

31 st

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓			



Annual Report
1997 - 98



ANSAL PROPERTIES & INDUSTRIES LTD.



DESIGNER VILLAS



ROW OF DESIGNER HOMES

Cover : Model Celebrity Homes



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.
 Indusind Bank Ltd.
 The Jammu & Kashmir Bank Ltd.

REGISTERED OFFICE

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

BOMBAY OFFICE

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



**ANSAL PROPERTIES
& INDUSTRIES LTD.**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the Company will be held on Wednesday, the 30th September, 1998 at 3.30 P.M at Gandhi Memorial Hall, Bahadurshah Zafar Marg, New Delhi-110 002 to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 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 Sh. Deepak Ansal who retires by rotation and being eligible, offers himself for reappointment.
- 4 To appoint a Director in place of Sh. Rahul C. Kirloskar who retires by rotation and being eligible, offers himself for reappointment.
- 5 To appoint statutory Auditors of the Company and fix their remuneration.

Regd. Office:

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

Dated: 2nd September, 1998

By Order of the Board

(S.S. GUPTA)

ADDL.G.M. & COMPANY SECRETARY

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) Register of Members and the Share Transfer books of the Company shall remain closed from 19th September to 28th September, 1998 (both days inclusive).
- c) 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 28th September, 1998.
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.
- d) As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, it is confirmed that unpaid/unclaimed final dividends as per details given below have been transferred to the General Revenue Account of the Central Government within the prescribed time:

Dividend for the year ended	No. of Shareholders	Amount (Rs.)	Date of Transfer
31st March, 1993	1025	39,761	08.11.96
31st March, 1994	2580	7,43,908	18.11.97

Share holders who have not encashed the dividend warrants for the said periods are requested to claim the amount from the Registrar of Companies, NCT of Delhi & Haryana, C.G.O. Complex, 11nd Floor, Paryavaran Bhawan, New Delhi-110 003. In case any assistance is required, members may write to the Company.

- e) Members who have not encashed the final dividend warrants for the financial year ended 31st March, 1995 are requested to surrender the unencashed warrants to the Company and obtain payment. If the warrants are lost, members may write to the Company immediately, since the unclaimed dividend for the said year will be credited to the General Revenue Account of the Central Government in the first week of November, 1998.
- f) Members are requested to intimate the Company at its Registered Office, change, if any, in their address, for mailing purpose.
- 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) 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.

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


**ANSAL PROPERTIES
& INDUSTRIES LTD.**

DIRECTORS' REPORT

Dear Member,

Your Directors have pleasure in presenting the 31st Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 1998 and Statutory Auditors' Report thereon.

FINANCIAL RESULTS

The Working Results of the Company are briefly given below:

	Current Year 31.03.1998		Previous Year 31.03.1997	
	(Rs. in crore)			
Sales & Other income		<u>178.36</u>		<u>159.67</u>
Profit (Before Interest and Depreciation)		43.17		48.49
LESS: Interest	30.33		28.10	
Depreciation	<u>2.04</u>	<u>32.37</u>	<u>2.13</u>	<u>30.23</u>
		10.80		18.26
ADD: Surplus Profit brought forward from Previous year		1.68		0.37
		12.48		18.63
LESS: Adjustments pertaining to earlier year		<u>0.69</u>		<u>0.12</u>
PROFITS AVAILABLE FOR APPROPRIATIONS		11.79		18.51
APPROPRIATIONS				
Provision for Taxation	3.00		3.50	
Proposed Dividend	1.75		3.03	
Provision for Tax on Dividend	0.17		0.30	
Transfer for General Reserve	<u>5.50</u>	<u>10.42</u>	<u>10.00</u>	16.83
Surplus Profit carried to Balance sheet		1.37		1.68

DIVIDEND

Out of the Profits of the financial year under review, your Directors are pleased to recommend, for your approval, payment of Dividend at the rate of 15% (Tax Free) for the year ended 31st March, 1998 (previous year 26% (Tax Free) which if approved by Shareholders, will absorb Rs.1.75 Crore (Previous Year Rs.3.03 Crores). Total out go will be Rs.1.92 Crore including payment of tax @ 10% on the said dividend amount.

OPERATIONS

The Financial Year under review has been affected on account of recessionary trend prevailing in the real estate market since last over two years, besides the crisis in the overall Indian economy as also almost in all the South Asian countries.

Although sales and other income for the year under review has recorded growth of 11.70% to Rs. 178.36 crores as compared to the figure of Rs. 159.67 crores in the last year, the gross profit (profit



ANSAL PROPERTIES & INDUSTRIES LTD.

before interest and depreciation) is lower by 10.97% from Rs. 48.49 crores during the previous year to Rs. 43.17 crores during the year. Due to reduction in gross profit, the profit after tax has also gone down to Rs. 7.11 crores as against Rs.14.64 crores in the corresponding previous year. The reduction in the profits is mainly on account of corresponding reduction in the sale value of some of the properties sold/booked in the last two years because of prevailing sluggish real estate market.

Out of the disposable surplus of Rs. 8.79 crores a sum of Rs. 5.50 crores has been transferred to General Reserves. Networth of the Company stood at Rs. 94.41 crores improving upon the figure of previous year of Rs. 90.15 crores.

During the year under report, your Company has completed successfully a few projects and offered possession of "Composite Towers", "Executive Homes" and several residential plots/built up houses and other properties in Palam Vihar and Sushant Lok, the ongoing prestigious township projects.

The Company has launched during the year under review "Celebrity Suites", "Sushant Homes", "Group Housing Scheme" in Sushant Lok and Palam Vihar township projects, having the aggregate sale value of over Rs. 150 crores. The Company has successfully booked most of the properties under these schemes in spite of difficult market conditions.

PROSPECTS & OUTLOOK

The Government has announced various measures to boost housing sector which not only will improve National Housing Stock but also provide various fresh avenues to add to the tally of projects in hand and under execution of your Company.

Barring unforeseen circumstances in the current year (1999), your Company expects to sustain impressive all round performance, higher growth and hopes to achieve better results.

SUBSIDIARY COMPANIES

The audited Balance Sheet as at 31st March, 1998 and Profit & Loss account ended on that date together with the Reports of Directors and Auditors thereon of M/s. Star Estates Management Ltd. & Delhi Towers Ltd., wholly owned subsidiaries, together with the Statements as required under Section 212 of the Companies Act, 1956, are attached herewith.

STATUTORY STATEMENTS

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 the 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 particulars relating to Conservation of Energy are not applicable to the Company.

During the year, the Company has not undertaken any Research and Development activity or Development of any Technology in the area of Construction Activities. Disclosure of information relating to foreign exchange earnings and outgo as required under Rule 2(C) is already given in schedule No. 18 "Notes on Accounts" forming part of the Audited Annual Accounts.

FIXED DEPOSITS

Fixed deposits from the Public, shareholders and employees as on 31st March, 1998 stood at Rs. 1151.93 lacs as against Rs.765.46 lacs in the previous year. There were unclaimed deposits of Rs.19.28 lacs as on 31.3.98 which were due for payment, out of which Rs.4.84 lacs were got renewed or repaid during the current year upto 31.8.98. However, Balance Rs.14.44 lacs still remains unclaimed so far.

**ANSAL PROPERTIES
& INDUSTRIES LTD.****DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of your Company, Shri Deepak Ansal and Shri Rahul C. Kirloskar retire by rotation at the ensuing Annual General Meeting. They are eligible for reappointment.

AUDITORS' REPORT AND AUDITORS

The remarks made by the auditors in their report have been suitably dealt with in the Schedules and Notes and therefore do not call for any further clarifications.

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

ACKNOWLEDGEMENT

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

- the Central and State Governments as well as their respective Departments and Development Authorities in India and abroad connected with the business of the Company for their co-operation and continued support.
- all bankers and housing finance companies as well as institutions for the financial facilities and support extended, and
- the Members, Depositors and Suppliers/Contractors for the trust and confidence reposed as well as to the Customers for their valued patronage.

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

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

Date: 2nd September, 1998

By Order of the Board

(SUSHIL ANSAL)
CHAIRMAN



ANSAL PROPERTIES & INDUSTRIES LTD.

ANNEXURES TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the period ended 31st March, 1998.

Name of the Employee	Designation	Age (Yrs.)	Gross Remuneration (Rs.)	Qualification	Experience (years)	Date of commencement of employment	Previous Employment & Position held
A. EMPLOYED FOR THE WHOLE YEAR							
Ahuja Ravi	Sr. V.P. (Com.)	44	4,53,435	B.Sc. Engg.	22	27.10.1983	Maruti Udyog Ltd. Sr.Executive(Purchase)
Chadha V.K.	Addl. V.P. (Con)	48	3,71,311	B.E (C)	25	16.12.1983	United Limited. Resident Engineer.
Dayal R	G.M. (Legal)	47	3,81,265	B.A.,LL.B. Dip. (Tax Law)	22	05.04.1995	B.D.A. Limited Asst. V.P. (Legal)
Goel S.M.	G.M.(C)	53	3,77,004	B.E.(C),MISE	26	26.09.1995	Growth Techno Proj. Ltd V.P. (Tech).
Gupta Subhash	GM(C)	47	4,00,214	B.Sc. (Civil) PGDBM	32	01.08.1996	Unitech Limited G.M. (C)
Gupta S.S.	Addl. G.M & Co. Secy.	60	3,00,626	B.Com(Hons), LLB, DCL FCS	38	01.09.1993	Ansal Housing & Const.Ltd Company Secretary
Jalla R.L.	Sr. G.M.	55	3,24,675	DIP(C)	35	15.04.1982	HMT Ltd. Civil Engineer.
Katyal Vijay	Executive President (PP)	51	5,77,588	BE(Mech) MBA	29	15.02.1982	Jay.Engg.Works Ltd. Officer on Special Duty
Kumar Karan	G.M.(C)	47	3,50,033	FIE, MICI	26	05.11.1993	Walia Builders Pvt.Ltd. Chief Executive (Tech. & Mgmt Serv.)
Kumar Narinder	Sr.G.M(C)	48	3,14,501	B.E (C)	28	18.09.1989	Rounaq International Ltd Manager
Malhotra Rakesh	Sr. V.P. (Finance)	39	5,18,923	B.Com,ACA	17	28.08.1985	Samtel (India) Ltd. Sr.Accounts Officer
Mokha T.S	Sr. G.M. (P & A)	59	3,58,264	MBA, GRD, IPM, DIP (ADMN.) from U.K.	35	01.07.1986	Logic System (P)) Ltd. Sr. Manager Administra- tion & Personnel.
Nagpal VK	Sr. V.P. (Services)	56	4,70,090	BE (Elec)	31	12.12.1984	M.E.S. Assitant Executive Engineer
Sehgal NK	Sr. G.M. Sanction	58	3,09,917	FIE, PGD CM	39	01.12.1983	Syndicate Engg. Iraq Sr. Engineer
Sahasi KMS	Addl. V.P	56	4,69,583	B.Sc.(C) M.E.(C), MBA	32	06.08.1996	MSC Estates Bangkok
Seth Pradeep	Executive President (Mktg)	44	6,10,218	B.Com(Hons) ACA	20	02.04.1990	Utility Builders & Leasing(India) Ltd. V.P.(Operations)
Soni M.L.	V.P. (Taxation)	53	3,84,731	B.Com	34	15.12.1969	Easter Navigation (P)Ltd Accountant
Sharma HC	General Manager (Mech)	49	3,09,482	Dip (Mech)	29	11.12.1986	NBCC General Manager
Trehan Rajesh	V.P. (Cordin.)	48	3,56,148	B.Com	29	01.07.1989	Self Employment
Varma H.K.	V.P (Marketing)	50	3,89,119	MA (Eco.) P.G. Dip. in Marketing & Sales	25	01.07.1991	Northland Rubber Mills Ltd. G.M. (Mktg)
B. EMPLOYED FOR PART OF THE YEAR							
Ichhpuniani SK	Director (Finance)	55	3,05,649	M.Com, ACA, MBA, MIIA	30	16.07.1985	Samtel (India) Ltd. Financial Controller

NOTES

- Gross remuneration includes Basic Salary, House Rent Allowance, Employer's contribution to Provident Fund, Contribution to Superannuation Fund and perquisites.
- None of the employees mentioned above is a relative of any Director of the Company.
- All Employments are non-contractual, except of Shri S.K. Ichhpuniani
- Other terms and conditions of employment are as per service rules of the Company.


**ANSAL PROPERTIES
& INDUSTRIES LTD.**
**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

1. Name of the Subsidiary Company	Star Estates Management Ltd.	Delhi Towers Ltd.
2. No. of Shares held in the subsidiary Company	2000 Equity Share of Rs. 100/- each fully paid.	500 Equity Share of Rs. 100/- each fully paid.
3. Percentage of holding in the Subsidiary Company	100%	100%
4. Financial Year ended	31st March, 1998	31st March, 1998
5. Profits/(Losses) of the Subsidiary Company for its financial year so far as it concerns the members of Ansal Properties & Industries Limited which have not been dealt with in the accounts of Ansal Properties & Industries Ltd., for the year ended 31st March, 1998		
For the year	Rs. 7,35,346/-	(Rs. 1,14,726/-)
For Previous year	Rs. 7,06,266/-	(Rs. 10,76,642/-)
6. The net aggregate of Profits/(Losses) of the subsidiary company which have been dealt with in the account of Ansal Properties & Industries Ltd., for the year ended 31st March, 1998.		
For the Year	Nil	Nil
For the previous year	Nil	Nil

New Delhi

Date : 2nd September, 1998



**ANSAL PROPERTIES
& INDUSTRIES LTD.**

AUDITORS' REPORT

We have audited the attached Balance Sheet of Ansal Properties & Industries Ltd., New Delhi as at 31st March, 1998 and the annexed Profit and Loss Account of the Company for the year ended on that date and report as under :

1. As required by the Manufacturing and other Companies (Auditor's Report) Order 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable.
2. Further to our comments in the annexure referred to in paragraph 1 above we report.
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the said Books.
 - c. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d. In our opinion and to the best of our information and according to the explanations given to us, the accounts subject to (i) No provision having been made for (a) shortfall in the value of quoted investments, (b) doubtful debts and advances (c) disputed tax demands (Note 3) (d) non-recovery/non-realisation of outstanding debtors/advances and other assets aggregating to Rs. 1,859 lakhs relating to the Russian Projects (Note 4) (ii) Rs. 945.11 lakhs are due in respect of projects in Iraq, in respect of which from the available information, we are unable to form an opinion regarding recoverability of the amounts due (Note 5); (iii) termination of the agreement relating to Bara Hindu Rao project by DCM (Note 7), (iv) leave encashment being accounted for on cash basis (Accounting Policy 7C) and the effects on accounts of the adjustments arising therefrom, in our opinion and to the best of our information and according to the explanations given to us, the accounts read with Accounting Policies and other notes give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998 and
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

for KHANNA & ANNADHANAM
CHARTERED ACCOUNTANTS

Place : New Delhi

(P.S. Pabreja)

Dated : 2nd September, 1998

Partner

ANNEXURE REFERRED TO IN PARAGRAPH 5 OF OUR REPORT OF EVEN DATE

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except fixed assets lying at overseas projects and those leased to others. As per information and explanation given to us, the physical verification of fixed assets has been carried out by the Management during the year wherever practicable. No material discrepancies were noticed on verification.
2. None of the Fixed Assets have been revalued during the year.
3. As explained to us, physical verification of major items of building materials and stores has been carried out during the year except building materials and stores lying in Russia valued at Rs. 123 lacs. In our opinion, the frequency of verification is reasonable.
4. As per information and explanations given to us, the procedure of physical verification of stocks followed by the Company is adequate considering the size of the Company and nature of its business.
5. We were informed that no material discrepancies were noticed on physical verification of stocks compared to books records.