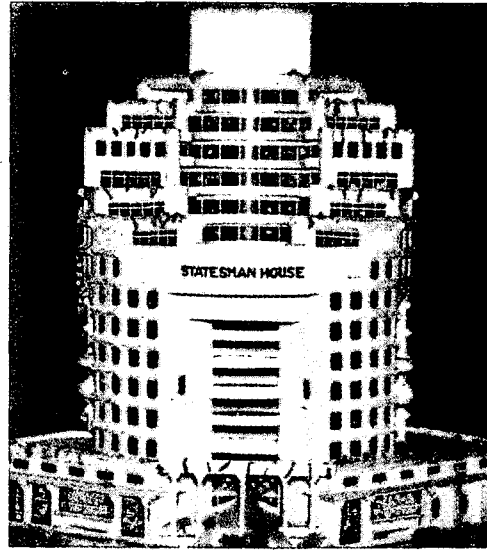
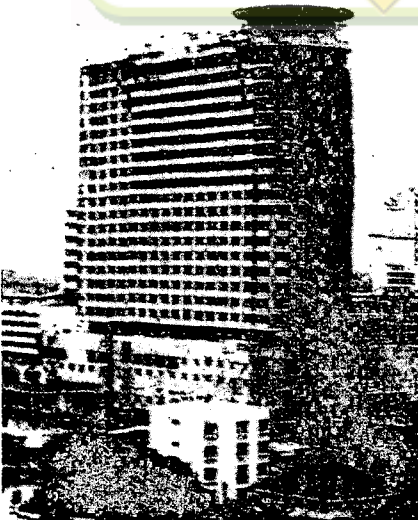
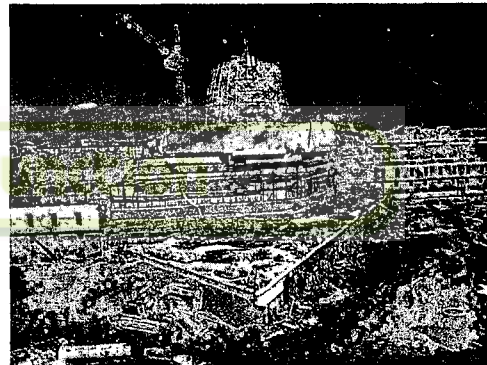
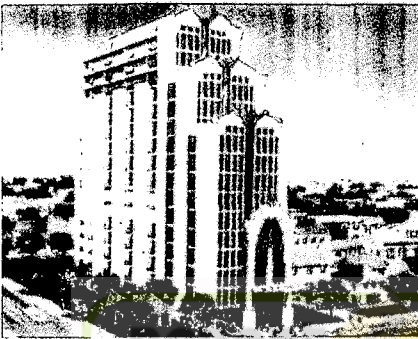


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ANSALS



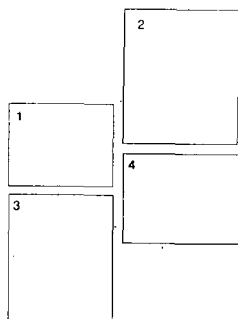
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ANNUAL  
REPORT

(1996-97)



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#### Cover Pictures

1. Hang bai Office Complex, Hanoi, Vietnam
2. Statesman House, New Delhi
3. Atrium Hotel, Bangkok, Thailand
4. Hotel Under Construction at Pskov, Russia



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**BOARD OF DIRECTORS**

Shri Sushil Ansal  
*Chairman*  
Shri Gopal Ansal  
*Managing Director*  
Shri Deepak Ansal  
Shri D.N. Davar  
Shri T.R. Tuli  
Dr. Bansi Dhar  
Dr. R.C. Vaish  
Shri Rahul C. Kirloskar  
Shri S.C. Dikshit (UTI Nominee)

**ADDL. G.M. & COMPANY SECRETARY**

Shri S.S. Gupta

**AUDITORS**

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

**BANKERS**

Punjab National Bank  
Oriental Bank of Commerce  
SBI Commercial & International Bank Ltd.  
The Sanwa Bank Ltd.  
The Lakshmi Vilas Bank Ltd.  
The Bank of Rajasthan Ltd.

**REGISTERED OFFICE**

115, Ansal Bhawan,  
16, Kasturba Gandhi Marg  
New Delhi - 110 001

**MUMBAI OFFICE**

Hill Crest,  
Ground Floor, Flat No. 2,  
Plot No. 7, N.S. Road No. 10,  
J.V.P.D. Scheme, Mumbai - 400 049.

**OVERSEAS OFFICES**

71, SAP Road,  
Siphaya, Bangkok-10500 Thailand.

Hotel Universitetskaya  
House No. 8, 10th Floor,  
Machurensky Prospect,  
Moscow, (Russia)

16-A, Dimitrievskaya Street,  
Novgorod - 173 001 (Russia)

6, Krashoametskaya,  
Naberzhanaya,  
Pskov - 180 007 (Russia)

Ansal Pubali Joint Venture  
39, Kawran Bazar, Commercial Area,  
1st Floor, Dhaka - 1215 (Bangladesh)



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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the Company will be held on Tuesday, the 28th October, 1997 at 11.00 A.M. at FICCI Auditorium, Tansen Marg, New Delhi-110001 to transact the following business:

### ORDINARY BUSINESS

- 1 To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the 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 Dr. R.C. Vaish who retires by rotation and being eligible, offers himself for reappointment.
- 4 To appoint a Director in place of Dr. Bansi Dhar who retires by rotation and being eligible, offers himself for reappointment.
- 5 To appoint a Director in place of Sh. D.N. Davar who retires by rotation and being eligible, offers himself for reappointment.
- 6 To appoint Statutory Auditors of the Company and fix their remuneration.

### SPECIAL BUSINESS

#### FORMATION OF A WHOLLY OWNED SUBSIDIARY COMPANY.

7. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provisions of section 372 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government and such other approvals and sanctions as may be necessary in this regard, approval be and is hereby accorded to the Board of Directors for making investment of funds of the Company for acquisition of 54,600 Equity Shares of Rs. 10/- each of M/s. Adharshilla Towers Pvt. Ltd. (ATPL), at a rate of not exceeding Rs. 3000/- per equity shares, notwithstanding that such investment together with Company's existing investments in all bodies corporate shall be in excess of all or any of the percentages prescribed under sub-section (2) of Section 372 and the provisions thereto.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take steps to obtain necessary approval of the Central Government under Section 372(4) of the Companies Act, 1956 and to sign, file, verify, pursue applications, lease agreements, documents, and affidavits etc. to be filed before any authority of the Central/State Government for the aforesaid purpose and to do all other acts, deeds and things that may be necessary or incidental thereto."

#### INCREASE IN AUTHORISED CAPITAL

8. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the authorised capital of the Company be and is hereby increased from


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Rs. 30,00,00,000/- (Thirty Crores) divided into 3,00,00,000 (Three Crores) equity shares of Rs. 10/- (Ten) each to Rs. 45,00,00,000/- (Forty Five Crores) by creation of 15,00,000 (Fifteen lacs) Preference Shares of Rs. 100/- (Rupees One Hundred) each.

" FURTHER RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following :

"V. The Authorised Capital of the Company is Rs. 45,00,00,000 (Rupees Forty five Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 10 (Ten) each and 15,00,000 (Fifteen lacs) Preference Shares of Rs. 100/- (One Hundred) each with rights, privileges and conditions attached thereto as provided by the regulations of the Company for the time being in force and with power to increase or reduce the Capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company".

#### **ALTERATION OF ARTICLES OF ASSOCIATION**

##### **9. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION**

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be amended as given below :

A/ The existing Article 5 be substituted by the following new Article :

"5. The Company shall have power, subject to and in accordance with applicable provisions of the Companies Act, 1956 or any statutory modifications, re-enactments, thereof and of any other law, rules, regulations, or guidelines as may be applicable in this behalf, to purchase its own fully or partly paid up shares, whether equity or preference or any other kind as per law in force from time to time, whether or not they are redeemable and may make payments out of capital in respect of such purchase or through any other authorised mode.

B/ A new sub clause (b) & (c) in Article 6 be added and the existing clause be renumbered as 6(a) in the manner given below :

6(a) The Company may issue and allow its employees to purchase the shares of the Company upto such per centage(s) as may be allowed by the Central Government from time to time out of the total issued and subscribed capital at its fair value.

6(b) The Company may give loans to its employees with a view to enable them to purchase or subscribe for fully paid-up shares in the Company or its holding Company to be held by themselves by way of beneficial ownership subject to the limits laid down by Section 77 of the Companies Act, 1956 in this respect.

6(c) The Company may issue shares and quasi equity instruments with differential rights, as to dividend, voting or otherwise in accordance with such rules as may be prescribed, or hybrids, derivatives and options as may be allowed under the Companies Act or any other regulations/enactment, from time to time.



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C/ A new sub clause (b) in Article 69 be added and the existing clause be renumbered as 69(a) in the manner given below :

69(a) – The Company may exercise the power of conversion of its shares into stock. In that case Regulations 37 to 39 of Table "A" in Schedule 1 to the Act shall apply.

69(b) – Every holder of shares, debentures or other securities may at any time nominate in the prescribed manner, a person in whose name his shares, debentures or other securities shall vest in the event of his death in accordance with the provisions of the law as may be applicable from time to time.

D/ A new sub clause (b) in Article 141 be added and the existing clause be renumbered as 141(a) in the manner given below :

141(a) – The Board may make such arrangement as may be thought fit for the management of the Company's affairs abroad and may for that purpose (without prejudice to the generality of their powers) appoint local boards, committees and agents and fix their remuneration & delegate to them such powers as may be deemed requisite or expedient.

141(b) – Subject to the provisions of the Companies Act, a Managing Director, Director who is in whole time employment of the Company or a Manager may be granted loans by the Company for any purpose and on the terms and conditions as may be specified under the relevant provisions of the Companies Act, or any rules/regulations as may be applicable from time to time. The Company may also provide guarantee or security for such loans to the third party wherever required.

**FURTHER RESOLVED THAT** the Board of Directors of the Company shall exercise the powers conferred by the aforesaid Article 5 only after necessary provisions for the purpose are incorporated in the Companies Act, 1956 or any statutory modification or re-enactment thereof and in such manner and after complying with such conditions as may be prescribed in such provisions or any other law or regulations."

### **BUY BACK OF SHARES**

#### **10. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :**

**"RESOLVED \_**

1/ THAT subject to the provisions of the Companies Act, 1956 as amended from time to time or any re-enactment thereof permitting the Company to buy back its own shares, the Board of Directors of the Company be and is hereby authorised to purchase from time to time such quantity or quantities of the shares of the Company whether or not they are redeemable, at such rate(s) as may be thought fit by the Board upto an amount as is permissible under the Law or any amendment thereof from time to time on such terms and conditions as the Board may deem proper and may make payment(s) for such purchases out of the funds from free reserves and shares premium account or out of such funds as may be allowed under the law / rules & regulations and to keep them alive, cancel and/or resell from time to time such number(s) of shares so purchased, at such rate(s) and on such terms and conditions as the Board may deem fit and proper.



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- 2/ THAT the Board of Directors of the Company be and is hereby authorised to raise funds to the extent as permissible under the Law or any amendment thereof from time to time in one or more tranches through issue/private placement of Debentures/Bonds or any other form for the purpose of Buy-back of Company's securities on such terms and conditions as may be decided by the Board of Directors and permissible under the law.
- 3/ THAT the Board of Directors of the Company pursuant to Section 293(1)(a) of the Companies Act, 1956 be and is hereby authorised to mortgage and/or charge and/or hypothecate all the present and/or future immovable or movable properties and the whole or substantially the whole of the undertaking of the Company in such manner as the Board of Directors may decide for the purpose of securing unto the Agents and Trustees for the holders of Non-convertible Debentures or any debt instrument(s)/securities of the aggregate nominal face value as is permissible under the Law or any amendment thereof from time to time to be issued, together with interest thereon, further interest, liquidated damages, remuneration or any other costs, charges and expenses of the Agents and Trustees of the holders of the said Debentures/securities and other monies in terms of an agreement to be entered into between the Company and the said Agents and Trustees.
- 4/ THAT the Board of Directors of the Company shall exercise the powers conferred by this Resolution only after necessary provisions for the purpose are incorporated in the Companies Act, 1956 or any statutory modification or re-enactment thereof and in such manner and after complying with the conditions prescribed in such provisions or any other law or regulations."

#### **ISSUE OF PREFERENCE SHARES**

#### **11. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :**

"RESOLVED THAT in accordance with the provisions of Section 80 read with 81 and all other applicable provisions, if any, of the Companies Act, 1956, (the Act) including any modification thereto or re-enactment thereof and subject to the Memorandum & Articles of Association of the Company and subject to the approval of all other concerned authorities and departments, if any, and to the extent necessary and such other approvals, permissions and sanctions as may be prescribed or imposed by any of them in granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board") and/or duly authorised Committee of the Board for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to issue and allot preference shares to the existing shareholders of the Company and/or to any person/persons banks, institutions, mutual funds, foreign institutional investors, Non Resident Indians, Overseas corporate bodies, other bodies corporate or any other category of the investors by right issue through letter of offer and/or public issue through prospectus and/or by private placement or in any other manner in one or more tranches at the time to be fixed by the Board and upon the terms and conditions as the Board in its absolute and sole discretion may decide and deem fit provided, however, the aggregate face value of preferential shares shall not in aggregate exceed Rs. 15,00,00,000 (Fifteen Crores).

RESOLVED FURTHER THAT the Board be and is hereby authorised to exercise and do such acts, deeds, matters and things including finalisation of terms and conditions of issue of preference





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shares, number of preference shares to be issued, and to settle any question difficulty or doubt which may arise in regard to issue and allotment of preference shares and further to do such acts, deeds, matter and things and to finalise and execute all such deeds documents and writings as may be necessary, desirable or expedient as the Board may deem fit in giving effect to the aforesaid resolution.

Regd. Office:

115, Ansal Bhawan,  
16, Kasturba Gandhi Marg,  
NEW DELHI - 110 001

By Order of the Board

(S.S. GUPTA)

Addl. G.M. & Company Secretary

Dated: 15th September, 1997

**NOTES:**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF 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 forty eight hours before this Annual General Meeting.
- b) The relevant Explanatory Statements, pursuant to Section 173(2) of the Companies Act, 1956, in regard to special business set out in item Nos. 7 to 11 is annexed herewith.
- c) Register of Members and the Share Transfer books of the Company shall remain closed from 12th September to 22nd September, 1997 (both days inclusive).
- d) i) Dividend, if declared, will be payable to those shareholders whose names appear in the Register of Members at the close of business hours on 22nd September, 1997.  
ii) No Tax at source shall be deducted from the Dividend amount payable to the shareholders. Tax will be paid by the Company at a flat rate of 10% on the total amount of dividend payable.
- e) Members are requested to intimate the Company at its Registered Office, change, if any, in their address, for mailing purpose.
- f) MEMBERS DESIRING ANY INFORMATION/ CLARIFICATION ON THE ANNUAL ACCOUNTS ARE REQUESTED TO WRITE TO THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 7 DAYS BEFORE THE DATE OF ANNUAL GENERAL MEETING SO THAT THE SAME MAY BE COMPILED WELL IN ADVANCE.
- g) Members having multiple accounts in identical names or joint accounts in same order are requested to intimate the Company the ledger folio of such accounts to enable the Company to consolidate all such shareholdings into one account.
- h) TO AVOID THE MISUSE OF DIVIDEND WARRANT THE SHAREHOLDERS ARE ADVISED TO SEND US THE DETAILS OF THE BANK, ITS ADDRESS, NATURE OF ACCOUNT AND NUMBER, FOR PRINTING ON THE DIVIDEND WARRANT BEFORE DESPATCH.
- i) During the year the Company has transferred Rs. 39,761/- lying as unpaid/unclaimed dividend in respect of dividend declared for the financial year 1992-93 to the General Revenue Account of the Central Government. Any person who desire to claim his dividend for the said period shall approach the Registrar of Companies, NCT of Delhi & Haryana, New Delhi for the said purpose.

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

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## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

### ITEM NO. 7

M/s. Adharshilla Towers Pvt. Ltd. (ATPL) is engaged in the activities of acquisition of land and development of colonies/townships in Distt. Gurgaon (Haryana) in association with the Company. This Company (ATPL) has 6 (Six) subsidiary Companies namely M.K. Towers Pvt. Ltd., K.J. Towers Pvt. Ltd., Bedi Exports Pvt. Ltd., K.C. Towers Pvt. Ltd., S.S. Towers Pvt. Ltd. and S.J. Towers Pvt. Ltd.

ATPL along with its subsidiary Companies hold 167.112 Acres of land in Village Tigra Distt. Gurgaon (Haryana) to be developed in a Township, as Sushant Lok-III besides the development of land to be purchased in future. All approvals, including Licences have been received from Director Town & Country Planning, Haryana, Chandigarh in respect of 167.112 Acres of land. This land was acquired by ATPL at a cheaper rate. It is anticipated that if it is sold, after development, the Company can earn handsome profit. The Company has acquired entire development, marketing and sale rights in terms of a separate Development Agreement entered into with M/s Adharshilla Towers Pvt. Ltd. and its subsidiary Companies.

At present the Company holds 11,400 Equity Shares out of the total 66,000 Equity Shares of Rs. 10/- each representing 17.27% Equity Capital of ATPL. Considering the importance of association of the Company and the role of ATPL in joint development of large size residential projects it is considered desirable and advantageous to acquire the balance 54,600 Equity Shares of ATPL at a price not exceeding Rs. 3000/- per share, thereby making it a wholly owned subsidiary of the Company.

Pursuant to the provisions of Section 372 of the Companies Act, 1956 the proposed investment requires approval by the shareholders in General Meeting, being in excess of the prescribed limits in this behalf. Accordingly, the Resolution is placed for your approval. This investment is also subject to the approval of Central Government, for which an application shall be made to it.

None of the Directors is interested in or concerned with the resolution except Shri Sushil Ansal, Chairman and Shri Deepak Ansal, Director who are also Directors in M/s. Adharshilla Towers Pvt. Ltd.

### ITEM NO. 8

The existing Share Capital of the Company is Rs. 30,00,00,000 (Thirty Crores) consisting of 3,00,00,000 (Three Crores) equity Shares of Rs. 10/- each as has been set out in Clause V of the Memorandum of Association of the Company. Consequent to the liberalisation of Indian economy, the business volumes and sizes are increasing considerably over the last few years. With the anticipated increase in the business activities and volumes of your Company, there is a need to increase the net worth in order to take larger exposures. Hence, in order to improve the net worth, that too, without diluting the earning per Equity Shares, Preference Shares may have to be issued in addition to the existing equity capital. In view of this it is proposed to increase the authorised capital of the Company from Rs. 30,00,00,000 Crores (Thirty Crores) to Rs. 45,00,00,000 Crores (Forty Five Crores) and to classify the same into equity shares of Rs. 30,00,00,000 Crores (Thirty Crores) and Preference Shares of Rs. 15,00,00,000 Crores (Fifteen Crores).

Your approval is, therefore, sought to the amendment of the said Clause V of the Memorandum of Association of your Company vide Resolution No. 8 of the Notice.

The Board recommends adoption of the Resolution. None of the Directors is in any way, concerned or interested in the Resolution.

### ITEM NO. 9

Your Directors propose to make certain changes in the Articles of Association of the Company in order to bring these in line with the draft Companies Bill, 1997 under consideration of the Government. It is proposed to amend certain Clauses in the Articles of Association which are contrary to the proposed changes being suggested in the draft Companies Bill, 1997. These would provide enabling authorisation to the members/ the Board to implement the changes as and when the re-enacted Companies Act comes into force. These proposed changes would enable the Company to avail the benefits of economic liberalisation and provide operational flexibility. Some of the provisions relating to buy-back of shares, issue of different classes of securities, facility of nomination by shareholders, loans to Directors etc. are proposed by way of amending or substituting the existing Articles of



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Association/or by inserting new Articles in the Articles of Association of the Company. These changes would require your approval by way of Special Resolution set out at Item No. 9 of the Notice.

The above changes would become effective only from the date of enactment and enforcement of the changed provisions in Law.

The Company's Memorandum & Articles of Association is open for inspection to the members during business hours on any working day and in the meeting.

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

### **ITEM NO. 10**

The draft Companies Bill, 1997 allows buy-back of shares or other specified securities by a Company from out of its free reserves, securities premium account or the proceeds of prior issue made specifically for the purpose of buy-back subject to the following main conditions :-

1. The Company has authorised such buy-back by a Special Resolution passed by the shareholders.
2. The Company shall, after completion of the buy-back have a debt equity ratio as may be prescribed under the Act.

The Company has the option to buy-back securities from the existing holders, from the open market, from odd lots or through negotiations or any other arrangement.

The Company can either cancel the securities so bought back or may re-issue the securities after the expiry of 24 months period.

In view of the above provisions, it is proposed to take authorisation in the ensuing Annual General Meeting of members in favour of the Board in respect of the following two proposals :

1. Buy-back of equity shares of the Company upto an amount as provided under the Law or any amendment thereof from time to time either from the open market or through negotiations or other arrangement or any other permissible mode with the purpose of either cancelling the securities or re-issuing them in accordance with the rules.
2. To raise funds to the extent as provided under the Law or any amendment thereof from time to time through public issue or private placement of debentures, bonds or any other form of securities for the specific purpose of Buy-back of Securities.

The Company would maintain the prescribed debt equity ratio after the buy-back and would also comply with all other terms and conditions as applicable to buy-back of securities.

The above changes would become effective only from the date of enactment of the changed provisions in law.

A copy of Memorandum & Articles of Association is open for inspection to the members during business hours on any working day and in the meeting.

None of the Directors is interested in or concerned with the resolution.

### **ITEM NO. 11**

Section 81 of the Companies Act, 1956, provides, inter alia, that whenever the subscribed capital of the Company is proposed to be increased by allotment of further shares, such shares shall be offered to the Members who are holders of the equity shares of the Company in proportion to the paid up capital on those shares at that time. In case the shares to be offered to any person other than the members of the Company, approval of the members is required by a Special Resolution.

The Company needs funds to meet the growing requirements considering the growth in the business activities of the Company and accordingly the Company propose to issue Preference Shares of aggregate face value not exceeding Rs. 15,00,00,000/- on such terms and conditions that may be determined by the Board of Directors at the time of issue of the said Preference Shares. The issue of these preference shares will enable the Company to improve its profitability.

The Resolution set out in the Notice at item No. 11 is recommended to the members for approval.

The Directors of the Company are concerned or interested in this resolution like any other individual shareholder to the extent of the preference shares that may be offered to them or their relatives or business entities in which they are shareholder, member, partner, trustee or beneficiary.