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ANNUAL REPORT 2000 -2001

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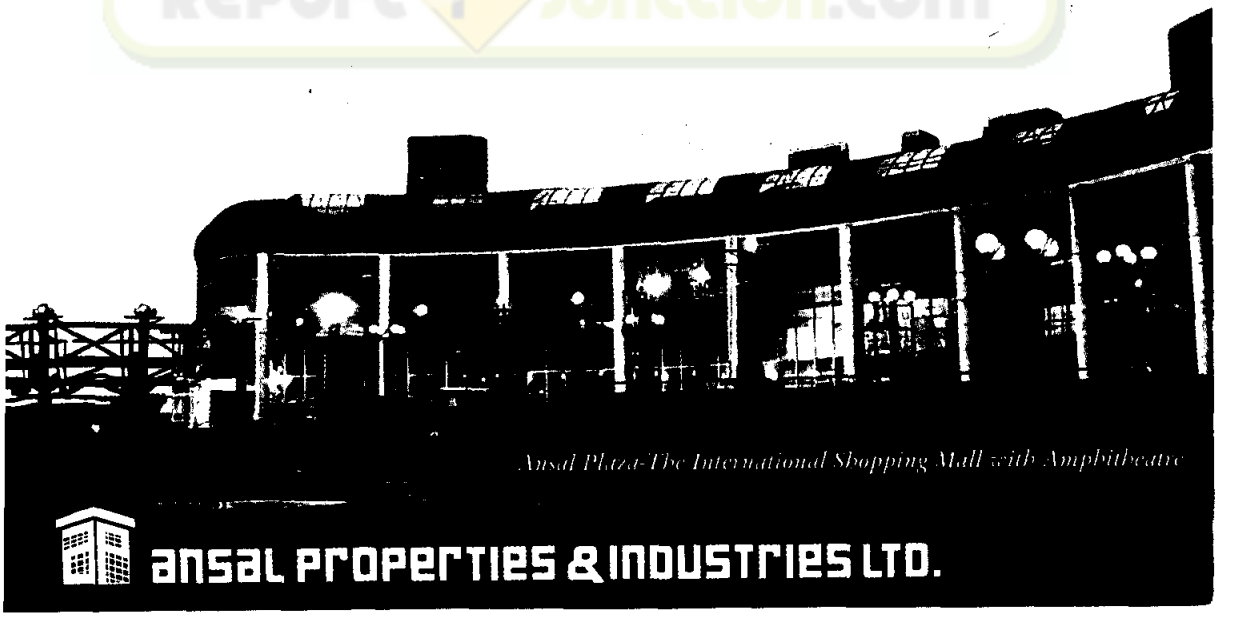

Ansal Plaza-The International Shopping Mall with Amphitheatre

ansal properties & industries ltd.

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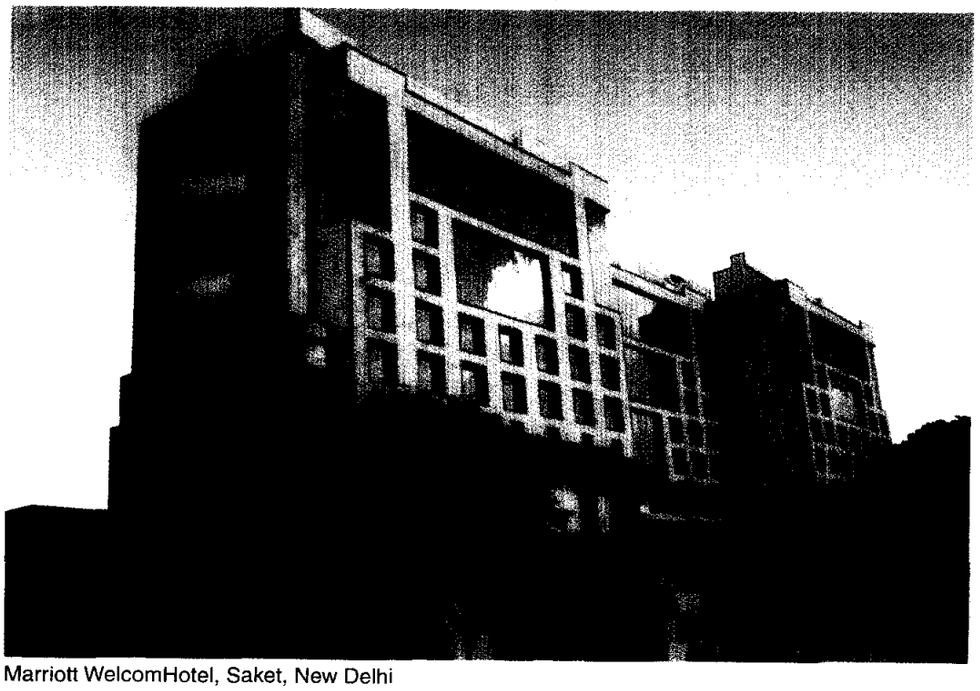

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Ansal Properties & Industries Ltd.

BOARD OF DIRECTORS	Shri Sushil Ansal *Chairman* Shri Gopal Ansal *Managing Director* Shri G.R. Gogia *Whole Time Director* Shri Deepak Ansal Shri D.N. Davar Dr. Bansi Dhar Dr. R.C. Vaish Shri Rahul C. Kirloskar Shri S.C. Dikshit (UTI Nominee) Air Chief Marshal O.P. Mehra (Retd.) *Directors*
GENERAL MANAGER & COMPANY SECRETARY	Shri S.S. Gupta
AUDITORS	M/s. Khanna & Annadhanam Chartered Accountants New Delhi-110 001.
FINANCIAL INSTITUTION	Housing Development Finance Corporation Limited
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. The Indusind Bank Ltd. The Jammu & Kashmir Bank Ltd.
REGISTERED OFFICE	115, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi - 110 001

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of the Company will be held on Friday, the 28th day of September, 2001 at 11.00 A.M. at Sri Satya Sai International Centre & School, Lodhi Institutional Area, Lodhi Road, New Delhi-110003, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the year ended on that date, together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Rahul C. Kirloskar who retires by rotation and being eligible, offers himself for re-appointment.
4. Shri Deepak Ansal retires by rotation and the resulting vacancy not to be filled up.
5. To appoint Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. **Furnishing Corporate Guarantees under section 372A of the Companies Act, 1956 within a ceiling of Rs. 50 crores.**

   To consider and, if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:-

   "RESOLVED THAT pursuant to Section 372A and any other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to provide corporate guarantee(s) in favour of any person including any other body corporate in connection with loans as may be given by any other person to or to any other person by, any body corporate, upto a total amount not exceeding Rs.50 crores, in addition to corporate guarantees already provided notwithstanding that such furnishing of corporate guarantees together with the Company's existing investments in other bodies corporate and loans made to or guarantees/ securities provided on behalf of other bodies corporate, be in excess of the percentage prescribed under Section 372A (1) of the said Act.

   RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to execute the said corporate guarantee(s) within the aforesaid ceiling limit and to take such steps and to do all necessary acts, things, deeds or matters as may be necessary or incidental thereto."

7. **Approval of shareholders for the Corporate Guarantee(s) provided earlier under section 372A of the Companies Act, 1956.**

   To consider and, if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:-

   "RESOLVED THAT pursuant to Section 372A of the Companies Act, 1956, the consent of the Company be and is hereby accorded to ratify and confirm the following inter-corporate guarantees provided by the Board of Directors, pursuant to authorisation made to it to provide such guarantees within the overall ceilings of Rs. 50 crores, by way of Special Resolution passed in the 33rd Annual General Meeting of the Company held on 25th September, 2000 :-

   (i) Corporate Guarantee provided on behalf of Charanjiv Charitable Trust (CCT), New Delhi to The Vysya Bank Ltd., New Delhi for Rs. 5 crores in connection with Loan availed by CCT for financing the educational institution Ansal Institute of Technology in the colony Sushant Lok, Gurgaon,

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being developed by the Company.

(ii) Corporate Guarantee provided on behalf of K.G. Khosla Compressors Ltd., New Delhi to Morgan Securities & Credits Pvt. Ltd., New Delhi for Rs. 2 crores in connection with a developmental project and since returned back.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to execute the said corporate guarantee(s) within the aforesaid ceiling limit and to take such steps and to do all necessary acts, things, deeds or matters as may be necessary or incidental thereto."

8. **Providing of Bank Guarantees upto Rs.3 crores on behalf of M/s. Competent Clubs Pvt. Ltd., New Delhi.**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of Section 372A of the Companies Act, 1956, the consent of the Company be and is hereby accorded to provide Bank Guarantee(s) upto Rs.3 crores on behalf of M/s. Competent Clubs Pvt. Ltd., New Delhi, in consideration of investment arrangement made with the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to execute the said corporate guarantee(s) within the aforesaid ceiling limit and to take such steps and to do all necessary acts, things, deeds or matters as may be necessary or incidental thereto."

9. **Providing of security on behalf of M/s. Anupam Theatres & Exhibitors Pvt. Ltd for its availment of loan upto Rs.2.77 crores from Housing Development Finance Corporation Ltd., New Delhi.**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of Section 372A of the Companies Act, 1956 and as requested by M/s. Anupam Theatres & Exhibitors Pvt. Ltd.(ATEPL), consent of the Company be and is hereby accorded to extend an equitable mortgage over its commercial land admeasuring 1.47 acres covered under Sale Deed No. 845 dated 6.4.1987, situated at Sushant Lok-I, Gurgaon, Haryana, created earlier in favour of Housing Development Finance Corporation Ltd. (HDFC), B-6/3, Safdarjung Development Area, Opp. Deer Park, New Delhi, in respect of availment of loan of Rs.10.00 crores by the Company and now being extended for the availment of fresh Non-residential Premises (NRP) loan upto Rs.2,77,00,000/- (Rupees Two crores seventy seven lacs only) by ATEPL from HDFC on their usual terms and conditions.

RESOLVED FURTHER THAT in the alternative to above security, and if agreed by HDFC, an extension of equitable mortgage over the property of the Company already mortgaged with HDFC to secure other borrowings of the Company, consisting of unsold and/or leased out area, out of total area of 80,140 sq. feet, located at "Ansal Plaza" HUDCO Place, Andrews Ganj, New Delhi, be created in favour of HDFC for the aforesaid purposes.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and to do all necessary acts, things, deeds or matters as may be incidental thereto to give effect to this resolution."

10. **To make investment upto Rs. 20 crores in Equity Shares of M/s Ansal Infrastructure Projects Ltd.**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to Section 372A and other applicable provisions of the Companies Act, 1956 , the approval of the Company be and is hereby accorded to confer authorisation to the

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Board of Directors to make investment upto Rs. 20 crores in Equity Shares of M/s. Ansal Infrastructure Projects Ltd. (AIPL) having its registered office at 115, Ansal Bhawan, 16, Kastruba Gandhi Marg, New Delhi-110001.

RESOLVED FURTHER THAT the aforesaid authorisation of Board of Directors inter-alia may include negotiating with AIPL to allot the said equity shares at par or at a premium, to be negotiated with the said Company, to do requisite documentation and legal compliances, in case by virtue of this investment, AIPL becomes subsidiary of the Company and to do all other acts, deeds or things as may be required to give effect to this resolution."

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

By Order of the Board
for **ANSAL PROPERTIES & INDUSTRIES LTD.**

S. S. GUPTA
General Manager & Co. Secretary

Dated: 22nd August, 2001

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 THE ANNUAL GENERAL MEETING.

b) The relevant explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in regard to special business set out in items No.6 to 10 is annexed herewith.

c) The Register of Beneficial owners, Register of Members and the Share Transfer Books of the Company shall remain closed from 19th September, 2001 to 28th September, 2001.

d) Items No. 6 to 10 are to be decided by postal ballot for which the postal ballot forms are being posted separately to the shareholders for obtaining their assent or dissent thereon.

e) 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, 2001.

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% and surcharge thereon @ 2% on the total amount of dividend payable.

f) **Those members who have not so far encashed their Dividend Warrants for the Accounting Years ended 31st March, 1995, 1996, 1997, 1998, 1999 & 2000 may immediately approach the Company for revalidation of unclaimed Dividend Warrants.**

Shareholders are hereby informed that pursuant to section 205A (5) of the Companies Act, 1956, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("the Fund") established by the Central Government under sub section (1) of Section 205C of the Act. In accordance with Section 205B of the Act, no claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims.

g) Pursuant to Section 205 A of the Companies Act, 1956 all unclaimed/unpaid Dividends upto the Dividend for the period ended 31st March, 1994 have been transferred to the General Revenue

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Account of the Central Government. Any claim for payment of such unpaid/unclaimed Dividend should be made by an application in the prescribed form to the Registrar of Companies, New Delhi, at the address given below:

C.G.O Complex,
IInd Floor, Paryavaran Bhawan,
Lodhi Road, New Delhi - 110003

h) (i) The Company is registered with National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013 for Dematerialisation of its Equity Shares and the Registration No. granted is ISIN INE-436A01018.

(ii) The Company's Equity Shares are also registered with Central Depository Services (India) Ltd. (CDSL) at for participation into Electronic Depository System at Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai-400001.

i) As per the amended provisions of the Companies Act, 1956, facility for making nominations is now available for shareholders, in respect of Equity shares, held by them. Nomination forms (Form 2B) can be obtained from the Registered Office of the Company.

j) Members are requested to intimate the Company at its Registered Office, change, if any, in their address, for mailing purpose.

k) 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.

l) 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 ITS NUMBER, FOR PRINTING ON THE DIVIDEND WARRANT BEFORE DESPATCH.

m) 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.

n) Members are hereby informed that the Company has its own Department, which handles share transfers, transmissions etc. The Shareholders are, therefore, requested to send their Share Certificates for Transfer to the Secretarial Department, Ansal Properties & Industries Ltd., 115, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi-110 001 and also correspond with the Company at this address for any of their queries/requests.

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

EXPLANATORY STATEMENT AS REQUIRED U/S 173(2) OF THE COMPANIES ACT, 1956.

Items No. 6 to 10.

As per the provisions of Section 372A of the Companies Act, 1956, it is necessary to obtain permission of Shareholders, by way of passing a special resolution in General Meeting for the purposes of making loans or investment, in any other body corporate, giving any Guarantee or providing security in connection with loans availed by any other bodies corporate, if the aggregate amount of such activities exceeds either 60% of paid up capital and free reserves or 100% of free reserves of the Company, whichever is higher.

I. It is proposed to seek fresh approval of the Shareholders to enable the Board to provide corporate guarantees as may be required in the business interests of the Company in favour of any person or body corporate in connection with loans taken by them from any financial institution/bank/ body corporate/any other person to the extent of Rs. 50 crores over and above Corporate Guarantees already provided by the Company as contained in Item No.6. The said authorisation of providing

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corporate guarantees to the Board is in the business interests of the Company for its programme of expansion and diversification.

II. The Company had already taken approval to provide such guarantees in the Annual General Meeting of the Company held on 25th September, 2000, wherein a special resolution was passed to authorize the Board to provide such guarantees upto the extent of Rs. 50 crores. Pursuant to such authorisation, the Board had provided corporate guarantees of Rs.5 crores and Rs.2 crores aggregating to Rs.7 crores as contained in Item No. 7. The Corporate guarantees were provided in the business interests of the Company.

III. The Company is a joint venture partner in M/s. Competent Clubs Pvt. Ltd. (CCPL), which is undertaking a shopping mall cum entertainment centre project. The Directors in their meeting held on 27th July, 2001 approved providing of Bank Guarantee(s) upto Rs.3 crores on behalf of CCPL. In consideration of discharge of debts of CCPL, the said Company has agreed partly to allot equity shares to the Company. The Company had already taken approval to make investment upto Rs.12 crores in Equity Shares of CCPL vide special resolution passed in the Annual General Meeting held on 25th September, 2000 and your Directors are now seeking approval of Shareholders to provide Bank Guarantees as detailed in Item No.8. Bank Guarantees to be provided, shall be in the business interests of the Company.

IV. In the Item No.9, it is proposed to extend an equitable mortgage over the commercial land admeasuing 1.47 acres of the Company covered under sale deed No. 845 dated 6.4.1987 situated at Sushant Lok-I, Gurgaon, to avail Non-residential Premises (NRP) loan upto Rs.2,77,00,000/- (Rupees Two crores seventy seven lacs only) from Housing Development Finance Corporation Ltd. (HDFC), B-6/3, Safdarjung Development Area, Opp. Deer Park, New Delhi by M/s. Anupam Theatres & Exhibitors Pvt. Ltd. (ATEPL). The said property was already mortgaged with HDFC to secure term loan of Rs.10 crores availed by the Company and ATEPL has approached HDFC to grant the aforesaid loan by extending the charge over this property.

Alternatively, for the aforesaid purposes, the Company proposes to give security to HDFC by extending equitable mortgage over its another property, already charged with the same institution for other borrowings of the Company, comprising of unsold and/or leased out area out of total area of 80140 sq.feet located at Ansal Plaza, Andrews Ganj, New Delhi. This alternative security is proposed to be provided, if the same is agreed by the HDFC. The prior approval of Shareholders is being sought to provide this alternative security also. The providing of such security to ATEPL is in the business interests of the Company, since that Company has secured the financial facilities being availed by the Company.

V. As contained in Item No.10, the Company is proposing to make investment in Equity Shares of M/s. Ansal Infrastructure Projects Ltd. upto Rs. 20 crores. This Company will be a subsidiary Company and shall undertake infrastructure projects. The Equity Shares are to be allotted by the said Company having face value of Rs.10/- each either for cash at par or at a premium to be decided by the Company. The said investment is proposed to be made in a phased manner considering various incentives offered by the Government of India to promote infrastructural project companies including concessional funding and Income tax benefits.

The approval is sought from shareholders under section 372A of the Companies Act, 1956 from Items No. 6 to 10 as Special Resolutions through Postal Ballot. Your Directors recommend to pass these resolutions.

None of the Directors, except wherever corporate guarantee(s) are to be furnished on behalf of the companies in which they are Directors, may be considered as interested in or concerned with the respective resolutions.

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the thirty fourth Annual Report together with the Annual Audited Accounts of the Company for the Financial year ended 31st March, 2001.

1. COMPANY'S PERFORMANCE

A. FINANCIAL HIGHLIGHTS

(Rs. in Crores)

		2000-2001		1999-2000
Sales & Other Income		171.21		159.71
Profit (Before Interest, Depreciation and Taxes)		38.08		38.01
Less : Interest	27.92		26.62	
: Depreciation	1.31		1.48	
		29.23		28.10
Profit Before Tax		8.85		9.91
Less : Provision for taxation		3.10		1.75
Income Tax pertaining to earlier years		0.58		0.43
Profit After Tax		5.17		7.73
Add : Surplus Profit brought forward from previous years		2.10		0.87
Transfer from General Reserve		—		1.42
		7.27		10.02
DISPOSABLE PROFIT				
APPROPRIATIONS				
Dividend @10%	1.16		1.16	
Tax on Dividend	0.12		0.26	
Transfer to General Reserve	4.00		6.50	
		5.28		7.92
Surplus carried to Balance Sheet		1.99		2.10

B. OPERATIONS

Despite continuing sluggish real estate market, the operations during the year had been satisfactory. The Company achieved gross turnover of Rs. 171.21 crores compared to previous years figure of Rs. 159.71 crores. During the year, it has successfully completed "The Statesman House" commercial Project. In the Sushant Lok and Palam Vihar, the growth has been sustained by the Company, by timely completing the projects undertaken and commencing new projects based on comforts and aesthetics.

2. DIVIDEND

Your Directors are pleased to recommend, for your approval, payment of Dividend at the rate of 10% for the year ended 31st March, 2001 (Previous Year 10%) which, if approved will absorb Rs.1.28 crores including payment of tax and surcharge thereon.

3. PROSPECTS AND OUTLOOK

The Company is making a healthy and steady progress. In the long run it will be one of leading corporates in the real estate business to reap benefits of marketing, maintaining excellent corporate relations with clients, prospective investors and having sound infrastructure backed with good

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corporate governance. The Company has not only been able to sustain its growth, but also it has successfully retained the confidence of investors. The trend of migrating from villages, towns and small cities to metros in search of better living and opportunities can never end. Real Estate sector comprising primarily of Housing is one of the basic necessities and therefore, the demand for such products remain unabated. Though certain periods could be lean, yet there is generally a substantial gap between supply and demand in the long run. According to industry and Govt. estimates, the shortage of Rural and Urban Housing in India is approximately 40 million units and the gap keeps widening with ever increasing population. Further the housing being a priority on Government's agenda, a number of incentives have been given in the recent Budget.

During the last two three years the property prices have slumped but demand for the right product for the right category of buyers still remains. Further, the above incentives have also given rightful thrust to increase the number of transactions in the real estate. The drop in the prices and rental value of commercial properties has latterly seen a thaw. Cheaper and adequate funds through Banking channels are being made available to perspective purchasers of homes to enable them to invest in housing. This has propelled demand and purchasing ability of homebuyers in the Middle Income Group (MIG).

4. **RESIDENTIAL COMPLEXES**

The Company has built Sushant Lok and Palam Vihar Townships and housing complexes which have evinced good response. At Sushant Lok, 1200 and at Palam Vihar, 2000 families are residing and on completion there will be a population of atleast 20,000 people residing in these colonies having complete infrastructure. The Company has launched various schemes, keeping in view the demand for independent floors titled as "Country Homes", "Designers Floors" in Sushant Lok and "Palam House", "Happy Homes", "Viceroy Luxury" in Palam Vihar. Many of these units are now in advanced stage of construction and possession of some selected units have been offered to the allottees.

The Company's upcoming and ongoing construction of group housing projects for Middle Income Group such as "Valley View Estate" and "Sushant Estate" at Sushant Lok, will contribute substantially to the turnover of the Company. The Company has successfully sold flats of various sizes to a large number of customers with varied economic profiles. Ethused by response, the Company is keen to develop more group housing projects.

5. **COMMERCIAL & OTHER COMPLEXES**

The Company has provision for over million square feet of commercial space in various complexes located at Sushant Lok and Palam Vihar. These are being successfully implemented and over a period of time, with increasing occupancy of residents in colonies and in the vicinity of these complexes, they shall become popular and profitable. Already, Sushant Vyapar Kendra, Sushant Shopping Arcade, Sushant Plaza and Palam Vyapar Kendra are complete and functional commercial complexes.

Ansal Plaza at Andrews Ganj, New Delhi, an international shopping mall with amphitheater is the destination for Shopping.

It has been the Company's endeavour to give thrust to institutional sale and keeping that in mind, the Company has successfully met substantial demand of banks and finanancial institutions.

In order to promote and accelerate revenue, your Company has entered into joint venture for development of Shopping Mall cum Entertainment Centre at Kaushambi, Ghaziabad, U.P. Development and Management of Shopping Malls is another key area where the Company is focussing its attention. In the near future, the Company's efforts would be to undertake development and management of international class Shopping Malls like Ansal Plaza. The Company is further strengthening its retail business in which it diversified last year.

Ansal Institute of Technology, recently shifted in a modern complex at Sushant Lok, started new courses in the Management and Information Technology affiliated with Coastal Carolina University in U.S.A. adds to the prestige of Sushant Lok, a colony developed by the Company.

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