

**BOARD OF DIRECTORS**

Shri Gopal Ansal
Chairman-Cum Managing Director
Shri Deepak Ansal
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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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Wednesday, the 26th September, 2007 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, 2007 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 Subhash Verma who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri K.S. Bakshi who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. Revision of salary grade of Shri Gopal Ansal, Chairman cum Managing Director of the Company. To consider and, if thought fit, to pass with or without modification(s), the following resolution as SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and any other applicable provision, 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 29th June, 2007, approval of the shareholders be and is hereby accorded for increase in remuneration of Shri Gopal Ansal, Chairman cum Managing Director with effect from 1st April, 2007 for the remaining period of his tenure i.e. upto 31st March, 2009 on the terms and conditions as set out below.

I BASIC SALARY

Basic Salary of Rs. 2,25,000/- (Rupees Two Lac Twentyfive thousand only) per month in the grade of Rs. 2,25,000 – 25,000 – 2,50,000.

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 upto 40% of the 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 salary in a year or three months salary over a period of three years.



4. Club Fees: Fee of Clubs, subject to a maximum of two clubs but this shall not include entrance fee or life membership fee.
5. Personal Accident Insurance: Premium not to exceed Rs. 5,000/- per annum.
6. Company's contribution to provident fund @ 12% of the salary or at such other rate as per the laws applicable in this behalf from time to time.
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.

RESOLVED FURTHER THAT the Board of Directors/Remuneration Committee of the Company be and is hereby authorized 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 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.”

By Order of the Board
For Ansal Buildwell Ltd.

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

ASHOK BABU
Sr. G.M. & Company Secretary

Date : 29th June, 2007

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.



- b) The Explanatory Statment pursuant to Section 173(2) of the Companies Act, 1956 in respect to special business as set out in Item No. 6 is annexed hereto.
- c) The Register of Beneficial Owners, Register of Members and the Share Transfer books of the Company shall remain closed from 17th September, 2007 to 26th September, 2007 (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 26th September, 2007. 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, 2007.
(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 12.5% on the total amount of dividend payable and surcharge thereon @ 10% and education cess thereon @ 2%.
- e) Members holding shares in physical form are requested to send physical transfer of shares and 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, IInd 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 and 31st March, 2006 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 divided 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.
- Investors holding physical shares are further advised to opt for Electronic Clearing System (ECS) to avail fast and safe remittance of dividend and return the Mandate Form at the earliest accurately filled and signed. A photocopy of a leaf of your cheque book bearing your bank account number may also be sent alongwith the Mandate Form to the Share Transfer Agent. A blank ECS Mandate Form is attached herewith.
- 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 Annual General Meeting.
- m) The relevant information of Directors, by way of brief resume, seeking reappointment/revision in remuneration under item no. 3, 4 and 6 as required under clause 49 of the listing Agreement with the Stock Exchange are annexed hereto.
- n) Corporate Members intending to send their authorized 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.6

Shri Gopal Ansal was reappointed as Chairman cum Managing Director of the Company for a period of 3 years w.e.f 1st April, 2006 vide Special Resolution passed at the Annual General Meeting held on 30th September 2005 and his remuneration was approved in accordance with the provision of Sections 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956. Due to his strenuous efforts, the Company achieved exponential growth in profitability. The Remuneration Committee and the Board of Directors, in their meeting held on 29th June 2007, after taking into account his achievements and considering inflationary trends in the country and increase in the level of the



remuneration of the managerial persons in the similar industries, recommended and approved the increase in the remuneration of Shri Gopal Ansal, Chairman cum Managing Director of the Company which is commensurate with his qualification, experience and the responsibilities entrusted to him, in terms of authorisation conferred on them by the members vide Special Resolution passed at the Annual General Meeting held on 30th September 2005.

Shri Gopal Ansal is a qualified Civil Engineer (B.Sc.Engg. Civil) and is associated with Ansal group for the last 35 years. During his tenure as above, the Company has gained several new heights by way of number of projects, turnover and profitability etc. 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 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.

In terms of Section 198, 269, 309, 310 read with amended Schedule - XIII of the Companies Act, 1956, Shareholders' approval by way of Special Resolution is necessary for increase in his remuneration upto an amount as stated in the Resolution at Item No. 6 of the accompanying Notice. The increase in remuneration to be paid to Shri Gopal Ansal has been recommended by the Remuneration committee and approved by the Board of Directors in accordance with the statutory guidelines/provisions of the Companies Act, 1956, and provision of Articles of Association of the Company.

Your Directors recommend to pass the proposed resolution given in Item No. 6 as a Special Resolution.

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. Shri Deepak Ansal, being related to him, may also be deemed to be interested in this resolution. No other director is interested in or concerned with this resolution.

The aforesaid payment of remuneration of Shri Gopal Ansal, Chairman cum Managing Director may be regarded as abstract of variation in terms of appointment and memorandum of interest under Section 302 of the Companies Act, 1956.



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

Name of the Directors	Shri Gopal Ansal	Shri Subhash Verma	Shri K.S. Bakshi
Date of Birth	05/07/1948	02/06/1942	26/10/1946
Date of Appointment/reappointment	01/04/2006	31/07/2000	29/08/2000
Experience in specific functional areas	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 17 years and he 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 multi-storeyed 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.	He is a qualified Engineer with over 42 years. rich and varied experience in planning and execution of various projects in different parts of the country e.g. Roads, Highways and hi-tech construction projects. His main forte is planning, sale and marketing both for domestic and international projects. He is an Associate Member of the Institute of Chartered Engineers.	He is a qualified Civil Engineer over 38 years of professional experience in the field of Civil Engineering (Execution and Planning) and Real Estate Development in different parts of the country e.g. a) Resurfacing and Extension of Runways at 39 Airports including quarrying and other earth works. b) Designing and Resurfacing of about 750 Kms. of Highways in India and Abroad. c) Construction of Multi-Storey Luxury Flats and Housing and Commercial Complexes.
Directorship in other Indian Public Ltd. Companies	M/s Ansal Engineering Projects Ltd.	M/s Ansal Engineering Projects Ltd.	1. M/s Bakshi Investment Ltd. 2. M/s OSE Infrastructure Ltd.
Chairman/Member of Committee of the Board of Public Ltd. Companies	As Chairman 1. Share Transfer & Shareholders Grievances Redressal Committee - M/s Ansal Buildwell Ltd. As Member 1. Audit Committee - M/s Ansal Buildwell Ltd.	As Chairman 1. Audit Committee - M/s Ansal Buildwell Ltd. 2. Remuneration Committee - M/s Ansal Buildwell Ltd. As Member 3. Share Transfer & Shareholders Grievances Redressal Committee - M/s Ansal Buildwell Ltd.	Nil

**DIRECTORS' REPORT**

Dear Shareholder,

Your Directors have pleasure in presenting the Twenty Third Annual Report together with Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2007.

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	12,036.50	11,431.92
Profit Before Interest & Depreciation etc.	1984.61	830.10
LESS:		
— Interest	748.59	332.98
— Depreciation	108.78	102.65
	1,127.24	394.47
ADD:		
— Surplus Profit Brought Forward from Previous Year	20.45	9.37
	1,147.69	403.84
APPROPRIATIONS		
— Provision For Taxation	427.20	239.57
— Provision for Deferred Tax Liability	(-) 24.09	(-) 18.26
— Transfer To General Reserve	558.00	35.00
— Proposed Dividend	132.91	111.45
— Dividend distribution tax	18.64	15.63
— Surplus Profit Carried to Balance Sheet	35.03	20.45

DIVIDEND

Your Directors are pleased to recommend, for your approval, payment of Dividend at the rate of 18% on equity shares for the year ended on the 31st March, 2007 (Previous Year 15%), which, if approved by the shareholders in the ensuing Annual General Meeting will absorb Rs. 151.55 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. 120.36 crores showing an increase of 5.28% as compared to the previous years Rs. 114.32 crores. Profit before tax at Rs. 11.27 crores is higher by over 186% as compared to Rs. 3.94 crores of last year. Out of the disposable surplus of Rs. 744.57 lacs, a sum of Rs. 151.55 lacs has



been kept for dividend and dividend tax and a sum of Rs. 558 lacs has been transferred to General Reserves which stood at Rs. 1871 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, 2007 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 Exchange has 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, 2007 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) the Subsidiary Company is attached herewith. The Audited Balance Sheet as at 31st March, 2007 together with the Reports of Directors and Auditors' Report of 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



also enclosed. The consolidated Balance Sheet of Ansal Buildwell Limited and its subsidiary companies for the Financial Year ended 31st March, 2007 and Profit and Loss Account for the Financial year ended on that date together with the Schedules are also attached hereto.

The statement pursuant to section 212 of the Companies Act 1956, containing the details of subsidiary companies as on 31st March 2007 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.

FORFEITURE OF SHARES

During the year under review, the Company had forfeited 45904 equity shares for non payment of allotment money for long period of time. The Company complied all the formalities in this connection. The Bombay Stock Exchange has also taken on record the above forfeiture of the equity shares.

FIXED DEPOSITS

Fixed Deposits from the public, shareholders and employees as on 31st March, 2007 stood at Rs. 235.31 lacs. 56 Deposits amounting to Rs. 13,62,000/- remained unclaimed as on that date and out of above, 21 deposits amounting to Rs. 5,91,000/- were claimed as refund/renewal in the current year. However, the balance amount of Rs. 7,71,000/- still remains unclaimed.

DIRECTORS

Shri Subhash Verma and Shri K.S. Bakshi, Directors of the Company retires by rotation and being eligible, offers themselves for re-appointment.

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. The Company has paid Listing Fee to the said exchange.

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 re-appointment for another year.

ACCOUNTS AND AUDITORS' REPORT

The observations of the Auditors are self-explanatory and 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 & on behalf of the Board

GOPAL ANSAL
Chairman-cum-Managing Director

Date : 29th June, 2007



**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, 2007**

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	59	Chairman cum Managing Director	01.08.2001	30,34,072/-	B.Sc. Engg (Civil)	35	Managing Director Ansal Properties & Industries Ltd.
B. EMPLOYED FOR PART OF THE YEAR							
				None			

NOTES :

- Gross remuneration includes Basic Salary, House/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, 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, 2007	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007
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, 2007	: Rs. (6,953,748)	(339,849,000)	Nil	(3,125,000)	Nil
- For the financial year	: Rs. 193,867	Nil	Nil	Nil	Nil
- For the Previous Year					
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, 2007.	: Nil	Nil	Nil	Nil	Nil
- For the financial year	: Nil	Nil	Nil	Nil	Nil
- For the previous year					

* Subsidiary Companies of Ansal Chaudhary Developers Pvt. Ltd.

GOPAL ANSAL Chairman cum Managing Director	DEEPAK ANSAL Director
V. P. VERMA Director	SUBHASH VERMA Director
ASHOK BABU Sr. G.M. & Company Secretary	R.L. GUPTA Sr. Vice President (Finance)

Place : New Delhi

Date : 29th June, 2007



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 is steadily moving forward on its path to prosperity with economic development being the focal point of the progress. In the post liberalization era, India has attracted huge quantum of foreign direct investment on account of its excellent economic performance and recently real estate sector has also been deregulated and liberalized. Today India, is seen as a prime destination for investment by overseas investors across the world. India's favourable demographic and economic scenario makes it an attractive destination for the real estate investors.

Today, the face of Indian retail sector is changing. The traditional stores are being replaced by retail chains, shopping centers, supermarkets and hypermarkets. From the beginning of 2006, the Government has allowed foreign direct investment in retailing, with 51 percent participation. The retailing sector is projected to reach US\$ 23 billion by 2010. This growth in the retail sector will inevitably provide strong impetus to the retail real estate.

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

PERFORMANCE

During the year 2006 – 2007, 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. Licences 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 works on our new scheme titled "Florence Elite", is partially complete 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 plan to launch yet another prestigious scheme titled "Florence Abode" which has been designed to cater for the requirement of the Upper Class segment. The response is likely to be very encouraging. The Sample Unit for the same is under construction and will be ready for display very soon.

The current year has also seen the launch of a commercial complex "Boom Plaza" located in Sushant Lok, Gurgaon. The response has been overwhelming. The construction works for the Complex will



start soon.

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.

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, trenches for electrical cabling and construction of road works for phase one is complete in all respects. The Construction of Over Head water tank is in full swing and will be complete and operational very soon. At “Ansal Riverdale”, a Group Housing project namely, “Garden View Apartments” has been launched this year. The response is fairly good and the construction work on this too has already started.

We have opened yet another station at Jammu for the construction of a Group Housing Project on collaboration basis.

On Dwarka Drain project, a subcontract work, 1st and 2nd carriage way between Pankha Road and Dwarka on the road of Mahaveer Extension Part – II have been thrown open for traffic. The total work is nearing completion and will be complete in the next 3-4 months.

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, but 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 Licence from PUDA for the first phase of the project. The execution of Sale Deeds and acquiring of land is in full swing and the works have started on ground. The Project will be launched very soon.

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

We have already started work for another Group Housing Project, at Jhansi (UP). Spread over an area of 8.5 acres in the heart of city, the project is scheduled to be launched in July 2007.

PROSPECTS AND FUTURE OUTLOOK

The future of the 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 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 life style could be extended to the people living in smaller towns.



OPPORTUNITIES AND THREATS

The Real Estate Sector in India has a good scope for development as the liberalization of the economy is likely to usher in full swing. The residential sector is expected to continue to demonstrate robust growth as there is a shortage of 12 million housing units in urban areas. Demand for office space premises is also increasing because of growing IT industries and retail segment. More demand for real estate infrastructure in the form of retail malls, multiplexes and entertainment parks, the entry of international players and the availability of easy finance will drive growth in organized Retail Segment. Commonwealth games would give fillip to growing tourism industry. There will be huge demands of hotels, resorts and dwelling units for the players and visitors coming from the foreign countries.

Looking to the emerging opportunities, the Company has drawn up a long term plan for making its presence in all sectors of real estate and be an integrated player.

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 works. 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. Sustained availability of housing loans at a cheaper rate is one of the reasons for growth in demand for housing units. 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.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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.

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. It encourages 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 relation during the year remained cordial and initiatives were taken to enhance the productivity of employees.

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

The Company recognizes that good Corporate Governance is essential to build and retain the confidence of its stakeholders. To this end, the Company's philosophy on Corporate Governance is to endeavour to ensure:

- That systems and procedures which monitor compliance with laws, rules and regulations are in place in each area of its business.
- That relevant information regarding the Company and its operation is disclosed, disseminated and easily available to its stakeholders.

As reported in last year, Corporate Governance Report dated 29th June, 2006, 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.

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.

Accordingly, the requirements of guidelines pertaining to the Corporate Governance as stipulated under clause 49 of the Listing Agreements have been adhered to.

2. Board of Directors

a) Composition and Category of Directors

To strengthen the Company policies for adherence of Corporate Governance, the Company had already taken steps to appoint one Independent Director to broad base the Board of Directors.

The Board of Directors consists of two promoter Directors (one executive Chairman and Managing Director and one Non-executive Director) and three Independent and Non-executive Directors.

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

As on 31st March, 2007

Name of Directors	Category	Attendance Particulars		Directorships held in Other Companies *		Committee Memberships held in other Companies **	
		Board Meeting	Last AGM	As Director	As Chairman	As Member	As Chairman
Shri Gopal Ansal	P-CMD	4	Yes	1	–	–	–
Shri Deepak Ansal	P-NED	4	Yes	3	1	1	–
Shri Subhash Verma	I-NED	4	Yes	1	–	–	–
Shri K.S. Bakshi	I-NED	0	Yes	–	–	–	–
Shri V.P. Verma	I-NED	4	Yes	–	–	–	–



P	Promoter
NED	Non-Executive Director
CMD	Chairman cum Managing Director
P – NED	Promoter Non-Executive Director
I – NED	Independent and Non-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 2006-2007.

Date	No. of Directors Present
29.06.2006	4
28.07.2006	4
31.10.2006	4
31.01.2007	4

Dates of Board Meetings were fixed in advance and agenda papers were circulated to Directors before the meeting. It was also ensured that the gap between the two Board Meetings should not exceed four months.

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. 2,500/- and Audit Committee meetings @ Rs. 1,500/- per meeting to each Director. No sitting fee is paid to Chairman cum Managing Director. The sitting fee paid to the Directors for meetings of Board of Directors and Audit Committee meetings for the year ended 31st March 2007 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. 4,500/-
Shri Subhash Verma	Rs. 10,000/-	Rs. 6,000/-
Shri K.S. Bakshi	NIL	NIL
Shri V.P. Verma	Rs. 10,000/-	Rs. 6,000/-

d) Executive Chairman & Managing Director

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.

**e) Details of remuneration paid to the Executive Director for the financial year 2006-2007.**

Remuneration of Chairman cum Managing Director is decided by the Board and is based on the recommendations of Remuneration Committee as per remuneration policy of the Company within the ceiling fixed by the shareholders. Remuneration of Shri Gopal Ansal, Chairman cum Managing Director for the year ended 31st March, 2007 was as follows.

Name of the Director	Designation	Salary Rs.	Perks Rs.	Total Rs.
Shri Gopal Ansal	Chairman cum Managing Director	27,36,000/-	2,98,072/-	30,34,072/-

f) Retirement of directors

The Chairman & Managing Director is not subject to retirement by rotation while the non Executive Directors and independent Directors are liable to retire by rotation as per provisions of the Companies Act, 1956. The Chairman and Managing Director was reappointed for a period of 3 years with effect from 1st April, 2006. Shri Subhash Verma and Shri K.S. Bakshi the non executive and Independent Directors of the Company retire 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 to review financial management policies, the Company has set up an Audit Committee on 31st January, 2001. The Committee as on date comprises of four directors viz Shri Gopal Ansal, Shri Deepak 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 2006-2007, four Audit Committee Meetings were held on 29th June, 2006, 28th July, 2006, 31st October, 2006 and 31st January, 2007.

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 the quarterly/half yearly and annual financial statements, before submission to the Board, and also ensure compliance of internal control system.
- 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 seventeen 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 Share, Split, Transmission, Consolidation, Demat and Remat of shares. During the years under review six 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 three Directors viz Shri Subhash Verma as Chairman and Shri Deepak Ansal and Shri V.P. Verma as members. All are non Executive Directors.

Broad terms of reference of the Remuneration Committee include recommendation to the Board on salary/perquisites, commission and retirement benefits and finalisation of the perquisite package payable to the Company's Managing Director/Whole-time Directors.

Last Remuneration Committee Meeting was held on 29th June, 2007 for recommending the increase in the remuneration of Shri Gopal Ansal, Chairman cum Managing Director pursuant to the provision of section 198, 269, 309, 310, 311 read with the schedule XIII of the Companies Act, 1956, as stated in the Special Resolution as Item No. 6 of the accompanying notice for your approval.

4. Appointment of CEO and CFO and their certification to the Board of Directors

Shri Gopal Ansal, Chairman cum Managing Director of the Company was appointed as the CEO of the Company.

Shri R.L. Gupta, Sr.V.P.(Finance) of the Company was appointed as CFO of the Company. The intimation regarding above appointments has already been given to Bombay Stock Exchange Association Ltd.

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

5. Code of Conduct

In tune with the corporate philosophy, the Board of Directors of the Company in its meeting held



on 27th October, 2005 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.

All members of the Board and Senior Management personnel affirm compliance with the code of conduct and business ethics and Shri Gopal Ansal, Chairman cum Managing Director has given declaration to this effect as hereunder.

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 2006-2007

Date : 29th June, 2007

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
2003-2004	Thursday	30.09.2004	11.00 A.M.	Sri Sathya Sai International Centre and School, Lodhi Road, New Delhi-110 003
2004-2005	Friday	30.09.2005	11.00 A.M.	Sri Sathya Sai International Centre and School, Lodhi Road, New Delhi -110 003
2005-2006	Friday	29.09.2006	11.00 A.M.	Sri Sathya Sai International Centre and School, Lodhi Road, New Delhi -110 003

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. 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. Forfeiture of Shares

During the year under review, the Company had forfeited 45904 equity shares for non-payment of allotment money for long period of time. The Company complied all the formalities in this connection. The Bombay Stock Exchange has also taken on record the above forfeiture of the equity shares.

**9. 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 the annual accounts of the Company for the year ended 31st March, 2007.
- 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.

10. Means of Communication

- a) Quarterly results in the year 2006-2007
- | | | | |
|---|---|----------------------------|----------|
| i) Newspapers where quarterly Results are published | : | (i) The Pioneer | 02.07.06 |
| | | Veer Arjun | 02.07.06 |
| | | ii) The Pioneer | 29.07.06 |
| | | Veer Arjun | 29.07.06 |
| | | iii) The Financial Express | 02.11.06 |
| | | Jansatta | 03.11.06 |
| | | iv) The Pioneer | 01.02.07 |
| | | Veer Arjun | 01.02.07 |
- ii) Website where quarterly results are displayed : www.sebi.gov.in.com (EDIFAR)
- b) Whether the website also displays official news releases and presentations to institutional investors/analysts : Not yet
- c) Newspaper where Audited Financial Results are published : Normally published in The Pioneer (English) Veer Arjun (Hindi)
- d) Whether Management Discussion and Analysis is a part of Annual Report or not. : Yes

11. General Shareholders information**i) Annual General Meeting**

- Date & Time : Wednesday, 26th September, 2007 at 11.00 a.m.
Sri Sathya Sai International Centre & School, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110 001

ii) Financial Calendar

- Approval of Unaudited Financial Results : 01.04.2007 to 31.03.2008
- | | | |
|--------------------------------|---|----------------------------|
| - Quarter ended June 30, 2007 | : | Last week of July, 2007 |
| - Quarter ended Sept. 30, 2007 | : | Last week of October, 2007 |
| - Quarter ended Dec. 31, 2007 | : | Last week of January, 2008 |
| - Quarter ended Mar. 31, 2008 | : | Last week of April, 2008 |



- iii) Book Closure Date** : 17th September, 2007 to 26th September, 2007 (Both days inclusive)
- iv) Registered Office** : 118, UFF, Prakashdeep Building,
7, Tolstoy Marg, New Delhi-110 001
Tel : 23353051 & 23353052
Fax : 23310639
Email: ansalabl@vsnl.com
Website: www.ansalabl.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 2007-2008 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 : INE030C0101
- viii) Share Transfer System** : The Company has appointed In-Time Spectrum Registry 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 :
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

12. Other Useful Information for Shareholders

- i)** The Dividend recommended by the Board of Directors in their meeting held on the 29th June, 2007, @ 18%, if approved at the Annual General Meeting to be held on the 26th



September, 2007, will be paid to the members whose names shall appear on the Company's Register of Members / Register of Beneficial Owners as on the 17th September, 2007.

- 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 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

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, 2007 was as under

TABLE

Share Holding of Nominal value		Shareholders		Share Amount	
Rs.	Rs.	Number	% to total	Rs.	% to total
Upto	2,500	9853	82.847	97,63,990	13.223
2,501	5,000	1321	11.107	50,37,180	6.822
5,001	10,000	397	3.338	31,44,460	4.259
10,001	20,000	162	1.362	24,38,140	3.302
20,001	30,000	52	0.437	13,05,380	1.768
30,001	40,000	23	0.193	8,22,710	1.114
40,001	50,000	21	0.177	9,83,840	1.332
50,001	1,00,000	30	0.252	21,50,020	2.912
1,00,001	& above	34	0.286	4,81,92,710	65.268
	Total	11893	100.000	7,38,38,430	100.000

**ix) Details of Shareholding as on 31st March, 2007 was as under :**

S.No.	Category	No. of Shares held	% of Shareholding
1	Promoters	3954900	53.56
2.	Mutual Funds/UTI	200	0.00
3.	Banks, Financial Institutions, Insurance Companies	450	0.01
4.	Private Corporate Bodies	796192	10.78
5.	Indian Public	2559921	34.67
6.	NRI, Foreign Nationals, OCBs and FIIs	72180	0.98
	Total	7383843	100.000

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 88% of the share capital of the company has already been dematerialized till 31/03/2007.

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 2006-2007.**MUMBAI**

Month	High	Low
April, 2006	373.95	157.95
May, 2006	460.00	253.35
June, 2006	261.00	110.95
July, 2006	126.15	80.00
August, 2006	128.40	87.50
September, 2006	101.80	86.00
October, 2006	141.90	105.60
November, 2006	265.10	136.10
December, 2006	210.00	148.35
January, 2007	180.90	160.00
February, 2007	172.00	99.80
March, 2007	110.95	84.55



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.

For and on behalf of the Board

Place : New Delhi
Date : 29th June, 2007

GOPAL ANSAL
Chairman cum Managing Director



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

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, 2007.

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, 2007.

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

Date : 29th June, 2007
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, 2007 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, 2007, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2007 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, 2007;
 - (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

Date : 29th June, 2007
Place : New Delhi

H.L. Sekhri
Partner
Membership No. 15874



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, 2007.

- 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 Protection 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, 2007 for a period of more than six months from the date they became payable except sum of Rs. 12,88,087 for the year and Rs. 12,17,823 for the earlier year, payable towards Sales Tax in Shillong Project of the Company.

- (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

Date : 29th June, 2007
Place : New Delhi

H.L. Sekhri
Partner
Membership No. 15874

**BALANCE SHEET AS AT 31ST MARCH, 2007**

	SCHEDULE	(Rs.)	As at 31.03.2007 (Rs.)	(Rs.)	As at 31.03.2006 (Rs.)
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1		7,38,38,430		7,40,19,842
Reserves & Surplus	2		18,71,31,756		12,94,38,345
Loan Funds					
Secured Loans	3		34,96,45,121		45,55,79,273
Unsecured Loans	4		2,35,31,331		3,75,28,368
			63,41,46,638		69,65,65,828
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	15,45,22,430		13,18,07,754	
Less : Depreciation Reserve		8,09,07,370		6,63,50,614	
Net Block			7,36,15,060		6,54,57,140
Investments					
Deferred Tax Assets	6		40,13,312		45,18,812
			31,98,563		7,89,743
Current Assets and Loans & Advances					
	7	2,74,65,26,385		2,38,31,40,932	
Less : Current Liabilities and Provisions					
	8	2,19,32,06,682		1,75,73,40,799	
			55,33,19,703		62,58,00,133
			63,41,46,638		69,65,65,828

ACCOUNTING POLICIES AND NOTES

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*As per our report of even date attached*For SEKHRI & ASSOCIATES
*Chartered Accountants*GOPAL ANSAL
*Chairman cum Managing Director*DEEPAK ANSAL
*Director*H.L. SEKHRI
*Partner*V. P. VERMA
*Director*SUBHASH VERMA
*Director*Place : New Delhi
Date : 29.06.2007ASHOK BABU
*Sr. G.M. & Company Secretary*R. L. GUPTA
Sr. Vice President (Finance)

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

	SCHEDULE	Current Year (Rs.)	Current Year (Rs.)	Previous Year (Rs.)	Previous Year (Rs.)
INCOME					
Sales & Other Income	9		1,20,36,49,718		1,14,31,92,151
			1,20,36,49,718		1,14,31,92,151
EXPENDITURE					
Cost of Construction/Projects	10		90,16,25,983		97,59,05,404
Selling & Administrative Expenses	11		10,35,62,833		8,42,76,820
<u>Interest & Finance Charges</u>					
Public Deposits		33,95,838		38,79,076	
Banks		3,66,21,304		1,67,80,316	
Others		3,48,42,147		1,26,38,800	
Depreciation			7,48,59,289		3,32,98,192
			1,08,77,825		1,02,64,816
			1,09,09,25,930		1,10,37,45,232
Profit Before Taxation			11,27,23,788		3,94,46,919
Less : Provision for Taxation		3,79,42,827		1,90,00,000	
Less : Provision for Taxation for Earlier years		23,33,438		49,56,793	
Less : Provision for Deferred tax Liability (Net)		-24,08,820		-18,26,123	
Less : Fringe Benefit Tax		24,44,000	4,03,11,445	0	2,21,30,670
Profit After Tax			7,24,12,343		1,73,16,249
Balance Brought Forward from Profit & Loss Account		(+)	20,45,187	(+)	9,36,592
			7,44,57,530		1,82,52,841
APPROPRIATIONS					
Proposed Dividend		1,32,90,917		1,11,44,621	
Dividend Distribution Tax		18,64,051		15,63,033	
Transfer to General Reserve		5,58,00,000		35,00,000	
			7,09,54,968		1,62,07,654
Balance Carried over to Balance Sheet			35,02,562		20,45,187
EARNING PER SHARE					
Basic and diluted	12 (B-3)		Rs 9.79		Rs. 2.33
Nominal Value of Share			Rs. 10		Rs. 10
ACCOUNTING POLICIES AND NOTES					

*As per our report of even date attached*For SEKHRI & ASSOCIATES
*Chartered Accountants*GOPAL ANSAL
*Chairman cum Managing Director*DEEPAK ANSAL
*Director*H.L. SEKHRI
*Partner*V. P. VERMA
*Director*SUBHASH VERMA
*Director*Place : New Delhi
Date : 29.06.2007ASHOK BABU
*Sr. G.M. & Company Secretary*R. L. GUPTA
Sr. Vice President (Finance)



SCHEDULE - 1

SHARE CAPITAL

	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
AUTHORISED		
25000000 Equity Shares of Rs. 10/- Each (Previous Year 10000000 Equity Shares of Rs. 10/- Each)	25,00,00,000	10,00,00,000
	<u>25,00,00,000</u>	<u>10,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
7383843 Equity Shares of Rs. 10/- each (Previous Year 7429747 Equity Shares of Rs. 10/- Each)	7,38,38,430	7,42,97,470
Less : Calls Unpaid		
— By Others	0	2,77,628
	<u>7,38,38,430</u>	<u>7,40,19,842</u>

SCHEDULE - 2

RESERVES AND SURPLUS

	As at 1-Apr-2006 (Rs.)	Additions/ Deletions during the year (Rs.)	As at 31-Mar-2007 (Rs.)	As at 31-Mar-2006 (Rs.)
General Reserve	6,30,17,597	5,58,00,000	11,88,17,597	6,30,17,597
Share Premium Account	6,43,75,561	1,21,129	6,44,96,690	6,43,75,561
Capital Reserve	0	3,14,907	3,14,907	—
Profit & Loss Account Balance (Surplus)	20,45,187	14,57,375	35,02,562	20,45,187
	<u>12,94,38,345</u>	<u>5,76,93,411</u>	<u>18,71,31,756</u>	<u>12,94,38,345</u>

SCHEDULE - 3

SECURED LOANS

	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
From Scheduled Banks & Financial Institutions		
– Secured by hypothecation of Work in Progress and receivables of the Company*	31,93,83,246	32,66,86,513
– Secured by hypothecation of vehicles & Machinery	3,02,61,875	2,88,92,760
Term Loans**		
– From Corporate Bodies	0	10,00,00,000
	<u>34,96,45,121</u>	<u>45,55,79,273</u>

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

** Secured by mortgage of plots owned by the company and personal guarantee of CMD

SCHEDULE - 4

UNSECURED LOANS

	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
Public Deposits	2,34,99,000	3,51,30,000
From Others	32,331	23,98,368
	<u>2,35,31,331</u>	<u>3,75,28,368</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-06	Additions During the year	Sales/ Transfers	As at 31-Mar-07	Upto 31-Mar-06	For the year ended 31-Mar-07	Adjustments during the year	Total Upto 31-Mar-07	W. D. V. As at 31-Mar-07	W.D.V. As at 31-Mar-06
Air Conditioners & Refrigerators	25,68,339	2,77,800	0	28,46,139	12,49,615	2,05,700	0	14,55,315	13,90,824	13,18,724
Building / Land	0	17,87,300	0	17,87,300	0	0	0	0	17,87,300	0
Computers	68,06,969	18,43,885	0	86,50,854	39,99,735	14,84,621	0	54,84,356	31,66,498	28,07,234
Furniture, Fixtures & Fittings	57,35,121	15,05,818	0	72,40,939	33,78,603	5,97,562	0	39,76,165	32,64,774	23,56,518
Office Equipments	70,53,047	3,54,338	0	74,07,385	36,60,333	4,96,631	0	41,56,964	32,50,421	33,92,714
Plant & Machinery	4,47,22,991	32,03,305	0	4,79,26,296	2,39,03,922	31,30,485	0	2,70,34,407	2,08,91,889	2,08,19,069
Vehicles	6,49,21,287	1,63,51,100	26,08,870	7,86,63,517	3,01,58,406	1,05,78,787	19,37,030	3,88,00,163	3,98,63,354	3,47,62,881
TOTAL	13,18,07,754	2,53,23,546	26,08,870	15,45,22,430	6,63,50,614	1,64,93,786	19,37,030	8,09,07,370	7,36,15,060	6,54,57,140
PREVIOUS YEAR	10,13,55,775	3,75,56,916	71,04,937	13,18,07,754	5,69,62,355	1,43,01,737	49,13,478	6,63,50,614	6,54,57,140	

ALLOCATION OF DEPRECIATION

— Profit & Loss Account	10,877,825
— Projects in Progress	5,615,961
	<u>16,493,786</u>



ANSAL BUILDWELL LTD.


SCHEDULE - 6
INVESTMENTS - LONG TERM
**As at
31-Mar-2007
(Rs.)**
**As at
31-Mar-2006
(Rs.)**
TRADE INVESTMENTS
A) SHARES IN COMPANIES
i) Unquoted at cost

- 47800 Equity Shares of Rs. 10/- each in Aadharshila Tower Private Limited	4,96,642	4,96,642
- 200000 Equity Shares of Rs. 10/- each Partly Paid up of Rs. 1/- of Adharshila Towers Private Limited	2,00,000	2,00,000
- 30600 Equity Shares of Rs.62.50 each in Ansal Chaudhary Developers Private Limited, Nepal (Subsidiary Company)	19,12,500	19,12,500
- 100000 Equity Shares of Rs. 10/- Each in Ansal Crown Infra Build Private Limited (Previous Year 50000 Shares of Rs 10/- Each)	10,00,000	5,00,000

ii) Quoted

- 300 equity shares of Rs. 10/- each in Canara Bank (Market Value Rs. 194.70 Per share)	10,500	10,500
- 943 Equity Shares of Punjab National Bank of Rs. 10/- each (Market Value Rs. 471.65 Per share)	3,67,770	3,67,770
- 100000 Unit of Rs. 10 each of PNB Principal Mutual Fund (Market Value of Rs. 10/- Per Unit)	0	10,00,000

B) GOVERNMENT SECURITIES
25,900
31,400
40,13,312
45,18,812
SCHEDULE - 7
CURRENT ASSETS AND LOANS & ADVANCES
**As at
31.03.2007
(Rs.)**
**As at
31.03.2006
(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)	1,60,78,24,044	1,21,77,52,787
Projects in Progress(Work Contracts)	56,52,581	5,02,12,516
	1,62,32,96,172	1,27,77,84,850

Sundry Debtors

(unsecured, considered good)

Outstanding for a Period Exceeding Six Months	16,99,827	69,68,250
Others	7,47,85,969	22,09,75,655
	7,64,85,796	22,79,43,905
	9,27,790	19,34,608

Cash in Hand

Balances with Scheduled Banks

- In Current Accounts	3,03,39,638	7,89,43,381
- In Fixed Deposits	58,15,745	11,80,56,681
- In Margin Money Accounts	59,84,946	1,86,20,746
	4,21,40,329	21,56,20,808

1,74,28,50,087
1,72,32,84,171
B. LOANS & ADVANCES

(Unsecured, considered good)

Security Deposits	97,93,370	1,92,21,471
Advance Income Tax/Tax Deducted at source	5,40,93,888	2,04,87,669
Other Advances	93,97,89,040	62,01,47,621
	1,00,36,76,298	65,98,56,761

2,74,65,26,385
2,38,31,40,932


SCHEDULE - 8
CURRENT LIABILITIES AND PROVISIONS

	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
A. CURRENT LIABILITIES		
Sundry Creditors	15,41,68,492	32,87,06,425
Advances from Customers	1,06,98,75,425	46,23,69,203
Registration Against Future Projects	37,12,09,637	47,23,26,539
Unclaimed Dividend	8,25,162	6,21,664
Other Liabilities	52,50,30,171	44,89,78,854
	2,12,11,08,887	1,71,30,02,685
B. PROVISIONS		
Proposed Dividend	1,32,90,917	1,11,44,621
Dividend Distribution Tax	18,64,051	15,63,033
Income Tax Provision	5,69,42,827	3,16,30,460
	2,19,32,06,682	1,75,73,40,799

SCHEDULE - 9
SALES AND OTHER INCOME

	Current Year (Rs.)	Previous Year (Rs.)
Sales	93,87,42,974	96,99,94,122
Works Contracts	25,69,74,601	16,41,68,934
Miscellaneous Income		
— Interest Received	33,06,978	28,90,538
— Others	44,74,112	51,32,189
Profit on Sale of Fixed Assets	1,45,395	9,99,960
Dividend received from Trade Investments	5,658	6,408
	1,20,36,49,718	1,14,31,92,151

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

	Current Year (Rs.)	Previous Year (Rs.)
Balance Brought Forward	1,26,79,65,303	45,94,62,343
External Development Charges	19,16,29,195	3,56,17,279
Land Purchase	20,16,28,443	29,61,11,385
Land Development Expenses	2,56,50,960	1,04,78,676
Material/Stores Consumed	10,89,60,953	15,77,12,736
Project Expenses	57,25,21,061	1,19,74,97,360
Amount Written Off	2,18,69,419	0
Architect Fees	8,70,427	13,15,411
Brokerage & Commission	3,00,25,949	1,33,36,084
Advertisement & Publicity	1,23,13,823	2,13,94,827
Salary, Wages & Other Benefits	5,40,03,520	3,91,31,836
Licence Fee & Other charges	1,65,41,791	38,20,500
Depreciation	56,15,961	40,36,921
Security Expenses	55,05,803	39,55,349
	2,51,51,02,608	2,24,38,70,707
Less : Projects in Progress Transferred to Balance Sheet	1,61,34,76,625	1,26,79,65,303
	90,16,25,983	97,59,05,404
	90,16,25,983	97,59,05,404

**SCHEDULE - 11****SELLING & ADMINISTRATIVE EXPENSES**

	Current Year (Rs.)	Previous Year (Rs.)
Salary, Wages & Other Benefits *	4,11,92,766	3,46,37,566
Contribution To Provident & Other Fund	45,31,279	44,73,677
Directors' Meeting Fees	46,500	22,500
Repair & Maintenance		
- Vehicles	45,29,730	30,40,142
- Plant & Machinery	4,69,992	5,44,473
- Others	15,34,120	14,03,197
Brokerage & Commission	96,625	2,92,802
Advertisement & Publicity	3,84,421	7,51,843
Postage, Telegram, Telephone	34,12,131	31,88,626
Printing & Stationery	13,75,426	13,36,953
Travelling **	9,06,902	22,14,254
Conveyance	18,17,062	15,78,050
Rent	87,63,976	13,05,419
Payment to Auditors		
- Audit Fees	1,40,450	1,17,852
- Tax Audit Fees	39,326	28,060
- Taxation Matters	2,06,672	1,27,448
Legal & Professional charges	1,07,69,271	87,81,543
Electricity Charges	17,23,903	15,42,767
Business Promotion Expenses	6,01,822	15,04,529
Insurance	17,52,323	8,32,029
Prior Period Expenses	63,064	42,534
Decrease in Valuation of Investment	0	1,22,57,401
Amount Writtten Off	1,31,88,465	0
Filling Fees	10,07,596	7,264
Miscellaneous Expenses	50,09,011	42,45,891
	10,35,62,833	8,42,76,820

* Includes Remuneration Rs 20,16,000/(Previous Year Rs 13,44,000/-) and Perquisites of Rs 10,18,072/- (Previous Year 3,25,313/-) of CMD.

** includes Rs 3,36,120/- towards Directors Travelling Expenses (Previous Year Rs 13,80,086/-).

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

The Financial statements are prepared under the historical cost convention in conformity with accounting principles generally accepted in India. The management evaluates all the recently issued or revised Accounting Standards on an ongoing basis.

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

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. Depreciation on car parking spaces is not charged during the year as the management is of the opinion that the car parking spaces is Land and not Building.

6. Revenue Recognition

- 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.
- 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.
- 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.
- 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 written off in the year of purchase. There was no revaluation of fixed assets carried out during the year.

8. Accounting for effects 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 are pending transfer in favour of the Company.

10 Accounting for retirements 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 Cost

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. Earning Per Share

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 Shelters 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

- 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 crystalise.

**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, 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.

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. 502.70 Lacs. (Previous Year Rs. 781.997 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.)*	-	10,89,60,953	-	15,77,12,736
		10,89,60,953		15,77,12,736

*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	Previous Year
	Rs	Rs
c) Earning of Foreign Exchange on Booking/ Sale of Flats/Plots (As certified by the Management)	23,52,945	40,78,785
d) Expenditure in Foreign Currency towards Travelling Expenses	1,95,063	13,31,450



	Current Year Rs	Previous Year Rs
e) Managerial Remuneration:		
– Basic Salary	18,00,000	12,00,000
– HRA	7,20,000	–
– Perquisites	2,98,072	3,25,313
– Provident Fund	2,16,000	1,44,000
f) Other information/requirements are not applicable.		
3. Earning Per Share :		
Profit after tax for the year	7,24,12,344	1,73,16,249
Weighted average no. of shares (Units)	73,98,809	74,29,747
Nominal value of shares	Rs. 10	Rs. 10
Earning per share-Basic and Diluted (see note (a) below)	Rs. 9.79	Rs. 2.33
a) The company has not issued any potential equity shares and accordingly, the basic and diluted earning per share are the same.		
4. Related Party Transactions		
Related Parties with whom the Company had Transactions		
A) ASSOCIATES		
1. Aadharshilla Towers Private Limited		
2. Ansal Crown Developers Infrabuild Pvt. Ltd.		
B) RELATED PARTY WHERE KEY MANAGERIAL PERSONNEL EXERCISE SIGNIFICANT INFLUENCE		
1. Ansal Buildwell Real Estate Promoters Private Limited		
2. Ansal Chaudhary Developers (India) Private Limited		
3. Ansal Engineering Projects Limited		
4. Ansal Hospitality & Leisure Co. Private Limited		
5. Ansal Real Estate Developers Private Limited		
6. APM Buildcon Private Limited		
7. Bedi Exports Private Limited		
8. Chandraprabha Estate Private Limited		
9. Glorious Hotels Private Limited		
10. Gyan Bharti Trust		
11. K.C. Towers Private Limited		
12. K.J. Towers Private Limited		
13. Lancer Resorts & Tours Private Limited		
14. M.K. Towers Private Limited		
15. Madakinee Estate Private Limited		
16. Mid Air Properties Private Limited		
17. Potent Housing & Construction Private Limited		
18. Rigoss Electric Distribution Co. Private Limited		
19. Rigoss Estate Networks Private Limited		
20. Rigoss Exports International Private Limited		
21. S.J. Towers Private Limited		



22. S.S. Towers Private Limited
23. Sabina Park Resorts & Marketing Private Limited
24. Sankalp Hotels Private Limited
25. Saya Plantation & Resorts Private Limited
26. Triveni Apartments Private Limited

C) KEY MANAGERIAL PERSONNEL

1. Sh. Gopal Ansal (Chairman cum Managing Director)
2. Sh. Deepak Ansal (Director)
3. Sh. Subhash Verma (Director)
4. Sh. V. P. Verma (Director)
5. Sh. K. S. Bakshi (Director)

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

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

E) SUBSIDIARIES

1. Ansal Chaudhary Developers Private Limited (Nepal)
2. Rahul Buildwell Private Limited (Nepal)
3. Rahul Township Private Limited (Nepal)
4. AC Shelters 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 2007.**(Rs.)**

S. No.	Component	Associates	Significant Influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Subsidiary
		Transactions (Net)	Transactions (Net)	Transactions (Net)	Transactions (Net)	Transactions (Net)
1.	Purchase of Land	10,95,16,235	-	-	-	-
2.	Advance Paid for Purchase of Land	-	28,02,61,908	-	-	-
3.	Finance Provided/ (Received)	(8,71,792)	16,90,380	-	-	-
4.	Remuneration/Sitting Fees to Key Managerial Persons	-	-	30,80,572	-	-
5.	Interest on loan	-	-	30,298	64,535	-
6.	Lease Rent	-	-	38,88,050	29,29,400	-
7.	Sub-Contract Paid	-	8,82,51,392	-	-	-
8.	Refund/ (Receipts) against sale of Flats/Plots	-	-	6,69,000	14,25,000	-
9.	Outstanding Balance Debit / (Credit) as on 31.03.2007	(9,33,00,880)	36,41,05,610	15,97,074	11,22,833	-



5. Deferred Tax -Net

**As at
31st March, 2007
(Rs.)**

Deferred Tax Asset as on 01.04.2006	7,89,743
Add: Deferred Tax Asset on account of Depreciation	11,88,654
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 :-	
– Deferred Tax Asset on account of Provision for Gratuity	7,46,171
– Deferred Tax Asset on account of Bonus Payable	36,174
– Deferred Tax Asset on account of Sales Tax Payable	4,37,821
Deferred Tax Asset	31,98,563
Add: Adjustment in opening balance on account of change in Tax Rate, Surcharge & Education Cess	–
Deferred Tax Asset as on 31.03.2007	31,98,563

- 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) Isotech Engineers Private Limited
 - 2) Jakson & Company
- 7.** Previous year's figures have been regrouped/ rearranged wherever considered necessary to make them comparable with current year's figures.

**8. ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT.****(a) Registration details**

Registration number	17225
State Code	55
Balance Sheet date	31st March 2007 (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	6,34,147
Total Assets	6,34,147

Sources of Funds

Paid-up Capital	73,838
Reserves and Surplus	1,87,132
Secured Loans	3,49,645
Unsecured Loans	23,531

Application of Funds

Net Fixed Assets	73,615
Investments	4,013
Deferred Tax Assets	3,199
Net Current Assets	5,53,320
Miscellaneous Expenditure	Nil
Profit and Loss Account	Nil

(d) Performance of the Company

Turnover (including other income)	12,03,650
Total expenditure	10,90,926
Profit before tax	1,12,724
Profit after tax	72,412
Earning per share in Rupee	9.79
Dividend rate percentage	18%

(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
Chartered Accountants

GOPAL ANSAL
Chairman cum Managing Director

DEEPAK ANSAL
Director

H.L. SEKHRI
Partner

V. P. VERMA
Director

SUBHASH VERMA
Director

Place : New Delhi
Date : 29.06.2007

ASHOK BABU
Sr. G.M. & Company Secretary

R. L. GUPTA
Sr. Vice President (Finance)

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2007**

(All Figures in thousand of Rupees)

31-Mar-2007 **31-Mar-2006****CASH FLOW PROVIDED BY/(USED IN) OPERATING ACTIVITIES :**

Profit Before Tax	1,12,724	39,447
(A) Adjustments to reconcile PBT to cash provided from operation		
a) Depreciation and Amortisation charged to P&L and Cost of Construction	16,494	14,302
b) Interest Expenses	74,859	33,298
c) Dividend, Interest and Miscellaneous Income	(7,787)	(8,029)
d) Profit on sale of Fixed Assets	(145)	(1,000)
e) Loss on sale of Fixed Assets/Written off	6	893
f) Loss on sale of Investment/Written Off	-	12,257
(B) (Increase)/Decrease in Current Assets and Loans & Advances		
a) Sundry Debtors	1,51,458	134,201
b) Loans & Advances (Excluding Direct Taxes Paid)	(3,10,213)	(4,30,379)
c) Inventories	(3,45,511)	(8,08,503)
(C) Increase/(Decrease) in Current Liabilities	4,08,106	7,62,291
Cash Provided by / (used in) Operating Activities	99,991	(2,51,222)
Direct Taxes Paid	(48,570)	(7,040)
Interest Paid	(74,859)	(33,298)
FBT Paid	(2,444)	-
Dividend Paid	(12,708)	(8,472)
Net Cash Provided by / (used in) Operating Activities (A)	(38,590)	(3,00,032)

CASH FLOW PROVIDED BY/(USED IN) INVESTING ACTIVITIES :

Addition to Fixed Assets including Capital W. I. P.	(25,324)	(37,557)
Sale of Investments	1,005	-
Purchase of Investments	(500)	(1,954)
Dividend, Interest & Miscellaneous Income	7,787	8,029
Proceeds from retirements of Fixed Assets	811	2,298
Net Cash Provided by / (used in) Investing Activities (B)	(16,221)	(29,184)

CASH FLOW PROVIDED/(USED IN) FINANCING ACTIVITIES :

Proceeds (Repayment) from Long Term Loan	(1,05,934)	2,67,131
Proceeds from Public Deposits/Others	(13,997)	3,035
Proceeds from Share Capital / Share Premium	255	551
Net Cash Provided by / (used in) Investing Activities (C)	(1,19,676)	2,70,717

NET INCREASE/(DECREASE) IN CASH AND**CASH EQUIVALENT (A+B+C)** **(1,74,487)** (58,499)**CASH AND CASH EQUIVALENT at the beginning of the year** **2,17,555** 2,76,054**CASH AND CASH EQUIVALENT at the end of the year** **43,068** 2,17,555*As per our report of even date attached*

For SEKHRI & ASSOCIATES

Chartered Accountants

H.L. SEKHRI

Partner

Place : New Delhi

Date : 29.06.2007

GOPAL ANSAL

Chairman cum Managing Director

V. P. VERMA

Director

ASHOK BABU

Sr. G.M. & Company Secretary

DEEPAK ANSAL

Director

SUBHASH VERMA

Director

R. L. GUPTA

*Sr. Vice President (Finance)***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, 2007 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 Accountants

H. L. SEKHRI

Partner

Place : New Delhi

Date : 29.06.2007

**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, 2007 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. 2,671.65 Lacs as at March 31, 2007, after giving effect to inter company transactions, and total revenues of Rs. 1,146.52 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, 2007;
 - (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

Place : New Delhi
Date : 29th June, 2007

H.L. Sekhri
Partner
Membership No. 15874

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007**

	SCHEDULE	(Rs.)	As at 31.03.2007 (Rs.)	(Rs.)	As at 31.03.2006 (Rs.)
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1		7,38,38,430		7,40,19,842
Reserves & Surplus	2		18,49,15,270		13,09,43,182
Loan Funds					
Secured Loans	3		34,96,45,121		45,55,79,273
Unsecured Loans	4		3,54,71,956		4,94,43,993
Minority Interest	5		-2,80,807		32,92,381
			64,35,89,970		71,32,78,671
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	6	15,83,77,164		13,57,01,975	
Less : Depreciation Reserve		8,37,23,322		6,88,86,427	
Net Block			7,46,53,842		6,68,15,548
Investments	7		21,00,812		26,06,312
Deferred Tax Assets			31,98,563		7,89,743
Current Assets and Loans & Advances	8	3,01,26,50,200		2,75,78,03,757	
Less : Current Liabilities and Provisions	9	2,44,90,32,621		2,11,47,55,863	
			56,36,17,579		64,30,47,894
Miscellaneous Expenditure (To the Extent not Written Off)	10		19,174		19,174
			64,35,89,970		71,32,78,671
ACCOUNTING POLICIES AND NOTES	14				

*As per our report of even date attached*For SEKHRI & ASSOCIATES
*Chartered Accountants*GOPAL ANSAL
*Chairman cum Managing Director*DEEPAK ANSAL
*Director*H.L. SEKHRI
*Partner*V. P. VERMA
*Director*SUBHASH VERMA
*Director*Place : New Delhi
Date : 29.06.2007ASHOK BABU
*Sr. G.M. & Company Secretary*R. L. GUPTA
Sr. Vice President (Finance)

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

	SCHEDULE	(Rs.)	Current Year (Rs.)	(Rs.)	Previous Year (Rs.)
INCOME					
Sales & Other Income	11		1,31,83,02,028		1,16,18,76,674
			1,31,83,02,028		1,16,18,76,674
EXPENDITURE					
Cost of Construction / Projects	12		1,02,34,76,111		99,41,31,459
Selling & Administrative Expenses	13		10,36,61,732		8,44,40,453
Interest & Finance Charges					
Public Deposits		33,95,838		38,79,076	
Banks		3,66,21,304		1,67,80,316	
Others		3,48,42,147		1,26,38,800	
Depreciation			7,48,59,289		3,32,98,192
			1,08,77,825		1,02,64,816
			121,28,74,957		112,21,34,920
Profit Before Taxation			10,54,27,071		3,97,41,754
Less : Provision for Income Tax		3,79,42,827		1,91,00,966	
Less : Provision for Taxation for Earlier years		23,33,438		49,56,793	
Less : Provision for Deferred tax Liability (Net)		-24,08,820		-18,26,123	
Less: Fringe Benefit Tax		24,44,000		0	
			4,03,11,445		2,22,31,636
Profit After Tax			6,51,15,626		1,75,10,118
Amount Transferred to Minority Shares					
Employee Housing Fund		0		2,256	
Profit for the Current Year		-35,75,394	-35,75,394	92,738	94,994
			6,86,91,020		1,74,15,124
Balance Brought Forward from Profit & Loss Account			(+) 34,40,584		(+) 22,35,462
			7,21,31,604		1,96,50,586
Appropriations					
Employee Housing Fund			0		2,348
			7,21,31,604		1,96,48,238
APPROPRIATIONS					
Proposed Dividend		1,51,54,968		1,27,07,654	
Transfer to General Reserve		5,58,00,000		35,00,000	
			7,09,54,968		1,62,07,654
Balance Carried over to Balance Sheet			11,76,636		34,40,584
EARNING PER SHARE					
Basic and diluted			Rs. 8.80		Rs. 2.36
Nominal Value of Share			Rs. 10		Rs. 10
ACCOUNTING POLICIES AND NOTES					

*As per our report of even date attached*For SEKHRI & ASSOCIATES
*Chartered Accountants*GOPAL ANSAL
*Chairman cum Managing Director*DEEPAK ANSAL
*Director*H.L. SEKHRI
*Partner*V. P. VERMA
*Director*SUBHASH VERMA
*Director*Place : New Delhi
Date : 29.06.2007ASHOK BABU
*Sr. G.M. & Company Secretary*R. L. GUPTA
Sr. Vice President (Finance)


SCHEDULE - 1
SHARE CAPITAL

	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
AUTHORISED		
25000000 Equity Shares of Rs. 10/- Each	25,00,00,000	10,00,00,000
(Previous Year 10000000 Equity Shares of Rs. 10/- Each)	25,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
7383843 Equity Shares of Rs. 10/- each	7,38,38,430	7,42,97,470
(Previous Year 7429747 Equity Shares of Rs.10/- Each)		
Less : Calls Unpaid		
— By Others	0	2,77,628
	7,38,38,430	7,40,19,842

SCHEDULE - 2
RESERVES AND SURPLUS

	As at 1-Apr-2006 (Rs.)	Additions/ Deletions during the year (Rs.)	As at 31-Mar-2007 (Rs.)	As at 31-Mar-2006 (Rs.)
General Reserve	6,31,27,037	5,58,00,000	11,89,27,037	6,31,27,037
Share Premium Account	6,43,75,561	1,21,129	6,44,96,690	6,43,75,561
Capital Reserve	0	3,14,907	3,14,907	0
Profit & Loss Account Balance (Surplus)	34,40,584	-22,63,948	11,76,636	34,40,584
	13,09,43,182	5,39,72,088	18,49,15,270	13,09,43,182

SCHEDULE - 3
SECURED LOANS

	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
From Scheduled Banks & Financial Institutions		
– Secured by hypothecation of Work in Progress and receivables of the Company*	31,93,83,246	32,66,86,513
– Secured by hypothecation of vehicles & Machinery	3,02,61,875	2,88,92,760
	34,96,45,121	35,55,79,273
Term Loans**		
– From Corporate Bodies	0	10,00,00,000
	34,96,45,121	45,55,79,273

* Secured by equitable mortgage of land belonging to company/Associate companies and personal Guarantee of CMD.

** Secured by mortgage of Plots owned by the company and personal guarantee of CMD.


SCHEDULE - 4
UNSECURED LOANS

	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
Public Deposits	2,34,99,000	3,51,30,000
From Others	1,19,72,956	1,43,13,993
	<u>3,54,71,956</u>	<u>4,94,43,993</u>

SCHEDULE - 5
MINORITY INTEREST

	(Rs.)	As at 31.03.2007 (Rs.)	(Rs.)	As at 31.03.2006 (Rs.)
Ansal Chaudhary Developers (P) Limited				
Paid up Share Capital (29400 Shares @ 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	<u>- 22,32,517</u>	<u>- 21,27,369</u>	<u>13,40,671</u>	14,45,819
A.C. Infrastructure & Development Pvt. Ltd.		1,875		1,875
A.C. Shelter Pvt. Ltd.		3,125		3,125
Rahul Township Pvt. Ltd.		1,562		1,562
Rahul Buildwell Pvt. Ltd.		2,500		2,500
		<u>-2,80,807</u>		<u>32,92,381</u>

SCHEDULE - 6
FIXED ASSETS

PARTICULARS	GROSS BLOCK (Rs.)				DEPRECIATION (Rs.)				NET BLOCK (Rs.)	
	As at 01.4.2006	Additions During the year	Sales/ Transfers	As at 31.3.2007	Upto 31.3.2006	For the year ended 31.3.2007	Adj during the year	Total Upto 31.3.2007	W. D. V. As at 31.3.2007	W.D.V. As at 31.3.2006
Air Conditioners & Refrigerators	25,68,339	2,77,800	0	28,46,139	12,49,615	2,05,700	0	14,55,315	13,90,824	13,18,724
Land	0	17,87,300	0	17,87,300	0	0	0	0	17,87,300	0
Computers	70,76,016	18,48,123	0	89,24,139	41,66,172	15,11,333	0	56,77,505	32,46,634	29,09,844
Furniture, Fixtures & Fittings	70,29,613	15,05,818	43,725	84,91,706	41,96,112	6,80,262	0	48,76,374	36,15,333	28,33,501
Office Equipments	71,96,820	3,54,338	0	75,51,158	37,38,287	5,04,054	0	42,42,341	33,08,817	34,58,533
Plant & Machinery	4,47,22,991	32,03,305	0	4,79,26,296	239,03,922	31,51,273	0	2,70,55,195	2,08,71,101	2,08,19,069
Vehicles	6,71,08,196	1,63,51,100	26,08,870	8,08,50,426	316,32,319	10,72,1,303	19,37,030	4,04,16,592	4,04,33,834	3,54,75,877
TOTAL	13,57,01,975	2,53,27,784	26,52,595	15,83,77,164	688,86,427	1,67,73,925	19,37,030	8,37,23,322	7,46,53,842	6,68,15,548
PREVIOUS YEAR	10,51,88,599	3,76,18,313	71,04,937	13,57,01,975	5,91,28,419	14,67,14,86	49,13,478	6,88,86,427	6,68,15,548	

ALLOCATION OF DEPRECIATION

– Profit & Loss Account	10,877,825
– Projects in Progress	5,896,100
	<u>16,773,925</u>



SCHEDULE - 7	As at	As at
INVESTMENTS - LONG TERM	31-Mar-2007	31-Mar-2006
	(Rs.)	(Rs.)
TRADE INVESTMENTS		
A) SHARES IN COMPANIES		
i) Unquoted at cost		
- 47800 Equity Shares of Rs. 10/- each in Aadharshila Tower Private Limited	4,96,642	4,96,642
- 200000 Equity Shares of Rs. 10/- each Partly Paid up of Rs. 1/- of Adharshila Towers Private Limited	2,00,000	2,00,000
- 100000 Equity Shares of Rs. 10/- Each in Ansal Crown Infra Build Private Limited	10,00,000	5,00,000
ii) Quoted		
- 300 equity shares of Rs. 10/- each in Canara Bank (Market Value Rs. 194.70 Per share)	10,500	10,500
- 943 Equity Shares of Punjab National Bank of Rs. 10/- each (Market Value Rs. 471.65 Per share)	3,67,770	3,67,770
- 100000 Unit of Rs. 10 each of PNB Principal Mutual Fund (Market Value of Rs. 10/- Per Unit)	0	10,00,000
B) GOVERNMENT SECURITIES	25,900	31,400
	21,00,812	26,06,312

SCHEDULE - 8	As at	As at
CURRENT ASSETS AND LOANS & ADVANCES	31.03.2007	31.03.2006
	(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)	1,86,20,39,382	1,58,67,41,879
Projects in Progress(Work Contracts)	56,52,581	5,02,12,516
	1,87,75,11,510	1,64,67,73,942
Sundry Debtors		
(unsecured, considered good)		
Outstanding for a Period Exceeding Six Months	16,99,827	69,68,250
Others	7,51,95,173	22,09,75,655
	7,68,95,000	22,79,43,905
Cash in Hand		
Balances with Scheduled Banks	10,98,700	21,70,120
- In Current Accounts	3,04,82,594	7,89,95,691
- In Fixed Deposits	58,15,745	11,80,56,681
- In Margin Money Accounts	59,84,946	1,86,20,746
	4,22,83,285	21,56,73,118
	1,99,77,88,495	2,09,25,61,085
B. LOANS & ADVANCES		
(Unsecured, considered good)		
Security Deposits	98,52,745	1,92,21,471
Advance Income Tax/Tax Deducted at source	5,52,64,691	2,16,58,472
Other Advances	94,97,44,269	62,43,62,729
	1,01,48,61,705	66,52,42,672
	3,01,26,50,200	2,75,78,03,757

**SCHEDULE - 9****CURRENT LIABILITIES AND PROVISIONS**

	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
A. CURRENT LIABILITIES		
Sundry Creditors	15,41,68,492	32,87,06,425
Advances from Customers	1,31,93,60,746	81,41,88,285
Registration Against Future Projects	37,12,09,637	47,23,26,539
Unclaimed Dividend	8,25,162	6,21,664
Other Liabilities	53,03,37,067	45,35,41,114
	<u>2,37,59,01,104</u>	<u>2,06,93,84,027</u>
B. PROVISIONS		
Proposed Dividend	1,32,90,917	1,11,44,621
Dividend Distribution Tax	18,64,051	15,63,033
Income Tax Provision	5,79,76,549	3,26,64,182
	<u>2,44,90,32,621</u>	<u>2,11,47,55,863</u>

SCHEDULE - 10**MISCELLANEOUS EXPENDITURE**

(To the Extent not Written off or Adjusted)

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

SCHEDULE - 11**SALES AND OTHER INCOME**

	Current Year (Rs.)	Previous Year (Rs.)
Sales	1,05,29,27,920	98,84,83,097
Works Contracts	25,69,74,601	16,41,68,934
Miscellaneous Income		
— Interest Received	33,06,978	28,90,538
— Others	49,41,476	53,27,737
Profit on Sale of Fixed Assets	1,45,395	9,99,960
Dividend received from Trade Investments	5,658	6,408
	<u>1,31,83,02,028</u>	<u>1,16,18,76,674</u>

**SCHEDULE - 12****COST OF CONSTRUCTION/PROJECTS IN PROGRESS**

	Current Year (Rs.)	Previous Year (Rs.)
Balance Brought Forward	1,63,69,54,395	77,02,51,155
External Development Charges	19,45,61,155	4,05,18,739
Land Purchase	20,14,53,380	29,80,43,734
Land Development Expenses	2,56,50,960	1,12,21,792
Material/Stores Consumed	10,89,60,953	17,99,03,294
Project Expenses	57,55,11,830	1,23,97,89,795
Amounts Written Off	2,18,69,419	0
Architect Fees	8,70,427	13,15,411
Brokerage & Commission	3,00,25,949	1,37,18,576
Advertisement & Publicity	1,23,13,823	2,13,94,827
Salary, Wages & Other Benefits	5,50,52,088	4,27,46,012
Licence Fee & Other charges	1,65,41,791	38,20,500
Depreciation	58,96,100	44,06,670
Security Expenses	55,05,803	39,55,349
	<u>2,89,11,68,073</u>	<u>2,63,10,85,854</u>
Less : Projects in Progress Transferred to Balance Sheet	1,86,76,91,963	1,63,69,54,395
	<u>1,02,34,76,111</u>	<u>99,41,31,459</u>
	<u>1,02,34,76,111</u>	<u>99,41,31,459</u>

SCHEDULE - 13**SELLING & ADMINISTRATIVE EXPENSES**

Salary, Wages & Other Benefits*	4,11,92,766	3,46,46,316
Contribution To Provident & Other Fund	45,31,279	44,73,677
Directors' Meeting Fees	46,500	24,375
Repair & Maintenance		
— Vehicles	45,29,730	30,40,142
— Plant & Machinery	4,69,992	5,44,473
— Others	15,34,120	14,03,197
	<u>65,33,842</u>	<u>49,87,812</u>
Brokerage & Commission	96,625	2,92,802
Advertisement & Publicity	3,84,421	7,51,843
Postage, Telegram, Telephone	34,14,980	31,94,011
Printing & Stationery	13,75,426	13,45,347
Travelling **	9,06,902	22,14,254
Conveyance	18,17,062	15,78,050
Rent	87,63,976	13,05,419
Payment to Auditors		
— Audit Fees	1,68,700	1,72,475
— Tax Audit Fees	39,326	28,060
— Taxation Matters	2,06,672	1,27,448
	<u>4,14,698</u>	<u>3,27,983</u>
Legal & Professional charges	1,07,83,396	87,95,668
Electricity Charges	17,23,903	15,42,767
Business Promotion Expenses	6,01,822	15,13,904
Insurance	17,66,553	8,32,029
Prior Period Expenses	63,064	42,534
Decrease in Valuation of Investment	0	1,22,57,401
Preliminary Expenses Written Off	0	2,469
Amounts Written Off	1,31,88,465	0
Filing Fees	10,07,596	7,264
Miscellaneous Expenses	50,48,456	43,04,528
	<u>10,36,61,732</u>	<u>8,44,40,453</u>

* Includes Remuneration Rs 20,16,000/- (Previous Year Rs 13,44,000/-) and Perquisites of Rs 10,18,072/- (Previous Year 3,25,313/-) of CMD.

** includes Rs 3,36,120/- towards Directors Travelling Expenses (Previous Year Rs 13,80,086/-).

**SCHEDULE – 14**

Notes to Accounts pertaining to consolidated Balance Sheet of Ansal Buildwell Ltd. & its subsidiary Ansal Chaudhary & Developers Private Limited (Along with its Subsidiaries as on 31-3-2007).

(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, 2007.
- 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 Shelters 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 Private Limited (Nepal) along with its four subsidiaries viz. Rahul Buildwell Private Limited, Rahul Township Private Limited, AC Shelters Private Limited, and AC Infrastructure & Development Private Limited as on 31st March, 2007 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
Chartered Accountants

H.L. SEKHRI
Partner

Place : New Delhi
Date : 29.06.2007

GOPAL ANSAL
Chairman cum Managing Director

V. P. VERMA
Director

ASHOK BABU
Sr. G. M. & Company Secretary

DEEPAK ANSAL
Director

SUBHASH VERMA
Director

R. L. GUPTA
Sr. Vice President (Finance)

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2007**

(All Figures in thousand of Rupees)

31-Mar-2007 **31-Mar-2006****CASH FLOW PROVIDED BY/(USED IN) OPERATING ACTIVITIES :**

Profit Before Tax	1,05,427	39,742
(A) Adjustments to reconcile PBT to cash provided from operation		
a) Depreciation and Amortisation charged to P&L and Cost of Construction	16,774	14,672
b) Interest Expenses	74,859	33,298
c) Dividend, Interest and Miscellaneous Income	(8,254)	(8,225)
d) Profit on sale of Fixed Assets	(145)	(1,000)
e) Loss on sale of Fixed Assets/Written off	6	893
f) Loss on sale of Investment/ Written Off	-	12,257
(B) (Increase)/Decrease in Current Assets and Loans & Advances		
a) Sundry Debtors	1,51,049	1,34,201
b) Loans & Advances (Excluding Direct Taxes Paid)	(3,16,013)	(4,05,448)
c) Inventories	(2,30,737)	(8,66,703)
(C) Increase/(Decrease) in Current Liabilities	3,06,517	7,99,608
Cash Provided by /(used in) Operating Activities	99,483	(2,46,705)
Direct Taxes Paid	(48,570)	(7,140)
Interest Paid	(74,859)	(33,298)
FBT Paid	(2,444)	-
Dividend Paid	(12,708)	(8,472)
Net Cash Provided by /(used in) Operating Activities (A)	(39,098)	(2,95,615)

CASH FLOW PROVIDED BY/(USED IN) INVESTING ACTIVITIES :

Addition to Fixed Assets including Capital W. I. P.	(25,327)	(37,618)
Sale of Investments	1,005	-
Purchase of Investments	(500)	(1,954)
Dividend, Interest & Miscellaneous Income	8,254	8,225
Proceeds from retirements of Fixed Assets	855	2,298
Net Cash Provided by /(used in) Investing Activities (B)	(15,713)	(29,049)

CASH FLOW PROVIDED/(USED IN) FINANCING ACTIVITIES :

Proceeds (Repayment) from Long Term Loan	(1,05,934)	2,49,783
Proceeds from Public Deposits/Others	(13,972)	14,950
Proceeds from Share Capital / Share Premium	255	551
Net Cash Provided by /(used in) Investing Activities (C)	(1,19,651)	2,65,284

NET INCREASE/(DECREASE) IN CASH AND

CASH EQUIVALENT (A+B+C)	(1,74,462)	(59,380)
CASH AND CASH EQUIVALENT at the beginning of the year	2,17,843	2,77,223
CASH AND CASH EQUIVALENT at the end of the year	43,381	2,17,843

*As per our report of even date attached*For SEKHRI & ASSOCIATES
*Chartered Accountants*H.L. SEKHRI
*Partner*Place : New Delhi
Date : 29.06.2007GOPAL ANSAL
*Chairman cum Managing Director*V. P. VERMA
*Director*ASHOK BABU
*Sr. G.M. & Company Secretary*DEEPAK ANSAL
*Director*SUBHASH VERMA
*Director*R. L. GUPTA
Sr. Vice President (Finance)

DIRECTORS' REPORT

Dear Shareholders,

I have the honour and privilege in welcoming you to the Eighth Annual General Meeting of Ansal Chaudhary Developers (Pvt.) Ltd. I hope that Annual Report and Financial Statement for the fiscal year 2063/064 (2006/2007) 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 the Company has continued the third project known as Mount View Residency - II. The scheme consists of Two Phases. Phase A comprising of Independent Homes and Phase B comprising of Expandable Homes. The Project is expected to be completed by August 2007. The handing over of unit has already been started.

The Kathamandu Residency Project has been completed and all the units have been handed over to the clients. The Lalpurja handing over (Registration of property) is still under process of few unit. The Mount View Residency - I is also complete and most of the units have been handed over.

B. FINANCIALS

1. During the year under review the Company had total borrowings from the Directors stands at Rs. 191.05 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. 7.48 Lacs from other sources.

	Nepalese Rs.
Profit before tax	(Rs. 1,11,25,997.09)
Less Income Tax	0.00
Net Profit	(Rs. 1,11,25,997.09)
Less: Employee Housing Fund	0.00
Balance Carried to Balance Sheet	(Rs. 1,11,25,997.09)

C. FUTURE OUTLOOK

Political uncertainties are effecting the cash collection and delay in completion of the project.

D. AUDITORS

M/s. N. Amaty and Co. Chartered Accountants have been reappointed the Auditors for the Financial Year 2064/065 (2007/2008) 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 V.D.C. for their continued support and advice. Our sincere thanks also go to our customers for their precious support and patronage.

Thank you very much for your valuable participation.

On behalf of the Board

Place: Kathmandu, Nepal

Date : June 14, 2007

Gopal Ansal
Chairman

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, 2007.

We have examined the attached Balance Sheet of Ansal Chaudhary Developers Pvt. Ltd. as at March 31, 2007 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, 2007;
- (b) in case of Profit & Loss Account, the loss 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 : May 16, 2007

Nem Lal Amatya
for N. Amatya & Co.
Chartered Accountants

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	SCHEDULE	As on March 31, 2007 (Nepalese Rs.)	As on March 31, 2006 (Nepalese Rs.)
CAPITAL & LIABILITIES			
Capital & Reserve Fund			
Share Capital	1	60,00,000.00	60,00,000.00
Reserves & Surplus	2	(67,01,742.70)	44,24,254.39
Total		(7,01,742.70)	1,04,24,254.39
ASSETS			
Fixed Assets			
Gross Block	3	61,67,570.71	62,30,750.71
Less: Depreciation		45,05,524.24	40,57,301.74
Net Block		16,62,046.47	21,73,448.97
Investment	4	1,85,500.00	1,85,500.00
Current Assets, Loans & Advances			
Project in Progress	5	35,86,13,272.03	54,15,31,398.88
Sundry Debtors		6,54,726.00	—
Cash & Bank Balances	6	4,50,472.73	393,494.47
Advances & Deposits	7	6,63,65,631.37	5,72,60,596.29
Total		42,60,84,102.13	59,91,85,489.64
Less: Current Liabilities & Provisions			
Advance from Flat Buyers		39,91,76,514.73	56,29,10,530.51
Short Term Loan	8	1,91,05,000.00	1,90,65,000.00
Other Liabilities	9	88,04,269.80	75,97,046.94
Provisions	10	15,47,606.77	15,47,606.77
Total		42,86,33,391.30	59,11,20,184.22
Net Current Assets		(25,49,289.17)	80,65,305.42
Total		(7,01,742.70)	1,04,24,254.39
NOTES TO ACCOUNT	14		

As per our attached report of even date

R. K. Nayati
Accountant

Dayaram Gopal Agarwal
Director

Nem Lal Amatya
for N. Amatya & Co.
Chartered Accountants

Place : Kathmandu, Nepal
Date : May 16, 2007

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

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

Particulars	Schedule	Current Year (Nepalese Rs.)	Previous Year (Nepalese Rs.)
INCOME			
Sales		18,15,62,118.00	–
Other Income	11	7,47,782.69	3,12,877.22
Total Income		18,23,09,900.69	3,12,877.22
EXPENDITURE			
Cost of Construction	12	19,32,82,654.21	–
Administrative & Office Expenses	13	1,53,243.57	2,36,664.51
Interest on Loan		–	–
Provision for Staff Bonus		–	13,999.40
Total Expenditure		19,34,35,897.78	2,50,663.91
Profit before Tax		(1,11,25,997.09)	62,213.31
Less: Provision for Tax		–	46,053.43
Special fee		–	2,763.21
Net Profit after Tax		(1,11,25,997.09)	13,396.67
Less: Employee Housing Fund		–	7,368.11
Net Profit for the year		(1,11,25,997.09)	6,028.56
Balance of the previous year		40,80,913.17	40,74,884.61
Balance carried to Balance Sheet		(70,45,083.92)	40,80,913.17
NOTES TO ACCOUNT	14		

As per our attached report of even date

R. K. Nayati
Accountant

Dayaram Gopal Agarwal
Director

Nem Lal Amatya
for N. Amatya & Co.
Chartered Accountants

Place : Kathmandu, Nepal
Date : May 16, 2007

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2007

	As on March 31, 2007 (Nepalese Rs.)	As on March 31, 2006 (Nepalese Rs.)
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
1000000 Equity Shares of Rs. 100/- each	<u>10,00,00,000.00</u>	<u>10,00,00,000.00</u>
ISSUED		
300000 Equity Shares of Rs. 100/- each (Previous Year 300,000 Equity Shares of Rs. 100/- each)	<u>3,00,00,000.00</u>	<u>3,00,00,000.00</u>
SUBSCRIBED & PAID UP		
60000 Equity Shares of Rs. 100/- each (Previous Year 60,000 Equity Shares of Rs. 100/- each)	<u>60,00,000.00</u>	<u>60,00,000.00</u>
SCHEDULE - 2		
RESERVES & SURPLUS		
Employee Housing Fund	3,43,341.22	3,43,341.22
Profit as per annexed account	(70,45,083.92)	40,80,913.17
Total	<u>(67,01,742.70)</u>	<u>44,24,254.39</u>

SCHEDULE - 3
FIXED ASSETS

PARTICULARS	Rate	GROSS BLOCK (Rs.)			DEPRECIATION (Rs.)				NET BLOCK (Rs.)		
		As on 31.3.2006	Additions During the year	Withdrawal/Adjustments	As on 31.3.2007	Upto 31.3.2006	For the year	Withdrawal/Adjustments	Up to 31.03.2007	As on 31.03.2007	As on 31.3.2006
Vehicles	20%	34,93,951.00	-	-	34,93,951.00	23,55,792.43	2,27,631.71	-	25,83,424.14	9,10,526.86	11,38,158.57
Bicycle	15%	5,100.00	-	-	5,100.00	2,469.79	394.53	-	2,864.32	2,235.68	2,630.21
Office Equipments	25%	1,32,295.48	-	-	1,32,295.48	84,785.49	11,877.50	-	96,662.99	35,632.49	47,509.99
Computers	25%	4,30,475.00	6,780.00	-	4,37,255.00	2,66,299.68	42,738.83	-	3,09,038.51	1,28,216.49	1,64,175.32
Furnitures & Fixtures-Metal	25%	46,603.00	-	-	46,603.00	27,253.12	4,837.47	-	32,090.59	14,512.41	19,349.88
Furnitures & Fixtures-Wooden	25%	16,71,430.73	-	69,960.00	16,01,470.73	11,44,059.40	1,14,352.83	-	12,58,412.23	34,30,58.50	5,27,371.33
Furnitures & Fixtures-Expandable	25%	1,51,269.00	-	-	1,51,269.00	98,753.25	13,128.94	-	1,11,882.19	3,93,86.81	52,515.75
Other Assets	15%	2,99,626.50	-	-	2,99,626.50	77,888.58	33,260.69	-	1,11,149.27	18,84,77.23	2,21,737.92
TOTAL		62,30,750.71	6,780.00	69,960.00	61,67,570.71	40,57,301.74	4,48,222.50	-	45,05,524.24	16,62,046.47	21,73,448.97

	As on March 31, 2007 (Nepalese Rs.)	As on March 31, 2006 (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>1,85,500.00</u>	<u>1,85,500.00</u>

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

**SCHEDULE FORMING PART OF BALANCE SHEET
AS AT MARCH 31, 2007**

	As on March 31, 2007 (Nepalese Rs.)	As on March 31, 2006 (Nepalese Rs.)
SCHEDULE - 5		
PROJECT IN PROGRESS		
Balance from Last Year	54,15,31,398.88	42,59,90,774.79
Cost of Land	(12,26,396.25)	12,26,396.25
External Development Charges	46,91,135.33	78,42,335.47
Project Expenses	27,98,591.36	6,20,59,893.62
Salary & Wages	15,81,705.15	51,28,865.94
Staff Welfare Expenses	96,004.12	3,21,027.24
Printing & Stationery	60,800.02	1,31,856.46
Postage, Telephone & Telex Expenses	2,73,480.30	2,91,608.66
House Rent	4,42,870.30	7,355.00
Travelling & Conveyance	3,64,807.18	5,20,680.69
Site Office Expenses	-	(31,231.50)
Vehicle Running Expenses	3,63,307.19	6,44,248.21
Guest Entertainment Expenses	9,585.45	9,712.67
Insurance Premium	19,122.88	1,21,398.49
Rates & Taxes	1,050.00	-
Legal & Professional Charges	1,06,650.00	63,100.00
Miscellaneous Expenses	3,33,591.83	1,67,363.17
Interest	-	5,26,316.12
Depreciation	4,48,222.50	5,91,599.16
Purchase of Material	-	3,55,04,892.05
Launching Expenses	-	(4,95,931.20)
Brokerage & Commission	-	(1,26,609.37)
Selling & Distribution	-	(81,265.94)
Munciple Tax	-	11,17,012.90
Sub - Total	55,18,95,926.24	54,15,31,398.88
Less : Transferred to Cost of Construction	19,32,82,654.21	-
Total	35,86,13,272.03	54,15,31,398.88

SCHEDULE - 6

CASH & BANK BALANCES

Cash in Hand (As Certified)	2,73,455.38	3,76,818.97
Cash at Current Account with BOK	1,40,826.54	-
Cash at Current Account with Everest Bank	36,190.81	-
Cash at Current Account With Nabil Bank	-	16,675.50
Cash at Everest Bank	-	-
Total	4,50,472.73	3,93,494.47

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

**SCHEDULE FORMING PART OF BALANCE SHEET
AS AT MARCH 31, 2007**

	As on March 31, 2007 (Nepalese Rs.)	As on March 31, 2006 (Nepalese Rs.)
SCHEDULE - 7		
ADVANCES & DEPOSITS		
A. Advances		
Advance for Land	14,85,771.25	4,00,000.00
Advance Income Tax	17,66,936.18	17,66,936.18
Other Advances	6,30,17,923.94	5,49,98,660.11
B. Deposits		
Deposits With Department of Industries	20,000.00	20,000.00
Telephone Deposits	75,000.00	75,000.00
Total	6,63,65,631.37	5,72,60,596.29
 SCHEDULE - 8		
SHORT TERM LOAN		
From Everest Bank (Secured by mortgage of immovable property)	-	-
From Directors	1,91,05,000.00	1,90,65,000.00
Total	1,91,05,000.00	1,90,65,000.00
 SCHEDULE - 9		
OTHER LIABILITIES		
For Expenses	87,71,212.12	58,70,171.47
T.D.S payable	33,057.68	1,25,865.83
Retention Money	-	15,55,829.61
Bank Overdraft	-	45,180.03
Total	88,04,269.80	75,97,046.94
 SCHEDULE - 10		
PROVISIONS		
Provision for Income Tax	15,47,606.77	15,47,606.77
Total	15,47,606.77	15,47,606.77

ANSAL CHAUDHARY DEVELOPERS PVT. LTD.

**SCHEDULE FORMING PART OF BALANCE SHEET
AS AT MARCH 31, 2007**

	Current Year (Nepalese Rs.)	Previous Year (Nepalese Rs.)
SCHEDULE - 11		
OTHER INCOME		
Interest Received	-	-
Administrative Charges against Cancellation	7,47,782.69	3,12,673.92
Other Receipts	-	203.30
Total	7,47,782.69	3,12,877.22
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 Expneses	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 FORMING PART OF BALANCE SHEET
AS AT MARCH 31, 2007**

	Current Year (Nepalese Rs.)	Previous Year (Nepalese Rs.)
SCHEDULE - 13		
ADMINISTRATIVE & OFFICE EXPENSES		
Meeting Fee & Expenses	-	3,000.00
Audit Expenses (Internal)	-	35,197.00
Bank Commision & Charges	1,675.12	(10,100.79)
Postage, Telegram & Telephone	4,558.57	8,616.15
Books & Periodicals	9,476.00	13,431.00
Audit Fee	45,200.00	45,200.00
Subscription & Membership	15,000.00	15,000.00
Donations	29,904.51	92,571.00
Professional Fee	22,600.00	22,600.00
Office Expenses	2,061.00	2,500.00
Insurance Premium	22,768.37	8,650.15
Internet Charges	-	-
Staff Welfare	-	-
Preliminary Expenses W/off	-	-
Miscellaneous Expenses	-	-
Total	1,53,243.57	2,36,664.51

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:

- 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.
- 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. 485.75 Lacs (Previous Rs 487.49 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.

Accordingly Rs. 1,93,282,654.21 representing the project cost of Kathmandu Residency has been charged to Profit & Loss Account as the project has been completed and the ownership of the property has been transferred/in the process of transfer to the respective buyers. Further, the advance received for the property at Kathmandu Residency has been recognised as income in the Profit & Loss Account.

6. 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, 2007 has not been provided in the accounts, as the same will be dealt by at July 15, 2007 closing which is the actual financial year of the Company.

7. 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 the services of the continuous year 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, 2007 has not been determined.

8. Previous year's figures have been regrouped/rearranged wherever necessary.

As per our attached report of even date

R. K. Nayati
Accountant

Dayaram Gopal Agarwal
Director

Nem Lal Amatya
for N. Amatya & Co.
Chartered Accountants

Place : Kathmandu, Nepal
Date : May 16, 2007

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

Particulars	Current Year (Nepalese Rs.)	Previous Year (Nepalese Rs.)
A. Cash Flow from Operating Activities		
Net Profit /(Loss) before Income tax	(1,11,25,997.09)	62,213.61
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)	-
	<u>5,94,539.12</u>	<u>62,213.61</u>
Cash flow from operation before Working Capital Changes		
Cash Flow from Working Capital Changes		
(Increase)/Decrease in Project In Progress	(99,16,304.86)	(11,49,49,025.24)
(Increase)/Decrease in Sundry Debtors	(6,54,726.00)	-
(Increase)/Decrease in Advance & Deposits	(91,05,035.08)	6,04,38,937.34
Increase/(Decrease) in Advance from Flat Buyers	1,78,28,102.22	8,96,28,090.64
Increase/(Decrease) in Other Liabilities	12,47,222.86	(2,75,59,650.55)
	<u>(6,201.74)</u>	<u>76,20,565.80</u>
Cash Generated from Operation		
Special Fees Paid	-	(2,763.21)
Income tax paid	-	(46,053.43)
	<u>(6,201.74)</u>	<u>75,71,749.16</u>
B. Cash Flow from Financing Activities		
Increase/(Decrease) in Short term Loan	-	(86,91,740.05)
	<u>-</u>	<u>(86,91,740.05)</u>
Cash Flow from Financing Activities		
	<u>-</u>	<u>(86,91,740.05)</u>
C. Cash Flow from Investing Activities		
Additions to Fixed Assets	(6,780.00)	(98,235.50)
Sales of Fixed Assets	69,960.00	-
Increase in Investment in Subsidiaries	-	-
(Increase)/Decrease in Fixed Deposits	-	-
	<u>63,180.00</u>	<u>(98,235.50)</u>
Cash Flow from Investing Activities		
Net Cash and Cash Equivalent for the year (A+B+C)	56,978.26	(12,18,226.39)
Cash and Cash Equivalent at the beginning of the year	3,93,494.47	16,11,720.86
	<u>4,50,472.73</u>	<u>3,93,494.47</u>
Cash and Cash Equivalent at the end of the year		

As per our attached report of even date

R. K. Nayati
Accountant

Dayaram Gopal Agarwal
Director

Nem Lal Amatya
for N. Amatya & Co.
Chartered Accountants

Place : Kathmandu, Nepal
Date : May 16, 2007

DIRECTORS' REPORT

Dear Shareholders,

I have the honour and privilege in presenting you the Sixth Director's Report of Rahul Buildwell Pvt. Ltd. I hope that Annual Report and Financial Statement for the fiscal year 2063/064 (2006/2007) 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 the Company has maintained its Land Bank.

B. FINANCIALS

1. During the year under review the company has made a net loss of Rs. 5.44 lakhs through sale of surplus land.
2. All the expenses incurred so far have been debited to Project in Progress Account.

	Nepalese Rs.
Profit before tax	(5,43,759.80)
Less Income Tax	0.00
Net Profit carried to Balance Sheet	(5,43,759.80)

C. FUTURE OUTLOOK

The outlook for the Company's operations continues to be bright in view of the Land Bank which the Company has astutely built up over a period of time.

D. AUDITORS

M/s. Deoki Bijay & Co. Chartered Accountants have been reappointed the Auditors for the Financial Year 2064/065 (2007/2008) and their fee shall be decided by the Board of Directors.

Thank you very much for your valuable participation.

On behalf of the Board

Place : Kathmandu, Nepal
Date : June 12, 2007

Nirvana Kumar Chaudhary
Chairman

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s Rahul Buildwell Pvt. Ltd. as on March 31, 2007, 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 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, 2007.
 - 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 Bijay & Co.
Chartered Accountants

P. K. Swarnkar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 10, 2007

BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Capital & Liabilities			
Shareholder's Fund			
Share Capital	1	50,000.00	50,000.00
Reserve & Surplus		–	31,038.31
		<u>50,000.00</u>	<u>81,038.31</u>
Assets:			
Current Assets, Advances & Deposits:			
Project in Progress	2	2,14,85,877.62	2,22,13,434.00
Cash & Bank Balances	3	18,411.65	35,434.90
Advances & Deposit	4	10,557.25	10,557.25
		<u>2,15,14,846.52</u>	<u>2,22,59,426.15</u>
Less: Current Liabilities:			
Other Payables	5	2,19,71,822.76	2,21,72,642.59
Provisions	6	10,557.25	10,557.25
		<u>2,19,82,380.01</u>	<u>2,21,83,199.84</u>
Net Current Assets		(4,67,533.49)	76,226.31
Miscellaneous Expenditures:			
(to the extent not written off or adjusted)			
Preliminary Expenses		4,812.00	4,812.00
Profit and Loss Account		5,12,721.49	–
		<u>50,000.00</u>	<u>81,038.31</u>
Significant Accounting Policies & Notes to the Accounts	9		

As per our attached report of even date

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

P. K. Swarnkar, FCA
Partner

Prabhu Krishna Pradhan
Accountant

Nirvana Kumar Chaudhary
Director

Place : Kathmandu, Nepal
Date : June 10, 2007

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

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Sales	7	11,33,795.00	28,11,657.00
Cost of Sales	8	16,77,554.80	27,69,428.00
Gross Profit		(5,43,759.80)	42,229.00
Other Expenses		-	-
Net Profit		(5,43,759.80)	42,229.00
Income Tax		-	10,557.25
Special Tax		-	633.44
Profit/Loss after Tax		(5,43,759.80)	31,038.31
Profit brought forward from Last Year		31,038.31	-
Balance Carried to Balance Sheet		(5,12,721.49)	31,038.31

Significant Accounting Policies & Notes to the Accounts

9

As per our attached report of even date

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

Prabhu Krishna Pradhan
Accountant

Nirvana Kumar Chaudhary
Director

P. K. Swarnkar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 10, 2007

**SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2007**

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

Particulars	Upto Last Year	For the Year	Total
Land	2,21,88,696.00	(73,12,59.80)	2,14,57,436.20
Audit Fee	17,500.00	1,500.00	19,000.00
General Expenses	804.50	-	804.50
Rent, Rate & Taxes	1,645.50	803.42	2,448.92
Tax & Penalties	4,788.00	1,400.00	6,188.00
	<u>2,22,13,434.00</u>	<u>(7,27,556.38)</u>	<u>2,14,85,877.62</u>

Particulars	Current Year	Previous Year
SCHEDULE -3		
CASH & BANK BALANCES		
Cash in Hand (As certified by management)	-	-
Bank of Kathmandu Ltd.	<u>18,411.65</u>	<u>35,434.90</u>
	<u>18,411.65</u>	<u>35,434.90</u>

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
SCHEDULE - 4		
ADVANCES & DEPOSITS		
Hari Maharjan A/C	-	-
Advances Income Tax	10,557.25	10,557.25
	<u>10,557.25</u>	<u>10,557.25</u>
SCHEDULE - 5		
OTHER PAYABLES		
T.D.S. Payable	1,275.00	13,298.25
Audit Fee Payable	3,725.00	7,225.00
Ansai Chaudhary Developers Pvt. Ltd.	2,19,66,822.76	2,21,52,119.34
	<u>2,19,71,822.76</u>	<u>2,21,72,642.59</u>
SCHEDULE - 6		
PROVISIONS		
Provision for Income Tax	10,557.25	10,557.25
	<u>10,557.25</u>	<u>10,557.25</u>
SCHEDULE -7		
SALES		
Sale of Land	11,33,795.00	28,82,812.00
Less: Brokerage	-	71,155.00
	<u>11,33,795.00</u>	<u>28,11,657.00</u>
SCHEDULE -8		
COST OF SALES		
Cost of Land	16,77,554.80	27,69,428.00
	<u>16,77,554.80</u>	<u>27,69,428.00</u>

SCHEDULE -9

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:

All the expenses incurred for the project has been debited to project in Progress Account.

3. Preliminary Expenses.

Preliminary Expenses shall be amortised over a period of five years from the year of commencement of construction.

B) Notes to the Accounts:

1. The Company has sold surplus land during the year. As the land is held as trading stock of the company the profit on sale of land is treated as trading profit and tax has been provided accordingly.
2. The Company's accounts closes on 15th July every year as per Prevalent Laws of Nepal, however, sir 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, 2006 to 31st March, 2007.
3. Previous year's figures have been regrouped/rearranged wherever necessary.
4. Schedule 1 to 9 form the integral part of Balance Sheet and Profit & Loss Account.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
Cash Flow From Operating Activities:		
Net Profit as per Profit & Loss A/C	(5,43,759.80)	31,038.31
Operating Profit before changes in Working Capital	(5,43,759.80)	31,038.31
Changes in Working Capital:		
(Increase)/Decrease in Current Assets	-	19,26,942.75
Increase/(Decrease) in Current Liabilities	(2,00,819.83)	(29,60,359.31)
Increase in Provisions	-	10,557.25
Decrease in Project in Progress	7,27,556.38	8,98,116.00
Net Cash Flow From Operating Activities	(17,023.25)	(93,705.00)
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	(17,023.25)	(93,705.00)
Opening Cash & Bank Balances	35,434.90	1,29,139.90
Closing Cash & Bank Balances	18,411.65	35,434.90

DIRECTORS' REPORT

Dear Shareholders,

I have the honour and privilege in presenting you the Sixth Director's Report of Rahul Township Pvt. Ltd. I hope that Annual Report and Financial Statement for the fiscal year 2063/064 (2006/2007) 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 the Company has maintained its Land Bank.

B. FINANCIALS

1. There is no income during the year under review.
2. All the expenses incurred so far have been debited to Project in Progress Account.

C. FUTURE OUTLOOK

The outlook for the Company's operations continues to be bright in view of the Land Bank which the Company has astutely built up over a period of time.

D. AUDITORS

M/s. Deoki Bijay & Co. Chartered Accountants have been reappointed the Auditors for the Financial Year 2064/065 (2007/2008) and their fee shall be decided by the Board of Directors.

Thank you very much for your valuable participation.

On behalf of the Board

Place : Kathmandu, Nepal

Date : June 12, 2007

Nirvana Kumar Chaudhary
Chairman

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s Rahul Township Pvt. Ltd. as on March 31, 2007 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 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, 2007, and
 - ii. 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 Bijay & Co.
Chartered Accountants

Place : Kathmandu, Nepal
Date : June 10, 2007

P.K. Swarnkar, FCA
Partner

BALANCE SHEET AS AT MARCH 31, 2007

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	2,66,49,052.80	2,66,44,915.00
Cash & Bank Balances	3	10,425.00	10,000.00
		<u>2,66,59,477.80</u>	<u>2,66,54,915.00</u>
Less: Current Liabilities:			
Other Payables	4	2,66,13,505.80	2,66,08,943.00
		<u>45,972.00</u>	<u>45,972.00</u>
Net Current Assets			
Miscellaneous Expenditure: (to the extent not written off or adjusted)			
Preliminary Expenses		4,028.00	4,028.00
		<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 Bijay & Co.
Chartered Accountants
P. K. Swarnkar, FCA
Partner

Prabhu Krishna Pradhan
Accountant

Nirvana Kumar Chaudhary
Director

Place : Kathmandu, Nepal
Date : June 10, 2007

**SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2007**

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**

Particulars	Upto Last Year	For the Year	Total
Land	2,66,19,627.00	-	2,66,19,627.00
Audit Fee	20,500.00	-	20,500.00
Rates & Taxes	4,788.00	1,537.80	6,325.80
Miscellaneous Expenses	-	2,600.00	2,600.00
	<u>2,66,44,915.00</u>	<u>4,137.80</u>	<u>2,66,49,052.80</u>

Particulars	Current Year	Previous Year
SCHEDULE -3		
CASH & BANK BALANCES		
Cash in Hand (As certified by Management)	-	-
Bank of Kathmandu Ltd.	<u>10,425.00</u>	<u>10,000.00</u>
	<u>10,425.00</u>	<u>10,000.00</u>

**SCHEDULE -4
OTHER PAYABLES**

T.D.S. Payable	750.00	3,075.00
Audit Fee Payable	4,250.00	8,500.00
Ansal Chaudhary Developers Pvt. Ltd.	2,66,08,505.80	2,65,97,368.00
	<u>2,66,13,505.80</u>	<u>2,66,08,943.00</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:

All the expenses incurred for the project has been debited to Project in Progress Account.

3. Preliminary Expenses:

Preliminary Expenses shall be amortised over a period of five years from the year of commencement of construction.

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 account closes on 31st March, these Accounts are prepared for the period from 1st April, 2006 to 31st March, 2007.
2. Previous years figures have been regrouped/rearranged wherever necessary.
3. Schedules 1 to 5 form the integral part of Balance Sheet.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
(A) Cash Flow From Operating Activities:		
Increase in Current Assets	(4,137.80)	(5,000.00)
Increase in Current Liabilities	4,562.80	(2,500.00)
Net Cash Flow From Operating Activities	425.00	(7,500.00)
(B) Cash Flow from Investing Activities		
Preliminary Expenses	-	-
Project in progress	-	-
Net Cash Flow From Investing Activities	-	-
(C) Cash Flow from Financing Activities		
Increase in Share Capital	-	-
Net Cash Flow From Financing Activities	-	-
Total Cash Flow (A+B+C)	425.00	(7,500.00)
Opening Cash & Bank Balances	10,000.00	17,500.00
Closing Cash & Bank Balances	10,425.00	10,000.00

DIRECTORS' REPORT

Dear Shareholders,

I have the honour and privilege in presenting you the Fifth Directors Report of AC Shelter Pvt. Ltd. I hope that Annual Report and Financial Statement for the fiscal year 2063/064 (2006/2007) 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 there has been no activity in the Company.

B. FINANCIALS

During the year under review the Company has made a net Loss of Rs. 0.05 lakhs.

	Nepalese Rs.
Profit before tax	(5,000.00)
Less Income Tax	-
Net Profit carried to Balance Sheet	(5,000.00)

C. AUDITORS

M/s. Deoki Bijay & Co. Chartered Accountants have been reappointed the Auditors for the Financial Year 2064/065 (2007/2008) and their fee shall be decided by the Board of Directors.

Thank you very much for your valuable participation.

On behalf of the Board

Place : Kathmandu, Nepal

Date : June 12, 2007

Nirvana Kumar Chaudhary
Chairman

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s AC Shelter Pvt. Ltd. as on March 31, 2007, 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 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, 2007.
 - 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 Bijay & Co.
Chartered Accountants

P. K. Swarnkar, FCA
Partner

Place: Kathmandu, Nepal
Date: June 10, 2007

AC SHELTER PVT. LTD.

BALANCE SHEET AS AT MARCH 31, 2007

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		2,67,951.94	2,72,951.94
		<u>3,17,951.94</u>	<u>3,22,951.94</u>
Assets:			
Current Assets, Loans & Advances:			
Project in Progress		-	-
Advances & Deposits	2	4,06,265.42	4,66,265.42
Cash & Bank Balances	3	12,478.00	10,635.05
		<u>4,18,743.42</u>	<u>4,76,900.47</u>
Less: Current Liabilities:			
Other Payables	4	1,00,791.48	1,53,948.53
		<u>1,00,791.48</u>	<u>1,53,948.53</u>
Net Current Assets		3,17,951.94	3,22,951.94
Significant accounting policies & Notes to the Accounts	5		

As per our attached report of even date

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

Prabhu Krishna Pradhan
Accountant

Nirvana Kumar Chaudhary
Director

P. K. Swarnkar, FCA
Partner

Place : Kathmandu, Nepal
Date : June 10, 2007

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

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Sales		-	2,67,70,703.00
Cost of Sales		-	2,63,96,212.09
Gross Profit		-	3,74,490.91
Other Expenses		5,000.00	-
Net Profit		(5,000.00)	3,74,490.91
Income Tax		-	95,791.48
Special Tax		-	5,747.49
Profit/Loss after Tax		(5,000.00)	2,72,951.94
Profit brought forward from Last Year		2,72,951.94	-
Balance Carried to Balance Sheet		2,67,951.94	2,72,951.94

Significant accounting policies & Notes to the Accounts

5

*As per our attached report of even date*For : **Deoki Bijay & Co.**
Chartered AccountantsP. K. Swarnkar, FCA
PartnerPrabhu Krishna Pradhan
AccountantNirvana Kumar Chaudhary
DirectorPlace : Kathmandu, Nepal
Date : June 10, 2007

**SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2007**

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
	50,000.00	50,000.00
SCHEDULE - 2		
ADVANCES & DEPOSITS		
Advance Income Tax	95,791.48	95,791.48
Gofle Gurung	-	-
Ansal Chaudhary Developers Pvt. Ltd.	3,10,473.94	3,70,473.94
	4,06,265.42	4,66,265.42
SCHEDULE -3		
CASH & BANK BALANCES		
Cash in Hand (As certified by the management)	-	-
Balance at Everest Bank 00494 a/c	12,478.00	10,635.05
	12,478.00	10,635.05
SCHEDULE - 4		
OTHER PAYABLES		
T.D.S. Payable	750.00	49,657.05
Audit Fee Payable	4,250.00	8,500.00
Provision for Income Tax	95,791.48	95,791.48
	1,00,791.48	1,53,948.53

SCHEDULE -5

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 account closes on 31st March, these Accounts are prepared for the period from 1st April, 2006 to 31st March, 2007.
2. Previous years figures have been regrouped/rearranged wherever necessary.
3. Schedules 1 to 5 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, 2007

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
Cash Flow From Operating Activities:		
Net Profit as per Profit & Loss A/C	(5,000.00)	2,72,951.94
Operating Profit before changes in Working Capital	(5,000.00)	2,72,951.94
Changes in Working Capital:		
(Increase)/Decrease in Current Assets	60,000.00	3,15,11,095.82
Increase/(Decrease) in Current Liabilities	(53,157.05)	(3,18,33,412.71)
Net Cash Flow From Operating Activities	1,842.95	(49,364.95)
Cash Flow from Investing Activities		
Preliminary Expenses	-	3,950.00
Net Cash Flow From Investing Activities	-	3,950.00
Cash Flow from Financing Activities		
Increase in Share Capital	-	-
Net Cash Flow From Financing Activities	-	-
Total Cash Flow From All Activities	1,842.95	(45,414.95)
Opening Cash & Bank Balances	10,635.05	56,050.00
Closing Cash & Bank Balances	12,478.00	10,635.05

DIRECTORS' REPORT

Dear Shareholders,

I have the honour and privilege in presenting you the Fifth Director's Report of AC Infrastructure & Development Pvt. Ltd. I hope that Annual Report and Financial Statement for the fiscal year 2063/64 (2006/2007) 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 there has been no activity in the Company.

B. FINANCIAL

1. There is no income during the year under review.
2. As the construction work has not been started by the Company, all the expenses incurred has been debited to pre-operative expenses and shall be charged to revenue on commencement of construction.

C. AUDITORS

M/s. Deoki Bijay & Co., Chartered Accountants have been reappointed the Auditors for the Financial Year 2064/065 (2007/2008) and their fee shall be decided by the Board of Directors.

Thank you very much for your valuable participation.

On behalf of the Board

Place : Kathmandu, Nepal

Date : June 12, 2007

Nirvana Kumar Chaudhary
Chairman

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s AC Infrastructure & Development Pvt. Ltd. as on March 31, 2007 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 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, 2007, and
 - ii. 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 Bijay & Co.
Chartered Accountants

Place : Kathmandu, Nepal
Date : June 10, 2007

P.K. Swarnkar, FCA
Partner

AC INFRASTRUCTURE & DEVELOPMENT PVT. LTD.

BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Schedule	Amount (Nepalese Rs.)	
		Current Year	Previous Year
Capital & Liabilities:			
Capital & Reserve Fund			
Share Capital	1	50,000.00	50,000.00
		50,000.00	50,000.00
Assets:			
Current Assets, Loans & Advances:			
Cash & Bank Balances	2	10,400.00	10,950.00
Other Advance	3	20,762.00	24,262.00
		31,162.00	35,212.00
Less: Current Liabilities:			
Other Payables	4	3,000.00	7,050.00
Net Current Assets		28,162.00	28,162.00
Miscellaneous Expenditure: (to the extent not written off or adjusted)			
Preliminary Expenses		3,950.00	3,950.00
Pre - Operative Expenses	5	17,888.00	17,888.00
		50,000.00	50,000.00
Significant accounting policies & Notes to the Accounts	6		

As per our attached report of even date

For : **Deoki Bijay & Co.**
Chartered Accountants
P. K. Swarnkar, FCA
Partner

Prabhu Krishna Pradhan
Accountant

Nirvana Kumar Chaudhary
Director

Place : Kathmandu, Nepal
Date : June 10, 2007

**SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2007**

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		
CASH & BANK BALANCES		
Everest Bank Ltd., Pulchowk Branch	<u>10,400.00</u>	<u>10,950.00</u>
	<u>10,400.00</u>	<u>10,950.00</u>
SCHEDULE -3		
OTHER ADVANCE		
Ansal Chaudhary Developers (P) Ltd.	<u>20,762.00</u>	<u>24,262.00</u>
	<u>20,762.00</u>	<u>24,262.00</u>
SCHEDULE -4		
OTHER PAYABLES		
T.D.S. Payable	<u>450.00</u>	<u>1,950.00</u>
Audit Fee Payable	<u>2,550.00</u>	<u>5,100.00</u>
	<u>3,000.00</u>	<u>7,050.00</u>

SCHEDULE - 5
PRE-OPERATIVE EXPENSES

Particulars	Upto Last Year	For the Year	Total
Audit Fee	13,000.00	–	13,000.00
Bank Commission	100.00	–	100.00
Rates & Taxes	4,788.00	–	4,788.00
	17,888.00	–	17,888.00

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.

2. Pre-Operative Expenses:

As the construction work has not been started by the Company, all the expenses incurred has been debited to pre-operative expenses and shall be charged to revenue on commencement of construction.

3. Preliminary Expenses.

Preliminary Expenses shall be amortised over a period of five years from the year of commencement of construction.

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, 2006 to 31st March, 2007.
2. Previous years figures have been regrouped/rearranged wherever necessary.
3. Schedules 1 to 6 form the integral part of Balance Sheet.

AC INFRASTRUCTURE & DEVELOPMENT PVT. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Amount (Nepalese Rs.)	
	Current Year	Previous Year
Cash Flow From Operating Activities:		
Decrease/(Increase) in Current Assets	3,500.00	(24,262.00)
Increase/(Decrease) in Current Liabilities	(4,050.00)	(17,738.00)
Net Cash Flow From Operating Activities	(550.00)	(42,000.00)
Cash Flow from Investing Activities		
Pre- Operative Expenses	-	(3,100.00)
Preliminary Expenses	-	-
Net Cash Flow From Investing Activities	-	(3,100.00)
Cash Flow from Financing Activities		
Increase in Share Capital	-	-
Net Cash Flow From Financing Activities	-	-
Total Cash Flow From All Activities	(550.00)	(45,100.00)
Opening Cash & Bank Balances	10,950.00	56,050.00
Closing Cash & Bank Balances	10,400.00	10,950.00

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 Third Annual General Meeting held at Sri Sathya Sai International Centre and School, Lodhi Road, Institutional Area, Pargati Vihar, New Delhi - 110 003 on Wednesday, the 26th September, 2007 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 Third Annual General Meeting of the
Company to be held on Wednesday the 26th September, 2007 at 11.00 A.M. and at any adjournment thereof.

As witness my hand/our hands this.....day of.....2007.

Signed by said



* 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"/> <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"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <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"/> <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.