City Hi-Tech Projects Pvt. Ltd	—	2,500	—	2,500
(c) 250 (Previous year Nil) Equity Shares of Rs. 10/- each fully paid in Sun City Hi-Tech Infrastructure Pvt. Ltd	—	2,500	—	2,500
B. OTHER INVESTMENTS				
Shares in Companies				
Unquoted				
(a) 100 (Previous year 100) Equity Shares of Rs. 10/- each fully paid in Infinet India Ltd.	1,000	—	—	1,000
(b) 2895 Equity Shares of Rs. 100/- Each Fully Paid in Avee Iron & Steel Ltd. (Note-1(g))	11,58,000	—	—	11,58,000
Quoted				
(a) 5,200 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.740.62/- each in Century Textile & Ind Ltd.	—	39,03,241	—	39,03,241
(b) 5,300 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.724.07/- each in Jai Prakash Associates Ltd.	—	38,90,585	—	38,90,585
(c) 3,800 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.639.03/- each in Reliance Capital & Finance Ltd.	—	24,66,299	—	24,66,299
(d) 2,000 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.716.26/- each in Subex Azure Ltd.	—	14,52,523	—	14,52,523
(e) 5,000 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.102.41/- each in Steel Authority of India Ltd.	—	5,62,049	—	5,62,049
(f) 2,000 (Previous year Nil) Equity Shares of Rs. 10/- each purchased at a premium of Rs.250.35/- each in Orchid Chemicals Ltd.	—	5,20,703	—	5,20,703
Units in Mutual Fund - Quoted				
(a) 7,500(Previous year 7500) Master Gain Units of Rs. 10/- each fully paid of Unit Trust of India.	75,000	—	—	75,000
(b) 1,00,000 (Previous year 1,00,000) units of Rs.10/- each fully paid of Caninfrastructure Dividend Fund	10,00,000	—	—	10,00,000
(c) 48,899.76 (Previous year 48899.76) units of Rs.10.225/- each fully paid of Principal Infrastructure & Services Industrial Fund	5,00,000	—	—	5,00,000
(d) 1,00,000 (Previous year NIL) units of Rs.10/- each fully paid of Canmulticap-Growth Plan MF.	—	10,00,000	—	10,00,000

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 1st April, 06	Additions during the	Deletions during the	As at 31st March, 07
C. SHORTTERM INVESTMENTS (AT COST)				
Quoted				
Units in Mutual Fund				
(a) Nil (Previous year nil) - Principal Mutual Fund (24998250.122 Units at Rs.10 each, acquired & sold during the year)	—	25,00,00,000	25,00,00,000	—
(b) Nil (Previous year nil) - Tata Liquid Fund (224311.811 Units at Rs.1114.52 each, acquired & sold during the year)	—	25,00,00,000	25,00,00,000	—
(c) 19091374.737 (Previous year nil) Units at Rs.10 each of UTI Liquid Cash (See Foot Note 1)	—	25,00,00,000	5,90,86,253	19,09,13,747
(d) Nil (Previous year nil) - DSPML Liquid Plus Fund (57981.846 Units at Rs.1034.807 each, acquired & sold during the year)	—	6,00,00,000	6,00,00,000	—
(e) Nil (Previous year nil) - Birla Index Fund (919121.87 Units at Rs.21.7599 each, acquired & sold during the year)	—	2,00,00,000	2,00,00,000	—
(f) Nil (Previous year nil) - Birla FMP Quarterly Fund (2172987.162 Units at Rs.11.5049 each, acquired & sold during the year)	—	2,50,00,000	2,50,00,000	—
(g) 3676038.113 (Previous year nil) Units at Rs.13.6016 each of LIC MF Liquid Fund	—	5,00,00,000	—	5,00,00,000
	<u>27,36,500</u>	<u>91,88,00,400</u>	<u>66,40,88,753</u>	<u>25,74,48,147</u>
		Current Year		Previous Year
		Rs.		Rs.
Aggregated cost of quoted shares/units		25,62,84,147		15,75,000
Aggregated cost of unquoted shares/units		11,64,000		11,61,500
Market Value of quoted shares/units		25,85,53,181		19,54,852
Foot Note:				
1 Pledged with DSP Merrill Lynch Ltd. as security for Term Loan.		19,09,13,747		—

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET
**SCHEDULE 7
CURRENT ASSETS, LOANS & ADVANCES**

	Rs.	As at 31st March,2007 Rs.	Rs.	As at 31st March,2006 Rs.
A. CURRENT ASSETS				
Inventories				
(As valued & Certified by the Management)				
Building Materials,Restaurant's Provisions, Beverages etc. & Stores	3,86,27,487		3,84,08,704	
Flats, Houses & Farm Land	4,73,67,267		7,23,85,985	
Land	59,79,80,115		31,91,50,483	
Projects-in-progress	1,17,69,44,322		1,20,39,52,306	
	<u>1,86,09,19,191</u>		<u>1,63,38,97,478</u>	
Group share in Joint Venture - Cars, Parts & Accessories	3,06,06,328		3,12,81,266	
Note : For valuation of inventories refer Accounting Policy No. 5		1,89,15,25,519		1,66,51,78,744
Sundry Debtors				
(Unsecured considered good)				
Due for a period exceeding six months	7,83,72,390		7,37,89,753	
Others	61,34,63,059		35,84,01,155	
	<u>69,18,35,449</u>		<u>43,21,90,908</u>	
Group share in Joint Venture	13,20,91,843		5,22,91,231	
		<u>82,39,27,292</u>		<u>48,44,82,139</u>
Cash & Bank Balances				
Cash & Cheques in Hand				
(Including imprest with staff)	6,19,25,098		3,88,17,055	
Group share in Joint venture	1,96,44,370		52,75,355	
	<u>8,15,69,468</u>		<u>4,40,92,410</u>	
Bank Balances				
With Scheduled Banks:				
In Current Account (Rs 14.55 lacs (Previous Year Rs.7.21 Lacs) earmarked for unclaimed Dividend)	5,52,76,165		1,96,42,454	
In Fixed Deposits (Rs.129.84 lacs (Previous Year Rs. 119.50 Lacs) pledged as margin money against Bank Guarantees/Letter of Credit/pledged with authorities)	5,37,52,200		2,07,90,517	
Interest accrued on Fixed Deposits	12,95,004		6,82,704	
With Non-Scheduled Banks				
Commercial Bank Srilanka (Current Account)	1,42,74,466		44,40,609	
	<u>12,45,97,835</u>		<u>4,55,56,284</u>	
Group share in Joint Venture (Rs. 2.33 Lacs pledged with Sales Tax authorities)	54,45,231		17,27,681	
	<u>13,00,43,066</u>	<u>21,16,12,534</u>	<u>4,72,83,965</u>	<u>9,13,76,375</u>
Total (A)		<u>2,92,70,65,345</u>		<u>2,24,10,37,258</u>
B. LOANS & ADVANCES (Unsecured Considered Good)				
Housing Loans to Staff	9,77,166		99,000	
Advances against Land/Projects	1,64,55,93,305		64,02,66,686	
Other Advances recoverable in cash or in kind or for value to be received	25,25,26,682		19,63,58,076	
	<u>1,89,90,97,153</u>		<u>83,67,23,762</u>	
Group share in Joint Venture	47,91,484		37,39,788	
		<u>1,90,38,88,637</u>		<u>84,04,63,550</u>
Advance Income Tax/Tax Deducted at Source	29,72,82,642		25,29,64,031	
Less: Provision For Income Tax/Wealth Tax	28,46,73,126	1,26,09,516	26,66,13,852	(1,36,49,821)
Group share in Joint Venture advance tax	76,43,722		54,86,924	
Group share in Joint Venture provision for tax	(75,35,338)	1,08,384	(56,21,311)	(1,34,387)
		<u>1,91,66,06,537</u>		<u>82,66,79,342</u>
Total (B)		<u>4,84,36,71,882</u>		<u>3,06,77,16,600</u>
Total (A+B)				

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2007 Rs.	As at 31st March, 2006 Rs.
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors - Small Scale Industries	2,14,892	3,54,260
- Others	20,11,24,174	21,50,82,042
Advances from Customers	80,58,75,027	1,04,86,93,494
Liability towards Investors Education and Protection Fund U/s 205C of Companies Act, 1956 *		
— Unclaimed Dividends	14,54,761	38,91,000
— Unclaimed Deposits	32,78,000	6,39,432
— Interest Accrued on Unclaimed Deposits	5,87,381	7,21,722
	<u>53,20,142</u>	<u>52,52,154</u>
Common Assets Replacement Fund	2,33,24,854	2,18,97,722
Security Deposits/Retention Money	10,04,35,075	8,30,25,939
Other Liabilities	16,06,37,633	10,77,10,041
Interest accrued but not due	3,96,06,228	60,04,798
	<u>1,33,65,38,025</u>	<u>1,48,80,20,450</u>
Group share in Joint Venture	3,92,42,824	1,86,63,758
TOTAL (A)	<u>1,37,57,80,849</u>	<u>1,50,66,84,208</u>
B. PROVISIONS		
Dividend	3,00,77,179	2,16,44,316
Dividend Tax	51,11,617	30,35,615
Superannuation, Leave Encashment & Gratuity	1,12,71,374	99,37,953
	<u>4,64,60,170</u>	<u>3,46,17,884</u>
Group share in Joint Venture	12,41,182	11,63,444
TOTAL (B)	<u>4,77,01,352</u>	<u>3,57,81,328</u>
TOTAL (A + B)	<u>1,42,34,82,201</u>	<u>1,54,24,65,536</u>
Due to Chairman & Managing Director and Wholetime Director	3,43,203	7,89,590

* These figures reflect the position as at 31st March, 2007. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due date.

SCHEDULE 9 MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Deferred Revenue Expenditure	Balance As at 1.4.2006 Rs.	Addition during the year Rs.	Written off During the Year Rs.	Balance As at 31.3.2007 Rs.
Consultation/Development Fee	3,30,750	—	3,30,750	—
Preliminary Expenses	94,362	—	23,591	70,771
Deferred Revenue Expenditure	—	—	—	—
Share in Joint Venture - Preliminary/Pre-Operative Exp.	1,032	6,13,401	516	6,13,917
Balance Carried To Balance Sheet	<u>4,26,144</u>	<u>6,13,401</u>	<u>3,54,857</u>	<u>6,84,688</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

**SCHEDULE 10
SALES & OTHER INCOME**

	Rs.	Current Year Rs.	Rs.	Previous Year Rs.
Real Estate Operations				
Sale of Commercial/Residential Flats, Shops Houses and Plots	1,85,91,78,738		1,14,28,35,677	
Interest from Customers	3,02,87,529		3,19,75,281	
Rent Received (Gross)*	3,06,32,440		3,14,38,658	
Administration Charges	2,60,55,295		1,77,26,623	
Other Income Real Estate	59,65,279	1,95,21,19,281	24,13,671	1,22,63,89,910
Hospitality Operations				
Sale of Food & Beverages	4,86,99,879		4,31,09,920	
Other Income Hospitality	36,91,356	5,23,91,235	28,98,147	4,60,08,067
Maintenance Charges				
		14,96,84,318		7,85,16,656
Other Income				
Profit on Sale of Fixed Assets		9,377		45,28,942
Profit on Sale of :				
- Long Term Investments	45,98,614		3,82,12,990	
- Current Investments	—	45,98,614	1,39,309	3,83,52,299
Income from Long Term Investments				
- Dividend	69,28,021		12,49,304	
- Interest on Bonds (Gross)*	—	69,28,021	13,036	12,62,340
Excess Provision Written Back		—		28,37,614
Interest (Gross)*				
- From Banks	28,77,132		11,96,109	
- From Others	15,42,932	44,20,064	50,89,888	62,85,997
- Miscellaneous Income		74,46,756		28,99,206
		2,17,75,97,666		1,40,70,81,031
Group share in Joint Venture				
- Income from operations	1,44,69,80,882		99,56,77,232	
- Other Income	1,10,39,533	1,45,80,20,415	1,24,74,691	1,00,81,51,923
		3,63,56,18,081		2,41,52,32,954
* Tax Deducted at Source				
- Interest on Bonds		—		2,925
- Interest		6,30,591		2,57,405
- Rent		1,37,90,824		91,15,709

**SCHEDULE 11
INCREASE/(DECREASE) IN STOCKS**

Stocks as on 31.03.2007				
Flats,Shops,Houses,Plots,Farms etc.	4,73,67,267		7,23,85,985	
Less : Stock as on 31.03.2006				
Flats,Shops,Houses,Plots,Farms etc.	7,23,85,985	(2,50,18,718)	4,27,81,027	2,96,04,958
Group share in Joint Venture - Cars, Parts & Accessories		(6,74,938)		53,60,132
		(2,56,93,656)		3,49,65,090

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	Current Year		Previous Year
	Rs.	Rs.	Rs.
SCHEDULE 12			
COST OF CONSTRUCTION			
Opening Balance of Project-in- Progress Account	1,20,39,52,306		1,03,86,26,535
Add : Expenses Incurred During the Year			
Payments Against Land	37,12,70,348		40,77,93,981
Expenses Through Contractors	17,06,54,238		14,10,50,158
Material/Stores Consumed	14,80,64,722		14,80,54,519
Plan Submission Fees	4,15,11,641		11,00,44,775
Brokerage And Commission	2,95,59,021		2,53,39,825
Advertisement And Publicity	2,97,95,338		96,75,193
Salary,Wages & Other Benefits	2,48,70,165		1,57,66,473
External Development Charges	7,04,74,918		3,75,91,501
Sundry Expenses	6,28,50,575		7,29,11,394
Interest on Borrowings	8,20,91,514		
Lease Rent	39,97,561		25,40,290
Repair and Maintenance - Plant and Machinery	10,15,099		14,73,311
Depreciation	2,22,619		2,61,513
Architects Fees	88,12,116		9,86,351
	<u>2,24,91,42,181</u>		<u>2,01,21,15,819</u>
Less :			
- Miscellaneous Income	17,98,040		14,83,424
- Adjustment on account of revaluation of closing project-in-progress of foreign subsidiary.	40,22,943		6,91,207
- Closing Balance of Projects - in - Progress Account	1,17,69,44,322	1,18,27,65,305	1,20,39,52,306
Cost of Construction Charged to Profit & Loss Account	<u>1,06,63,76,876</u>		<u>80,59,88,882</u>

SCHEDULE 13
CONSUMPTION OF PROVISIONS,
BEVERAGES, WINES & SMOKES

	Current Year		Previous Year
	Rs.	Rs.	Rs.
Opening Stock	17,36,223		18,76,143
Add : Purchases during the year	1,48,85,831		1,37,91,605
Less : Closing Stock	17,15,141		17,36,223
	<u>1,49,06,913</u>		<u>1,39,31,525</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	Current Year Rs.	Previous Year Rs.
SCHEDULE 14		
ADMINISTRATIVE EXPENSES		
Rent	1,05,52,057	91,58,961
Salaries, Wages, Commission and Other Benefits	9,20,48,949	6,50,96,206
Contribution to Provident and Other Funds	1,05,56,633	86,08,154
Repair and Maintenance		
—Plant and Machinery	3,10,367	79,539
—Building	1,25,779	96,05,144
—Others	1,91,93,337	48,11,713
	<u>1,96,29,483</u>	<u>1,44,96,396</u>
Advertisement & Publicity	3,06,38,101	19,84,830
Bank Charges	56,52,514	43,12,513
Postage, Telephone & Telegrams	61,52,797	52,18,469
Printing & Stationary	73,17,767	35,52,094
Travelling & Conveyance	1,27,64,782	93,23,099
Training & Development	—	7,22,790
Insurance	18,40,119	14,40,540
Exchange Fluctuation Loss	12,034	11,498
Office Maintenance	99,68,598	42,11,444
Electricity, Water & Fuel Charges	5,37,41,752	3,11,98,487
Payment to Auditors (inclusive of service tax)		
—Audit Fee	4,44,190	4,21,297
—Fee For Limited Review & Consolidated accounts	1,17,852	1,12,955
—For Certification	1,44,790	1,75,710
—Tax Audit Fee	72,956	68,720
—Reimbursement of Expenses	984	2,460
	<u>7,80,772</u>	<u>7,81,142</u>
Directors' Fees	10,13,000	2,68,500
Charity & Donations	—	14,088
Loss on sale of Investment	68,83,160	—
Loss on Sale of Fixed Assets	3,44,322	2,38,657
Miscellaneous Expenses	1,08,48,619	95,16,224
Amounts Written Off	2,87,442	—
Consultation/Development Fee amortised	3,54,341	44,78,392
Franchise Management Fee	26,11,380	19,74,243
Professional Charges	3,17,96,187	1,40,84,531
Legal Fees	28,31,750	26,79,980
Security Guard Expenses	86,27,137	65,53,484
Business Promotion	8,66,951	14,63,195
Brokerage & Discount on Sales	2,20,795	—
Rates & Taxes	18,15,276	3,04,333
	<u>33,01,56,718</u>	<u>20,16,92,250</u>
Group share in Joint Venture	5,88,38,200	4,79,09,492
	<u>38,89,94,918</u>	<u>24,96,01,742</u>
SCHEDULE 15		
INTEREST EXPENSES		
Interest on Public Deposits	1,72,40,601	1,63,06,659
Interest on Debentures	3,14,24,657	—
Interest on Term Loan	5,30,69,612	2,63,66,355
Interest Others	5,93,24,163	5,32,15,684
Finance Charges	50,09,574	33,14,882
	<u>16,60,68,607</u>	<u>9,92,03,580</u>
Less Interest Charged to Project in Progress	8,20,91,514	—
	<u>8,39,77,093</u>	<u>9,92,03,580</u>
Group share in Joint Venture	86,76,900	32,85,089
	<u>9,26,53,993</u>	<u>10,24,88,669</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE 16

ACCOUNTING POLICIES AND FINANCIAL NOTES

A. SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Group's main business is Real Estate promotion and development in residential and commercial segments' distributor of Honda Cars, running Restaurants and Estate Management Services.

2. BASIS OF ACCOUNTING

The Consolidated Financial Statements of Indian Companies have been prepared to comply in all material respects with the mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956. The Financial statements have been prepared under the historical cost convention on the basis of going concern and on an accrual basis except as stated otherwise.

3. USE OF ESTIMATES

The preparation of the financial statements requires estimates/ assumptions to be made that affect the reported amount of Assets and Liabilities on the date of the financial statements and reported amount of revenues and expense during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

4. REVENUE AND COST RECOGNITION

a) Indian Companies

- i) For the Real Estate division, the parent company is following the percentage of completion method of accounting. As per this method, the revenue is recognised in proportion to the actual cost incurred as against the total estimated cost of the project under execution with the Parent Company subject to actual cost being 30% or more of the estimated cost. As the projects progresses, estimated costs are revised based on current cost indices and other information available to the Parent Company. Expenses incurred on repairs and maintenance on completed projects are charged to profit & loss account.
- ii) Indirect costs (detailed in Schedule 14) are treated as 'Period Costs' and are charged to the Profit and Loss Account in the year incurred.
- iii) Whereas all income and expenses are accounted for on accrual basis, Interest on delayed payments from customers against dues is taken on realisation owing to practical difficulties and uncertainties involved.
- iv) In case of Joint Venture, revenue from sale of trading goods is accounted for on the basis of invoices raised, against confirmed orders, deliveries of which may, in some cases be effected at a later date. Sale value is exclusive of Sales Tax.

b) Foreign Subsidiary

The subsidiary in Srilanka follows "Completed Contract Method". Land cost and the stamp duty on sold plots of land has been computed in proportion of sold area to total area. Improvement & construction cost of sold plots & houses has been computed and estimated by the company with reference to the costs already incurred and to be incurred. Brought forward general overheads cost are charged to the revenue over a period of five years. General construction overheads incurred after the year ended 31.03.2004 are charged to the revenue of the respective year.

5. INVENTORIES

Inventories are valued as under :-

- | | |
|--|---|
| a) Building Material, Stores, Spares parts etc. | At cost using FIFO method. |
| b) Cars | At lower of cost (using Specific Cost basis) or net realisable value. |
| c) Food, Beverage and related stores | At lower of cost (using FIFO method) or net realisable value. |
| d) Completed Units (Unsold) | At lower of cost or market value, |
| e) Project/Contracts work in progress | At cost |
| f) Material issued for car repair jobs at year end | At cost |

Cost of Completed units and project/ work in progress includes cost of land, construction/development cost and other related costs incurred .

6. FIXED ASSETS

Fixed assets other than revalued assets are stated at cost less accumulated depreciation. Revalued assets are stated at revalued amount less accumulated depreciation. Adjustment arising from foreign exchange rate variation relating to borrowing attributable to fixed assets are capitalised.

7. DEPRECIATION

a) Indian Companies

Depreciation is provided on 'Straight Line Method' on pro-rata basis at rates prescribed in Schedule-XIV to the Companies Act, 1956. Shuttering and Scaffolding are treated as part of Plant and Machinery and depreciated at the rate applicable to Plant & Machinery. In case of Joint-venture depreciation on Leasehold Improvements is provided on pro-rata basis over the period of Lease.

SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

b) Foreign Subsidiary

Depreciation is provided on the written down value at following rates per annum :-

Motor Vehicle	10%
Office Equipment	15%
Furniture & Fittings	10%
Site Equipment	15%

No Depreciation is provided on the Property, Plant & Equipment for the year of purchase.

8. INVESTMENTS

Current Investments are stated at lower of cost and market value. Long term investment are stated at cost. Decline in value of long term investments is recognised if it is not temporary.

9. RETIREMENT AND OTHER BENEFITS

- Contribution to the Provident Fund are charged to revenue each year.
- Contributions under the superannuation plan are made to the fund administered and managed by the Life Insurance Corporation of India and are charged to revenue each year.
- Provision for Gratuity is made on the basis of contribution made to Life Insurance Corporation of India under the "Employees Group Gratuity-cum-Life Insurance Scheme" for Parent Company and Joint Venture Entity and on the basis of actuarial valuation for Indian Subsidiaries.
- Provision for leave encashment is made on the basis of actuarial valuation done at year end for Indian Companies.

10. BORROWING COST

The borrowing costs which have direct nexus and are directly attributable to the construction of a qualifying asset are charged to the cost of that asset and other interest cost are expensed as period costs.

11. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. All monetary assets and liabilities are restated at the closing rate and resultant loss or gain is charged to profit & loss account. Long term investments are stated at exchange rate prevailing on the date of transaction.

In case of foreign subsidiary, all expenses and income are translated into Indian Rupees at the monthly average rates. Assets and Liabilities (other than shareholders' fund) are translated into Indian Rupees at the rate of exchange prevailing at Balance Sheet date and the resulting difference is accumulated to Foreign Currency Translation Reserve under "Reserves and Surplus".

12. MISCELLANEOUS EXPENDITURE

Consultation / Development fee paid to Franchiser for Restaurant operations, Preliminary expenses and other Deferred Revenue expenditure are amortised over a period of five years. However, preliminary expenses in case of Joint Venture Entity and two subsidiaries (viz. M/s Maestro Promoters Pvt Ltd and M/s Wrangler Builders Pvt Ltd.) are amortised over a period of ten years.

13. SEGMENT REPORTING

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated Expenditure net of Unallocated Income."

14. TAXES ON INCOME

Provision for current tax is made based on taxable income for the year. Deferred tax is recognised/provided on timing difference between taxable income and accounting income subject to consideration of prudence.

15. IMPAIRMENT

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss and necessary adjustments there against. Reversal of impairment loss is recognised as income in the profit and loss account.

B. FINANCIAL NOTES

1. BASIS OF PREPARATION

- The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS-21)-"Consolidated Financial Statements" and Accounting Standard 27 (AS-27)-"Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India. The consolidated financial statements comprise the financial statements of Ansal Housing & Construction Limited (Parent Company) and its following subsidiaries and a Joint Venture Entity (collectively referred to as "the Group").

Name of the Company Subsidiaries	Country of Incorporation	Ownership in %	
		2006-07	2005-06
Geo Connect Limited (Formerly known as M/s Call Net India Ltd)	India	100%	100%
Maestro Promoters Pvt. Ltd.	India	100%	100%
Wrangler Builders Pvt. Ltd.	India	100%	100%
Anjuman Buildcon Pvt. Ltd.	India	100%	100%
Housing & Construction Lanka Pvt. Ltd	Sri Lanka	100%	100%
A. R. Infrastructure Pvt. Ltd.	India	100%	0%
Third Eye Media Pvt. Ltd.	India	100%	0%
Fenny Real Estate Pvt. Ltd.	India	100%	0%
A. R. Paradise Pvt. Ltd.	India	100%	0%
Joint venture			
Capital Cars (Pvt) Limited	India	40%	40%

SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

- b) Figures relating to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements.
- c) The Consolidated Financial Statements of the Group have been prepared based on a line by line consolidation of the financial statements of Parent Company, its subsidiaries and proportionate interest in Joint Venture Entity by adding together like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or loss.
- d) The financial statements of Parent Company, its Subsidiaries and Joint Venture Entity have been drawn for the same period and upto same date i.e. 31st March, 2007
- e) The Parent Company through its Subsidiary Company Wrangler Builders Pvt Ltd control more than 20% voting power in M/s AVEE Iron And Steel Ltd. But as the parent company or its subsidiary do not have any significant influence over it, the same has not been considered as an "Associate" and hence not consolidated.

2. The effect of acquisition and disposal of the subsidiaries/joint-venture during the year on the consolidated financial statements is as under:

Name of the Company	Rs. in lacs	
	Effect on Group Profit after capitalisation Decrease in Group Profit	Effect on Group Net Assets as at 31.03.2007 Increase in Group Net Assets
(i) A.R. Infrastructure Pvt Ltd (Subsidiary)	1.33	51.54
(ii) A.R. Paradise Pvt Ltd (Subsidiary)	0.29	10.21
(iii) Third Eye Media Pvt Ltd (Subsidiary)	0.16	0.28
(iv) Fenny Real Estate Pvt Ltd (Subsidiary)	0.26	1.75

3. CONTINGENT LIABILITIES

	As at	
	31st March, 2007	31st March, 2006
	Rs.in lacs	Rs.in lacs
a) Claims by customers for refund of amount deposited/Interest	239.78	337.16
b) Claims against the Group not acknowledged as debts	104.17	96.62
c) Surety Bonds issued to Customs/ Central Excise Departments	100.00	100.00
d) Share in Contingent liabilities of Joint Venture	2.28	2.28
e) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 20.04 Lacs (previous year Rs. Nil).		
f) i) The Assessing Officer vide order 28.02.2002 passed under section 158[BC(c)] of the Income Tax Act, 1961, had levied tax / penal interest of Rs.205.43 lacs on Parent Company. The Commissioner of Income Tax (Appeals) has allowed partial relief resulting in the demand being reduced to Rs.137.23 lacs. The Parent Company has filed appeal before the Income Tax Appellate Tribunal. Pending decision of the Tribunal, no provision for the demand has been considered necessary.		
ii) Other disputed income tax demands Rs. 416.83 lacs- Including share of Joint Venture Rs. 3 lacs (Previous Year Rs. 554.52 lacs). The Parent Company has been legally advised that it has a good case to succeed in income tax matters stated in i & ii above and hence no provision for additional tax liability that may arise on decision of appeals has been made as the same cannot be estimated at this stage.		
g) The Assessing Officer vide exparte order 15.02.2007 passed Under Section 9(2) of the UP Sales Tax Act has levied additional sales tax of Rs. 87.60 lacs on sale of flats / houses to customers on installment basis and Rs.54.04 lacs for restaurant operations for the year 2004-05. The Company has moved application for reopening the assessments.		
h) Uttar Pradesh Revenue Authorities have demanded Rs.574.64 lacs (Previous year Rs.574.64 lacs) towards deficiency in Stamp Duty on allotment of land to the Parent Company on leasehold basis by UP State Industrial Development Corporation Ltd. Against these demands the Parent Company has paid Rs.46.46 lacs under protest and the balance demand has been stayed by the Hon'ble High Court / Board of Revenue. Pending decision, no provision has been considered necessary.		
i) The land allocated to Foreign Subsidiary for development is on leasehold for 10 years. Amount payable in future in respect of lease applicable to land to be handed over in future amounts to Rs.255.71 lacs (previous year Rs.280.19 lacs).		
4. During the year, the Parent Company has acquired 100% share capital of M/s Third Eye Media Pvt. Ltd., M/s Fenny Real Estate Pvt. Ltd., M/s A. R. Paradise Pvt. Ltd. & M/s A.R. Infrastructure Pvt. Ltd. as a result of which these Companies have become wholly owned subsidiary of the Parent Company.		

5. Deferred Tax Asset (Net)

Detail of Deferred tax Assets (Net) as on 31st March'2007 is as given below :

	As at 31st March, 2007		As at 31st March, 2006	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
a) Deferred Tax Assets				
Arising on account of timing differences in :				
- Accrued Expenses allowable on actual payments	39.14		22.56	
- Expenses to be allowed in succeeding years	0.00		0.23	
- Business and Capital Loss	585.27	624.41	783.69	806.48
b) Deferred Tax Liabilities				
Arising on account of timing differences in :				
- Depreciation	241.89		287.71	
- Interest Capitalised on Borrowing Cost	256.06		0.00	
- Deferred Revenue Expenditure	0.00	497.95	1.09	288.80
Deferred Tax Asset /(Liability) (Net) (a- b)		126.46		517.68
Share of Joint Venture-Deferred tax liability (Net)		(41.14)		(45.60)
Total Deferred Tax Asset (Net)		85.32		472.08

SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

- c) Foreign subsidiary company is entitled for tax exemption under approval granted by the Board of Investment of Sri Lanka. Hence no deferred tax adjustment is considered necessary.

6. Segment Reporting

Segment information for the year ended 31st March, 2007

- a) Information about Primary Business Segments

(Rs in Lacs)

	2006-2007			2005-2006		
	External Sales	Inter Segment Sales	Total	External Sales	Inter Segment Sales	Total
1. SEGMENT REVENUE						
Development of Real Estate	21,092.86	25.23	21,118.09	13,121.13	1.13	13,122.26
Restaurant	523.91	—	523.91	460.08	—	460.08
Car Sales & Service	14,570.49	—	14,570.49	10,069.97	0.34	10,070.31
Segment Total	36,187.26	25.23	36,212.49	24,514.50	1.47	23,652.68
Eliminations			(25.23)			(1.47)
Consolidated Total Revenue			36,187.26			23,651.18
2. SEGMENT RESULTS						
Development of Real Estate			7,241.18			3,399.64
Restaurant			134.63			97.84
Car Sales & Service			300.32			202.22
Segment Total			7,676.13			3,699.70
Consolidated Total Results			7,676.13			3,699.70
Un-allocated expenditure net of un-allocated income			459.76			124.09
Operating Profit			7,216.37			3,575.61
Interest expenses			840.48			992.48
Interest/dividend income and surplus on disposal of investments			115.35			396.22
Provision for taxation			1,856.68			865.48
3. Profit/(Loss) after taxation & before prior period & exceptional items			4,634.56			2,113.87
Prior period items Income/(Expenses)			(2.04)			(0.01)
Add Exceptional Income			—			—
4. Net Profit/ (Loss)			4,632.52			2,113.86
5. OTHER INFORMATION	Segment Assets		Segment Liabilities	Segment Assets		Segment Liabilities
Development of Real Estate	47,631.53		12,940.65	31,075.72		14,806.96
Restaurant	601.09		48.67	593.63		37.45
Car Sales & Service	2,492.91		1,553.36	1,322.03		178.79
Segment Total	50,725.53		14,542.68	32,991.38		15,023.20
Unallocated corporate assets/liabilities	4,152.37		25,579.29	1,836.59		10,985.05
Total assets/ liabilities	54,877.90		40,121.97	34,827.97		26,008.25
	Capital Expenditure during the year	Depreciation and Amortisation	Non Cash Expenditure other than depreciation	Capital Expenditure during the year	Depreciation and Amortisation	Non Cash Expenditure other than depreciation
Development of Real Estate	345.50	230.31	49.66	180.73	247.94	94.62
Restaurant	11.23	23.01	0.16	5.36	33.58	—
Car Sales & Service	108.60	58.98	—	63.52	58.43	—
Total	465.33	312.30	49.82	249.61	339.95	94.62

SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

b) Information about Secondary Segments: Geographical	2006-07	2005-06
Revenue by Geographical Market	(Rs. In Lacs)	(Rs. In Lacs)
India	36,056.70	23,540.06
Outside India	130.56	111.12
	36,187.26	23,651.18
Carrying amount of Segment Assets		
India	54,312.73	34,259.49
Outside India	565.17	568.48
	54,877.90	34,827.97
Capital Expenditure		
India	464.36	249.54
Outside India	0.97	0.07
	465.33	249.61

c) Notes:

(i) The group (including Joint Venture) is organised into five main business segments, namely, Real Estate Development, running of Restaurants and Sale and Services of Cars. Business Segments have been identified and reported taking into account, the nature of products & services, the differing risks and returns, the organisation structure and the internal financial reporting systems.

(ii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments.

7. Particulars of Earning per share (Basic & Diluted)	Current Year	Previous Year
Net Profit after tax & Prior Period Items (Rs. in Lacs) (Numerator)	4632.53	2113.88
Number of Equity shares at the beginning of the year	1,44,29,544	1,27,82,520
Number of Equity shares at the year end	1,67,09,544	1,44,29,544
Weighted Average number of shares outstanding during the year (Denominator)	1,50,57,434	1,35,77,746
Nominal value of the share (Rs.)	10.00	10.00
Basic & diluted earning per share (Rs.)	30.77	15.57

8. Related Party Disclosures

a) Names of Related parties and description of relationship:

1. Key Management Personnel	Mr. Deepak Ansal (Chairman & Managing Director) Mr. Kushagr Ansal (son of Mr. Deepak Ansal) Mr. C.K. Thampy (MD of Joint Venture upto 31.12.06) Mr. Vijay Chaddha (MD of Joint Venture w.e.f. 01.01.07) Mr. Masashi Ishikawa (Whole Time Director of Joint Venture)
Relatives of Key Management Personnel (With whom transaction taken place during the year)	Mrs. Divya Ansal (wife of Mr. Deepak Ansal) Mr. Kushagr Ansal (son of Mr. Deepak Ansal) Mr. Karun Ansal (son of Mr. Deepak Ansal) Mr. Deepak Ansal (HUF - Karta Mr. Deepak Ansal) Mrs. Uma Rani Thampy (Wife of Mr. C. K. Thampy)
Enterprise in which Key Management personnel having substantial interest	M/s Infinet India Ltd. M/s Akash Deep Portfolios Private Ltd.
Enterprises in which relative of Key Management personnel having substantial interest	M/s. Ansal Properties & Industries Ltd. M/s Ansal Buildwell Ltd. M/s. Chiranjiv Bharti School M/s Ansal Clubs Pvt. Ltd. M/s Moonlight Electric Company Private Ltd. M/s Sungrace Security Services Private Ltd. M/s Snow White Cable Network Private Ltd. M/s Global Consultant & Designers Private Ltd. M/s Glorious Properties Private Ltd.
2. Joint Venture	M/s Itochu Corporation M/s Automobile Investments (Mauritus) Ltd. M/s Itochu India Private Limited

SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

The following transactions were carried out with the related parties in the ordinary course of business.

(Rs in Lacs)

	Current Year				Previous Year
	Key Management Personnel	Relatives of Key Management Personnel	Joint Venture / Associates	Total	Total
Remuneration					
Mr. Deepak Ansal	199.41			199.41	95.08
Ms. Divya Ansal		13.44		13.44	10.08
Mr. Kushagr Ansal	45.91			45.91	18.54
Mr. C. K. Thampy	10.98			10.98	11.67
Mr. Vijay Chaddha	3.23			3.23	-
Mr. Masashi Ishikawa	7.64			7.64	-
Total				280.61	135.37
Rent paid -Ms. Divya Ansal		10.14		10.14	7.80
Rent received from					
Ansal Clubs Pvt. Ltd.			7.32	7.32	6.90
Interest on FDR's				-	4.91
Expenses Reimbursed to					
Ansal Clubs Pvt. Ltd.			0.93	0.93	0.08
Servicing of vehicle					
Mrs. Uma Rani Thampy				-	0.15
M/s Itochu Corporation			0.63	0.63	1.13
M/s Itochu India Private Limited			0.08	0.08	-
Total				0.71	1.28
Lease Rent(Vehicles)					
M/s Itochu India Private Limited			1.05	1.05	-
Expenses Reimbursed by or to					
Ansal Clubs Pvt. Ltd.			5.87	5.87	4.12
Chiranjiv Bharti School				-	7.84
Moon Light Electric Company Pvt. Ltd.				-	8.43
Total				5.87	20.39
Guarantee Fees					
M/s Itochu Corporation			3.01	3.01	-
Deposits Received				-	33.00
Deposits Repayed				-	76.00
Investment made outstanding as at 31.03.2007					
Infinet India Ltd.			0.01	0.01	0.01
Credit balances as on 31.03.07					
Moon Light Electric Company Pvt. Ltd.				-	57.78
Mr. Deepak Ansal	0.88			0.88	32.93
Ms. Divya Ansal		0.12		0.12	0.88
Mr. Kushagr Ansal	0.39			0.39	0.76
Ansal Buildwel Ltd.			45.84	45.84	46.14
Mr. C. K. Thampy				-	4.31
Mr. Vijay Chaddha			1.72	1.72	-
Mr. Masashi Ishikawa			0.44	0.44	-
Total				49.40	142.80
Debit balances as on 31.03.07					
Chiranjiv Bharti School			21.86	21.86	22.64
Ansal Clubs Pvt. Ltd.			51.66	51.66	40.94

SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Current Year				Previous Year
	Key Management Personnel	Relatives of Key Management	Joint Venture / Associates	Total	Total
M/s Itochu Corporation			0.60	0.60	0.06
Ansal Properties & Industries Ltd.			232.14	232.14	233.79
Total				306.26	297.43
Guarantees & Collaterals taken From as at 31.03.07					
Mr. Deepak Ansal	10,274.50			10,274.50	7980.62
Amount Received agst. Projects				-	259.00
Amount Refunded agst. Projects				-	291.25
Equity Share Allotted (including share premium)					
Mr. Deepak Ansal	110.17			110.17	110.17
Ms. Divya Ansal		52.87		52.87	52.87
Mr. Kushagr Ansal	62.64			62.64	62.64
Mr. Karun Ansal		58.35		58.35	58.35
M/s. Deepak Ansal (HUF)		0.50		0.50	0.50
Sungrace Securities Services Pvt. Ltd.			53.07	53.07	53.07
Snow White Cable Network Pvt. Ltd.			30.87	30.87	30.87
Glorious Properties Pvt. Ltd.			55.81	55.81	55.81
Global Consultants & Designers Pvt. Ltd.			81.60	81.60	41.70
Akashdeep Portfolios Pvt. Ltd.			12.82	12.82	12.82
Total				518.70	478.80
Money Received against warrants during the year					
Mr. Deepak Ansal	99.16			99.16	121.18
Ms. Divya Ansal		47.58		47.58	58.15
Mr. Kushagr Ansal	56.38			56.38	68.90
Mr. Karun Ansal		52.52		52.52	64.18
M/s. Deepak Ansal (HUF)		0.45		0.45	0.54
Sungrace Securities Services Pvt. Ltd.			47.76	47.76	58.36
Snow White Cable Network Pvt. Ltd.			27.79	27.79	33.95
Glorious Properties Pvt. Ltd.			50.23	50.23	61.39
Global Consultants & Designers Pvt. Ltd.			73.44	73.44	49.84
Akashdeep Portfolios Pvt. Ltd.			11.54	11.54	14.09
Total				466.84	530.58
Amount received against warrants outstanding as on 31.03.07					51.87
Deposits Repaid to					
Moon Light Electric Co. Pvt. Ltd.			57.78	57.78	-
Dividend Paid for the Year 2005-06					
Snow White Cable Network Pvt. Ltd.			5.55	5.55	3.23
Akashdeep Portfolios Pvt. Ltd.			2.30	2.30	1.28
Ms. Divya Ansal		9.49		9.49	5.53
Mr. Kushagr Ansal	11.24			11.24	6.56
Mr. Deepak Ansal	19.78			19.78	11.58
Global Consultants & Designers Pvt. Ltd.			10.61	10.61	6.44
Glorious Properties Pvt. Ltd.			10.01	10.01	5.83
Mr. Karun Ansal		10.47		10.47	6.10
M/s. Deepak Ansal (HUF)		0.09		0.09	-
Sungrace Securities Services Pvt. Ltd.			9.53	9.53	5.55

SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

9. Operation of IT Enabled services Division of a subsidiary had been discontinued. At the year end, the Subsidiary estimated the recoverable amount of the fixed assets which was found to be lower by Rs.47,32,817/- than its carrying amount which has been provided in the accounts (previous year Rs.43,75,208/-).

10. Operating Lease:

- a) The Group has taken various residential / commercial premises under cancelable operating lease. These lease are normally renewable on expiry.
- b) The rental expenses in respect of operating leases is Rs.123.81 Lacs (Previous Year 100.70 Lacs)

11. Figures for the previous year have been restated/regrouped wherever necessary to confirm to this year's classification.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	Rs.	Current Year Rs.	Rs.	Previous Year Rs.
A. Cash flow from Operating Activities:				
Net profit before Tax, Appropriations and Adjustment for :		64,91,25,374		29,14,56,678
Loss on Sale of fixed assets	3,44,322		2,25,114	
Depreciation	3,19,88,418		2,98,10,730	
Impairment Loss	47,32,817		93,93,380	
Advances written off	2,87,442		(28,37,614)	
Misc Expenditure Written off	3,54,857		44,78,908	
Interest & finance charges	9,24,91,792		10,23,98,602	
Interest Received (Gross)	(10,325)		(13,596)	
Investment income	(69,28,021)		(12,62,340)	
Prior Period Income	(2,04,307)		(540)	
Profit on sale of Assets	(9,25,298)		(50,40,981)	
Loss on sale of Investment	68,83,160		(3,18,71,664)	
Profit on sale of Investment	(45,98,614)	<u>12,44,16,243</u>	<u>—</u>	<u>10,52,79,999</u>
Operating profit before Working Capital changes		77,35,41,617		39,67,36,677
Adjustments for Working Capital changes				
Increase/(Decrease) in Creditors & other Liabilities	(21,23,08,925)		42,55,98,542	
Decrease/(Increase) in Inventories	(19,77,57,371)		(52,05,11,319)	
Decrease/(Increase) in Sundry Debtors	(25,91,85,767)		(13,43,33,921)	
Decrease/(Increase) in Loans and Advances	(1,12,04,53,110)		(51,73,05,024)	
Adjustment on account of foreign currency translation of working capital of foreign subsidiary	(26,27,175)	<u>(1,79,23,32,348)</u>	<u>(3,63,543)</u>	<u>(74,69,15,265)</u>
Cash generated from Operation		(1,01,87,90,731)		(35,01,78,588)
Direct Taxes Paid		<u>(17,33,71,323)</u>		<u>(5,17,78,720)</u>
NET CASH FROM OPERATING ACTIVITIES		(1,19,21,62,054)		(40,19,57,308)
B. Cash flow from Investing Activities:				
Sale of Investments	66,18,49,257		11,12,56,760	
Investment Income received	69,28,021		18,62,340	
Interest Income received	10,325		13,596	
Sale of Fixed Assets	41,40,269		2,81,42,454	
Purchase of Fixed assets	(5,49,48,274)		(6,86,32,783)	
Payment of Preliminary Expenses	—		(1,17,953)	
Adjustment on account of foreign currency translation of Fixed Assets of foreign subsidiary	—		7,508	
Purchase of Investment	(91,88,00,400)		(17,16,050)	
NET CASH FROM INVESTING ACTIVITIES		(30,08,20,802)		7,08,15,872
C. Cash flow from Financing Activities :				
Proceeds from issuance of Share Capital				
- Share Capital	17,06,58,000		13,99,92,000	
- Share Application Money	—		39,00,000	
Net Proceeds from short term Borrowing	25,27,82,169		1,38,06,562	
Proceeds from Long Term Borrowing	1,61,13,96,000		45,82,56,000	
Repayment of Long Term Borrowing	(33,16,64,880)		(13,16,16,517)	
Repayment of Short Term Borrowing	(83,36,999)		(3,37,50,000)	
Interest & Finance Charges paid	(5,77,27,583)		(10,35,38,828)	
Payment of Dividend Transferred to Investor				
Education & Protection Fund	(2,39,46,892)		(1,43,64,375)	
Profit Distribution Tax Paid	(6,73,200)		(3,36,600)	
NET CASH USED IN FINANCING ACTIVITIES		1,61,24,86,615		33,23,48,242
NET INCREASE IN CASH AND CASH EQUIVALENTS		11,95,03,759		12,06,806
CASH AND CASH EQUIVALENTS (OPENING BALANCE)		9,13,76,375		9,29,98,609
CASH AND CASH EQUIVALENTS (OP. BL.) TAKEN OVER FROM ADJUSTMENT IN CASH AND CASH EQUIVALENT (OP.BAL) DUE TO DISPOSAL IN JOINT VENTURE		7,32,400		—
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)		21,16,12,534		9,13,76,375

Notes

1. Cash and cash equivalents include cash & cheques in hand and balance with Schedule Banks.
2. Cash flow statement has been prepared by following indirect method.
3. Previous Year figures have been regrouped/rearranged wherever considered necessary, to make them comparable with Current Year's figures.

As per our Report of even date attached
For KHANNA & ANNADHANAM
 Chartered Accountants

Deepak Ansal
 Chairman & Managing Director

Kushagr Ansal
 Whole-time Director

Mohinder Bajaj
 V.P & Company Secretary

(P.S.Pabreja)
 Partner
 Membership No.10692

S.L.Chopra
 Director

S.L.Kapur
 Director

Sanjay Mehta
 Chief Finance Officer

Place : New Delhi
 Date : 23 August, 2007

Ashok Khanna
 Director

Tarun Kathuria
 Sr.General Manager (Finance)

ATTENDANCE SLIP



Regd. Office : 15 UGF, Indra Prakash, 21, Barakhamba Road, New Delhi - 110 001
(AN ISO 9001 : 2000 COMPANY)

Folio No.	DP ID No.*	Client ID No.*
No. of Shares Held		
NAME(S) AND ADDRESS OF THE MEMBER(S)		

I/We hereby record my/our presence at the 23rd Annual General Meeting held at Sri Sathya Sai International Centre and School, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi - 110 003 on Thursday, the 27th September, 2007 at 11.00 A.M.**

SIGNATURE(S) OF THE MEMBER(S) OR PROXY/PROXIES PRESENT

*Applicable for Investors holding shares in electronic form

Please fill up your folio No./DP Id No./Client Id No. Name & Address and sign this attendance slip and handover at the entrance of the meeting hall. Only member(s) or their proxies with this attendance slip will be allowed entry to the meeting.
ABOVE SIGNATURE(S) SHOULD TALLY WITH THE SPECIMEN SIGNATURE(S) REGISTERED WITH THE COMPANY.

----- TEAR HERE -----

PROXY FORM



Regd. Office : 15 UGF, Indra Prakash, 21, Barakhamba Road, New Delhi - 110 001
(AN ISO 9001 : 2000 COMPANY)

Folio No.	DP ID No.*	Client ID No.*
No. of Shares Held		

I/We of
in the district of being a member/members of
Ansal Housing & Construction Ltd. hereby appoint in
the district of or failing him/her
of in the district of
as my/our Proxy to attend and vote for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Thursday, the 27th September, 2007 at 11.00 A.M.** and at any adjournment thereof.

As witness my hand/our hands this day of 2007

Signed by said



NOTES: (a) The Form should be signed across the revenue stamp as per specimen signatures registered with the Company.
(b) The proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.

* Applicable for investors holding shares in electronic form

**** EATABLES, BRIEF CASES AND HAND BAGS WILL NOT BE ALLOWED TO BE CARRIED INSIDE THE MEETING HALL**