



BOARD OF DIRECTORS

Shri Gopal Ansal
Chairman-Cum Managing Director
Shri R.L. Gupta
Whole Time Director (Finance & Business Development)
Shri Gaurav Mohan Puri
Whole Time Director (Projects)
Shri Subhash Verma
Shri V. P. Verma
Shri K.S. Bakshi

Sr. G.M. & COMPANY SECRETARY

Shri Ashok Babu

AUDITORS

M/s Sekhri & Associates
Chartered Accountants
New Delhi

BANKERS

Punjab National Bank
Canara Bank
Punjab & Sind Bank
Indian Overseas Bank
HDFC Ltd.

REGISTERED OFFICE

118, Upper First Floor,
Prakashdeep Building,
7, Tolstoy Marg
New Delhi - 110001.

**REGISTRAR & SHARE
TRANSFER AGENT**

Intime Spectrum Registry Ltd.
A-40, 2nd Floor,
Naraina Industrial Area,
Phase - II, Near Batra Banquet Hall,
New Delhi - 110 028

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ANSAL BUILDWELL LTD.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held on Thursday, the 25th September, 2008 at 11.00 A.M. at Sri Sathya Sai International Centre and School, Lodhi Road, Institutional Area, Pargati Vihar, New Delhi-110 003 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008 and the 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.
3. To appoint a Director in place of Shri V.P. Verma who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To appoint Shri R.L. Gupta as Director
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 Section 257 and all other applicable provisions of the Companies Act, 1956, Shri R.L. Gupta who was appointed as an Additional Director of the Company and who under Section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Shri R.L. Gupta for the office of Director, be and is hereby appointed as a Director of the Company".
6. To appoint Shri Gaurav Mohan Puri as Director
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 Section 257 and all other applicable provisions of the Companies Act, 1956, Shri Gaurav Mohan Puri who was appointed as Additional Director of the Company and who under Section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Shri Gaurav Mohan Puri for the office of Director, be and is hereby appointed as a Director of the Company".
7. Re-appointment of Shri Gopal Ansal, as Chairman cum Managing Director and approval of his remuneration
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 and read with schedule XIII as amended, from time to time, and any other applicable provisions, if any of the Companies Act, 1956, and provisions of Articles of Association of the Company and subject to necessary approvals and consent as may be required and as recommended by the Board of Directors and Remuneration Committee at their meetings held on 30th June, 2008, approval of the shareholders be and is hereby accorded to the re-appointment of Shri Gopal Ansal as Chairman cum Managing Director of the Company for a period of 3 years with effect from 1st April, 2009 on the remuneration and the terms and conditions as set out below:

I. Basic Salary

Basic Salary of Rs. 3,50,000/- (Rupees Three Lacs Fifty Thousand only) per month in the grade of Rs. 3,50,000 – 30,000 – 4,40,000).

II. Perquisites

In addition the above, he shall be entitled to the following perquisites.

1. Housing : Residential Furnished Accommodation/(Company Leased) or in lieu thereof House Rent Allowance of Rs. 1,40,000/- p.m. or as may be revised by the Remuneration Committee and Board of Directors Meeting subject, however, that the same shall not exceed 40% of Basic Salary.
2. Gas, Electricity, Water and Furnishings: The expenditure incurred by the company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% (ten percent) of the Basic Salary.
3. Medical Reimbursement: Expenses incurred for self and his family members subject to a ceiling of one month's Basic salary in a year or three months Basic salary over a period of three years.
4. Club Fees: Annual Fee of two club and entertainment expenditure incurred at club for business purpose only subject to a maximum of Rs. 1,00,000/- p.a. However, the club fee shall not include entrance fee or life membership fee.
5. Personal Accident Insurance: Premium not to exceed Rs. 25,000/- per annum.
6. Company's contribution to provident fund @ 12% of the Basic salary or at such other rate as per the laws applicable in this behalf from time to time.
7. Gratuity in accordance with the Rules of the Company as applicable to the Senior Executives of the Company for each completed year of service.
8. Leave as per Company Rules.
9. Provision of Car with driver and free Telephone/Communication facilities at Residence for business purpose.

III. COMMISSION

Upto 1% of the Net Profit of the Company for each financial year computed in accordance with the provision of Section 349 and 350 of the Companies Act, 1956, subject however, that his total remuneration including gross salary, perquisites and commission shall not exceed the overall ceilings of 5% of net profits as laid down under section 198 and 309 of the Companies Act, 1956.



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

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

8. Appointment of Shri R.L. Gupta as Wholetime Director (Finance and Business Development)

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 as amended, from time to time, and any other applicable provisions, if any, of the Companies Act, 1956 and provisions of the Articles of Association of the Company and subject to necessary approvals and consent as may be required and as recommended by the Board of Directors and Remuneration Committee at their meetings held on 23rd October, 2007, approval of shareholders be and is hereby accorded to appoint Shri R.L. Gupta, as Whole Time Director (Finance & Business Development) of the Company w.e.f. 1st November, 2007 for a period of three years on the terms and conditions as set out below.

I. SALARY

Basic Salary of Rs. 85,000/- (Rupees Eighty Five Thousand Only) per month in the grade of Rs. 85,000-20,000-1,65,000.

II. PERQUISITES

In addition to the above, he shall be entitled to the following perquisites:-

1. Housing : Residential Furnished Accommodation/(Company Leased) or in lieu thereof House Rent Allowance of Rs. 47,500/- p.m. or as may be revised by the Remuneration Committee and Board of Directors Meeting subject, however, that the same shall not exceed 60% of Basic Salary.
2. Medical Reimbursement : Expenses incurred for self and his family members subject to a ceiling of one month's Basic Salary in a year or three months Basic Salary over a period of three years.
3. Leave Travel Concession for self and family members once in a year not exceeding one month Basic Salary.
4. Company's contribution towards provident fund @ 12% of the Basic Salary or at such other rate as per the laws applicable in this behalf from time to time.
5. Gratuity in accordance with the Rules of the Company as applicable to the Senior Executives of the Company for each completed year of service.
6. Leave as per Company Rules.



7. Club Fee: Annual Fee of one Club and guest entertainment expenditure incurred at club for business purposes only subject to a maximum of Rs. 50,000/- p.a. but club fee shall not include entrance fee or life membership fee.
8. Provision of Car and free Telephone/Communication facilities at Residence for business purpose.
His appointment shall be liable to retirement by rotation. The appointee shall be entitled to get one or more increments per annum as may be determined by the Board of Directors based on the appointee's performances within the above grade.

RESOLVED FURTHER THAT the Board of Directors/ Remuneration Committee of the Company, be and is hereby authorised to vary and/or revise the remuneration of the said Wholetime Director (Finance & Business Development) 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 no profits or inadequacy of profits in any financial year during the currency of tenure of service of the Whole time Director (Finance & Business Development), payment of salary, perquisites and other allowances shall be as aforesaid subject to the limits/approvals prescribed under Section II of the part-II of the Schedule XIII of the Companies Act, 1956, as applicable from time to time and the actual remuneration payable shall be as recommended by the Remuneration Committee and approved by the Board of Directors of the Company”.

9. Appointment of Shri Gaurav Mohan Puri as Wholetime Director (Projects)

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 as amended, from time to time, and any other applicable provisions, if any, of the Companies Act, 1956 and provisions of the Articles of Association of the Company and subject to necessary approvals and consent as may be required and as recommended by the Board of Directors and Remuneration Committee at their meetings held on 23rd October, 2007, approval of shareholders be and is hereby accorded to appoint Shri Gaurav Mohan Puri, as Whole Time Director (Projects) of the Company w.e.f. 1st November, 2007 for a period of three years on the terms and conditions as set out below.

I. SALARY

Basic Salary of Rs. 85,000/- (Rupees Eighty Five Thousand Only) per month in the grade of Rs. 85,000-20,000-1,65,000.

II. PERQUISITES

In addition to the above, he shall be entitled to the following perquisites:-

1. Housing : Residential Furnished Accommodation/(Company Leased) or in lieu thereof House Rent Allowance of Rs. 25,000/- p.m. or as may be revised time to time by the Remuneration Committee Meeting and Board of Directors Meeting subject, however, that the same shall not exceeds 60% of Basic Salary.
2. Medical Reimbursement : Expenses incurred for self and his family members subject to a



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ceiling of one month's Basic Salary in a year or three months Basic Salary over a period of three years.

3. Leave Travel Concession for self and family members once in a year not exceeding one month Basic Salary.
4. Company's contribution towards provident fund @ 12% of the Basic Salary or at such other rate as per the laws applicable in this behalf from time to time.
5. Gratuity in accordance with the Rules of the Company as applicable to the Senior Executives of the Company for each completed year of service.
6. Leave as per Company Rules.
7. Club Fee: Annual Fee of one Club and guest entertainment expenditure incurred for business purposes only subject to a maximum of Rs. 50,000/- p.a. but club fee shall not include entrance fee or life membership fee.
8. Provision of Car and free Telephone/Communication facilities at Residence for business purpose.

His appointment shall be liable to retirement by rotation. The appointee shall be entitled to get one or more increments per annum as may be determined by the Board of Directors based on the appointee's performances within the above grade.

RESOLVED FURTHER THAT The Board of Directors/ Remuneration Committee of the Company, be and is hereby authorised to vary and/or revise the remuneration of the said Wholetime Director (Projects) 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 no profits or inadequacy of profits in any financial year during the currency of tenure of service of the Whole time Director (Projects), payment of salary, perquisites and other allowances shall be as aforesaid subject to the limits/approvals prescribed under Section II of the part-II of the Schedule XIII of the Companies Act, 1956, as applicable from time to time and the actual remuneration payable shall be as recommended by the Remuneration Committee and approved by the Board of Directors of the Company".

Registered Office:

118, Upper First Floor, Prakashdeep Building,
7, Tolstoy Marg, New Delhi - 110 001

Date : 30th June, 2008

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE ANNUAL GENERAL MEETING.

By Order of the Board
For Ansal Buildwell Ltd.

Sd/-
ASHOK BABU
Sr. G.M. & Company Secretary



- b) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect to special business as set out in Item No. 5,6,7,8 & 9 is annexed hereto.
- c) The Register of Beneficial Owners, Register of Members and the Share Transfer books of the Company shall remain closed from 16th September, 2008 to 25th September, 2008 (both days inclusive).
- d) (i) Dividend, if declared, will be payable to those members whose names appear in the Register of Members/Beneficial Owners as on the 25th September, 2008. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of share whose names appear in the statement of beneficial ownership furnished by the Depositories as at the end of business hours on the 16th September, 2008.
(ii) No tax at source shall be deducted from Dividend amount payable to the members. Tax will be paid by the Company at the flat rate of 15% on the total amount of dividend payable and surcharge thereon @ 10% and education cess thereon @ 3%.
- e) Members holding shares in physical form are requested to send physical transfer of shares and to notify change in address, if any, to the Company's Registrar and Share Transfer Agents (RTA) M/s Intime Spectrum Registry Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110 028 quoting correct Folio Number(s) and in case of shares held in dematerialized form to the concerned Depository Participant.
- f) Members having multiple accounts in identical names or joint accounts in same order are requested to intimate the Company the ledger folios of such accounts to enable the Company to consolidate all such share holdings into one account.
- g) The Company has already transferred all unclaimed dividend declared upto the financial year ended 31st March, 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Any claim for payment of such unclaimed dividend should be made by an application in the prescribed form to the Registrar of Companies, NCT of Delhi and Haryana, New Delhi at the address: Paryavaran Bhawan, IIInd Floor, CGO Complex, Lodhi Road, New Delhi-110 003.
- h) Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the dividend for the financial year ended 31st March, 1995, 1996, 1997, 1998 and 1999 which remained unclaimed/unpaid for a period of seven years have been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Further, the shareholders who have not en-cashed their dividend warrant(s) for the year ended 31st March, 2005, 31st March, 2006 and 31st March, 2007 are requested to surrender the un-en-cashed dividend warrants to the Company and obtain payment by writing to the Company or its Registrar and Share Transfer Agent immediately. It may also be noted that pursuant to Section 205B of the Companies Act, 1956, once the unclaimed dividend is transferred to the investor Education & Protection Fund as stated above, no claim against the Company shall lie in respect thereof.
- i) Trading in the Shares of the Company has been made compulsory in dematerialized form w.e.f. 26th March, 2001. The Company has already joined the Depository System and the ISIN for the



shares of the Company is INE 030C01015. Members, who desire to have their holding of shares in dematerialized form are requested to approach the Company's RTA through a Depository Participant.

- j) The Members desirous of appointing their nominee for the shares held by them, may apply in the revised Nomination Form (Form 2-B) as amended by the Central Government vide their notification No. GSR 836(E) dated 24th October, 2000.
- k) Investors holding shares in physical mode are advised, with a view to provide protection against fraudulent encashment of dividend warrants, to forward the particulars of their bank account, name, branch and address of the bank immediately, if not sent already, so as to enable us to incorporate the same on the dividend warrants.
- l) All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on working days between 11.00 A.M. to 1.00 P.M. upto the date of ensuing Annual General Meeting.
- m) The relevant information of Directors, by way of brief resume, seeking reappointment/revision in remuneration under item no. 3,5,6,7,8 & 9 as required under clause 49 of the listing Agreement with the Stock Exchange are annexed hereto.
- n) Corporate Members intending to send their authorised representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
- o) Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- p) MEMBERS DESIRING ANY INFORMATION/CLARIFICATION ON THE ANNUAL ACCOUNTS ARE REQUESTED TO WRITE TO THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 10 DAYS BEFORE THE DATE OF ANNUAL GENERAL MEETING SO THAT THE SAME MAY BE COMPILED WELL IN ADVANCE.

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

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No.5 & 8

Shri R.L. Gupta was appointed by the Board of Directors of your Company in their Board Meeting held on 23rd October, 2007 as an Additional Director Pursuant to Section 260 of the Companies Act, 1956 read with Article 138 of the Articles of Association of the Company and will hold office up to the date of ensuing Annual General Meeting to be held on 25th September, 2008. The Company has received notice pursuant to Section 257 of the Companies Act, 1956 together with deposit of Rs. 500/- from a member signifying his intention to propose him as a Director of your Company. The Board considered that it would be in the interest of the Company to continue to avail the services of Shri R.L. Gupta. Hence, the Ordinary Resolution as item No.5 for your approval.

Simultaneously Shri R.L. Gupta has also been appointed as Wholetime Director (Finance and Business Development) of the Company by the Board of Directors w.e.f. 1st November, 2007 for a period of 3 years and Remuneration Committee recommended his remuneration. The Board of Directors and Remuneration Committee approved the remuneration in accordance with the Provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and any other applicable Provisions if any of the Companies Act, 1956 and Provisions of Articles of Association of the Company, subject to approval of shareholders.

Shri R.L. Gupta is a Commerce graduate B.Com (Hons.) and is a qualified Chartered Accountant. Mr. Gupta is having 20 years of experience in the field of Corporate, Finance, Taxation and Procurement of Projects. He has rich and varied experience in the Real Estate Industry.

Statement containing the information for shareholders' reference as prescribed under Corporate Governance Clause 49 of the Listing Agreement is appended hereto as annexure.

All relevant documents in connection with above can be inspected by the members of the Company at its Registered Office on any working day between 11.00 A.M. to 1.00 P.M. and upto the date of the ensuing Annual General Meeting.

The Board recommends for passing the above resolutions for his appointment and payment of his remuneration as set out in items No.5 and 8 as the Ordinary Resolution.

None of the Directors except Shri R.L. Gupta is interested in the proposed Resolution.

The aforesaid appointment and remuneration of Shri R.L. Gupta may be regarded as an abstract of the terms and conditions of his appointment and Memorandum of interest of the Directors u/s 302 of the Companies Act, 1956.

Item No.6 & 9

Shri Gaurav Mohan Puri was appointed by the Board of Directors of your Company in their Board Meeting held on 23rd October, 2007 as an Additional Director Pursuant to Section 260 of the Companies Act, 1956 read with Article 138 of the Articles of Association of the Company and will hold office up to the date of ensuing Annual General Meeting to be held on 25th September, 2008. The Company has received notice pursuant to Section 257 of the Companies Act, 1956 together with deposit of Rs. 500/- from a member signifying his intention to propose him as a Director of your Company. The Board considered that it would be in the interest of the Company to continue to avail the services of Shri Gaurav Mohan Puri. Hence, the Ordinary Resolution as item No.6 for your approval.

Simultaneously Shri Gaurav Mohan Puri has also been appointed as Whole Time Director (Projects) of the Company by the Board of Directors w.e.f. 1st November, 2007 for a period of 3 years and Remuneration Committee recommended his remuneration. The Board of Directors and Remuneration Committee approved the remuneration in accordance with the Provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and any other applicable Provisions if any of the Companies Act, 1956 and Provisions of Articles of Association of the Company, subject to approval of shareholders.

Shri Gaurav Mohan Puri is a qualified Architect with over 12 years experience in designing and execution of various projects. He heads a fully computerized architectural/technical set up of the Company and is brain behind the various Projects launched by the Company ranging from various Townships, Group



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Housing, Independent Villas, Farm Houses, Commercial Complexes and Clubs in different parts of the Country.

Statement containing the information for shareholders reference as prescribed under Corporate Governance clause 49 of the Listing agreement is appended hereto as annexure.

All relevant documents in connection with above can be inspected by the members of the Company at its Registered Office on any working day between 11.00 A.M. to 1.00 P.M. and upto the date of the ensuing Annual General Meeting.

The Board recommends for passing the above resolutions for his appointment and payment of his remuneration as set out in item No.6 and 9 as the Ordinary Resolution.

None of the Director except Shri Gaurav Mohan Puri is interested in the proposed Resolution.

The aforesaid appointment and remuneration of Shri Gaurav Mohan Puri may be regarded as an abstract of the terms and conditions of his appointment and Memorandum of interest of the Directors u/s 302 of the Companies Act, 1956.

Item No.7

Shri Gopal Ansal is a qualified Civil Engineer (B. Sc. Engg. Civil) and is associated with the Ansal Group for the last over 35 years. He has to his credit, vast, rich and varied experience in the field of development and construction of multistoreyed buildings and execution of large value of 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.

He is a Director of the Company for the last over 18 years and he was also appointed as the Chairman cum Managing Director w.e.f. 1st August, 2001 for a period of 5 years and then reappointed as Chairman cum Managing Director w.e.f. 1st April, 2006 for a period of three years and as such his term of appointment as Chairman cum Managing Director will expired on 31st March, 2009. Therefore, the Board of Directors and Remuneration Committee in their meeting held on 30th June, 2008, has recommended the reappointment of Shri Gopal Ansal as Chairman cum Managing Director for a period of 3 years w.e.f. 1st April, 2009 to 31st March, 2012 and approved his remuneration in accordance with the Provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 subject to the approval of the Shareholders.

In terms of Section 198, 269, 309, 310 read with amended Schedule – XIII of the Companies Act, 1956, Shareholders' approval by way of Ordinary Resolution is necessary for the re-appointment and payment of remuneration upto an amount as stated in the Resolution at Item No.7 of the accompanying Notice. Your Directors recommend to pass the proposed resolution given in Item No.7 as an Ordinary Resolution.

Statement containing the information for shareholders reference as prescribed under Corporate Governance Clause 49 of the Listing Agreement and is appended hereto as Annexur and forms part of this Notice.

The aforesaid re-appointment and payment of remuneration of Shri Gopal Ansal, Chairman cum Managing Director may be regarded as abstract of the terms of re-appointment and memorandum of



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Interest under section 302 of the Companies Act, 1956.

All relevant documents in connection with above can be inspected by the members, of the Company at its Registered Office on any working day during business hours 11.00 A.M. to 1.00 P.M. upto the date of ensuing Annual General Meeting.

Shri Gopal Ansal is interested in the proposed resolution. No other director is interested in or concerned with this resolution.

Registered Office:
118, Upper First Floor, Prakashdeep Building,
7, Tolstoy Marg, New Delhi - 110 001

By Order of the Board
For Ansal Buildwell Ltd.
Sd/-

ASHOK BABU
Sr. G.M. & Company Secretary

Date : 30th June, 2008



DETAIL OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT/REVISION IN THE REMUNERATION AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of the Directors	Shri Gopal Ansal	Shri Gaurav Mohan Puri	Shri R.L. Gupta	Shri V.P. Verma
Date of Birth	05/07/1948	25/04/1973	08/07/1965	15/05/1934
Date of Appointment/ reappointment	01/04/2009	01/11/2007	01.11.2007	25/09/2008
Experience in specific functional areas	<p>He is a qualified Civil Engineer and is associated with Ansal Group for the last 35 years. He is a Director of the Company for the last over 18 years and was appointed as Chairman and Managing Director of the Company w.e.f. 1st August, 2001 for a period of 5 years and reappointed on 1st April, 2006 for a period of 3 years. He has to his credit vast, rich and varied experience in the field of development and construction of multistoreyed buildings and execution of large value of hi-tech engineering projects on turnkey basis. Under his able guidance and direction, the company has executed large number of Commercial, residential and Real Estate Development Projects.</p>	<p>He is a qualified architect with over twelve years experience in designing and execution of various Projects. He is a member of the council of architects. He heads a fully computerized architectural/technical set up of the Company and is the brain behind the various Projects launched by the Company ranging from various Townships, Group Housings, Independent Villas, Farm Houses, Commercial Complexes and Clubs in different parts of the country.</p>	<p>He graduated from the University of Rajasthan with a Gold Medal in B. Com (Hons). He is a qualified Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of India. He is having over 19 years of experience in the field of Corporate Finance, Taxation and Procurement of Projects. He has been associated with 'Ansal Group' for the last 15 years and has rich and varied experience in the Real estate Industry.</p>	<p>He is a Retired IRS (MA, LL.B) and occupied various positions in the Tax Deptt., Ministry of Finance, Govt. of India. He retired as Chief Commissioner of Income Tax in Mumbai in 1992. He has to his credit, vast rich and varied experience in the field of Tax and Corporate Laws. Apart from this, he has also been President and Chairman of Professional Organisations and still a Member of organizations like PHD Chamber of Commerce and Industry, Bar Association Delhi, Arbitration Council of India</p>
Directorship in other Indian Public Ltd. Companies	M/s Ansal Engineering Projects Ltd.	NIL	NIL	NIL
Chairman / Member of Committee of the Board of Public Ltd. Companies	<p>As Chairman 1. Share transfer & Shareholders Grievance Redressal Committee — M/s Ansal Buildwell Ltd.</p> <p>As Member 1. Audit Committee — M/s Ansal Buildwell Ltd.</p>	NIL	NIL	<p>As Member 1. Audit Committee — M/s Ansal Buildwell Ltd.</p> <p>2. Remuneration Committee — M/s Ansal Buildwell Ltd.</p>

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty fourth Annual Report together with Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2008.

FINANCIAL RESULTS

The working Results of the Company are briefly given below:

	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
Sales & Other Income	<u>15,346.10</u>	<u>12,036.50</u>
Profit Before Interest & Depreciation etc.	2,348.10	1,984.61
LESS:		
— Interest	715.67	748.59
— Depreciation	<u>105.53</u>	<u>821.20</u>
	1,526.90	1,127.24
ADD:		
— Surplus Profit Brought Forward from Previous Year	<u>35.03</u>	<u>20.45</u>
	1,561.93	1,147.69
APPROPRIATIONS		
— Provision For Taxation	541.08	427.20
— Provision for Deferred Tax Liability	(-) 20.43	(-) 24.09
— Transfer To General Reserve	800.00	558.00
— Proposed Dividend	147.68	132.91
— Dividend distribution tax	<u>25.10</u>	<u>18.64</u>
— Surplus Profit Carried to Balance Sheet	<u>68.50</u>	<u>35.03</u>

DIVIDEND

Your Directors are pleased to recommend, for your approval, payment of Dividend at the rate of 20% on equity shares for the year ended on 31st March, 2008 (Previous Year 18%), which, if approved by the shareholders in the ensuing Annual General Meeting will absorb Rs. 172.77 Lacs approx. including payment of tax, surcharge and cess thereon.

REVIEW OF OPERATIONS

The year under review has recorded growth in turnover and improvement in profitability. The sales and other income have touched Rs. 153.46 crores showing an increase of 27.50% as compared to the previous years Rs. 120.36 crores. Profit before tax at Rs. 15.27 crores is higher by over 35.50% as compared to Rs. 11.27 crores of last year. Out of the disposable surplus of Rs. 1041.28 lacs, a sum of Rs. 172.77 Lacs has been kept for dividend and dividend tax and a sum of Rs. 800.00 lacs has been



transferred to General Reserves which stood at Rs. 2704.80 Lacs at the end of the year.

The operational performance of the Company has been comprehensively discussed in the Management Discussion and Analysis Report and the same forms part of this Directors' Report.

STATUTORY STATEMENTS

The Statement showing particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is annexed hereto and forms part of this Report.

As regards disclosure under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, it has been advised that the disclosure of particulars relating to Conservation of Energy is not applicable to the Company.

The Company has so far not undertaken any Research & Development activities or Development of any Technology in the field of construction. Provision relating to disclosure of Information in respect of foreign exchange earnings and outgo as required under Rules 2(C) of the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 is already given in Para 2(c) & (d) of part B of Schedule 12 of 'Notes on Accounts' forming part of Audited Annual Accounts.

Information in respect of small scale undertakings as on 31st March, 2008 is also given in para 6 of part B of Schedule 12 of Notes on Accounts forming Part of Audited Annual Accounts.

ISO 9001:2000 CERTIFICATION

We have immense pleasure to inform all of you that your Company has been awarded ISO 9001:2000 Certification on 13th August, 2004.

ISO is a powerful set of statistical and management tool that can create dramatic increase in systematic productivity, customers satisfaction and shareholders' value. Your Company continues to adhere to its true spirit, along with the systems and procedures laid down in its "QUALITY MANUAL".

CORPORATE GOVERNANCE

Corporate Governance and Management Discussion and Analysis Report alongwith Certificate of the Auditors of your Company pursuant to clause 49 of the Listing Agreement with the Stock Exchanges have been included in this Report as Annexure. Your company has been practicing the principles of good Corporate Governance over the years. The Board of Directors supports the broad principles of Corporate Governance over the years. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Audited Balance Sheet as at 31st March, 2008 and Profit & Loss Accounts for the year ending as on that date together with the Reports of Directors' and Auditors' thereon of M/s Ansal Chaudhry Developers (P) Ltd., (Nepal) M/s Rahul Buildwell Pvt. Ltd.,(Nepal), M/s Rahul Township Pvt. Ltd., (Nepal), M/s A.C. Shelters Pvt. Ltd., (Nepal), M/s A.C. Infrastructure & Development Pvt. Ltd., (Nepal), the Subsidiary Companies are enclosed. The consolidated Balance Sheet of Ansal Buildwell Limited and its subsidiary companies for the Financial Year 31st March, 2008 and Profit and Loss Account for the Financial year ended on that date together with the Schedules is attached hereto.



The Statement pursuant to section 212 of the Companies Act, 1956, containing the details of subsidiary companies as on 31st March, 2008 is enclosed as annexure.

DEPOSITORY SYSTEM

Pursuant to the directions of the Securities and Exchange Board of India (SEBI) effective from 26th March, 2001 trading in the Company's shares in dematerialization form has been made compulsory for all investors. Dematerialised form of trading would facilitate quick transfers and save stamp duty on transfer of shares. However, members are free to keep the shares in physical form or to hold the shares with a "DEPOSITORY PARTICIPANT" in demat form. For this purpose the Company has appointed M/s Intime Spectrum Registry Ltd. as Registrar and Share Transfer Agent(RTA) of the Company. The specific ISIN No. allotted to the Company by NSDL and CDSL is INE030C01015.

FIXED DEPOSITS

Fixed Deposits from the public, shareholders and employees as on 31st March, 2008 stood at Rs. 87.64 lacs. Thirty four Deposits amounting to Rs. 7.97 lacs remained unclaimed as on that date and out of above, one deposit amounting to Rs. 20,000/- was claimed as refund/renewal in the current year. However, the balance amount of Rs. 7.77 lacs still remains unclaimed.

DIRECTORS

During the year, Shri Deepak Ansal resigned from the Directorship of the Company w.e.f. 29th January, 2008. Shri R.L. Gupta and Shri Gaurav Mohan Puri were appointed as Additional Directors w.e.f. 23rd October, 2007. They have also been appointed as Whole Time Director w.e.f. 1st November, 2007 and are liable to retire by rotation.

Shri V.P. Verma, Director of the Company retires by rotation and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under:

- (i) That in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed and no material departures have been made from the same.
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors had prepared the annual accounts on a going concern basis.

LISTING

The Equity shares of the Company are listed at Bombay Stock Exchange Limited. The Company has paid Listing Fee to the said Exchange.



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AUDITORS

M/s Sekhri & Associates, Chartered Accountants, who retire at the conclusion of this Annual General Meeting and being eligible for re-appointment, have expressed their willingness to be re-appointed as Statutory Auditors of the Company. They have given certificate that the appointment, if made, would be within the limit prescribed under Section 224(1) of the Companies Act, 1956. Your Directors recommend their reappointment for another year.

ACCOUNTS AND AUDITORS' REPORT

The observations of the Auditors are self-explanatory and/or suitably explained in Notes to the Accounts.

ACKNOWLEDGEMENTS

The Directors wish to place on record their thanks and gratitude to:

- i) The Central and State Governments, as well as their respective Departments and Development Authorities connected with the business of the Company for their co-operation and continued support;
- ii) The Bankers and Housing Finance Companies as well as other Institutions for the financial facilities and support;
- iii) The Members, Depositors, Suppliers/Contractors for the trust and confidence reposed and to the customers for their valued patronage.

The Board also takes this opportunity to express their sincere appreciation of the efforts put in by the employees at all levels for achieving the results and hopes that they would continue their sincere and dedicated endeavour towards achieving better working results during the current year.

Registered Office :
118, Upper First Floor, Prakashdeep Building
7, Tolstoy Marg, New Delhi-110 001

For and on behalf of the Board
Sd/-
GOPAL ANSAL
Chairman-cum-Managing Director

Date : 30th June, 2008



**ANNEXURE TO DIRECTOR'S REPORT
STATEMENT UNDER SECTION 217(2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES,
1975 ATTACHED TO THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST MARCH, 2008**

Name of the Employee	Age	Designation	Date of Commencement of Employment	Gross Remuneration (Rs.)	Qualification	Total Experience (Years)	Particulars of Previous Employment and post held
A. EMPLOYED FOR THE WHOLE YEAR							
Shri Gopal Ansal	60	Chairman cum Managing Director	01.08.2001	44,48,421/-	B.Sc. Engg (Civil)	36	Managing Director Ansal Properties & Industries Ltd.
B. EMPLOYED FOR PART OF THE YEAR							
				None			

NOTES :

- Gross remuneration includes Basic Salary, HRA, employer's contribution to Provident Fund and Family Pension Fund, medical reimbursement, Club fees, electricity expenses, personal accident insurance. Also entitled to gratuity.
- The appointment of Shri Gopal Ansal, Chairman cum Managing Director & CEO is contractual. His nature of duties includes supervision and control of affairs of the Company subject to superintendence, control and directions of the Board of Directors.
- Other terms and conditions of employment are as per Service Rules of the Company.
- There is no employee who holds by himself or alongwith his spouse and dependent children, not less than 2% equity share of the Company and has been in receipt of remuneration in excess of that drawn by the Chairman cum Managing Director.
- Shri Gopal Ansal is elder brother of Shri Deepak Ansal, Ex-Non Executive Director.



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

1. Name of the Subsidiary Company	: Ansal Chaudhary Developers Pvt. Ltd.	Rahul Buildwell Pvt. Ltd.*	Rahul Township Pvt. Ltd.*	AC Shelter Pvt. Ltd.*	AC Infrastructure & Development Pvt. Ltd.*
2. No. of Shares held in the Subsidiary Company	: 30600 Equity Shares of Rs. 62.50 each fully paid up	460 Equity Shares of Rs. 62.50 each fully paid up	475 Equity Shares of Rs. 62.50 each fully paid up	450 Equity Shares of Rs. 62.50 each fully paid up	470 Equity Shares of Rs. 62.50 each fully paid up
3. Percentage of holding in the Subsidiary Company	: 51%	92%	95%	90%	94%
4. Financial Year ended	: 31st March, 2008	31st March, 2008	31st March, 2008	31st March, 2008	31st March, 2008
5. Profit after tax (Losses) of the Subsidiary Company for the financial year so far as it concerns the members of Ansal Buildwell Ltd. which have not been dealt with in the accounts of Ansal Buildwell Ltd. for the financial year ended 31st March, 2008	: - For the financial year : Rs. 164,606 - For the Previous Year : Rs. (6,953,748)	(50,158.00) (339,849.00)	(46,534.00) Nil	(2,187.00) (3,125.00)	(15,523.00) Nil
6. The net aggregate of Profits/(Losses) of the Subsidiary Company which have been dealt with in the accounts of Ansal Buildwell Ltd. for the financial year ended 31st March, 2008.	: Nil	Nil	Nil	Nil	Nil
- For the financial year	: Nil	Nil	Nil	Nil	Nil
- For the previous year	: Nil	Nil	Nil	Nil	Nil
* Subsidiary Companies of Ansal Chaudhary Developers Pvt. Ltd.					

Sd/-	Sd/-
GOPAL ANSAL	R. L. GUPTA
<i>Chairman cum Managing Director</i>	<i>Whole Time Director (Finance & BD)</i>
Sd/-	Sd/-
V. P. VERMA	SUBHASH VERMA
<i>Director</i>	<i>Director</i>
Sd/-	Sd/-
GAURAV MOHAN PURI	ASHOK BABU
<i>Whole Time Director (Projects)</i>	<i>Sr. GM & Company Secretary</i>
Sd/-	Sd/-
SHYAM TAPARIA	PRAVEEN GUPTA
<i>AGM (Finance & Accounts)</i>	<i>AGM (Finance & Accounts)</i>

Place : New Delhi
Date : 30.06.2008

MANAGEMENT DISCUSSION AND ANALYSIS

We have pleasure in submitting hereunder the Management Discussion & Analysis Report on business of the Company. We have attempted to include discussions on the matter to the extent relevant.

OVERVIEW - INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Economy which was buoyant at the end of 2007-08, has been showing signs of slowdown, due to global economic crisis and domestic constraints. The GDP growth rate is said to be about 8.5% and Inflation rate is very high i.e. almost 12%. The Government has taken steps to curb inflation with the effective monetary/credit policies by frequent hike in CRR and change in Bank repo rate. Home loan interest rates have also been revised very frequently. All these measures have squeezed the funds availability in the Market and of course, to the real estate sector as well.

The size of the real estate industry in India is estimated, to be around US\$ 12 billion. This figure is growing at a pace of 30% per year for the last few years. Almost 80% of the real estate developed in India, is residential space and the rest comprises of offices, shopping malls, hotels and hospitals. This double-digit growth is mainly attributed to the off-shoring business, including high-end technology consulting, call centers and software programming houses. Though the Real Estate development during the year 2007-08 was satisfactory yet the demands still remains constant.

During the current year the monsoon has been good which may result in a good agriculture production. The Government has also got a confidence vote in the Parliament on the Nuclear deal with the US. This indeed is a giant step forward in bringing India into the International Nuclear order. This also brings India closer to buying nuclear reactors and fuel from International Markets and hence tapping new energy sources. This will provide cheaper electricity to industry as well as to household consumers. Hence Our manufacturers will be able to compete better in the international market.

PERFORMANCE

During the year 2007-2008, there has been a marginal correction in the real estate market. However, the Company's performance has improved and so has the turnover. The Company has further acquired land in Sushant Lok II & III, Gurgaon, which is on the outskirts of Delhi. Licenses have also been obtained for the lands procured by us during the previous years. During the current year, special emphasis has been laid on the infrastructure development works which has augmented the sales of our unsold stock. All our earlier schemes namely "Shalimar Residency", "Executive Residency", "Chinar Cottages", "Royal Residency", "Royal Casa", "Sushant Floors", "Flexi Homes" have been successfully completed and the possession has been offered to the clients. "Florence Homes", "Florence Grand", "Florence Super" and "Florence Manor" which were launched keeping in mind the upper middle class segment was an outright success and are now complete in all respects and most of the clients have already taken possession of the same. Construction work on our new scheme titled "Florence Elite", is nearing completion and the possession to clients has been offered. Looking at the overwhelming response, the number of units has been increased from what was originally planned. The Construction work is in full swing to meet the target dates of completion on our other successfully launched schemes, that is, "Florence Marvel" and "Florence Villa", which were also well received in the market. In the current year we have launched yet another prestigious scheme titled "Florence Abode" which has been



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designed to cater for the requirement of the Upper Class Segment. Two Sample Units, one fully furnished and one un-furnished, are on display and the response is very encouraging.

The current year has also seen the launch of commercial complexes “Boom Plaza” and “Boulevard Centre” located in Sushant Lok-III, Gurgaon. The response has been overwhelming. The construction work for “Boom Plaza” has already started in full swing.

On the Hospitality front, Group Housing club namely “Harmony Club” is fully operational. Phase one i.e. “Health Club Block” of our prestigious new project “Club Florence” is also complete and operational with fully equipped Gymnasium, Sauna Steam, Restaurant and facilities such as Squash Court, Table Tennis, Pool Table and Lawn Tennis Court and also the Swimming Pool are now open to members. The response for membership to the “Club Florence” is very encouraging. Construction for Phase two, i.e. the main block of the “Club Florence” is in full swing and is targeted to be completed by September, 2008.

At “Ansal City”, a township at Puthiyakavu, Kochi, all development works like Entrance Gate, construction of boundary wall, laying of sewer line, laying of water supply line, laying of electrical cables and construction of road works for phase one is complete in all respects. The Construction of Over Head Water tank is complete and operational. Another 20 acres of land has been added as phase two and the development work for the same are in full swing. At “Ansal City” we have received the building permit for the Group Housing. The construction work for Group Housing will commence shortly. At “Ansal Riverdale”, a group housing project namely Garden View Apartments which was launched last year, the structure work are complete and finishing work are in progress and is targeted for completion in all respects by October this year. The response is fairly good.

This year has also witnessed the launch of “Florence Apartments” Jammu, yet another Group Housing Project on collaboration basis. The response for the apartments has been over-whelming. The site office is ready and operational with the sales and construction team. The construction work has already started and is in full swing.

Dwarka Drain Project, as subcontract work, the works are complete and is in the process of handing over to the department. 1st and 2nd carriage way between Pankha Road and Dwarka on the road of Mahaveer Extension Part – II have already been thrown open for traffic.

The work on our other sub contracted work, a Spillway Project at Thoubal, Manipur, is in full swing. Though the Project is a little delayed due to the continuous instability and insurgency in Manipur, yet we are making full efforts to complete the same within the revised timeframe.

“Ansal City – Amritsar”, a plotted development project, spread over an area of 150-160 acres is coming up in Amritsar, Punjab. We have already received License from PUDA for the first phase of the project. The execution of Sale Deeds and acquiring of land is in full swing. The Site Office is ready and operational in all respects. The development of entrance area, with complete horticulture work and construction of Main Entrance Gate and construction of 100 feet wide entrance road is complete. The water body at the entrance, which is one among many highlighting features of the project, is fully operational. The development work has also started. Bhoomi Poojan for the project was done on 12th July, 2008.

We are in the process of acquiring land in Jaipur, Gwalior and Jhansi for development of plotted and independent housing schemes.

In Jhansi (UP), we have taken up two projects. “Ansal Basera Estate”, a group housing project, spread over an area of 8.5 acres, in the heart of the city and “Ansal Basera City” a township development project, spread over an area of 100 acres on the Jhansi – Gwalior by-pass road. The construction works for both the projects have started.

DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT

Your Company maintains its focus on its human resources. It believes that people’s contribution is the main engine for growth. They include encouraging participative management style, improvement of job skills of the employees, inculcating the spirit of innovativeness so as to improve their growth and quality of their work, empowering and motivating them and thereby raising their productivity by delegating authorities and responsibilities, establishing system of evaluation of employees, their performance, need for training and consequent rewards by way of increased salaries and perquisites, and their advancement through promotion/elevation in the hierarchy. With the economy in a buoyant mode, as also the real estate activities, your Company has made significant progress in building its team after analyzing varied sets of skills, knowledge, attitude and behavior of its manpower. Industrial relations during the year remained cordial and initiatives were taken to enhance the productivity of employees.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has Audit Committee consisting of independent directors having expert knowledge and vast experience in the field of their area of operations. They do periodic review accounting records and various statements/Accounts prepared by the accounting department. They advise time to time to the senior management of the Company and interact with them.

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

The Company’s internal control systems are further supplemented by an extensive programme of internal audit by an independent department of competent executives and periodic review by Management.

The Company has clearly laid down policies, guidelines and procedures which form part of its internal control system.

The internal control system is designed to ensure that all the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of the assets. It is commensurate with the size and operations of the Company.

PROSPECTS AND FUTURE OUTLOOK

The future of Real Estate Market is still booming. Hence, keeping in mind the present scenario, the company is planning to expand further at Gurgaon by procuring additional lands.

The Company has also expanded by providing Consultancy in Technical & Designing and Sales & Marketing to various new inexperienced property owners. The Company had made such an arrangement in Moradabad and has successfully developed 20 acres of land. The Company is making similar arrangements in other two-tier cities.



The Company is committed to carry out developments in smaller towns and continuing efforts are being made to enter into towns of Uttar Pradesh, Madhya Pradesh, Rajasthan, Haryana and Punjab. So that on one hand the congestion in the urban metropolis could be avoided and on the other hand the benefit of planned development, and modern lifestyle could be extended to the people living in smaller towns.

OPPORTUNITIES AND THREATS

The Government of India has deregulated and liberalized the Real Estate Sector after liberalization of a number of other sectors of the economy. Since then, it has been attracting foreign funds in the Real Estate sectors from overseas Investors. The Growth of India's middle class creating demand for housing. 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 and expansion in organized retail sector.

The Indian Real estate market is still in its infancy, largely unorganized and dominated by a large number of small players, with very few corporates or large players having national presence. The Construction Industry is still subject to a number of taxes and is considered as one of the over burdened tax segment and the non-availability of low cost long term funds, 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.

As seen in the recent past the Government policies have been supportive e.g. reduction in stamp duty and change in the tenancy law and abolition of land ceiling Act.

As in any other business, the real estate sector is also likely to face competition from existing as well as new players, both domestic as well as foreign. However, your Company hopes to address the competitive threat on the strength of its emphasis on quality of construction, adoption of innovative designs and provision of qualitative services and of course, by using its advantage of experience.

The Company remains firmly committed to its objective of high quality coupled with aggressive cost reduction initiatives. The performance of the Company in Contracts Division is satisfactory but sometimes we have to face cost escalation and catastrophic seasonal conditions which cause delay in the implementation of the work. The Company is putting its impetus to real estate sector once again.

The real estate sector in India has undergone rapid changes in the past few years. New competitors have entered the core area of our operations in recent times. The fight for the market share has intensified with competition resorting to higher advertising costs. This combined with substantial increase in costs of critical inputs like cement, steel etc., have neutralized the impact of Government's positive policies for real estate sector.

Fluctuations in market conditions may affect our ability to sell our projects at expected prices, which could adversely affect our revenues and earnings. The industry is highly fragmented and competitive and increased competitive pressure may adversely affect our results. Significant increase in Prices, shortage of Building material, slowdown in economic growth could adversely affect the business. Certain tax benefits under the provisions of the I.T. Act, may, if withdrawn, adversely affect the Company's financial conditions and results of operations. The business is subject to extensive statutory or governmental regulations.



RISK AND CONCERNS

A big risk which the developers are facing is price risk. Real estate price cycles have the maximum impact on the margins of the developers, because land costs account for a large portion of the constructed property. The other risk to which the developers are exposed is demand risk which indicates the ability to sell properties based on location, brand, track record, quality and timelines of completion. Most real estate developers try to address this risk by undertaking market surveys in order to assess the demand for their properties. The costs in a housing project consist of land costs, construction costs and employee costs. Interest rate, however, has shown the signs of hardening during last few months and most of the leading financial institutions have hiked interest rates on housing loan. This trend of rising interest rate may dampen the growth rate of demand for housing units. Change in Government Policies including change in Tax structure will also affect the Progress of the Real Estate Industry.

Although major initiatives in the infrastructure of road and transportation have been made, yet the availability of Power still needs the attention of policy makers.

The lack of uniformity in the regulatory environment concerning the real estate, as also the availability of quality manpower, and reliable databases on industry, are concerns that need to be addressed for attracting FDI inflows in the industry.

CAUTIONARY STATEMENT

Statements in this report on management's Discussion & Analysis are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global as well as domestic demand-supply conditions, raw material cost & availability, changes in Government regulations and tax structure, economic development within India and world-wide and other relevant factors.

**COMPLIANCE REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Corporate Governance**

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability. Company has recognized that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the shareholders.

The Company recognizes that good Corporate Governance is essential to build and retain the confidence of its stakeholders. Company has the systems and procedures which monitor that compliance with laws, rules and regulations are in place in each area of its business. Company also endeavours to ensure that relevant information regarding the Company and its operations is disclosed, disseminated and easily available to its stakeholders.

The company has taken various steps for implementation of the requirements placed under the revised Clause 49 of the listing agreement with the Stock Exchanges. Company has introduced a systematic mechanism of Corporate Governance. Company reviews its policies and practices of Corporate Governance with a clear goal of a transparent system of operation and it implements the Corporate Governance practices with letter and spirit.

Your Company's policy is aimed at achieving quality management services at all levels and to adhere to all the laws, rules, regulations meant for Corporate Governance at all times and have the best management team that can also effectively monitor corporate decisions for sustained growth.

2. Board of Directors**a) Composition and Category of Directors**

To strengthen the Company policies for adherence of Corporate Governance, the Company had taken steps to appoint Shri R.L. Gupta as Wholetime Director (Finance & Business Development) and Shri Gaurav Mohan Puri as Wholetime Director (Projects). Shri Deepak Ansal, the Director had resigned from the Directorship of the Company. The Board consists of six Directors, out of which three are Non-Executive Independent Directors and three are Executive Directors. Chairman is an Executive Director. The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors.

The Composition of Directors, their attendance at Board Meetings during the Financial Year 2007-2008 and last Annual General Meeting and their other Directorships/Committee Memberships in other Companies are as follows:

As on 31st March, 2008

Name of Directors	Category	Attendance Particulars		Directorships held in Other Companies *		Committee Memberships held in other Companies **	
		Board Meetings	Last AGM	As Director	As Chairman	As Member	As Chairman
Shri Gopal Ansal	P-CMD	5	Yes	1	–	–	–
Shri Deepak Ansal	P-NED	4	Yes	3	1	1	–
Shri Subhash Verma	I-NED	5	Yes	1	–	–	–



As on 31st March, 2008

Name of Directors	Category	Attendance Particulars		Directorships held in Other Companies *		Committee Memberships held in other Companies **	
		Board Meetings	Last AGM	As Director	As Chairman	As Member	As Chairman
Shri K.S. Bakshi	I-NED	0	Yes	–	–	–	–
Shri V.P. Verma	I-NED	5	Yes	–	–	–	–
Shri R.L. Gupta	WTD-ED	1	No	–	–	–	–
Shri Gaurav Mohan Puri	WTD-ED	1	No	–	–	–	–

P Promoter
 NED Non-Executive Director
 CMD Chairman cum Managing Director
 P – NED Promoter Non-Executive Director
 I – NED Independent and Non-executive Director
 WTD – ED Wholetime Director – Executive Director

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

** Memberships/Chairmanships of Audit Committee, Share Transfer cum Shareholders' Grievance Committee, and Remuneration Committee have been considered.

b) Details of Meetings of Board of Directors held during the Financial Year 2007-2008.

Date	No. of Directors Present
11.05.2007	4
29.06.2007	4
30.07.2007	4
23.10.2007	4
29.01.2008	5

c) Details of Sitting Fees paid to Non-Executive Directors

The Company does not pay any remuneration to its Non Executive/Independent Directors except sitting fee for attending meetings of the Board of Directors @ Rs. 2500/- and Audit Committee Meetings @ Rs. 1500/- per meeting to each Director. No sitting fee is paid to Chairman Cum Managing Director and Whole time Directors. The Sitting fee paid to the Directors for meetings of Board of Directors and Audit Committee Meetings for the year ended 31st March, 2008 is as follows.



Name of the Directors	Sitting Fee for Board Meetings	Sitting Fee for Audit Committee Meetings
Shri Deepak Ansal	Rs. 10,000/-	Rs. 3,000/-
Shri Subhash Verma	Rs. 12,500/-	Rs. 6,000/-
Shri K.S. Bakshi	NIL	NIL
Shri V.P. Verma	Rs. 12,500/-	Rs. 6,000/-

d) Executive Chairman & Managing Director and Wholetime Directors

The Company has Executive Chairman & Managing Director Shri Gopal Ansal who is responsible for overall planning, policy, strategy, operations and marketing activities of the Company. The term of appointment of Shri Gopal Ansal, Chairman cum Managing Director will expire on 31st March, 2009. The Board Meeting and Remuneration Committee Meeting both held on 30th June, 2008, have recommended his reappointment for another three years i.e. from 1st April, 2009 to 31st March, 2012. During the year under review, in order to strengthen the Board of Directors, two additional Directors were appointed as Wholetime Directors in the Board Meeting held on 23rd October, 2007 viz. Shri R.L. Gupta was appointed as Wholetime Director(Finance & Business Development) and Shri Gaurav Mohan Puri as Wholetime Director (Projects) for a period of three years w.e.f. 1st November, 2007 to 31st October, 2010. The Notice for the ensuing Annual Genral Meeting contains Resolutions for the above reappointment/appointment of Chairman cum Managing Director and Wholetime Directors for the approval of shareholders.

e) Details of remuneration paid to the Executive Directors for the financial year 2007-2008.

Remuneration of Chairman cum Managing Director and Wholetime Directors is decided by the Board, based on the recommendations of Remuneration Committee as per remuneration policy of the Company, within the ceiling limits fixed by the shareholders. Remuneration paid to Shri Gopal Ansal, Chairman cum Managing Director, Shri Gaurav Mohan Puri and Shri R.L. Gupta, Wholetime Directors for the year ended 31st March, 2008 was as follows.

Name of the Directors	Designation	Salary Rs.	Perks Rs.	Total Rs.
Shri Gopal Ansal	Chairman cum Managing Director	41,04,000/-	3,44,421/-	44,48,421/-
Shri R.L. Gupta	Whole-Time Director (Finance and Business Development)	7,13,500/- (Part Year)	15,000/-	7,28,500/-
Shri Gaurav Mohan Puri	Whole-Time Director (Projects)	6,01,000/- (Part Year)	14,429/-	6,15,429/-

f) Retirement of Directors

The appointment of Shri Gopal Ansal as Chairman cum Managing Director is not subject to retirement by rotation while the appointment of Shri R.L. Gupta as Wholetime Director (Finance and Business Development), Shri Gaurav Mohan Puri as Wholetime Director (Projects) and



the Non Executive Directors and Independent Directors are liable to retirement by rotation as per provisions of the Companies Act, 1956. During the year, under review Shri Deepak Ansal had resigned from the Board of Directors on 29th January, 2008. Shri V.P. Verma the Non Executive and Independent Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

CORPORATE GOVERNANCE DISCLOSURES

3. Your Company has constituted following 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 Audit Department and Quarterly/Half Yearly/Yearly Financial Statements as also for review of financial management policies, the Company has set up an Audit Committee on 31st January, 2001. The Committee as on date comprises of three directors viz Shri Gopal Ansal, Shri Subhash Verma and Shri V.P. Verma. The terms of reference of Audit Committee are as per requirements of listing agreement and the Companies Act, 1956. During the Financial Year 2007-2008, four Audit Committee Meetings were held on 29th June, 2007, 30th July, 2007, 23rd October, 2007 and 29th January, 2008. Shri Subhash Verma, an Independent Non Executive Director, is the Chairman of the Audit Committee.

The Company Secretary acts as Secretary of the Committee.

The powers of audit committee have been re-broadened pursuant to amended clause 49 of the listing agreement.

The role of audit committee was also redefined pursuant to amended clause 49 of the Listing Agreement.

Scope of functions of Audit Committee

- i) The Members of the Audit Committee shall have discussion with the auditors periodically about adequacy of internal control system and control procedures, scope of audit including the observations of the auditors, and review of the quarterly/half yearly and annual financial statements, before submission to the Board, and also to ensure compliance of internal control systems.
- ii) The audit committee shall have authority to investigate into any matter in relation to the items specified in Section 292A or referred to it by the Board and for this purpose shall have full access to information contained in the records of the Company.
- iii) Any recommendation given by the Audit Committee on any matter relating to Financial Management including the audit report, shall be binding on the Board. If any recommendation is not accepted by the Board, it shall record the reasons thereof and also communicate such reasons to the Shareholders.
- iv) The Audit Committee shall meet periodically as many times as may be prescribed under the rules framed by the Central Government and/or as may be required by the listing agreement with Stock Exchange, from time to time. However, it will be essential to have such meetings for review of quarterly/half yearly and annual financial statements before these are submitted to the Board.



b) Share Transfer cum Shareholders' Grievances Redressal Committee

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., the Company has set up a Share Transfer cum Shareholders Grievances Redressal Committee. The Committee consists of three members viz. Shri Gopal Ansal as chairman, Shri Subhash Verma Director and Shri Ashok Babu, Company Secretary as Members.

During the year under review sixteen meetings of the committee were held. This committee has been constituted to look into shareholders/Investors' grievances and suggest remedial measures and to take timely action on Transfer of shares, Issue of Duplicate Shares, Split, Transmission, Consolidation, Demat and Remat of shares. During the years under review four complaints were received from the shareholders of the Company which were satisfactorily redressed and at the end of the year under review no shareholders' complaint was pending.

c) Remuneration Committee

The Remuneration Committee comprises of two Directors viz Shri Subhash Verma as Chairman and Shri V.P. Verma as member. Both are Non Executive Directors.

Broad terms of reference of the Remuneration Committee include recommendations to the Board on salary/perquisites, commission and retirement benefits and finalisation of the perquisite package payable to the Company's Chairman cum Managing Director/Wholtime Directors.

Remuneration Committee Meeting was held on 23rd October, 2007 for the approval and recommendations for appointment and remuneration of Shri Gaurav Mohan Puri, as Wholtime Director (Projects) and Shri R.L. Gupta, as Wholtime Director(Finance and Business Development). It held its last meeting on 30th June, 2008 for the approval and recommendations for re-appointment and remuneration of Shri Gopal Ansal, Chairman cum Managing Director pursuant to various provisions and Schedule XIII of the Companies Act, 1956.

d) Subsidiary Companies

The Company does not have any material non-listed Indian Subsidiary Company. It has its subsidiary Company M/s Ansal Chaudhary Developers Pvt. Ltd. which was incorporated at Nepal and which also has four subsidiary companies viz. M/s Rahul Buildwell Pvt. Ltd. (Nepal), M/s Rahul Township Pvt. Ltd. (Nepal) M/s A.C. Shelters Pvt. Ltd. (Nepal), M/s A.C. Infrastructure & Development Pvt. Ltd. (Nepal). The Meetings of Audit Committee and Board of Directors generally review the Minutes/Accounts /Financial Statements of the Subsidiary Companies. The final accounts of the subsidiary companies and the Consolidated Balance Sheet and Profit and Loss Account of M/s Ansal Buildwell Ltd. and its subsidiaries are attached with Final Accounts of the Company. During the year under review, there was no significant transaction entered with the subsidiary companies by the Company.

4. CEO/ CFO certification to the Board of Directors

In terms of the requirement of the amended clause 49, the certificates from CEO/CFO had been obtained and placed before the Board.

**5. Code of Conduct**

In tune with the corporate philosophy, the Board of Directors of the Company in its meetings held on 27th October, 2005, 29th June, 2007 and 21st May, 2008 laid down a Code of Conduct for all Board Members and Senior Management of the Company in terms of the requirement placed in the amended clause 49 of the Listing Agreement. The Code of Conduct is displayed at Company's Website.

Declaration for Compliance of Code of Conduct.

I hereby confirm that:

The Company has obtained from all members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct and ethics for Directors and Senior Management Personnel for the financial year 2007-2008.

Date : 30th June, 2008

Place : New Delhi

Gopal Ansal
Chairman cum Managing Director

6. Particulars of Last three Annual General Meetings

The dates, time and venue of the three previous Annual General Meetings held during the last three years are given below:

Financial Year	Day	Date	Time	Venue
2004-2005	Friday	30.09.2005	11.00 A.M.	Sri Sathya Sai International Centre and School, Lodhi Road, New Delhi - 03
2005-2006	Friday	29.09.2006	11.00 A.M.	Sri Sathya Sai International Centre and School, Lodhi Road, New Delhi - 03
2006-2007	Wednesday	26.09.2007	11.00 A.M.	Sri Sathya Sai International Centre and School, Lodhi Road, New Delhi - 03

7. Share Transaction Regulatory System for Prevention of Insider Trading

The Board of Directors of the Company have adopted the Code of Conduct and control procedure for prevention of insider trading in their Board Meeting held on 30th July, 2002, 27th January, 2005 and 21st May, 2008. The Code contains the rules regulations and process for transactions, in the shares of Company and it applies to all transactions and for all associates, in whatever Capacity they may be, including directors and senior executives of the Company.

8. Other Disclosures

- a) The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the Company. The disclosure relating to transactions with the related parties as per Accounting Standard 18 is appearing in Para (4) of Part B of Schedule 12 of Notes on Accounts of the Company for the year ended 31st March, 2008.
- b) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures have been imposed/issued against it in the last three years.



9. Means of Communication

- a) Quarterly results
- i) Newspapers where quarterly Results were published in Financial Year 2007-08
- ii) Website where quarterly results are displayed
- b) Whether the website also displays official news releases and presentations to institutional investors/analysts
- c) Newspaper where Audited Financial Results are published
- d) Whether Management Discussion and Analysis is a part of Annual Report or not.
- | | |
|------------------|----------|
| i) The Pioneer | 01.07.07 |
| Veer Arjun | 01.07.07 |
| ii) The Pioneer | 01.08.07 |
| Veer Arjun | 01.08.07 |
| iii) The Pioneer | 24.10.07 |
| Veer Arjun | 24.10.07 |
| iv) The Pioneer | 30.01.08 |
| Veer Arjun | 30.01.08 |
- : www.sebi.gov.in.com (EDIFAR)
- : www.ansalabl.com
- : Normally published in The Pioneer (English) Veer Arjun (Hindi)
- : Yes

10. General Shareholders information

- i) Annual General Meeting**
- Date & Time : 25th September, 2008 at 11.00 a.m. at Sri Sathya Sai International Centre & School, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110 001
- ii) Financial Calendar**
- Approval of Unaudited Financial Results
- Quarter ended June 30, 2008 : Last week of July, 2008
- Quarter ended Sept. 30, 2008 : Last week of October, 2008
- Quarter ended Dec. 31, 2008 : Last week of January, 2009
- Quarter ended Mar. 31, 2009 : Last week of April, 2009
- iii) Book Closure Date** : 16th September, 2008 to 25th September, 2008 (Both days inclusive)
- iv) Registered Office** : 118, UFF, Prakashdeep Building, 7, Tolstoy Marg, New Delhi-110 001
Tel : 23353051 & 23353052, Fax : 23310639
Website: www.ansalabl.com
Email: ansalabl@vsnl.com
- v) Listing of Securities** : The Equity Shares of the Company are listed on Bombay Stock Exchange Limited.



- vi) **Listing Fees** : Listing Fees up to the year 2008-2009 has been paid to the Bombay Stock Exchange Limited where Company's Shares are listed.
- vii) **Stock Exchange Address & Stock Code** : The Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Tower, 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Mumbai-400001
- Stock Exchange Code** : 523007
- Demat ISIN Number** : INE030C01015
- viii) **Share Transfer System** : The Company has appointed In-Time Spectrum Registry Ltd. as a Common Agency for share registry work in term of both physical and electronic modes.
- ix) **Dematerialization of Shares** : The Company has been offering dematerialization facility to the shareholders. The demat facility is available to all the shareholders of the Company who request for such facility.
- x) **Investor correspondence** : All enquiries, clarification and correspondence should be addressed to Registrar and Share Transfer Agent, at the following address:-
M/s In-Time Spectrum Registry Ltd.
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall,
New Delhi-110 028
- xi) **Compliance Officer** : Mr Ashok Babu
Sr. G.M. & Company Secretary
Ansal Buildwell Limited
118, UFF, Prakashdeep Building,
7, Tolstoy Marg, New Delhi-110 001

11. Other Useful Information for Shareholders

- i) The Dividend recommended by the Board of Directors in their meeting held on the 30th June, 2008, @ 20%, if approved at the Annual General Meeting to be held on the 25th September, 2008, will be paid to the members whose names shall appear on the Company's Register of Members / Register of Beneficial Owners as on the 16th September, 2008.
- ii) Equity Shares of the Company are under compulsory demat trading by all investors w.e.f. 26th March, 2001. 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. Nos. 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 if any in their addresses 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) **Registrar and Share Transfer Agent**
The shares of the Company are under compulsory demat w.e.f. 26th March, 2001. The Company has appointed following Registrar and Transfer Agent as a Common Agency for the share registry work in terms of both physical as well as electronic form, as a single point.
M/s In-Time Spectrum Registry Ltd.
A-40, 2nd Floor, Naraina Industrial Area Phase-II,
Near Batra Banquet Hall, New Delhi-110 028

viii) Distribution of Shareholding

The distribution of shareholding as on 31st March, 2008 was as under

TABLE

Share Holding of Nominal value		Shareholders		Share Amount	
Rs.	Rs.	Number	% to total	Rs.	% to total
Upto	2500	10617	82.597	10287370	13.932
2501	5000	1447	11.257	5550720	7.517
5001	10000	463	3.602	3751460	5.082
10001	20000	159	1.237	2326770	3.151
20001	30000	65	0.506	1663960	2.254
30001	40000	27	0.210	957140	1.296
40001	50000	18	0.140	850600	1.152
50001	100000	25	0.194	1811600	2.453
100001	& above	33	0.257	46638810	63.163
Total		12854	100	73838430	100

ix) Details of Shareholding as on 31st March, 2008 was as under :

S.No.	Category	No. of Shares held	% of Shareholding
1	Promoters	3954900	53.562
2.	Mutual Funds/UTI	200	0.002
3.	Banks/ Financial Institutions	1450	0.019
4.	Private Corporate Bodies	479106	6.489
5.	Indian Public	2919342	39.537
6.	NRI	28845	0.390
Total		7383843	100

**x) 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. Over 89.73% of the share capital of the company has already been dematerialized till 31/03/2008.

xi) Outstanding GDRs/ADRs/Warrants

or any Convertible Instruments, conversion date

And likely impact on equity : NIL

xii) High and Low of the Shares for the Financial Year 2007-2008.**MUMBAI**

Month	High	Low
April, 2007	112.75	87.50
May, 2007	106.05	88.00
June, 2007	92.75	77.00
July, 2007	105.00	80.00
August, 2007	85.25	76.25
September, 2007	103.00	78.00
October, 2007	97.95	75.00
November, 2007	107.25	78.05
December, 2007	146.95	89.95
January, 2008	147.90	75.00
February, 2008	81.90	64.35
March, 2008	68.60	40.50

xiii) Address for Correspondence

Ansal Buildwell Limited
118, UFF Prakashdeep Building,
7, Tolstoy Marg, New Delhi-110 001

xiv) Compliance Certificate of the Auditors

The Company has received a certificate from Statutory Auditors certifying compliance of the mandatory requirements mentioned in clause 49 of the listing agreement.

Place : New Delhi
Date : 30th June, 2008

For and on behalf of the Board
Sd/-
GOPAL ANSAL
Chairman cum Managing Director



ANSAL BUILDWELL LTD.

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE
FROM THE STATUTORY AUDITORS**

To the Members of
ANSAL BUILDWELL LIMITED

We have read the Report of Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by ANSAL BUILDWELL LIMITED (the Company), for the year ended 31st March, 2008.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the 'Guidelines Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an 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 and the representations made by the Directors and Management, and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

We state that no investor grievance is unattended / pending for a period exceeding one month as on 31st March, 2008.

We further 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 SEKHRI & ASSOCIATES
Chartered Accountants
Sd/-

Date : 30th June, 2008
Place : New Delhi

H. L. SEKHRI
Partner
Membership No. 15874



REPORT OF THE AUDITORS TO THE MEMBERS

1. We have audited the attached Balance Sheet of M/s ANSAL BUILDWELL LIMITED as at 31st March, 2008 and the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed hereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express the opinion on these financial statements based on 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, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together the 'Order') issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. 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.
 - ii. In our opinion proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of such books.
 - iii. The Balance Sheet and the Profit & Loss Account referred to in this Report are in agreement with the books of account.
 - iv. The Balance Sheet, the Profit & Loss Account and Cash Flow Statement referred to in this Report comply with the Accounting Standards referred to Section 211(3C) of the Companies Act, 1956.
 - v. On the basis of written representations from the Directors as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2008 from being appointed as a Director under Section 274(1)(g) of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - (b) in so far as it relates to the Profit & Loss Account, of the profit of the Company for the year ended on that date;
 - (c) in so far as it relates to the Cash Flow, of the cash flows for the year ended on that date.

For SEKHRI & ASSOCIATES
Chartered Accountants
Sd/-

H.L. Sekhri

Partner

Membership No. 15874

Date : 30th June, 2008

Place : New Delhi



ANNEXURE REFERRED TO IN PARAGRAPH (3) OF THE AUDITORS' REPORT TO THE MEMBERS OF ANSAL BUILDWELL LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008.

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management at regular intervals. As explained to us no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of assets is reasonable.
(c) During the year, the Company has not disposed off a major part of the fixed assets.
- ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
(b) In our opinion 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) On the basis of information provided to us by the management, in our opinion, the Company has maintained proper records of inventory.
- iii) (a) The Company has neither granted nor received any secured or unsecured loans to or from Companies, Firms or Other Parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) In view of our comment in paragraph (iii)(a) above, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods. During the course of our audit, no major continuing failure has been noticed in the internal control procedures.
- v) (a) According to the information and explanations given to us, the transactions that need to be entered into the register maintained under 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 transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to deposits accepted from the public. According to information and explanations given to us, 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.
- vii) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.
- viii) The Company is not required to maintain cost records under section 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protec-



- tion Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, if any, applicable to it with appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, no disputed tax dues are payable by the company.
- x) The Company has neither accumulated losses as at the end of the financial year nor it has incurred cash losses during the financial year as well as in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us by the management, the Company has not defaulted in repayment of dues to financial institutions and banks.
- xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of special statute applicable to chit fund / nidhi / mutual benefit fund / society are not applicable to the Company and therefore, paragraph 4(xiii) of the Order is not applicable.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and/or financial institutions.
- xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they have been obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) During the course of examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

For SEKHRI & ASSOCIATES
Chartered Accountants

Sd/-

H.L. Sekhri

Partner

Membership No. 15874

Date : 30th June, 2008

Place : New Delhi



ANSAL BUILDWELL LTD.

BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE	(Rs.)	As at 31.03.2008 (Rs.)	(Rs.)	As at 31.03.2007 (Rs.)
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1		7,38,38,430		7,38,38,430
Reserves & Surplus	2		27,04,79,943		18,71,31,756
Loan Funds					
Secured Loans	3		41,09,50,755		34,96,45,121
Unsecured Loans	4		1,55,00,019		2,35,31,331
			<u>77,07,69,147</u>		<u>63,41,46,638</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	18,03,94,774		15,45,22,430	
Less : Depreciation Reserve		9,06,21,660		8,09,07,370	
Net Block			<u>8,97,73,114</u>	<u>7,36,15,060</u>	
Investments	6		44,87,412		40,13,312
Deferred Tax Assets			52,41,599		31,98,563
Current Assets and Loans & Advances					
	7	2,75,53,46,618		2,74,65,26,385	
Less : Current Liabilities and Provisions					
	8	2,08,40,79,596		2,19,32,06,682	
			<u>67,12,67,022</u>	<u>55,33,19,703</u>	
			<u>77,07,69,147</u>	<u>63,41,46,638</u>	
ACCOUNTING POLICIES AND NOTES	12				

As per our report of even date attached

For SEKHRI & ASSOCIATES Chartered Accountants	Sd/- GOPAL ANSAL Chairman cum Managing Director	Sd/- R. L. GUPTA Whole Time Director (Finance & BD)
Sd/- H.L. SEKHRI Partner	Sd/- V. P. VERMA Director	Sd/- SUBHASH VERMA Director
	Sd/- GAURAV MOHAN PURI Whole Time Director (Projects)	Sd/- ASHOK BABU Sr. GM & Company Secretary
Place : New Delhi Date : 30.06.2008	Sd/- SHYAM TAPARIA AGM (Finance & Accounts)	Sd/- PRAVEEN GUPTA AGM (Finance & Accounts)

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	SCHEDULE	(Rs.)	Current Year (Rs.)	(Rs.)	Previous Year (Rs.)
INCOME					
Sales & Other Income	9		1,53,46,10,062		1,20,36,49,718
			<u>1,53,46,10,062</u>		<u>1,20,36,49,718</u>
EXPENDITURE					
Cost of Construction	10		1,18,38,83,132		90,16,25,983
Selling & Administrative Expenses	11		11,59,16,839		10,35,62,833
<u>Interest & Finance Charges</u>					
— Public Deposits		14,27,795		33,95,838	
— Banks		5,36,49,201		3,66,21,304	
— Others		1,64,89,840		3,48,42,147	
			<u>7,15,66,836</u>		<u>7,48,59,289</u>
Depreciation			1,05,53,141		1,08,77,825
			<u>1,38,19,19,948</u>		<u>1,09,09,25,930</u>
Profit Before Taxation			15,26,90,114		11,27,23,788
Less : Provision for Taxation			5,14,41,768		3,79,42,827
Less : Provision for Taxation for Earlier years			3,94,741		23,33,438
Less : Provision for Deferred tax Liability (Net)			-20,43,036		-24,08,820
Less:- Fringe Benefit Tax			22,71,000		24,44,000
Profit After Tax			<u>10,06,25,641</u>		<u>7,24,12,343</u>
Balance Brought Forward from Profit & Loss Account		(+)	35,02,562	(+)	20,45,187
			<u>10,41,28,203</u>		<u>7,44,57,530</u>
APPROPRIATIONS					
Proposed Dividend		1,47,67,686		1,32,90,917	
Dividend Distribution Tax		25,09,768		18,64,051	
Transfer to General Reserve		8,00,00,000		5,58,00,000	
			<u>9,72,77,454</u>		<u>7,09,54,968</u>
Balance Carried over to Balance Sheet			<u>68,50,749</u>		<u>35,02,562</u>
EARNING PER SHARE					
Basic and diluted	12(B-3)		Rs.13.63		Rs. 9.79
Nominal Value of Share			Rs. 10		Rs. 10
ACCOUNTING POLICIES AND NOTES					

*As per our report of even date attached*For SEKHRI & ASSOCIATES
Chartered AccountantsSd/-
H.L. SEKHRI
PartnerSd/-
GOPAL ANSAL
Chairman cum Managing DirectorSd/-
V. P. VERMA
Director
Sd/-
GAURAV MOHAN PURI
Whole Time Director (Projects)Sd/-
SHYAM TAPARIA
AGM (Finance & Accounts)Sd/-
R. L. GUPTA
Whole Time Director (Finance & BD)Sd/-
SUBHASH VERMA
Director
Sd/-
ASHOK BABU
Sr. GM & Company Secretary
Sd/-
PRAVEEN GUPTA
AGM (Finance & Accounts)Place : New Delhi
Date : 30.06.2008



ANSAL BUILDWELL LTD.

SCHEDULE - 1

SHARE CAPITAL

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
AUTHORISED		
2,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 2,50,00,000 Equity Shares of Rs. 10/- Each)	25,00,00,000	25,00,00,000
	<u>25,00,00,000</u>	<u>25,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
73,83,843 Equity Shares of Rs. 10/- each (Previous Year 73,83,843 Equity Shares of Rs. 10/- Each)	7,38,38,430	7,38,38,430
	<u>7,38,38,430</u>	<u>7,38,38,430</u>

SCHEDULE - 2

RESERVES AND SURPLUS

	As at 1-Apr-2007 (Rs.)	Additions/ Deletions during the year (Rs.)	As at 31-Mar-2008 (Rs.)	As at 31-Mar-2007 (Rs.)
General Reserve	11,88,17,597	8,00,00,000	19,88,17,597	11,88,17,597
Share Premium Account	6,44,96,690	0	6,44,96,690	6,44,96,690
Capital Reserve	3,14,907	0	3,14,907	3,14,907
Profit & Loss Account Balance (Surplus)	35,02,562	33,48,187	68,50,749	35,02,562
	<u>18,71,31,756</u>	<u>8,33,48,187</u>	<u>27,04,79,943</u>	<u>18,71,31,756</u>

SCHEDULE - 3

SECURED LOANS

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
From Scheduled Banks & Financial Institutions		
– Secured by hypothecation of Work in Progress and receivables of the Company*	37,85,12,846	31,93,83,246
– Secured by hypothecation of vehicles & Machinery	3,24,37,909	3,02,61,875
	<u>41,09,50,755</u>	<u>34,96,45,121</u>

*Secured by equitable mortgage of land belonging to company/ Associate Companies and Personal Guarantee of CMD

SCHEDULE - 4

UNSECURED LOANS

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
Public Deposits	87,64,000	2,34,99,000
From Others	67,36,019	32,331
	<u>1,55,00,019</u>	<u>2,35,31,331</u>



**SCHEDULE - 5
FIXED ASSETS**

P A R T I C U L A R S	G R O S S B L O C K (Rs.)				D E P R E C I A T I O N (Rs.)			N E T B L O C K (Rs.)		
	As at 01-Apr-07	Additions During the year	Sales/ Transfers	As at 31-Mar-08	Upto 31-Mar-07	For the year ended 31-Mar-08	Adjustments during the year	Total Upto 31-Mar-08	W. D. V. As at 31-Mar-08	W.D.V. As at 31-Mar-07
Air Conditioners & Refrigerators	28,46,139	7,82,129	0	36,28,268	14,55,315	2,47,169	0	17,02,484	19,25,784	13,90,824
Building/Land	17,87,300	0	0	17,87,300	0	0	0	0	17,87,300	17,87,300
Computers	86,50,854	31,11,250	0	1,17,62,104	54,84,356	17,78,464	0	72,62,820	44,99,284	31,66,498
Furniture, Fixtures & Fittings	72,40,939	52,91,726	0	1,25,32,665	39,76,165	7,48,628	0	47,24,793	78,07,872	32,64,774
Office Equipments	74,07,385	6,71,797	0	80,79,182	41,56,964	4,99,876	0	46,56,840	34,22,342	32,50,421
Plant & Machinery	4,79,26,296	1,22,43,153	0	6,01,69,449	2,70,34,407	31,73,011	0	3,02,07,418	2,99,62,031	2,08,91,889
Vehicles	7,86,63,517	1,38,74,704	1,01,02,415	8,24,35,806	3,88,00,163	1,09,71,040	7703898	4,20,67,305	4,03,68,501	3,98,63,354
TOTAL	15,45,22,430	3,59,74,759	1,01,02,415	18,03,94,774	8,09,07,370	1,74,18,188	7703898	9,06,21,660	8,97,73,114	7,36,15,060
PREVIOUS YEAR	13,18,07,754	2,53,23,546	26,08,870	15,45,22,430	6,63,50,614	1,64,93,786	1937030	8,09,07,370	7,36,15,060	

ALLOCATION OF DEPRECIATION

— Profit & Loss Account	1,05,53,141
— Projects in Progress	68,65,047
	<u>1,74,18,188</u>



ANSAL BUILDWELL LTD.

SCHEDULE - 6		As at	
INVESTMENTS - LONG TERM		31-Mar-2008	31-Mar-2007
		(Rs.)	(Rs.)
TRADE INVESTMENTS			
A) SHARES IN COMPANIES			
i) Unquoted at cost			
– 47,800 Equity Shares of Rs. 10/- each in Aadharshila Towers Private Limited		4,96,642	4,96,642
– 2,00,000 Equity Shares of Rs. 10/- each Partly Paid up of Rs. 1/- of Aadharshila Towers Private Limited		2,00,000	2,00,000
– 30,600 Equity Shares of Rs.62.50 each in Ansal Chaudhary Developers Private Limited,Nepal (Subsidiary Company)		19,12,500	19,12,500
– 1,00,000 Equity Shares of Rs. 10/- Each in Ansal Crown Infra Build Private Limited		10,00,000	10,00,000
ii) Quoted			
– 300 equity shares of Rs. 10/- each in Canara Bank (Market Value Rs. 225.20 Per share)		10,500	10,500
– 943 Equity Shares of Punjab National Bank of Rs. 10/- each (Market Value Rs. 508.15 Per share)		3,67,770	3,67,770
– 50,000 Units of PNB Principal Mutual Fund of Rs. 10/- Each (NAV Value Rs. 9.72 Per unit)		5,00,000	0
B) GOVERNMENT SECURITIES		0	25,900
		<u>44,87,412</u>	<u>40,13,312</u>
SCHEDULE - 7		As at	
CURRENT ASSETS AND LOANS & ADVANCES		31.03.2008	31.03.2007
	(Rs.)	(Rs.)	(Rs.)
A. CURRENT ASSETS			
Inventories			
(As valued & certified by Management)			
Stock in Trade (At Cost)	98,19,547	98,19,547	
Projects in Progress (Real Estate Projects)	1,67,76,03,555	1,60,78,24,044	
Projects in Progress(Work Contracts)	58,77,541	56,52,581	
	<u>1,69,33,00,643</u>	<u>1,62,32,96,172</u>	
Sundry Debtors			
(unsecured, considered good)			
Outstanding for a Period Exceeding Six Months	0	16,99,827	
Others	2,89,39,100	7,47,85,969	
	<u>2,89,39,100</u>	<u>7,64,85,796</u>	
Cash in Hand			
Balances with Scheduled Banks			
– In Current Accounts	1,29,30,727	3,03,39,638	
– In Fixed Deposits	1,68,89,898	58,15,745	
– In Margin Money Accounts	1,33,64,107	59,84,946	
	<u>4,31,84,732</u>	<u>4,21,40,329</u>	
	<u>1,76,56,45,141</u>	<u>1,74,28,50,087</u>	
B. LOANS & ADVANCES			
(Unsecured, considered good)			
Security Deposits	1,24,73,540	97,93,370	
Advance Income Tax/Tax Deducted at source	8,72,79,189	5,40,93,888	
Other Advances	88,99,48,748	93,97,89,040	
	<u>98,97,01,477</u>	<u>1,00,36,76,298</u>	
	<u>2,75,53,46,618</u>	<u>2,74,65,26,385</u>	


SCHEDULE - 8
CURRENT LIABILITIES AND PROVISIONS

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
A. CURRENT LIABILITIES		
Sundry Creditors	9,28,54,308	15,41,68,492
Advances from Customers	1,08,90,83,690	1,06,98,75,425
Registration Against Future Projects	24,90,72,982	37,12,09,637
Unclaimed Dividend	13,38,335	8,25,162
Other Liabilities	52,60,68,232	52,50,30,171
	<u>1,95,84,17,547</u>	<u>2,12,11,08,887</u>
B. PROVISIONS		
Proposed Dividend	1,47,67,686	1,32,90,917
Dividend Distribution Tax	25,09,768	18,64,051
Income Tax Provision	10,83,84,595	5,69,42,827
	<u>2,08,40,79,596</u>	<u>2,19,32,06,682</u>

SCHEDULE - 9
SALES AND OTHER INCOME

	Current Year (Rs.)	Previous Year (Rs.)
Sales	1,37,58,18,784	93,87,42,974
Works Contracts	15,14,68,201	25,69,74,601
<u>Miscellaneous Income</u>		
— Interest Received	12,04,488	33,06,978
— Others	57,96,975	44,74,112
Profit on Sale of Fixed Assets	3,10,084	1,45,395
Dividend received	11,530	5,658
	<u>1,53,46,10,062</u>	<u>1,20,36,49,718</u>

SCHEDULE - 10
**COST OF CONSTRUCTION/
PROJECTS IN PROGRESS**

	Current Year (Rs.)	Previous Year (Rs.)
Balance Brought Forward	1,61,34,76,625	1,26,79,65,303
External Development Charges	6,73,24,500	19,16,29,195
Land Purchase	26,96,59,916	20,16,28,443
Land Development Expenses	3,19,44,961	2,56,50,960
Material/Stores Consumed	10,10,04,353	10,89,60,953
Project Expenses	55,26,82,510	57,25,21,061
Amount Written Off	0	2,18,69,419
Architect Fees	17,87,549	8,70,427
Brokerage & Commission	4,55,43,602	3,00,25,949
Advertisement & Publicity	1,75,15,340	1,23,13,823
Salary, Wages & Other Benefits	7,22,40,741	5,40,03,520
Licence Fee & Other charges	8,02,63,911	1,65,41,791
Depreciation	68,65,047	56,15,961
Security Expenses	70,55,173	55,05,803
	<u>2,86,73,64,228</u>	<u>2,51,51,02,608</u>
Less : Projects in Progress Transferred to Balance Sheet	1,68,34,81,096	1,61,34,76,625
	<u>1,18,38,83,132</u>	<u>90,16,25,983</u>



ANSAL BUILDWELL LTD.

SCHEDULE - 11

SELLING & ADMINISTRATIVE EXPENSES

	Current Year (Rs.)	Previous Year (Rs.)
Salary, Wages & Other Benefits *	6,16,18,033	4,11,92,766
Contribution To Provident & Other Fund *	35,63,351	45,31,279
Directors' Meeting Fees	50,000	46,500
<u>Repair & Maintenance</u>		
— Vehicles	38,88,975	45,29,730
— Plant & Machinery	4,36,463	4,69,992
— Others	6,83,975	15,34,120
Advertisement & Publicity	1,44,628	3,84,421
Postage, Telegram, Telephone	36,14,353	34,12,131
Printing & Stationery	15,99,782	13,75,426
Travelling **	51,13,913	9,06,902
Conveyance	10,60,499	18,17,062
Rent	1,62,86,324	87,63,976
<u>Payment to Auditors</u>		
— Audit Fees	1,68,540	1,40,450
— Tax Audit Fees	56,180	39,326
— Taxation /Other Matters	1,34,054	2,06,672
	3,58,774	3,86,448
Legal & Professional charges	79,44,002	1,07,69,271
Electricity Charges*	20,12,079	17,23,903
Business Promotion Expenses	11,27,252	6,01,822
Insurance	16,16,368	17,52,323
Prior Period Expenses	0	63,064
Amount Written Off	0	1,31,88,465
Investment Written Off	25,900	0
Filing Fees	15,814	10,07,596
Miscellaneous Expenses	47,56,354	51,05,636
	<u>11,59,16,839</u>	<u>10,35,62,833</u>

* Includes Remuneration Rs 39,76,000 (Previous Year Rs. 20,16,000/-) and Perquisites of Rs. 18,16,350/- (Previous Year Rs 10,18,072/-) of CMD/ Directors

** Includes Rs. 19,43,553/- towards Directors' Travelling Expenses (Previous Year Rs. 3,36,120/-)

**SCHEDULE - 12****NOTES ON ACCOUNTS****A. ACCOUNTING POLICIES****1. Disclosure of Accounting policies**

The Financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and Generally Accepted Accounting Principles (GAAP) which include compliance with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 1956, to the extent applicable. The management evaluates all the recently issued or revised Accounting Standards on an ongoing basis.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2. Valuation of Inventories

Projects in progress includes the value of materials and stores at sites.

Inventories are valued as under:

- | | |
|-----------------------------|----------------------------------|
| a) Flats/Shops/Houses/Plots | At lower of cost or market value |
| b) Projects in Progress | At cost |

3. Cash Flow Statements

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated. The Cash Flow statement is separately attached with the Financial Statements of the company.

4. Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

The prior period expenses are charged separately to the profit and loss account, except relating to sites and construction divisions, which have been charged to WIP. There is no change in the accounting policy during the year.

5. Depreciation Accounting

Depreciation is provided on Written Down Value method on pro-rata basis at the rates as prescribed in Schedule XIV of the Companies Act, 1956 for the period the assets are held by the Company. The same are as given below:

Class of Asset	Rate of Depreciation
Air Conditioners & Refrigerators	13.91%
Computers	40%
Furniture, Fixtures & Fittings	18.10%
Land	0%
Office Equipments	13.91%
Plant & Machinery	13.91%
Vehicles	25.89%



Depreciation on car parking spaces is not charged during the year as the management treats the same as Land and not Building.

6. Revenue Recognition

- a) The company follows “Percentage of Completion method” of accounting under which Sales Turnover and corresponding Profit/ Loss on each project in progress is accounted for at the year end in the proportion that the actual cost incurred bears to the total estimated cost of such project. In respect of construction contracts, the turnover has been accounted for on the basis of certified work. The profit on the certified work has been accounted for in the proportion to the estimated profit of the whole contract.
- b) Whereas all income and expenses are accounted for on accrual basis, interest on delayed payments by customers against dues are taken into account on “Cash Basis” owing to practical difficulties and uncertainties involved. Dividend income is recognised when the right to receive the dividend is established.
- c) The estimates relating to saleable area, sale value, estimated cost etc., are revised and updated periodically by the management and necessary adjustments are made in the current years account.
- d) Income from works contracts is recognised on the basis of running bills raised during the year. The related costs there against are charged to the profit & loss account.

7. Accounting for Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The Gross Block of fixed assets are shown at the cost of acquisition, which includes taxes, duties and other identifiable direct expenses incurred upto the date the asset is put to use. Assets costing less than Rs. 5,000/- are fully depreciated in the year of purchase. There was no revaluation of fixed assets carried out during the year.

8. Accounting for Effects of Changes in Foreign Exchange Rates

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction.

9. Accounting for Investments

- a) Long term investment are stated at cost. However, when there is a decline, other than temporary, in the value of the long term investment, the carrying cost is reduced to recognise the decline.
- b) 32300 Equity Shares of M/s Aadharshila Towers Private Limited included in the investments, which were transferred by M/s Ansal Properties and Infrastructure Ltd. in favour of M/s Ansal Buildwell Limited during the year ended 31.3.2006 under Arbitration Award dated 27th March, 2006 were transferred in favour of the Company on 6th June, 2008.

10. Accounting for Retirement Benefits

- a) Gratuity is provided for Employees who are in service as at the end of the financial year for 5 years or more, at the rate of 15 days’ salary for each completed year of service.
- b) Leave encashment is accounted for as and when the same is claimed by the employee.
- c) Provident Fund Contribution made during the year are charged to Profit & loss Account.

11. Borrowing Costs

Borrowing costs which have a direct nexus and are directly attributable to the construction projects are charged to the projects and other borrowing costs are treated as periodic cost.



12. Segment Reporting

Having regard to the integrated nature of the Real Estate Development/ Construction business of the company, the requirement of Segment Reporting pursuant to AS-17 is not applicable.

13. Related Party Disclosure

The Details are stated in the financial notes below which are not reproduced here.

14 Earnings Per Share

In determining earnings per share, the Company considers the net profit after tax and includes the post-tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

The details are stated in the financial notes below which are not reproduced here. There is no diluted Earning per Share as there are no dilutive potential equity shares.

15. Consolidated Financial Statements

Consolidated financial statements of the company and its subsidiary M/s Ansal Chaudhary Developers Private Limited (Nepal), M/s Rahul Buildwell Private Limited (Nepal), M/s Rahul Township Private Limited (Nepal), M/s AC Shelter Private Limited (Nepal), M/s AC Infrastructure & Development Private Limited (Nepal), all of them being incorporated in NEPAL, are enclosed separately.

16. Accounting for Taxes on Income

Income Tax

Income-tax expense comprises of current tax being amount of tax determined in accordance with the Income-tax law. A provision is made for income-tax annually, based on the tax liability computed after considering tax allowances and exemptions.

Deferred Tax

- a) Current tax is determined as the amount of tax payable as per Income Tax Act, 1961.
- b) Deferred Tax is recognized, subject to the consideration of Prudence, on Timing Differences Being differences between taxable income and accounting income, that originate in one period and are capable of being reversed in one or more subsequent periods, to the extent the timing differences are expected to crystallise.

Fringe Benefit Tax

Provision for Fringe Benefit Tax (FBT) is made on the basis of applicable FBT on the taxable value of chargeable expenditure of the Company as prescribed under the Income Tax Act, 1961.

17. Impairment of Assets

At the Balance Sheet date an assessment is done to determine whether there is any indication of impairment in the carrying amount of the company's fixed assets. If any such indication exist the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds it's recoverable amount. After the recognition of impairment loss the depreciation charged for the assets is adjusted in future periods to allocate the asset's revised carrying amount less the residual value, if any, on the written down value basis over it's useful remaining life.

**18. Provisions, Contingent Liabilities and Contingent Assets.**

The company recognises a provision when there is a present obligation as a result of a past event that probable requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

B. FINANCIAL NOTES

1. Contingent Liabilities in respect of Counter Guarantees given to the Bankers and against the Guarantees issued by the Bankers on behalf of the Company is Rs. 1,134.63 Lacs. (Previous Year Rs. 502.70 Lacs)

Contingent Liabilities in respect of Performance Guarantees Rs. 150 Lacs (Previous Year Rs. 150 Lacs)

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

- a) Since the company is following 'percentage of completion method' for the projects in accordance with Accounting Standard AS-7, it is not practicable to give quantitative details of sales turnover.

	Current Year		Previous Year	
	Quantity	Value (Rs.)	Quantity	Value(Rs.)
b) Consumption of Building Materials (Grit, Badarpur,Sand,Timber and Consumable Stores etc.)*	–	10,10,04,353	–	10,89,60,953
		10,10,04,353		10,89,60,953

*Items being too many quantitative details are not practicable.

Quantitative details of units of houses/ plots sold during the year is not feasible to be worked out as the company follows percentage completion method for accounting it's turnover.

	Current Year Rs	Previous Year Rs
c) Earning of Foreign Exchange on Booking/ Sale of Flats/ Plots (As certified by the Management)	80,392	23,52,945
d) Expenditure in Foreign Currency towards Travelling Expenses	14,73,796	1,95,063
e) Managerial Remuneration :		
- Basic Salary	35,50,000	18,00,000
- HRA	14,42,500	7,20,000
- Perquisites	3,73,850	2,98,072
- Provident Fund	4,26,000	2,16,000



f) Other information/requirements are not applicable.

3. Earnings Per Share

Profit after tax for the year	10,06,25,641	7,24,12,344
Weighted average no. of shares (Units)	73,83,843	73,98,809
Nominal value of shares	Rs. 10	Rs. 10
Earnings per share - Basic and Diluted (see note (a) below)	Rs. 13.63	Rs. 9.79

(a) The company has not issued any potential equity shares and accordingly, the basic and diluted earnings per share are the same.

4. Related Party Transactions**Related Parties with whom the Company had Transactions****A) ASSOCIATES**

1. Aadharshila Towers Private Limited

B) JOINT VENTURE

1. Ansal Crown Infrabuild Private Limited

C) RELATED PARTY WHERE KEY MANAGERIAL PERSONNEL EXERCISE SIGNIFICANT INFLUENCE

1. Ansal Buildwell Infrastructure Private Limited
2. Ansal Buildwell Real Estate Promoters Private Limited
3. Ansal Chaudhary Developers (India) Private Limited
4. Ansal Engineering Projects Limited
5. Ansal Hospitality & Leisure Co. Private Limited
6. Ansal Real Estate Developers Private Limited
7. APM Buildcon Private Limited
8. Bedi Exports Private Limited
9. Chandraprabha Estate Private Limited
10. Glorious Hotels Private Limited
11. GSG Developers Private Limited
12. Gyan Bharti Trust
13. K.C. Towers Private Limited
14. K.J. Towers Private Limited
15. Lancer Resorts & Tours Private Limited
16. M.K. Towers Private Limited
17. Madakinee Estate Private Limited
18. Mid Air Properties Private Limited
19. Potent Housing & Construction Private Limited
20. Rigoss Electric Distribution Co. Private Limited
21. Rigoss Estate Networks Private Limited
22. Rigoss Exports International Private Limited
23. S.J. Towers & Developers Private Limited
24. S.S. Towers Private Limited
25. Sabina Park Resorts & Marketing Private Limited
26. Sankalp Hotels Private Limited



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27. Saya Plantation & Resorts Private Limited
28. Triveni Apartments Private Limited
29. Hitech Township and Infrastructure Pvt. Ltd.

D) KEY MANAGERIAL PERSONNEL

1. Sh. Gopal Ansal (Chairman cum Managing Director)
2. Sh. R. L. Gupta (Wholetime Director - Finance & Business Development)
3. Sh. Gaurav Mohan Puri (Wholetime Director - Projects)

E) RELATIVES OF KEY MANAGERIAL PERSONNEL WITH WHOM TRANSACTION WERE CARRIED OUT DURING THE YEAR

1. Mrs. Ritu Ansal (Wife of CMD)
2. Ms. Shweta Ansal (Daughter of CMD)
3. Gopal Ansal (HUF) (CMD is Karta of HUF)
4. Mr. Deepak Ansal (Brother of CMD)

F) SUBSIDIARIES

1. Ansal Chaudhary Developers Private Limited (Nepal)
2. Rahul Buildwell Private Limited (Nepal)
3. Rahul Township Private Limited (Nepal)
4. AC Shelter Private Limited (Nepal)
5. AC Infrastructure & Development Private Limited (Nepal)

DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCE AS ON 31ST MARCH, 2008 (Rs.)

S. No.	Component	Associates/ Joint Venture Transactions (Net)	Significant Influence Transactions (Net)	Key Managerial Personnel Transactions (Net)	Relatives of Key Managerial Personnel Transactions (Net)	Subsidiary Transactions (Net)
1.	Advance Paid for Purchase of Land	-	14,73,67,168	-	-	-
2.	Finance Provided/ (Received)	5,39,83,605	(89,20,723)	-	-	-
3.	Remuneration to Key Managerial Persons	-	-	57,92,350	-	-
4.	Meeting Fees to Key Managerial Persons	-	-	50,000	-	-
5.	Loan Received	-	-	2,95,00,000	11,00,000	-
6.	Repayment of Loan	-	-	2,36,50,000	11,00,000	-
7.	Interest on loan	-	-	9,65,917	33,315	-
8.	Lease Rent	-	-	75,98,623	53,64,136	-
9.	Sub-Contract Paid	-	1,94,42,060	-	-	-
10.	Guarantees Given	6,06,42,000	-	-	-	-
11.	Security deposit paid/(Received)	-	-	(50,00,000)	-	-
12.	Outstanding Balance Debit/ (Credit) as on 31.03.2008	12,41,69,779	51,25,81,515	(47,49,314)	12,45,396	-

**5. Deferred Tax -Net**

	As at 31st March, 2008 (Rs.)
Deferred Tax Asset as on 01.04.2007	31,98,563.37
Less: Adjustments in opening balance	
— Deferred Tax Asset on account of Bonus Payable of last year	(36,174.54)
— Deferred Tax Asset on account of Sales Tax Payable of last year	(4,37,820.77)
Add: Deferred Tax Asset on account of Depreciation for the year	9,87,762.66
Add: Expenditure accrued in the statement of profit and loss on mercantile basis but allowed for tax purposes as per provisions of Section 43B of the Income Tax Act for the year :-	
— Deferred Tax Asset on account of Provision for Gratuity	10,48,247.86
— Deferred Tax Asset on account of Bonus Payable	27,425.85
— Deferred Tax Asset on account of Sales Tax Payable	4,53,595.19
	<hr/>
Deferred Tax Asset	52,41,599.62
Add: Adjustment in opening balance on account of change in Tax Rate, Surcharge & Education Cess	—
	<hr/>
Deferred Tax Asset as on 31.03.2008	52,41,599.62

6. Small Scale Undertakings to whom the amounts are due, have been determined, based on the information available with the company and are as follows:-
- 1) Bath System
 - 2) Isotech Engineers Private Limited
 - 3) Mr Light Illumination
7. The joint venture Company M/s Ansal Crown Infrabuild Private Limited did not have any Income and expenditure during the year. The value of proportionate share of assets and liabilities in the said Joint venture company are not being reflected since the Balance Sheet of the said company has not been finalised till date.
8. Previous year's figures have been regrouped/ rearranged wherever considered necessary to make them comparable with current year's figures.



ANSAL BUILDWELL LTD.

9. ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT.

(a) Registration details

Corporate Identification Number (CIN)	L45201DL1983PLC017225
Balance Sheet date	31st March 2008 (Rupees in '000')

(b) Capital raised during the year

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

(c) Position of mobilisation and deployment of funds

Total Liabilities including shareholder's fund	7,70,769
Total Assets	7,70,769

Sources of Funds

Paid-up Capital	73,838
Reserves and Surplus	2,70,480
Secured Loans	4,10,951
Unsecured Loans	15,500

Application of Funds

Net Fixed Assets	89,773
Investments	4,487
Deferred Tax Assets	5,242
Net Current Assets	6,71,267
Miscellaneous Expenditure	Nil
Profit and Loss Account	Nil

(d) Performance of the Company

Turnover (including other income)	15,34,610
Total expenditure	13,81,920
Profit before tax	1,52,690
Profit after tax	1,00,626
Earning per share in Rupee	13.63
Dividend rate percentage	20%

(e) General names of three principal products of the Company

Product Description: Real Estate Development, Promotion and Construction Contracts.

As per our report of even date attached

For SEKHRI & ASSOCIATES <i>Chartered Accountants</i>	Sd/- GOPAL ANSAL <i>Chairman cum Managing Director</i>	Sd/- R. L. GUPTA <i>Whole Time Director (Finance & BD)</i>
Sd/- H.L. SEKHRI <i>Partner</i>	Sd/- V. P. VERMA <i>Director</i>	Sd/- SUBHASH VERMA <i>Director</i>
	Sd/- GAURAV MOHAN PURI <i>Whole Time Director (Projects)</i>	Sd/- ASHOK BABU <i>Sr. GM & Company Secretary</i>
Place : New Delhi Date : 30.06.2008	Sd/- SHYAM TAPARIA <i>AGM (Finance & Accounts)</i>	Sd/- PRAVEEN GUPTA <i>AGM (Finance & Accounts)</i>

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2008**

(All Figures in thousand of Rupees)

	31-Mar-2008	31-Mar-2007
CASH FLOW PROVIDED BY/(USED IN) OPERATING ACTIVITIES :		
Profit Before Tax	1,52,690	1,12,724
(A) Adjustments to reconcile PBT to cash provided from operation		
a) Depreciation and Amortisation charged to P&L and Cost of Construction	17,418	16,494
b) Interest Expenses	71,567	74,859
c) Dividend, Interest and Miscellaneous Income	(7,012)	(7,787)
d) Profit on sale of Fixed Assets	(598)	(145)
e) Loss on sale of Fixed Assets/Written off	288	6
f) Loss on sale of Investment/Written Off	26	-
(B) (Increase)/Decrease in Current Assets and Loans & Advances		
a) Sundry Debtors	47,547	1,51,458
b) Loans & Advances (Excluding Direct Taxes Paid)	47,160	(3,10,213)
c) Inventories	(70,004)	(3,45,511)
(C) Increase/(Decrease) in Current Liabilities	(1,62,691)	4,08,106
Cash Provided by / (used in) Operating Activities	96,391	99,991
Direct Taxes Paid	(33,185)	(48,570)
Interest Paid	(71,567)	(74,859)
FBT Paid	(2,271)	(2,444)
Dividend Paid	(15,550)	(12,708)
Net Cash Provided by / (used in) Operating Activities (A)	(26,182)	(38,590)
CASH FLOW PROVIDED BY/(USED IN) INVESTING ACTIVITIES :		
Addition to Fixed Assets including Capital W. I. P.	(35,975)	(25,324)
Sale of Investments	0	1,005
Purchase of Investments	(500)	(500)
Dividend, Interest & Miscellaneous Income	7,012	7,787
Proceeds from retirements of Fixed Assets	2,708	811
Net Cash Provided by / (used in) Investing Activities (B)	(26,755)	(16,221)
CASH FLOW PROVIDED/(USED IN) FINANCING ACTIVITIES :		
Proceeds (Repayment) from Long Term Loan	61,305	(1,05,934)
Proceeds from Public Deposits/Others	(8,031)	(13,997)
Proceeds from Share Capital / Share Premium	0	255
Net Cash Provided by / (used in) Financing Activities (C)	53,274	(1,19,676)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	337	(1,74,487)
CASH AND CASH EQUIVALENT at the beginning of the year	43,068	2,17,555
CASH AND CASH EQUIVALENT at the end of the year	43,405	43,068

*As per our report of even date attached*For SEKHRI & ASSOCIATES
Chartered AccountantsSd/-
H.L. SEKHRI
PartnerSd/-
GOPAL ANSAL
Chairman cum Managing DirectorSd/-
V. P. VERMA
DirectorSd/-
GAURAV MOHAN PURI
Whole Time Director (Projects)Sd/-
SHYAM TAPARIA
AGM (Finance & Accounts)Sd/-
R. L. GUPTA
Whole Time Director (Finance & BD)Sd/-
SUBHASH VERMA
DirectorSd/-
ASHOK BABU
Sr. GM & Company SecretarySd/-
PRAVEEN GUPTA
AGM (Finance & Accounts)Place : New Delhi
Date : 30.06.2008**AUDITORS' CERTIFICATE**

We have verified the enclosed Cash Flow Statement of Ansal Buildwell Limited derived from the audited financial statements for the year ended 31st March, 2008 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreement with Stock Exchanges.

For SEKHRI & ASSOCIATES
Chartered AccountantsSd/-
H. L. SEKHRI
PartnerPlace : New Delhi
Date : 30.06.2008



ANSAL BUILDWELL LTD.

ANSAL BUILDWELL LIMITED (CONSOLIDATED FINANCIAL STATEMENTS)

AUDITORS' REPORT

To the Board of Directors of Ansal Buildwell Limited on the Consolidated Financial Statements of Ansal Buildwell Limited and its subsidiaries (The Group).

1. We have examined the attached consolidated Balance Sheet of Ansal Buildwell Limited and its subsidiaries as at 31st March, 2008 and also the consolidated Profit & Loss Account and the consolidated Cash Flow Statement for the year then ended annexed thereto. These financial statements are the responsibility of the Ansal Buildwell Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and 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 statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of all the subsidiaries whose financial statements reflect total assets of Rs. 2,752.86 Lacs as at March 31, 2008, after giving effect to inter company transactions, and total revenues of Rs. 1.99 Lacs for the year then ended. Other auditors, whose reports have been furnished to us, have audited these financial statements and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Ansal Buildwell Limited and its above mentioned subsidiaries included in the consolidated financial statements.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on other financial information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view and are in conformity with the accounting principles generally accepted in India :-
 - (i) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Ansal Buildwell Limited and its subsidiaries (The Group) as at 31st March, 2008;
 - (ii) the Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operation of Ansal Buildwell Limited and its subsidiaries (The Group) for the year then ended; and
 - (iii) the Cash Flow Statement gives a true and fair view of the consolidated cash flow of Ansal Buildwell Limited and its subsidiaries (The Group) for the year then ended.

For SEKHRI & ASSOCIATES
Chartered Accountants

Sd/-

H.L. Sekhri

Partner

Membership No. 15874

Place : New Delhi

Date : 30th June, 2008

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

	SCHEDULE	(Rs.)	As at 31.03.2008 (Rs.)	(Rs.)	As at 31.03.2007 (Rs.)
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1		7,38,38,430		7,38,38,430
Reserves & Surplus	2		26,82,89,059		18,49,15,270
Loan Funds					
Secured Loans	3		41,09,50,755		34,96,45,121
Unsecured Loans	4		2,74,40,644		3,54,71,956
Minority Interest	5		-2,56,208		-2,80,807
			<u>78,02,62,680</u>		<u>64,35,89,970</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	6	18,42,49,508		15,83,77,164	
Less : Depreciation Reserve		9,36,56,933		8,37,23,322	
Net Block			<u>9,05,92,575</u>		7,46,53,842
Investments	7		25,74,912		21,00,812
Deferred Tax Assets			52,41,599		31,98,563
Current Assets and Loans & Advances					
	8	3,02,98,11,288		3,01,26,50,200	
Less : Current Liabilities and Provisions					
	9	2,34,79,57,694		2,44,90,32,621	
			<u>68,18,53,594</u>		56,36,17,579
Miscellaneous Expenditure (To the extent not Written Off)	10		0		19,174
			<u>78,02,62,680</u>		<u>64,35,89,970</u>
ACCOUNTING POLICIES AND NOTES	14				

As per our report of even date attached

For SEKHRI & ASSOCIATES

Chartered Accountants

Sd/-

H.L. SEKHRI

Partner

Sd/-

GOPAL ANSAL

Chairman cum Managing Director

Sd/-

V. P. VERMA

Director

Sd/-

GAURAV MOHAN PURI

Whole Time Director (Projects)

Sd/-

SHYAM TAPARIA

AGM (Finance & Accounts)

Sd/-

R. L. GUPTA

Whole Time Director (Finance & BD)

Sd/-

SUBHASH VERMA

Director

Sd/-

ASHOK BABU

Sr. GM & Company Secretary

Sd/-

PRAVEEN GUPTA

AGM (Finance & Accounts)

Place : New Delhi

Date : 30.06.2008

**ANSAL BUILDWELL LTD.****CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2008**

	SCHEDULE	(Rs.)	Current Year (Rs.)	(Rs.)	Previous Year (Rs.)
INCOME					
Sales & Other Income	11		1,53,48,08,890		1,31,83,02,028
			<u>1,53,48,08,890</u>		<u>1,31,83,02,028</u>
EXPENDITURE					
Cost of Construction	12		1,18,38,83,132		1,02,34,76,110
Selling & Administrative Expenses	13		11,60,65,467		10,36,61,732
Interest & Finance Charges					
Public Deposits		14,27,795		33,95,838	
Banks		5,36,49,201		3,66,21,304	
Others		1,64,89,840		3,48,42,147	
			<u>7,15,66,836</u>		<u>7,48,59,289</u>
Depreciation			1,05,53,141		1,08,77,825
			<u>1,38,20,68,576</u>		<u>1,21,28,74,956</u>
Profit Before Taxation			15,27,40,314		10,54,27,072
Less : Provision for Taxation			5,14,41,768		3,79,42,827
Less : Provision for Taxation for Earlier years			3,94,741		23,33,438
Less : Provision for Deferred tax Liability (Net)			-20,43,036		-24,08,820
Less:- Fringe Benefit Tax			22,71,000		24,44,000
			<u>10,06,75,841</u>		<u>6,51,15,627</u>
Profit After Tax			10,06,75,841		6,51,15,627
Amount Transferred to Minority Shares					
Profit for the Current Year		24,599	24,599	-35,75,394	-35,75,394
			<u>10,06,51,242</u>		<u>6,86,91,021</u>
Balance Brought Forward from Profit & Loss Account		(+)	11,76,637	(+)	34,40,584
			<u>10,18,27,879</u>		<u>7,21,31,605</u>
APPROPRIATIONS					
Proposed Dividend		1,47,67,686		1,32,90,917	
Dividend Distribution Tax		25,09,768		18,64,051	
Transfer to General Reserve		8,00,00,000		5,58,00,000	
			<u>9,72,77,454</u>		<u>7,09,54,968</u>
Balance Carried over to Balance Sheet			45,50,425		11,76,637
EARNING PER SHARE					
Basic and diluted			Rs. 13.63		Rs. 8.80
Nominal Value of Share			Rs. 10		Rs. 10

**ACCOUNTING POLICIES AND
NOTES**

14

*As per our report of even date attached*For SEKHRI & ASSOCIATES
*Chartered Accountants*Sd/-
H.L. SEKHRI
*Partner*Sd/-
GOPAL ANSAL
*Chairman cum Managing Director*Sd/-
V. P. VERMA
Director
Sd/-
GAURAV MOHAN PURI
*Whole Time Director (Projects)*Sd/-
SHYAM TAPARIA
*AGM (Finance & Accounts)*Sd/-
R. L. GUPTA
*Whole Time Director (Finance & BD)*Sd/-
SUBHASH VERMA
Director
Sd/-
ASHOK BABU
*Sr. GM & Company Secretary*Sd/-
PRAVEEN GUPTA
*AGM (Finance & Accounts)*Place : New Delhi
Date : 30.06.2008


SCHEDULE - 1
SHARE CAPITAL

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
AUTHORISED		
2,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 2,50,00,000 Equity Shares of Rs. 10/- Each)	25,00,00,000	25,00,00,000
	<u>25,00,00,000</u>	<u>25,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
73,83,843 Equity Shares of Rs. 10/- each (Previous Year 73,83,843 Equity Shares of Rs. 10/- Each)	7,38,38,430	7,38,38,430
	<u>7,38,38,430</u>	<u>7,38,38,430</u>

SCHEDULE - 2
RESERVES AND SURPLUS

	As at 1-Apr-2007 (Rs.)	Additions/ Deletions during the year (Rs.)	As at 31-Mar-2008 (Rs.)	As at 31-Mar-2007 (Rs.)
General Reserve	11,89,27,037	8,00,00,000	19,89,27,037	11,89,27,037
Share Premium Account	6,44,96,690	0	6,44,96,690	6,44,96,690
Capital Reserve	3,14,907	0	3,14,907	3,14,907
Profit & Loss Account Balance (Surplus)	11,76,636	33,73,789	45,50,425	11,76,636
	<u>18,49,15,270</u>	<u>8,33,73,789</u>	<u>26,82,89,059</u>	<u>18,49,15,270</u>

SCHEDULE - 3
SECURED LOANS

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
From Scheduled Banks & Financial Institutions		
– Secured by hypothecation of Work in Progress and receivables of the Company*	37,85,12,846	31,93,83,246
– Secured by hypothecation of vehicles & Machinery	3,24,37,909	3,02,61,875
	<u>41,09,50,755</u>	<u>34,96,45,121</u>

*Secured by equitable mortgage of land belonging to company/ Associate Companies and Personal Guarantee of CMD



ANSAL BUILDWELL LTD.

SCHEDULE - 4

UNSECURED LOANS

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
Public Deposits	87,64,000	2,34,99,000
From Others	1,86,76,644	1,19,72,956
	2,74,40,644	3,54,71,956

SCHEDULE - 5

MINORITY INTEREST

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
Ansal Chaudhary Developers (P) Limited Paid up Share Capital (29400 Shares @ Rs. 62.50 each Share)	18,37,500	18,37,500
Minority Share		
— In Employee Housing Fund	1,05,148	1,05,148
— In Profit & Loss Account	- 22,07,918	- 21,27,369
	- 2,56,208	- 2,80,807
A.C. infrastructure & Development Private Limited	1,875	1,875
A.C. shelter Private Limited	3,125	3,125
Rahul Township Private Limited	1,562	1,562
Rahul Buildwell Private Limited	2,500	2,500
	- 2,56,208	- 2,80,807

SCHEDULE - 6

FIXED ASSETS

PARTICULARS	GROSS BLOCK (Rs.)				DEPRECIATION (Rs.)				NET BLOCK (Rs.)	
	As at 01.4.2007	Additions During the year	Sales/ Transfers	As at 31.3.2008	Upto 31.3.2007	For the year ended 31.3.2008	Adj during the year	Total Upto 31.3.2008	W. D. V. As at 31.3.2008	W.D.V. As at 31.3.2007
Air Conditioners & Refrigerators	28,46,139	782,129	0	36,28,268	14,55,315	2,47,169	0	17,02,484	19,25,784	13,90,824
Building / Land	17,87,300	0	0	17,87,300	0	0	0	0	17,87,300	17,87,300
Computers	89,24,139	31,11,250	0	1,20,35,389	56,77,505	17,98,498	0	74,76,003	45,59,386	32,46,634
Furniture, Fixtures & Fittings	84,91,706	52,91,726	0	1,37,83,432	48,76,374	8,22,558	0	56,98,932	80,84,500	36,15,332
Office Equipments	75,51,158	6,71,797	0	82,22,955	42,42,341	5,11,208	0	47,53,549	34,69,406	33,08,817
Plant & Machinery	4,79,26,296	1,22,43,153	0	6,01,69,449	2,70,55,195	31,73,011	0	3,02,28,206	2,99,41,243	2,08,71,101
Vehicles	8,08,50,426	1,38,74,704	1,01,02,415	8,46,22,715	4,04,16,592	1,10,85,065	77,03,898	4,37,97,759	4,08,24,956	4,04,33,834
TOTAL	15,83,77,164	3,59,74,759	1,01,02,415	18,42,49,508	8,37,23,322	1,76,37,509	77,03,898	9,36,56,933	9,05,92,575	7,46,53,842
PREVIOUS YEAR	13,57,01,975	2,53,27,784	26,52,595	15,83,77,164	6,88,86,427	1,67,73,925	19,37,030	8,37,23,322	7,46,53,842	

ALLOCATION OF DEPRECIATION

— Profit & Loss Account	1,05,53,141
— Projects in Progress	70,84,368
	1,76,37,509



SCHEDULE - 7		As at	
INVESTMENTS - LONG TERM		31-Mar-2008	31-Mar-2007
		(Rs.)	(Rs.)
TRADE INVESTMENTS			
A) SHARES IN COMPANIES			
i) Unquoted at cost			
– 47,800 Equity Shares of Rs. 10/- each in Aadharshila Towers Private Limited		4,96,642	4,96,642
– 2,00,000 Equity Shares of Rs. 10/- each Partly Paid up of Rs. 1/- of Aadharshila Towers Private Limited		2,00,000	2,00,000
– 1,00,000 Equity Shares of Rs. 10/- each in Ansal Crown Infra Build Private Limited		10,00,000	10,00,000
ii) Quoted			
– 300 equity shares of Rs. 10/- each in Canara Bank (Market Value Rs. 225.20 Per share)		10,500	10,500
– 943 Equity Shares of Punjab National Bank of Rs. 10/- each (Market Value Rs. 508.15 Per share)		3,67,770	3,67,770
– 50,000 Units of PNB Principal Mutual Fund of Rs. 10/- Each (NAV Value Rs. 9.72 Per unit)		5,00,000	0
B) GOVERNMENT SECURITIES		0	25,900
		<u>25,74,912</u>	<u>21,00,812</u>
SCHEDULE - 8		As at	
CURRENT ASSETS AND LOANS & ADVANCES		31.03.2008	31.03.2007
	(Rs.)	(Rs.)	(Rs.)
A. CURRENT ASSETS			
Inventories			
(As valued & certified by Management)			
Stock in Trade (At Cost)	98,19,547	98,19,547	
Projects in Progress (Real Estate Projects)	1,93,61,54,136	1,86,20,39,382	
Projects in Progress (Work Contracts)	58,77,541	56,52,581	
	<u>1,95,18,51,224</u>	<u>1,87,75,11,510</u>	
Sundry Debtors			
(unsecured, considered good)			
Outstanding for a Period Exceeding Six Months	0	16,99,827	
Others	2,91,28,679	7,51,95,173	
	<u>2,91,28,679</u>	<u>7,68,95,000</u>	
Cash in Hand			
Balances with Scheduled Banks			
– In Current Accounts	1,33,82,935	3,04,82,594	
– In Fixed Deposits	1,68,89,898	58,15,745	
– In Margin Money Accounts	1,33,64,107	59,84,946	
	<u>4,36,36,940</u>	<u>4,22,83,285</u>	
	<u>2,02,48,41,674</u>	<u>1,99,77,88,495</u>	
B. LOANS & ADVANCES			
(Unsecured, considered good)			
Security Deposits	1,25,32,915	98,52,745	
Advance Income Tax/Tax Deducted at source	8,84,82,406	5,52,64,691	
Other Advances	90,39,54,293	94,97,44,269	
	<u>1,00,49,69,614</u>	<u>1,01,48,61,705</u>	
	<u>3,02,98,11,288</u>	<u>3,01,26,50,200</u>	



ANSAL BUILDWELL LTD.

SCHEDULE - 9

CURRENT LIABILITIES AND PROVISIONS

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
A. CURRENT LIABILITIES		
Sundry Creditors	9,28,54,308	15,41,68,492
Advances from Customers	1,34,08,63,704	1,31,93,60,746
Registration Against Future Projects	24,90,72,982	37,12,09,637
Unclaimed Dividend	13,38,335	8,25,162
Other Liabilities	53,71,92,463	53,03,37,067
	<u>2,22,13,21,792</u>	<u>2,37,59,01,104</u>
B. PROVISIONS		
Proposed Dividend	1,47,67,686	1,32,90,917
Dividend Distribution Tax	25,09,768	18,64,051
Income Tax Provision	10,93,58,448	5,79,76,549
	<u>2,34,79,57,694</u>	<u>2,44,90,32,621</u>

SCHEDULE - 10

MISCELLANEOUS EXPENDITURE

(To the Extent not Written off or Adjusted)

Preliminary Expences	0	7,994
Pre-Operative Expenses	0	11,180
	<u>0</u>	<u>19,174</u>

SCHEDULE - 11

SALES AND OTHER INCOME

	Current Year (Rs.)	Previous Year (Rs.)
Sales	1,37,58,18,784	1,05,29,27,920
Works Contracts	15,14,68,201	25,69,74,601
<u>Miscellaneous Income</u>		
— Interest Received	12,04,488	33,06,978
— Others	59,95,803	49,41,476
Profit on Sale of Fixed Assets	3,10,084	1,45,395
Dividend received	11,530	5,658
	<u>1,53,48,08,890</u>	<u>1,31,83,02,028</u>


SCHEDULE - 12
COST OF CONSTRUCTION/PROJECTS IN PROGRESS

	Current Year (Rs.)	Previous Year (Rs.)
Balance Brought Forward	1,86,76,91,963	1,63,69,54,395
External Development Charges	6,75,35,696	19,45,61,155
Land Purchase	27,03,38,523	20,14,53,380
Land Development Expenses	3,19,44,961	2,56,50,960
Material/Stores Consumed	10,10,04,353	10,89,60,953
Project Expenses	55,49,01,939	57,55,11,830
Amount Written Off	0	2,18,69,419
Architect Fees	17,87,549	8,70,427
Brokerage & Commission	4,55,43,602	3,00,25,949
Advertisement & Publicity	1,75,15,340	1,23,13,823
Salary, Wages & Other Benefits	7,32,47,430	5,50,52,088
Licence Fee & Other charges	8,02,63,911	1,65,41,791
Depreciation	70,84,369	58,96,100
Security Expenses	70,55,173	55,05,803
	3,12,59,14,809	2,89,11,68,073
Less : Projects in Progress Transferred to Balance Sheet	1,94,20,31,677	1,86,76,91,963
	<u>1,18,38,83,132</u>	<u>1,02,34,76,110</u>

SCHEDULE - 13
SELLING & ADMINISTRATIVE EXPENSES

Salary,Wages & Other Benefits *	6,16,18,033	4,11,92,766
Contribution To Provident & Other Fund *	35,63,351	45,31,279
Directors' Meeting Fees	50,000	46,500
<u>Repair & Maintenance</u>		
— Vehicles	38,88,975	45,29,730
— Plant & Machinery	4,36,463	4,69,992
— Others	6,83,975	15,34,120
	50,09,413	65,33,842
Advertisement & Publicity	1,75,528	3,84,421
Postage, Telegram, Telephone	36,15,474	34,14,980
Printing & Stationery	16,02,246	13,75,426
Travelling **	51,13,913	9,06,902
Conveyance	10,60,499	18,17,062
Rent	1,62,86,324	87,63,976
<u>Payment to Auditors</u>		
— Audit Fees	2,00,914	1,68,700
— Tax Audit Fees	56,180	39,326
— Taxation /Other Matters	1,34,054	2,06,672
	3,91,148	4,14,698
Legal & Professional charges	79,70,252	107,83,396
Electricity Charges*	20,12,079	17,23,903
Business Promotion Expenses	11,27,252	6,01,822
Insurance	16,16,368	17,66,553
Prior Period Expenses	0	63,064
Amount Written Off	0	1,31,88,465
Investment Written Off	25,900	0
Filing Fees	15,814	10,07,596
Miscellaneous Expenses	47,56,532	51,45,081
Preliminary Expenses Written Off	7,994	0
Pre-Operative Expenses Written Off	47,347	0
	<u>11,60,65,467</u>	<u>10,36,61,732</u>

* Includes Remuneration of Rs 39,76,000 (Previous Year Rs. 20,16,000/-) and Perquisites of Rs. 18,16,350/- (Previous Year Rs 10,18,072/-) of CMD/ Directors.

** Includes Rs. 19,43,553/- towards Directors Travelling Expenses (Previous Year Rs. 3,36,120/-)



ANSAL BUILDWELL LTD.

SCHEDULE – 14

Notes to Accounts pertaining to consolidated Balance Sheet of Ansal Buildwell Ltd. & its subsidiary Ansal Chaudhary Developers Private Limited (alongwith its Subsidiaries as on 31-3-2008).

(a) Basis of Accounting

- i) The Financial Statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2008.
- ii) The Parent Company maintains its records and prepares its Financial Statements under the historical cost convention in accordance with the accounting standards issued by the Institute of Chartered Accountants of India while the foreign subsidiaries maintain its records and prepare its financial statements in conformity with Generally Accepted Accounting Principles prevalent in the country of domicile. No adjustments are made in this consolidated financial statement for inconsistencies in accounting policies, including deferred tax as required by AS-22 adopted by parent and its subsidiaries.

(b) Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- i) The Financial Statement of the Company and its subsidiary company has been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balance and intra-group transaction and unrealized Profit and Losses are fully eliminated.
- ii) Minority Interest in the net assets of consolidated subsidiary consists of the amount of equity and share of losses attributable to the minority shareholders.
- iii) The list of Subsidiary companies which are included in consolidated and the parent company's holding therein.

Name of Companies	Country	Subsidiary Company of	% Holding
Ansal Chaudhary Developers Pvt. Ltd.	Nepal	Ansal Buildwell Limited	51%
Rahul Buildwell Pvt. Ltd.	Nepal	Ansal Chaudhary Developers Pvt. Ltd.	92%
Rahul Township Pvt. Ltd.	Nepal	Ansal Chaudhary Developers Pvt. Ltd.	95%
AC Shelter Pvt. Ltd.	Nepal	Ansal Chaudhary Developers Pvt. Ltd.	90%
AC Infrastructure & Development Pvt. Ltd.	Nepal	Ansal Chaudhary Developers Pvt. Ltd.	94%

(c) Exchange Rate

The Audited Balance Sheet of M/s Ansal Chaudhary Developers Pvt. Ltd. (Nepal) along with its four subsidiaries viz. Rahul Buildwell Pvt. Ltd., Rahul Township Pvt. Ltd., AC Shelter Pvt. Ltd., and AC Infrastructure & Development Pvt. Ltd. as on 31st March, 2008 is in Nepalese Rupees and for the purpose of consolidated the same has been converted into INR currency by using fixed conversion rate of 1.60 Nepalese Rupees equivalent to 1.00 Indian Rupee.

(d) Other Significant Accounting Policies

These are set out in the 'Significant Accounting Policies and Notes of Accounts of the Company and its subsidiaries'. The previous year figures have been regrouped /reclassified wherever necessary to confirm to the current year figures.

As per our report of even date attached

For SEKHRI & ASSOCIATES <i>Chartered Accountants</i>	Sd/- GOPAL ANSAL <i>Chairman cum Managing Director</i>	Sd/- R. L. GUPTA <i>Whole Time Director (Finance & BD)</i>
Sd/- H.L. SEKHRI <i>Partner</i>	Sd/- V. P. VERMA <i>Director</i>	Sd/- SUBHASH VERMA <i>Director</i>
	Sd/- GAURAV MOHAN PURI <i>Whole Time Director (Projects)</i>	Sd/- ASHOK BABU <i>Sr. GM & Company Secretary</i>
Place : New Delhi Date : 30.06.2008	Sd/- SHYAM TAPARIA <i>AGM (Finance & Accounts)</i>	Sd/- PRAVEEN GUPTA <i>AGM (Finance & Accounts)</i>


CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2008

 (All Figures in thousand of Rupees)
31-Mar-2008 31-Mar-2007

CASH FLOW PROVIDED BY/(USED IN) OPERATING ACTIVITIES :		
Profit Before Tax	1,52,740	1,05,427
(A) Adjustments to reconcile PBT to cash provided from operation		
a) Depreciation and Amortisation charged to P&L and Cost of Construction	17,638	16,774
b) Interest Expenses	71,567	74,859
c) Dividend, Interest and Miscellaneous Income	(7,211)	(8,254)
d) Profit on sale of Fixed Assets	(598)	(145)
e) Loss on sale of Fixed Assets/Written off	288	6
f) Loss on sale of Investment/ Written Off	26	-
g) Preliminary Expenses Written off	8	0
h) Pre-operative Expenses Written off	12	0
(B) (Increase)/Decrease in Current Assets and Loans & Advances		
a) Sundry Debtors	47,766	1,51,049
b) Loans & Advances (Excluding Direct Taxes Paid)	43,110	(3,16,013)
c) Inventories	(74,339)	(2,30,737)
(C) Increase/(Decrease) in Current Liabilities	(1,54,579)	3,06,517
Cash Provided by /(used in) Operating Activities	<u>96,428</u>	<u>99,483</u>
Direct Taxes Paid	(33,277)	(48,570)
Interest Paid	(71,567)	(74,859)
FBT Paid	(2,271)	(2,444)
Dividend Paid	(15,550)	(12,708)
Net Cash Provided by /(used in) Operating Activities (A)	<u>(26,237)</u>	<u>(39,098)</u>
CASH FLOW PROVIDED BY/(USED IN) INVESTING ACTIVITIES :		
Addition to Fixed Assets including Capital W. I. P.	(35,975)	(25,327)
Sale of Investments	0	1,005
Purchase of Investments	(500)	(500)
Dividend, Interest & Miscellaneous Income	7,211	8,254
Proceeds from retirements of Fixed Assets	2,708	855
Net Cash Provided by /(used in) Investing Activities (B)	<u>(26,556)</u>	<u>(15,713)</u>
CASH FLOW PROVIDED/(USED IN) FINANCING ACTIVITIES :		
Proceeds (Repayment) from Long Term Loan	61,305	(1,05,934)
Proceeds from Public Deposits/Others	(8,031)	(13,972)
Proceeds from Share Capital / Share Premium	0	255
Net Cash Provided by /(used in) Financing Activities (C)	<u>53,274</u>	<u>(1,19,651)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	481	(1,74,462)
CASH AND CASH EQUIVALENT at the beginning of the year	43,381	2,17,843
CASH AND CASH EQUIVALENT at the end of the year	<u>43,862</u>	<u>43,381</u>

As per our report of even date attached

For SEKHRI & ASSOCIATES	Sd/-	Sd/-
Chartered Accountants	GOPAL ANSAL	R. L. GUPTA
Sd/-	Chairman cum Managing Director	Whole Time Director (Finance & BD)
H.L. SEKHRI	Sd/-	Sd/-
Partner	V. P. VERMA	SUBHASH VERMA
	Director	Director
	Sd/-	Sd/-
	GAURAV MOHAN PURI	ASHOK BABU
	Whole Time Director (Projects)	Sr. GM & Company Secretary
	Sd/-	Sd/-
	SHYAM TAPARIA	PRAVEEN GUPTA
	AGM (Finance & Accounts)	AGM (Finance & Accounts)

 Place : New Delhi
 Date : 30.06.2008

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

DIRECTORS' REPORT

Dear Shareholders,

I have the honour and privilege in welcoming you to the Ninth Annual General Meeting of Ansal Chaudhary Developers (Pvt.) Ltd. I hope that Annual Report and Financial Statement for the fiscal year 2064/065 (2007/2008) being presented are already in your hands.

Now, I would like to present the Director's Report with your permission.

A. OPERATIONS

During the year under review, Construction work of Mount View Residency Phase-I and II are Complete and most of the units have been handed over, however the lalpurja handing over (Registration of property) is still under process for all the units of Mount View Residency Phase I & II.

The Kathmandu Residency Project has been completed and all the units have already been handed over to the clients. The Lalpurja handing over (Registration of property) is still under process in respect of 22 units.

B. FINANCIALS

1. During the year under review the Company had total borrowings from the Director's stand at Rs. 284.05 lakhs.
2. The Company has adopted the project Completion Method to recognize the profit from the projects.

However, the Company was able to earn Nepalese Rs. 3.18 Lacs from other sources.

	Nepalese Rs.
Profit before tax	2,63,368.98
Less Income Tax	0.00
Net Profit	2,63,368.98
Less: Employee Housing Fund	0.00
Balance Carried to Balance Sheet	2,63,368.98

C. FUTURE OUTLOOK

Political uncertainties and delay in lalpurja handing over (Registration of property) are effecting the cash collection and delay in completion of the project.

D. AUDITORS

M/s. N. Amatya and Co. Chartered Accountants have been reappointed as the Auditors for the Fiscal Year 2065/066 (2008/2009) and their fee shall be decided by the Board of Directors.

E. ACKNOWLEDGEMENT

We are thankful, to Kathmandu Valley Town Development Implementation Committee, Department of Industries, Company Registrar's Office, Lalitpur Sub-Metropolitan City Office, Land Revenue Office, Lalitpur and Harisiddhi Village Development Committee for their continued support and advice. Our sincere thanks also go to our customers for their support and patronage.

Thank you very much for your valuable participation.

On behalf of the Board
Sd/-

Place: Kathmandu, Nepal

Date : June 10, 2008

Gopal Ansal
Chairman

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

Auditors' Report to the Board of Directors of Ansal Chaudhary Developers Pvt. Ltd. on the Financial Statement of Ansal Chaudhary Developers Pvt. Ltd. For the year ended on March 31, 2008.

We have examined the attached Balance Sheet of Ansal Chaudhary Developers Pvt. Ltd. as at March 31, 2008 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date. 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.

We have conducted our audit in accordance with the generally accepted auditing standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statements. We believe that our audit provides a reasonable basis for our opinion.

On the basis of the information and explanation given to us the enclosed Financial Statements read with the Notes to Accounts attached thereto give, in our opinion, true and fair view of :

- (a) in case of Balance Sheet, the state of affairs of Ansal Chaudhary Developers Pvt. Ltd. as at March 31, 2008;
- (b) in case of Profit & Loss Account, the profit of Ansal Chaudhary Developers Pvt. Ltd. for the year ended on that date and;
- (c) in case of Cash Flow Statement, the cash flow of Ansal Chaudhary Developers Pvt. Ltd. for the year ended on that date.

Place: Kathmandu, Nepal
Date : June 10, 2008

Sd/-
Nem Lal Amatya
for N. Amatya & Co.
Chartered Accountants

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	SCHEDULE	As on March 31, 2008 (Nepalese Rs.)	As on March 31, 2007 (Nepalese Rs.)
CAPITAL & LIABILITIES			
Capital & Reserve Fund			
Share Capital	1	60,00,000.00	60,00,000.00
Reserves & Surplus	2	(64,38,373.72)	(67,01,742.70)
Total		<u>(4,38,373.72)</u>	<u>(7,01,742.70)</u>
ASSETS			
Fixed Assets			
Gross Block	3	61,67,570.71	61,67,570.71
Less: Depreciation		48,56,438.20	45,05,524.24
Net Block		13,11,132.51	16,62,046.47
Investment	4	1,85,500.00	1,85,500.00
Current Assets, Loans & Advances			
Project in Progress	5	36,56,07,528.48	35,86,13,272.03
Sundry Debtors		3,03,326.00	6,54,726.00
Cash & Bank Balances	6	6,78,483.00	4,50,472.73
Advances & Deposits	7	7,29,87,502.84	6,63,65,631.37
Total		<u>43,95,76,840.32</u>	<u>42,60,84,102.13</u>
Less: Current Liabilities & Provisions			
Advance from Flat Buyers		40,28,48,026.39	39,91,76,514.73
Short Term Loan	8	1,91,05,000.00	1,91,05,000.00
Other Liabilities	9	1,80,11,213.39	88,04,269.80
Provisions	10	15,47,606.77	15,47,606.77
Total		<u>44,15,11,846.55</u>	<u>42,86,33,391.30</u>
Net Current Assets		<u>(19,35,006.23)</u>	<u>(25,49,289.17)</u>
Total		<u>(4,38,373.72)</u>	<u>(7,01,742.70)</u>
NOTES TO ACCOUNT	14		

As per our attached report of even date

Sd/-
Beni Gopal Tiwari
Sr. Manager (F & A)

Sd/-
Nirvan K. Chaudhary
Director

Sd/-
Nem Lal Amatya
for N. Amatya & Co.
Chartered Accountants

Place : Kathmandu, Nepal
Date : June 10, 2008

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

**PROFIT & LOSS ACCOUNT FOR THE YEAR
ENDED MARCH 31, 2008**

Particulars	Schedule	Current Year (Nepalese Rs.)	Previous Year (Nepalese Rs.)
INCOME			
Sales		–	18,15,62,118.00
Other Income	11	3,18,124.58	7,47,782.69
Total Income		<u>3,18,124.58</u>	<u>18,23,09,900.69</u>
EXPENDITURE			
Cost of Construction	12	–	19,32,82,654.21
Administrative & Office Expenses	13	54,755.60	1,53,243.57
Interest on Loan		–	–
Provision for Staff Bonus		–	–
Total Expenditure		<u>54,755.60</u>	<u>19,34,35,897.78</u>
Profit before Tax		2,63,368.98	(1,11,25,997.09)
Less: Provision for Tax		–	–
Special fee		–	–
Net Profit after Tax		2,63,368.98	(1,11,25,997.09)
Less: Employee Housing Fund		–	–
Net Profit for the year		2,63,368.98	(1,11,25,997.09)
Balance of the previous year		(70,45,083.92)	40,80,913.17
Balance carried to Balance Sheet		<u>(67,81,714.94)</u>	<u>(70,45,083.92)</u>
NOTES TO ACCOUNT	14		

As per our attached report of even date

Sd/-
Beni Gopal Tiwari
Sr. Manager (F & A)

Sd/-
Nirvan K. Chaudhary
Director

Sd/-
Nem Lal Amatya
for N. Amatya & Co.
Chartered Accountants

Place : Kathmandu, Nepal
Date : June 10, 2008

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2008

	As on March 31, 2008 (Nepalese Rs.)	As on March 31, 2007 (Nepalese Rs.)
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
10,00,000 Equity Shares of Rs. 100/- each	<u>10,00,000.00</u>	<u>10,00,000.00</u>
ISSUED		
3,00,000 Equity Shares of Rs. 100/- each (Previous Year 3,00,000 Equity Shares of Rs. 100/- each)	<u>3,00,000.00</u>	<u>3,00,000.00</u>
SUBSCRIBED & PAID UP		
60,000 Equity Shares of Rs. 100/- each (Previous Year 60,000 Equity Shares of Rs. 100/- each)	<u>60,000.00</u>	<u>60,000.00</u>
	<u><u>60,000.00</u></u>	<u><u>60,000.00</u></u>
SCHEDULE - 2		
RESERVES & SURPLUS		
Employee Housing Fund	3,43,341.22	3,43,341.22
Profit as per annexed account	(67,81,714.94)	(70,45,083.92)
Total	<u><u>(64,38,373.72)</u></u>	<u><u>(67,01,742.70)</u></u>

SCHEDULE - 3
FIXED ASSETS

PARTICULARS	Rate	GROSS BLOCK (Rs.)			DEPRECIATION (Rs.)				NET BLOCK (Rs.)		
		As on 31.3.2007	Additions During the year	Withdrawal/Adjustments	As on 31.3.2008	Upto 31.3.2007	For the year	Withdrawal/Adjustments	Up to 31.03.2008	As on 31.03.2008	As on 31.3.2007
Vehicles	20%	34,93,951.00	-	-	34,93,951.00	25,83,424.14	1,82,105.37	-	27,65,529.51	7,28,421.49	9,10,526.86
Bicycle	15%	5,100.00	-	-	5,100.00	2,864.32	335.35	-	3,199.67	1,900.33	2,235.68
Office Equipments	25%	1,32,295.48	-	-	1,32,295.48	96,662.99	8,908.12	-	1,05,571.11	26,724.37	35,632.49
Computers	25%	4,37,255.00	-	-	4,37,255.00	3,09,038.51	32,054.12	-	3,41,092.63	96,162.37	1,28,216.49
Furnitures & Fixtures-Metal	25%	46,603.00	-	-	46,603.00	32,090.59	3,628.10	-	35,718.69	10,884.31	14,512.41
Furnitures & Fixtures-Wooden	25%	16,01,470.73	-	-	16,01,470.73	12,58,412.23	85,764.62	-	13,44,176.85	2,57,293.88	3,43,058.50
Furnitures & Fixtures-Expandable	25%	1,51,269.00	-	-	1,51,269.00	1,11,882.19	9,846.70	-	1,21,728.89	29,540.11	39,386.81
Other Assets	15%	2,99,626.50	-	-	2,99,626.50	1,11,149.27	28,271.58	-	1,39,420.85	1,60,205.65	1,88,477.23
TOTAL		61,67,570.71	-	-	61,67,570.71	45,05,524.24	3,50,913.96	-	48,56,438.20	13,11,132.51	16,62,046.47

	As on March 31, 2008 (Nepalese Rs.)	As on March 31, 2007 (Nepalese Rs.)
SCHEDULE - 4		
INVESTMENT (AT COST)		
Investment in subsidiaries		
Rahul Buildwell Pvt. Ltd. (460 Share Rs 100/-Each)	46,000.00	46,000.00
Rahul Township Pvt. Ltd. (475 Share Rs.100/-Each)	47,500.00	47,500.00
A.C.Shelters Pvt. Ltd. (450 Share Rs 100/-Each)	45,000.00	45,000.00
A.C.Infrastructure & Deve. Pvt. Ltd. (470 Share Rs 100/-Each)	47,000.00	47,000.00
Total	<u><u>1,85,500.00</u></u>	<u><u>1,85,500.00</u></u>

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

**SCHEDULE FORMING PART OF BALANCE SHEET
AS AT MARCH 31, 2008**

	As on March 31, 2008 (Nepalese Rs.)	As on March 31, 2007 (Nepalese Rs.)
SCHEDULE - 5		
PROJECT IN PROGRESS		
Balance from Last Year	35,86,13,272.03	54,15,31,398.88
Cost of Land	10,85,771.25	(12,26,396.25)
External Development Charges	3,37,913.07	46,91,135.33
Project Expenses	-	27,98,591.36
Salary & Wages	15,53,994.30	15,81,705.15
Staff Welfare Expenses	56,708.56	96,004.12
Printing & Stationery	32,129.00	60,800.02
Postage, Telephone & Telex Expenses	1,66,999.54	2,73,480.30
House Rent	-	4,42,870.30
Travelling & Conveyance	1,53,519.20	3,64,807.18
Vehicle Running Expenses	1,53,697.40	3,63,307.19
Guest Entertainment Expenses	37,716.75	9,585.45
Insurance Premium	71,915.73	19,122.88
Rates & Taxes	900.00	1,050.00
Legal & Professional Charges	3,98,281.00	1,06,650.00
Miscellaneous Expenses	99,034.58	3,33,591.83
Civil Construction	24,94,762.11	-
Depreciation	3,50,913.96	4,48,222.50
Sub - Total	36,56,07,528.48	55,18,95,926.24
Less : Transferred to Cost of Construction	-	19,32,82,654.21
Total	36,56,07,528.48	35,86,13,272.03
SCHEDULE - 6		
CASH & BANK BALANCES		
Cash in Hand (As Certified)	6,664.75	2,73,455.38
Cash at Current Account with BOK	1,37,550.99	1,40,826.54
Cash at Current Account with Everest Bank	5,34,267.26	36,190.81
Total	6,78,483.00	4,50,472.73

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

**SCHEDULE FORMING PART OF BALANCE SHEET
AS AT MARCH 31, 2008**

	As on March 31, 2008 (Nepalese Rs.)	As on March 31, 2007 (Nepalese Rs.)
SCHEDULE - 7		
ADVANCES & DEPOSITS		
A. Advances		
Advance for Land	4,00,000.00	14,85,771.25
Advance Income Tax	18,18,797.95	17,66,936.18
Other Advances	7,06,73,704.89	6,30,17,923.94
B. Deposits		
Deposits With Department of Industries	20,000.00	20,000.00
Telephone Deposits	75,000.00	75,000.00
Total	7,29,87,502.84	6,63,65,631.37
SCHEDULE - 8		
SHORT TERM LOAN		
From Directors	1,91,05,000.00	1,91,05,000.00
Total	1,91,05,000.00	1,91,05,000.00
SCHEDULE - 9		
OTHER LIABILITIES		
For Expenses	71,037.34	—
T.D.S payable	6,579.48	33,057.68
Other Payable	1,79,33,596.57	87,71,212.12
Total	1,80,11,213.39	88,04,269.80
SCHEDULE - 10		
PROVISIONS		
Provision for Income Tax	15,47,606.77	15,47,606.77
Total	15,47,606.77	15,47,606.77
SCHEDULE - 11		
OTHER INCOME		
Administrative Charges against Cancellation	—	7,47,782.69
Other Receipts	3,18,124.58	—
Total	3,18,124.58	7,47,782.69

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

**SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT
AS AT MARCH 31, 2008**

	Current Year (Nepalese Rs.)	Previous Year (Nepalese Rs.)
SCHEDULE - 12		
COST OF CONSTRUCTION		
Chartered from Project in Progress		
Cost of Land	-	2,05,41,510.41
External Development Charges	-	2,01,23,211.81
Plan Submission Expenses	-	2,23,972.10
Project Expenses	-	11,70,34,462.76
Technical & Marketing Fee	-	49,49,600.00
Salary & Wages	-	1,27,58,256.03
Contribution to Providend Fund	-	1,59,925.00
Staff Wefare Expenses	-	2,24,089.53
Staff Recruitment Expenses	-	1,07,449.00
Medical Expenses	-	1,78,782.00
Printing & Stationery	-	5,12,674.75
Postage, Telephone & Communication	-	7,91,888.16
House Rent	-	12,91,755.00
Travelling & Conveyance	-	47,72,766.87
Launching Expenses	-	4,17,662.27
Brokerage and Commission	-	12,39,772.90
Selling & Distribution	-	23,96,132.23
Traffic Island Expenses	-	1,61,370.00
Site Office Expenses	-	2,18,417.38
Pooja Expenses	-	6,200.00
Consultancy Fees	-	5,41,573.00
Vehicle Running Expenses	-	7,29,585.04
Guest Entertainment Expneses	-	52,747.68
Insurance Premium	-	89,313.10
Rates & Taxes	-	37,917.00
Legal & Professional Charges	-	1,38,310.00
Miscellaneous Expneses	-	13,52,493.97
Depreciation	-	22,30,816.22
Total	-	19,32,82,654.21
SCHEDULE - 13		
ADMINISTRATIVE & OFFICE EXPENSES		
Advertisement Expenses	8,440.45	-
Bank Commision & Charges	280.95	1,675.12
Postage, Telegram & Telephone	1,793.20	4,558.57
Books & Periodicals	3,943.00	9,476.00
Audit Fee	40,298.00	45,200.00
Subscription & Membership	-	15,000.00
Donations	-	29,904.51
Professional Fee	-	22,600.00
Office Expenses	-	2,061.00
Insurance Premium	-	22,768.37
Total	54,755.60	1,53,243.57

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

SCHEDULE - 14

NOTES TO ACCOUNT

The financial statement of the Company has been prepared under historical cost convention basis and in accordance with the generally accepted accounting principles and practices followed in Nepal. The significant accounting policies adopted by the Company, which are in consistence with those followed in the previous year, are as follows:

1. The fixed assets have been valued at cost of purchase plus the incidental expenditure incurred on such purchases.
Depreciation on fixed assets has been charged on diminishing balance value method at the rate and in the manner as prescribed by Schedule 2 of the Income tax Act, 2058.
Depreciation has been charged to Project in Process.
2. The investment of the Company is represented by shares in Subsidiary Companies and the same are stated at cost.
3. The advance and deposits are stated at book value and no confirmations of balances are obtained from the related parties. Of the amount due Rs. 486.65 Lacs (Previous Rs 485.75 Lacs) is due from subsidiary companies. Balance mainly relates to construction advances which management states shall be adjusted against progress bills to be received.
4. The expenditure incurred on the project on various account has been considered as project expenditure/ advances, which shall be taken to revenue on completion method basis.
5. **Income tax**
The amount of income tax provision appearing in the account represents the amount for the period July 16, 2004 to July 15, 2005. Income tax for the period ending March 31, 2008 has not been provided in the accounts, as the same will be dealt by at July 16, 2008 closing which is the actual financial year of the Company.
6. **Retirement Benefits**
 - a) **Gratuity to Employees**
No provision for gratuity payable to staff on retirement/termination is made in the accounts as the same is being dealt on cash basis. No employee fall under gratuity entitlement during the year, as they have not completed required years of continuous service which is the requirement for entitlement of gratuity.
 - b) **Provident Fund**
The company deducts 10% of salary from the employees and contributes equivalent amount to the employee provident fund. The same are accounted for every month and are deposited with employees provident fund (organization).
 - c) **Leave Encashment**
Leave Encashment payable to staff are accounted for on cash basis. The amount of liability due as on March 31, 2008 has not been determined.
7. Previous year's figures have been regrouped/rearranged wherever necessary.

As per our attached report of even date

Sd/-
Beni Gopal Tiwari
Sr. Manager (F & A)

Sd/-
Nirvan K. Chaudhary
Director

Sd/-
Nem Lal Amatya
for N. Amatya & Co.
Chartered Accountants

Place : Kathmandu, Nepal
Date : June 10, 2008

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

**CASH FLOW STATEMENT FOR THE YEAR
ENDED MARCH 31, 2008**

Particulars	Current Year (Nepalese Rs.)	Previous Year (Nepalese Rs.)
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before Income tax	2,63,368.98	(1,11,25,997.09)
Adjustment for		
Cost of Construction transferred from Project in Progress	-	19,32,82,654.21
Sales transferred from Advance from Flat Buyers	-	(18,15,62,118.00)
Cash flow from operation before Working Capital Changes	2,63,368.98	5,94,539.12
Cash Flow from Working Capital Changes		
(Increase)/Decrease in Project In Progress	(66,43,342.49)	(99,16,304.86)
(Increase)/Decrease in Sundry Debtors	3,51,400.00	(6,54,726.00)
(Increase)/Decrease in Advance & Deposits	(66,21,871.47)	(91,05,035.08)
Increase/(Decrease) in Advance from Flat Buyers	36,71,511.66	1,78,28,102.22
Increase/(Decrease) in Other Liabilities	92,06,943.59	12,47,222.86
Cash Generated from working capital changes	2,28,010.27	(6,201.74)
B. Cash Flow from Financing Activities		
Increase/(Decrease) in Short term Loan	-	-
Cash Flow from Financing Activities	-	-
C. Cash Flow from Investing Activities		
Additions to Fixed Assets	-	(6,780.00)
Sales of Fixed Assets	-	69,960.00
Cash Flow from Investing Activities	-	63,180.00
Net Cash and Cash Equivalent for the year (A+B+C)	2,28,010.27	56,978.26
Cash and Cash Equivalent at the beginning of the year	4,50,472.73	3,93,494.47
Cash and Cash Equivalent at the end of the year	6,78,483.00	4,50,472.73

As per our attached report of even date

Sd/-
Beni Gopal Tiwari
Sr. Manager (F & A)

Sd/-
Nirvan K. Chaudhary
Director

Sd/-
Nem Lal Amatya
for N. Amatya & Co.
Chartered Accountants

Place : Kathmandu, Nepal
Date : June 10, 2008

RAHUL BUILDWELL PVT. LTD.

DIRECTORS' REPORT

Respected Shareholders

All shareholders have come to participate in person in this Annual General Meeting, so firstly, let me take this opportunity to welcome you all.

I assume that you are aware of the situation of the Company from the photocopies of the matters, profit and loss account, balance sheet and all other details of the business of the Company, etc. requiring adoption by this Annual Meeting that were forwarded to you for your information and perusal along with the notice of this meeting.

While bringing to your notice that the Company is being operated amid several problems, I would like to inform you that the Company had to bear some loss in this fiscal year 2063/2064 (2006/2007) due to those problems. I presume that is also clear from the annual profit and loss account and balance sheet of the Company that were provided to you.

I would like to inform you that the business of the Company has been conducted as per the Rules, and that no irregular activities have been committed by any employee in the business of the Company.

In anticipation of invaluable suggestions from all of you in order to make the Company more competent and your support as usual, I conclude my short speech here requesting all of you to make this meeting successful.

For and on behalf of the Board of Directors

Sd/-

Nirvan Kumar Chaudhary

Chairman

Place : Kathmandu, Nepal

Date : June 4, 2008

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s Rahul Buildwell Pvt. Ltd. as on March 31, 2008, Profit & Loss Account and Cash Flow Statement attached thereto for the year ended on that date. 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.

We conducted our audit in accordance with the auditing standards generally accepted in Nepal. 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. Further we report that:

- a. We have obtained prompt replies to our queries and the explanations asked for.
- b. In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement are in compliance with the provisions of the Company Act, 2063 and are in agreement with the books of account maintained by the Company.
- c. In our opinion, the accounts and records of the Company have been accurately maintained in accordance with the law.
- d. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give a true and fair view;
 - i. In case of Balance Sheet, of the state of affairs of the Company as at March 31, 2008.
 - ii. In the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date, and
 - iii. In case of the Cash Flow Statement, the cash flows for the year ended on that date.
- e. In our opinion and to the best of our information and according to the explanations given to us, the Board of Directors or any employees of the Company have not acted contrary to legal provisions relating to accounts, nor committed any misappropriation or caused loss or damage to the Company.
- f. This report is issued by us, pursuance to specific request made by the Company, in regard to consolidation of the financial statements with the Parent Company.

For: Deoki Bijaya & Co.
Chartered Accountants

Sd/-

P. K. Swarnakar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 4, 2008

RAHUL BUILDWELL PVT. LTD.

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Capital & Liabilities			
Shareholder's Fund			
Share Capital	1	50,000.00	50,000.00
		<u>50,000.00</u>	<u>50,000.00</u>
Assets:			
Current Assets, Advances & Deposits:			
Project in Progress	2	2,14,57,436.20	2,14,85,877.62
Cash & Bank Balances	3	18,411.65	18,411.65
Advances & Deposit	4	10,557.25	10,557.25
		<u>2,14,86,405.10</u>	<u>2,15,14,846.52</u>
Less: Current Liabilities:			
Other Payables	5	2,20,18,822.76	2,19,71,822.76
Provisions	6	10,557.25	10,557.25
		<u>2,20,29,380.01</u>	<u>2,19,82,380.01</u>
Net Current Assets		(5,42,974.91)	(4,67,533.49)
Miscellaneous Expenditures:			
(to the extent not written off or adjusted)			
Preliminary Expenses		—	4,812.00
Profit and Loss Account		5,92,974.91	5,12,721.49
		<u>50,000.00</u>	<u>50,000.00</u>
Significant Accounting Policies & Notes to the Accounts	10		

As per our attached report of even date

For : **Deoki Bijaya & Co.**
Chartered Accountants

Sd/-
Prabhu Krishna Pradhan
Accountant

Sd/-
Nirvan K. Chaudhary
Director

Sd/-
P. K. Swarnakar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 4, 2008

RAHUL BUILDWELL PVT. LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Sales	7	–	11,33,795.00
Cost of Sales	8	–	16,77,554.80
Gross Profit		–	(5,43,759.80)
Administrative Expenses	9	47,000.00	–
Pre-operating Expenses w/off		28,441.42	–
Preliminary Expenses w/off		4,812.00	–
Net Profit/(Loss) before Tax		(80,253.42)	(5,43,759.80)
Income Tax		–	–
Special Tax		–	–
Profit/Loss after Tax		(80,253.42)	(5,43,759.80)
Profit/Loss upto last year		(5,12,721.49)	31,038.31
Balance Carried to Balance Sheet		(5,92,974.91)	(5,12,721.49)
Significant Accounting Policies & Notes to the Accounts	10		

As per our attached report of even date

For : **Deoki Bijaya & Co.**
Chartered Accountants

Sd/-
Prabhu Krishna Pradhan
Accountant

Sd/-
Nirvan K. Chaudhary
Director

Sd/-
P. K. Swarnakar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 4, 2008

RAHUL BUILDWELL PVT. LTD.

**SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2008**

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
SCHEDULE -1		
SHARE CAPITAL		
Authorised:		
5000 Equity Shares of Rs. 100/- each	<u>5,00,000.00</u>	5,00,000.00
Issued:		
1000 Equity Shares of Rs. 100/- each	<u>1,00,000.00</u>	1,00,000.00
Subscribed & Paid Up:		
500 Equity Shares of Rs. 100/- each	<u>50,000.00</u>	50,000.00
	<u>50,000.00</u>	50,000.00
SCHEDULE - 2		
PROJECT IN PROGRESS		
Land	2,14,57,436.20	2,14,57,436.20
Audit Fee	-	19,000.00
General Expenses	-	804.50
Rent, Rate & Taxes	-	2,448.92
Tax & Penalties	-	6,188.00
	<u>2,14,57,436.20</u>	2,14,85,877.62
SCHEDULE -3		
CASH & BANK BALANCES		
Cash in Hand (As certified by management)	-	-
Bank of Kathmandu Ltd.	18,411.65	18,411.65
	<u>18,411.65</u>	18,411.65
SCHEDULE - 4		
ADVANCES & DEPOSITS		
Hari Maharjan A/C	-	-
Advances Income Tax	10,557.25	10,557.25
	<u>10,557.25</u>	10,557.25
SCHEDULE - 5		
OTHER PAYABLES		
T.D.S. Payable	-	1,275.00
Audit Fee Payable	4,250.00	3,725.00
Ansai Chaudhary Developers Pvt. Ltd.	2,20,14,572.76	2,19,66,822.76
	<u>2,20,18,822.76</u>	2,19,71,822.76

RAHUL BUILDWELL PVT. LTD.

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
SCHEDULE - 6		
PROVISIONS		
Provision for Income Tax	10,557.25	10,557.25
	10,557.25	10,557.25
SCHEDULE -7		
SALES		
Sale of Land	-	11,33,795.00
Less: Brokerage	-	-
	-	11,33,795.00
SCHEDULE -8		
COST OF SALES		
Cost of Land	-	16,77,554.80
	-	16,77,554.80
SCHEDULE -9		
ADMINISTRATIVE EXPENSES		
Audit Fee	5,000.00	-
Consultancy Charges	42,000.00	-
	47,000.00	-
SCHEDULE -10		
Significant Accounting Policies & Notes to the Accounts		
A) Significant Accounting Policies:		
1. Accounting Convention:		
The financial statements are prepared under the historical cost conventions on an accrual basis and are in accordance with Nepal accounting standards and others as applicable under prevalent laws of Nepal.		
2. Project in Progress:		
Cost of Land has been debited to project in Progress Account.		
B) Notes to the Accounts:		
1. The Company's accounts closes on 15th July every year as per Prevalent Laws of Nepal, however, these accounts are prepared for consolidation with the holding company, whose accounts closes on March, these accounts are prepared for the period from 1st April, 2007 to 31st March, 2008.		
2. Previous year's figures have been regrouped/rearranged wherever necessary.		
3. Schedule 1 to 10 form the integral part of Balance Sheet and Profit & Loss Account.		

RAHUL BUILDWELL PVT. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
Cash Flow From Operating Activities:		
Net Profit as per Profit & Loss A/C	(80,253.42)	(5,43,759.80)
Add : Preliminary expenses w/off	4,812.00	—
	<u> </u>	<u> </u>
Operating Profit before changes in Working Capital	(75,441.42)	(5,43,759.80)
Changes in Working Capital:		
(Increase)/Decrease in Current Assets	—	—
Increase/(Decrease) in Current Liabilities	47,000.00	(2,00,819.83)
Increase in Provisions	—	—
Decrease in Project in Progress	28,441.42	7,27,556.38
	<u> </u>	<u> </u>
Net Cash Flow From Operating Activities	<u> </u>	<u> </u>
	—	(17,023.25)
	<u> </u>	<u> </u>
Cash Flow from Investing Activities		
Preliminary Expenses	(4,812.00)	—
	<u> </u>	<u> </u>
Net Cash Flow From Investing Activities	<u> </u>	<u> </u>
	—	—
	<u> </u>	<u> </u>
Cash Flow from Financing Activities		
Increase in Share Capital	—	—
	<u> </u>	<u> </u>
Net Cash Flow From Financing Activities	<u> </u>	<u> </u>
	—	—
	<u> </u>	<u> </u>
Total Cash Flow From All Activities	<u> </u>	<u> </u>
	—	(17,023.25)
Opening Cash & Bank Balances	18,411.65	35,434.90
	<u> </u>	<u> </u>
Closing Cash & Bank Balances	<u> </u>	<u> </u>
	18,411.65	18,411.65

DIRECTORS' REPORT

Respected Shareholders

All shareholders have come to participate in person in this Annual General Meeting, so firstly, let me take this opportunity to welcome you all.

I assume that you are aware of the situation of the Company from the photocopies of the matters, profit and loss account, balance sheet and all other details of the business of the Company, etc. requiring adoption by this Annual Meeting that were forwarded to you for your information and perusal along with the notice of this meeting.

While bringing to your notice that the Company is being operated amid several problems, I would like to inform you that the Company had to bear some loss in this fiscal year 2063/2064 (2006/2007) due to those problems. I presume that is also clear from the annual profit and loss account and balance sheet of the Company that were provided to you.

I would like to inform you that the business of the Company has been conducted as per the Rules, and that no irregular activities have been committed by any employee in the business of the Company.

In anticipation of invaluable suggestions from all of you in order to make the Company more competent and your support as usual, I conclude my short speech here requesting all of you to make this meeting successful.

For and on behalf of the Board of Directors

Sd/-

Nirvan Kumar Chaudhary
Chairman

Place : Kathmandu, Nepal
Date : June 4, 2008

RAHUL TOWNSHIP PVT. LTD.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s Rahul Township Pvt. Ltd. as on March 31, 2008 Profit & Loss Account and Cash Flow Statement attached thereto for the year ended on that date. 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.

We conducted our audit in accordance with the auditing standards generally accepted in Nepal. 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. Further we report that:

- a. We have obtained prompt replies to our queries and the explanations asked for.
- b. In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement are in compliance with the provisions of the Company Act, 2063 and are in agreement with the books of account maintained by the Company.
- c. In our opinion, the accounts and records of the Company have been accurately maintained in accordance with the law.
- d. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give a true and fair view;
 - i. In case of Balance Sheet, of the state of affairs of the Company as at March 31, 2008
 - ii. In case of the Profit & Loss Account, loss of the Company for the year ended on that date, and
 - iii. In case of the Cash Flow Statement, the cash flows for the year ended on that date.
- e. In our opinion and to the best of our information and according to the explanations given to us, the Board of Directors or any employees of the Company have not acted contrary to legal provisions relating to accounts, nor committed any misappropriation or caused loss or damage to the Company.
- f. This report is issued by us, pursuant to specific request made by the Company, in regard to consolidation of the financial statements with the Parent Company.

For: Deoki Bijaya & Co.
Chartered Accountants

Sd/-

P.K. Swarnakar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 4, 2008

RAHUL TOWNSHIP PVT. LTD.

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Capital & Liabilities			
Capital & Reserve Fund			
Share Capital	1	50,000.00	50,000.00
		<u>50,000.00</u>	<u>50,000.00</u>
Assets:			
Current Assets, Advances & Deposits:			
Project in Progress	2	2,66,19,627.00	2,66,49,052.80
Cash & Bank Balances	3	10,425.00	10,425.00
		<u>2,66,30,052.00</u>	<u>2,66,59,477.80</u>
Less: Current Liabilities:			
Other Payables	4	2,66,54,505.80	2,66,13,505.80
		<u>(24,453.80)</u>	<u>45,972.00</u>
Net Current Assets			
Miscellaneous Expenditure: (to the extent not written off or adjusted)			
Preliminary Expenses		—	4,028.00
Profit & Loss Account		74,453.80	—
		<u>50,000.00</u>	<u>50,000.00</u>
Significant Accounting Policies & Notes to the Accounts			
	5		

As per our attached report of even date

For : **Deoki Bijaya & Co.**
Chartered Accountants

Sd/-
Prabhu Krishna Pradhan
Accountant

Sd/-
Nirvan Kumar Chaudhary
Director

Sd/-
P. K. Swarnakar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 4, 2008

RAHUL TOWNSHIP PVT. LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Income		—	—
Less : Direct Expenses		—	—
Gross Profit		—	—
Administrative Expenses		41,000.00	—
Pre-operating Expenses w/off		29,425.80	—
Preliminary Expenses w/off		4,028.00	—
Net Profit/(Loss)		(74,453.80)	—
Income Tax		—	—
Special Tax		—	—
Profit/Loss after Tax		(74,453.80)	—
Profit brought forward from Last Year		—	—
Balance Carried to Balance Sheet		(74,453.80)	—

Significant Accounting Policies & Notes to the Accounts

5

As per our attached report of even date

For : **Deoki Bijaya & Co.**
Chartered Accountants

Sd/-
Prabhu Krishna Pradhan
Accountant

Sd/-
Nirvan Kumar Chaudhary
Director

Sd/-
P. K. Swarnakar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 4, 2008

**SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2008**

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
SCHEDULE -1		
SHARE CAPITAL		
Authorised:		
5000 Equity Shares of Rs. 100/- each	<u>5,00,000.00</u>	<u>5,00,000.00</u>
Issued:		
1000 Equity Shares of Rs. 100/- each	<u>1,00,000.00</u>	<u>1,00,000.00</u>
Subscribed & Paid Up:		
500 Equity Shares of Rs. 100/- each	<u>50,000.00</u>	<u>50,000.00</u>
	<u>50,000.00</u>	<u>50,000.00</u>
SCHEDULE - 2		
PROJECT IN PROGRESS		
Land	2,66,19,627.00	2,66,19,627.00
Audit Fee	-	20,500.00
Rates & Taxes	-	6,325.80
Miscellaneous Expenses	-	2,600.00
	<u>2,66,19,627.00</u>	<u>2,66,49,052.80</u>
SCHEDULE -3		
CASH & BANK BALANCES		
Cash in Hand (As certified by Management)	-	-
Bank of Kathmandu Ltd.	<u>10,425.00</u>	<u>10,425.00</u>
	<u>10,425.00</u>	<u>10,425.00</u>
SCHEDULE -4		
OTHER PAYABLES		
T.D.S. Payable	-	750.00
Audit Fee Payable	4,250.00	4,250.00
Ansal Chaudhary Developers Pvt. Ltd.	<u>2,66,50,255.80</u>	<u>2,66,08,505.80</u>
	<u>2,66,54,505.80</u>	<u>2,66,13,505.80</u>

SCHEDULE -5

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Conventions:

The Financial Statements are prepared under historical cost convention on an accrual concept and are in accordance with Nepal accounting standards & others as applicable under prevalent laws of Nepal.

2. Project in Progress:

Land has been debited to Project in Progress Account.

B) NOTES TO THE ACCOUNTS :

- The Company's Accounts closes on 15th July every year as per prevalent laws of Nepal, however, since these Accounts are prepared for consolidation with the holding Company, whose account closes on 31st March, these Accounts are prepared for the period from 1st April, 2007 to 31st March, 2008.
- Previous years figures have been regrouped/rearranged wherever necessary.
- Schedules 1 to 5 form the integral part of Balance Sheet.

RAHUL TOWNSHIP PVT. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
(A) Cash Flow From Operating Activities:		
Net Profit/(Loss)	(74,453.80)	—
Preliminary Expenses w/off	4,028.00	—
Cash Flow Before changes in W/C	<u>(70,425.80)</u>	<u>—</u>
Increase in Current Assets	29,425.80	(4,137.80)
Increase in Current Liabilities	41,000.00	4,562.80
Net Cash Flow From Operating Activities	<u>—</u>	<u>425.00</u>
(B) Cash Flow from Investing Activities		
Preliminary Expenses	—	—
Project in progress	—	—
Net Cash Flow From Investing Activities	<u>—</u>	<u>—</u>
(C) Cash Flow from Financing Activities		
Increase in Share Capital	—	—
Net Cash Flow From Financing Activities	<u>—</u>	<u>—</u>
Total Cash Flow (A+B+C)	0.00	425.00
Opening Cash & Bank Balances	10,425.00	10,000.00
Closing Cash & Bank Balances	<u>10,425.00</u>	<u>10,425.00</u>

DIRECTORS' REPORT

Respected Shareholders

All shareholders have come to participate in person in this Annual General Meeting, so firstly, let me take this opportunity to welcome you all.

I assume that you are aware of the situation of the Company from the photocopies of the matters, profit and loss account, balance sheet and all other details of the business of the Company, etc. requiring adoption by this Annual Meeting that were forwarded to you for your information and perusal along with the notice of this meeting.

While bringing to your notice that the Company is being operated amid several problems, I would like to inform you that the Company had to bear some loss in this fiscal year 2063/2064 (2006/2007) due to those problems. I presume that is also clear from the annual profit and loss account and balance sheet of the Company that were provided to you.

I would like to inform you that the business of the Company has been conducted as per the Rules, and that no irregular activities have been committed by any employee in the business of the Company.

In anticipation of invaluable suggestions from all of you in order to make the Company more competent and your support as usual, I conclude my short speech here requesting all of you to make this meeting successful.

For and on behalf of the Board of Directors

Sd/-

Nirvan Kumar Chaudhary

Chairman

Place : Kathmandu, Nepal

Date : June 4, 2008

AC SHELTER PVT. LTD.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s AC Shelter Pvt. Ltd. as on March 31, 2008, Profit & Loss Account and Cash Flow Statement attached thereto for the year ended on that date. 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.

We conducted our audit in accordance with the auditing standards generally accepted in Nepal. 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. Further we report that:

- a. We have obtained prompt replies to our queries and the explanations asked for.
- b. In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement are in compliance with the provisions of the Company Act, 2063 and are in agreement with the books of account maintained by the Company.
- c. In our opinion, the accounts and records of the Company have been accurately maintained in accordance with the law.
- d. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give a true and fair view;
 - i. In case of Balance Sheet, of the state of affairs of the Company as at March 31, 2008.
 - ii. In the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date, and
 - iii. In case of the Cash Flow Statement, the cash flows for the year ended on that date.
- e. In our opinion and to the best of our information and according to the explanations given to us, the Board of Directors or any employees of the Company have not acted contrary to legal provisions relating to accounts, nor committed any misappropriation or caused loss or damage to the Company.
- f. This report is issued by us, pursuant to specific request made by the Company, in regard to consolidation of the financial statements with the Parent Company.

For: Deoki Bijaya & Co.
Chartered Accountants

Sd/-

P. K. Swarnakar, FCA
Partner

Place: Kathmandu, Nepal
Date: June 4, 2008

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Capital & Liabilities:			
Capital & Reserve Fund			
Share Capital	1	50,000.00	50,000.00
Reserve & Surplus		2,64,451.94	2,67,951.94
		<u>3,14,451.94</u>	<u>3,17,951.94</u>
Assets:			
Current Assets, Loans & Advances:			
Project in Progress			
Advances & Deposits	2	4,00,740.42	4,06,265.42
Cash & Bank Balances	3	12,478.00	12,478.00
		<u>4,13,218.42</u>	<u>4,18,743.42</u>
Less: Current Liabilities:			
Other Payables	4	98,766.48	1,00,791.48
		<u>98,766.48</u>	<u>1,00,791.48</u>
Net Current Assets		3,14,451.94	3,17,951.94
Significant accounting policies & Notes to the Accounts	6		

*As per our attached report of even date*For : **Deoki Bijaya & Co.**
Chartered AccountantsSd/-
Prabhu Krishna Pradhan
AccountantSd/-
Nirvan Kumar Chaudhary
DirectorSd/-
P. K. Swarnakar, FCA
PartnerPlace : Kathmandu, Nepal
Date : June 4, 2008

AC SHELTER PVT. LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Income		-	-
Less : Direct Expenses		-	-
Gross Profit		-	-
Less : Administrative & General Expenses	5	3,500.00	5,000.00
Net Profit/(Loss) for the year		(3,500.00)	(5,000.00)
Profit upto Last Year		2,67,951.94	2,72,951.94
Balance Carried to Balance Sheet		2,64,451.94	2,67,951.94

Significant accounting policies & Notes to the Accounts

6

As per our attached report of even date

For : **Deoki Bijaya & Co.**
Chartered Accountants

Sd/-
Prabhu Krishna Pradhan
Accountant

Sd/-
Nirvan Kumar Chaudhary
Director

Sd/-
P. K. Swarnakar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 4, 2008

**SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2008**

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
5000 Equity Shares of Rs. 100/- each	5,00,000.00	5,00,000.00
Issued:		
1000 Equity Shares of Rs. 100/- each	1,00,000.00	1,00,000.00
Subscribed & Paid Up:		
500 Equity Shares of Rs. 100/- each	50,000.00	50,000.00
	<u>50,000.00</u>	<u>50,000.00</u>
SCHEDULE - 2		
ADVANCES & DEPOSITS		
Advance Income Tax	95,791.48	95,791.48
Gofle Gurung	-	-
Ansal Chaudhary Developers Pvt. Ltd.	3,04,948.94	3,10,473.94
	<u>4,00,740.42</u>	<u>4,06,265.42</u>
SCHEDULE - 3		
CASH & BANK BALANCES		
Balance at Everest Bank 00494 a/c	12,478.00	12,478.00
	<u>12,478.00</u>	<u>12,478.00</u>
SCHEDULE - 4		
OTHER PAYABLES		
T.D.S. Payable	-	750.00
Audit Fee Payable	2,975.00	4,250.00
Provision for Income Tax	95,791.48	95,791.48
	<u>98,766.48</u>	<u>1,00,791.48</u>
SCHEDULE - 5		
ADMINISTRATIVE EXPENSES		
Audit Fee	3,500.00	5,000.00
	<u>3,500.00</u>	<u>5,000.00</u>

SCHEDULE - 6**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS****A) Significant Accounting Policies:****1. Accounting Conventions :**

The financial statements are prepared under the historical cost conventions on an accrual concept and are in accordance with Nepal Accounting Standards and others as applicable laws prevalent in Nepal.

B) Notes to the Accounts :

- The Company's Accounts closes on 15th July every year as per prevalent laws of Nepal, however, since these Accounts are prepared for consolidation with the holding Company, whose account closes on 31st March, these Accounts are prepared for the period from 1st April, 2007 to 31st March, 2008.
- Previous years figures have been regrouped/rearranged wherever necessary.
- Schedules 1 to 6 form the integral part of Balance Sheet and Profit and Loss Account.

AC SHELTER PVT. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
Cash Flow From Operating Activities:		
Net Profit as per Profit & Loss A/C	(3,500.00)	(5,000.00)
Operating Profit before changes in Working Capital	(3,500.00)	(5,000.00)
Changes in Working Capital:		
(Increase)/Decrease in Current Assets	5,525.00	60,000.00
Increase/(Decrease) in Current Liabilities	(2,025.00)	(53,157.05)
Net Cash Flow From Operating Activities	–	1,842.95
Cash Flow from Investing Activities		
Preliminary Expenses	–	–
Net Cash Flow From Investing Activities	–	–
Cash Flow from Financing Activities		
Increase in Share Capital	–	–
Net Cash Flow From Financing Activities	–	–
Total Cash Flow From All Activities	–	1,842.95
Opening Cash & Bank Balances	12,478.00	10,635.05
Closing Cash & Bank Balances	12,478.00	12,478.00

AC INFRASTRUCTURE & DEVELOPMENT PVT. LTD.

DIRECTORS' REPORT

Respected Shareholders

All shareholders have come to participate in person in this Annual General Meeting, so firstly, let me take this opportunity to welcome you all.

I assume that you are aware of the situation of the Company from the photocopies of the matters, profit and loss account, balance sheet and all other details of the business of the Company, etc. requiring adoption by this Annual Meeting that were forwarded to you for your information and perusal along with the notice of this meeting.

While bringing to your notice that the Company is being operated amid several problems, I would like to inform you that the Company had to bear some loss in this fiscal year 2063/2064 (2006/2007) due to those problems. I presume that is also clear from the annual profit and loss account and balance sheet of the Company that were provided to you.

I would like to inform you that the business of the Company has been conducted as per the Rules, and that no irregular activities have been committed by any employee in the business of the Company.

In anticipation of invaluable suggestions from all of you in order to make the Company more competent and your support as usual, I conclude my short speech here requesting all of you to make this meeting successful.

For and on behalf of the Board of Directors

Sd/-

Nirvan Kumar Chaudhary

Chairman

Place : Kathmandu, Nepal

Date : June 4, 2008

AC INFRASTRUCTURE & DEVELOPMENT PVT. LTD.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s AC Infrastructure & Development Pvt. Ltd. as on March 31, 2008 Profit & Loss Account and Cash Flow Statement attached thereto for the year ended on that date. 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.

We conducted our audit in accordance with the auditing standards generally accepted in Nepal. 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. Further we report that:

- a. We have obtained prompt replies to our queries and the explanations asked for.
- b. In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement are in compliance with the provisions of the Company Act, 2063 and are in agreement with the books of account maintained by the Company.
- c. In our opinion, the accounts and records of the Company have been accurately maintained in accordance with the law.
- d. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give a true and fair view;
 - i. In case of Balance Sheet, of the state of affairs of the Company as at March 31, 2008
 - ii. In case of the Profit & Loss Account, loss of the Company for the year ended on that date, and
 - iii. In case of the Cash Flow Statement, the cash flows for the year ended on that date.
- e. In our opinion and to the best of our information and according to the explanations given to us, the Board of Directors or any employees of the Company have not acted contrary to legal provisions relating to accounts, nor committed any misappropriation or caused loss or damage to the Company.
- f. This report is issued by us, pursuant to specific request made by the Company, in regard to consolidation of the financial statements with the Parent Company.

For: Deoki Bijaya & Co.
Chartered Accountants

Sd/-

P.K. Swarnakar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 4, 2008

AC INFRASTRUCTURE & DEVELOPMENT PVT. LTD.

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Capital & Liabilities:			
Capital & Reserve Fund			
Share Capital	1	<u>50,000.00</u>	<u>50,000.00</u>
		<u>50,000.00</u>	<u>50,000.00</u>
Assets:			
Current Assets, Loans & Advances:			
Cash & Bank Balances	2	<u>10,400.00</u>	<u>10,400.00</u>
Other Advance	3	<u>17,312.00</u>	<u>20,762.00</u>
		<u>27,712.00</u>	<u>31,162.00</u>
Less: Current Liabilities:			
Other Payables	4	<u>2,550.00</u>	<u>3,000.00</u>
Net Current Assets		25,162.00	28,162.00
Miscellaneous Expenditure:			
(to the extent not written off or adjusted)			
Preliminary Expenses		–	3,950.00
Pre - Operative Expenses		–	17,888.00
Profit & Loss Account		<u>24,838.00</u>	<u>–</u>
		<u>50,000.00</u>	<u>50,000.00</u>
Significant accounting policies & Notes to the Accounts	6		

As per our attached report of even date

For : **Deoki Bijaya & Co.**
Chartered Accountants

Sd/-
Prabhu Krishna Pradhan
Accountant

Sd/-
Nirvan Kumar Chaudhary
Director

Sd/-
P. K. Swarnakar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 4, 2008

AC INFRASTRUCTURE & DEVELOPMENT PVT. LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Income		—	—
Less : Direct Expenses		—	—
Gross Profit		—	—
Less : Administrative & General Expenses	5	3,000.00	—
Profit/(Loss) from operation		(3,000.00)	—
Less :			
Preliminary Expenses w/off		3,950.00	—
Pre-operating Expenses w/off		17,888.00	—
Net Profit/(Loss) carried to Balance Sheet		(24,838.00)	—
Balance carried to Balance Sheet		(24,838.00)	—
Significant accounting policies & Notes to the Accounts	6		

As per our attached report of even date

For : **Deoki Bijaya & Co.**
Chartered Accountants

Sd/-
Prabhu Krishna Pradhan
Accountant

Sd/-
Nirvan Kumar Chaudhary
Director

Sd/-
P. K. Swarnakar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 4, 2008

AC INFRASTRUCTURE & DEVELOPMENT PVT. LTD.

**SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2008**

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
SCHEDULE -1		
SHARE CAPITAL		
Authorised:		
5000 Equity Shares of Rs. 100/- each	5,00,000.00	5,00,000.00
Issued:		
1000 Equity Shares of Rs. 100/- each	1,00,000.00	1,00,000.00
Subscribed & Paid Up:		
500 Equity Shares of Rs. 100/- each	50,000.00	50,000.00
	<u>50,000.00</u>	<u>50,000.00</u>
SCHEDULE -2		
CASH & BANK BALANCES		
Everest Bank Ltd., Pulchowk Branch	10,400.00	10,400.00
	<u>10,400.00</u>	<u>10,400.00</u>
SCHEDULE -3		
OTHER ADVANCE		
Ansal Chaudhary Developers (P) Ltd.	17,312.00	20,762.00
	<u>17,312.00</u>	<u>20,762.00</u>
SCHEDULE -4		
OTHER PAYABLES		
T.D.S. Payable	-	450.00
Audit Fee Payable	2,550.00	2,550.00
	<u>2,550.00</u>	<u>3,000.00</u>
SCHEDULE -5		
ADMINISTRATIVE EXPENSES		
Audit Fee	3,000.00	-
	<u>3,000.00</u>	<u>-</u>

SCHEDULE -6
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A) Significant Accounting Policies:

1. Accounting Conventions:

The financial statements are prepared under the historical cost conventions on an accrual concept and are in accordance with Nepal Accounting Standards and others as applicable laws prevalent in Nepal.

B) Notes to the Accounts :

1. The Company's accounts closes on 15th July every year as per prevalent laws of Nepal. However, Since, these accounts are prepared for consolidation with the holding Company, whose accounts closes on 31st March, these accounts are prepared for the period from 1st April, 2007 to 31st March, 2008.
2. Previous years figures have been regrouped/rearranged wherever necessary.
3. Schedules 1 to 6 form the integral part of Balance Sheet and Profit & Loss Account.

AC INFRASTRUCTURE & DEVELOPMENT PVT. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
Net Profit / (Loss)	(24,838.00)	–
Add : Preliminary Expenses w/off	3,950.00	–
Pre-operating Expenses w/off	17,888.00	–
Cash Flow from Operating activities before changes in W/C	(3,000.00)	–
Cash Flow From Operating Activities:		
Decrease/(Increase) in Current Assets	3,450.00	3,500.00
Increase/(Decrease) in Current Liabilities	(450.00)	(4,050.00)
Net Cash Flow From Operating Activities	–	(550.00)
Cash Flow from Financing Activities	–	–
Net Cash Flow From Financing Activities	–	–
Total Cash Flow From All Activities	–	(550.00)
Opening Cash & Bank Balances	10,400.00	10,950.00
Closing Cash & Bank Balances	10,400.00	10,400.00



ATTENDANCE SLIP

ANSAL BUILDWELL LTD.

Regd. Office : 118 UFF, Prakashdeep Building, 7, Tolstoy Marg, New Delhi - 110 001

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 Twenty Fourth Annual General Meeting held at Sri Sathya Sai International Centre and School, Lodhi Road, Institutional Area, Pargati Vihar, New Delhi - 110 003 on Thursday, the 25th September, 2008 at 11.00 A.M.

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

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 SHOULD TALLY WITH THE SPECIMEN SIGNATURE REGISTERED WITH THE COMPANY.

----- Tear Here -----

PROXY FORM

ANSAL BUILDWELL LTD.

Regd. Office : 118 UFF, Prakashdeep Building, 7, Tolstoy Marg, New Delhi - 110 001

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 Buildwell Limited 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 Twenty Fourth Annual General Meeting of the Company
to be held on Thursday the 25th September, 2008 at 11.00 A.M. and at any adjournment thereof.

As witness my hand/our hands this.....day of.....2008.

Signed by said



* Applicable for shareholder(s) holding shares in electronic form.

- NOTES :**
- (a) The Form should be signed across the 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.



EATABLES, BRIEF CASES AND HAND BAGS WILL NOT BE ALLOWED INSIDE THE MEETING HALL.

**ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM FOR PAYMENT OF DIVIDEND
(FOR EQUITY SHARES HELD IN PHYSICAL FORM ONLY)**

To,
Share Department
Ansal Buildwell Ltd.
118, UFF, Prakashdeep,
7, Tolstoy Marg,
New Delhi - 110 001

Registered Folio No.	ECS Ref. No. (for office use only)
Name of First holder	
Bank Name	
Branch Address	
Bank Account No. (as appearing in the Cheque book)	<input type="text"/>
Bank Account Ledger Folio No., if any	
Account Type (Please tick the option)	Savings <input type="checkbox"/> Current <input type="checkbox"/> Cash Credit <input type="checkbox"/>
MICR Code	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> (9 digits Code Number appearing on the MICR Band of the cheque supplied by the Bank) Please attach a photocopy of a cheque or a blank cheque of your Bank Branch duly cancelled for ensuring accuracy of the Bank's Name, Branch and Code Number.

I, hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons including but not limited to incomplete or incorrect information supplied above, Ansal Buildwell Limited will not be held responsible. I unequivocally agree to avail the ECS facility provided by RBI, as and when implemented by RBI/Ansal Buildwell Ltd.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place :

Date :

(Signature of First holder)

NOTES :

- (1) Please fill in the information in CAPITAL LETTERS in ENGLISH LANGUAGE ONLY.
- (2) In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide the details to NSDL/CDSL, as the case may be through their respective depository participants. Shareholders are also requested to note that changes, if any, intimated by the Demat Account holders directly to the Company will not be considered.