

35th ANNUAL REPORT 2001-2002



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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 D.N. Davar
 Dr. R.C. Vaish
 Shri Rahul C. Kirloskar
 Shri S.C. Dikshit (UTI Nominee)
 Air Chief Marshal
 O.P. Mehra (Retd.)
Directors

AUDIT COMMITTEE

Shri D.N. Davar (Chairman)
 Dr. R.C. Vaish (Vice Chairman)
 Air Chief Marshal
 O.P. Mehra (Retd.)

COMPANY SECRETARY

Shri S. Prabhakar

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 35th Annual General Meeting of the Company will be held on Monday, the 30th day of September, 2002 at 10.00 A.M. at Sri Satya Sai International Centre and 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, 2002 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 ACM O. P. Mehra (Retd.) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. R.C. Vaish 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. Amendment in Articles of Association.**

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 31 of the Companies Act, 1956 sub clause (e) be and is hereby inserted in the Article No. 117 of Article of Association of the Company after sub clause (d) thereof.

(e) In the eventuality of a Managing Director or Whole Time Director being re-appointed as a Director immediately on retirement by rotation, he shall continue to hold his office of Managing Director or Whole Time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole Time Director."

7. Appointment of Shri G.R. Gogia, who offers to retire by rotation.

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

"RESOLVED THAT Shri G. R. Gogia, Whole Time Director, who offers himself to retire by rotation, be and is hereby re-appointed as Director of the Company."

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

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

(S. Prabhakar)
Company Secretary

Dated: 31st August, 2002



**ANSAL PROPERTIES
& INDUSTRIES LTD.**

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 6 and 7 are annexed herewith.
- c) The Register of Beneficial owners, Register of Members and the Share Transfer Books of the Company shall remain closed from 17th September, 2002 to 30th September, 2002 (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 30th September, 2002.
ii) No Tax at source shall be deducted in case of Resident Individual if the amount of such dividend does not exceed Rs.2,500/-. Shareholders whose annual income is not likely to exceed taxable limit are requested to submit Form-15G to the company latest by 15th September, 2002 to enable the Company to pay dividend without deduction of tax at source.
- e) Those members who have not so far encashed their Dividend Warrants for the Accounting Years ended 31st March, 1996, 1997, 1998, 1999, 2000 and 2001 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 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.

- f) Pursuant to Section 205 A of the Companies Act, 1956 all unclaimed/unpaid dividends upto the dividend for the period ended 31st March, 1995 have been transferred to the General Revenue 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, NCT of Delhi & Haryana, New Delhi, at the address given below:

Paryavaran Bhawan, IInd Floor, CGO Complex, Lodhi Road, New Delhi - 110003

- g) (i) The Company is registered with National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamala 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 is also registered with Central Depository Services (India) Ltd. (CDSL), at Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai 400001 for Dematerialisation of its Equity Shares and the Registration No. granted is ISIN INE-436A01018.
- h) As per the provisions of Section 109A of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of Equity Shares, held by them. Requests for nomination facility be made in the prescribed form (Form 2B) a copy of which can be obtained on request from the Registered Office of the Company.



- i) Members are requested to intimate the Company at its Registered Office, change, if any, in their address, for mailing purpose.
- j) 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.
- k) 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 dispatch.
- l) 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.
- m) 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. NO ADDITIONAL COPIES SHALL BE SUPPLIED AT THE VENUE.

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

Item No. 6.

As per Article 117(d) of the Articles of Association of the Company, Managing Director and Whole Time Director are not subject to retire by rotation. There could be an eventuality where a Managing Director or Whole Time Director may offer to retire by rotation though not liable to retire by rotation, to comply with the provisions of Section 255 of the Companies Act, 1956. In order that there is no break in his appointment of the Director as Managing Director or Whole Time Director for his fixed tenure, it is proposed to insert sub clause (e) immediately after Article 117(d) to the effect that in the eventuality of a Director being re-appointed as a Director immediately on retirement by rotation the Director concerned shall continue to hold his office of Managing Director or Whole Time Director as the case may be, and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole Time Director of the Company.

The Board recommends for passing the resolution. None of the Director is interested or concerned in the resolution.

The Company's Memorandum and Articles of Association are open for inspection by the Members at the Registered Office of the Company on any working day during the business hours and at the meeting.

Item No. 7.

Shri G. R. Gogia, Whole Time Director, offers himself to retire by rotation in this Annual General Meeting to comply with provisions of Section 255 of the Companies Act, 1956 and being eligible offers himself for re-appointment.

Such retirement and simultaneous re-appointment shall not affect his holding and continuing to hold office of the Whole Time Director in terms of the earlier resolution passed for his appointment as Whole Time Director in Annual General Meeting held on the 25th September, 2000.

The Board recommends for passing the resolution. No other Director except Shri G. R. Gogia is interested or concerned in the resolution.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the thirty fifth Annual Report together with the Annual Audited Accounts of the Company for the Financial year ended 31st March, 2002.

1. COMPANY'S PERFORMANCE

A. Financial Highlights

Particulars	2001-2002	(Rs. in Crores)	
		2000-2001	
Sales & Other Income	144.31		171.21
Profit (Before Interest, Depreciation and Taxes)	40.33		38.08
Less : Interest	31.08	27.92	
Depreciation	1.08	1.31	29.23
Profit Before Tax	8.17		8.85
Less : Provision for taxation			
Current Tax	2.30	3.10	
Deferred Tax	(0.59)		
Income Tax pertaining to earlier years	0.62	0.58	3.68
Profit After Tax	5.84		5.17
Add : Surplus Profit brought forward from previous year	1.99		2.10
DISPOSABLE PROFIT	7.83		7.27
APPROPRIATIONS			
Dividend @10%	1.16	1.16	
Tax on Dividend	-	0.12	
Transfer to General Reserve	5.00	4.00	5.28
Surplus carried to Balance Sheet	1.67		1.99

B. Operations

There has been economic slow down in the country and recessionary trends continue to pervade the Indian Industrial Scene, the Real Estate Sector has shown some sluggish movement. Lack of capital inflow in the sector and increase in supply against a stagnated demand primarily constitute reasons for a subdued market condition. With this backdrop, the Company's performance may be considered to be satisfactory.

Sales and other Income for the year stood at Rs. 14431 lakhs, as against Rs. 17121 lakhs in the previous year and Profit after tax was Rs. 584 lakhs as against Rs. 517 lakhs in the previous year.

2. DIVIDEND

Your Directors are pleased to recommend, for your approval, payment of Dividend at the rate of 10% for the year ended the 31st March, 2002 (Previous Year 10%) subject to deduction of tax at source, which, if approved by the shareholders in the ensuing Annual General Meeting, will absorb Rs.1.16 crores.

3. PROSPECTS AND OUTLOOK

It is expected that the demand in the Real Estate Sector, may continue to have a tilt towards the end user market. However, customer friendly and innovative schemes are in the process of being floated to attract the prospective investors as well. Commercial properties are being developed, given on rent and then sold on 'return on investment basis'. This concept is getting strengthened in the market and is a good source of revenue both for the customers as well as the developer company. Another segment, which has seen growth in real terms, is the retail sector. Quality retail space in modern shopping malls/complexes is witnessing surge in demand. Availability of housing loans at attractive rates and terms and incentives under the Income Tax Act may push the demand for residential houses upwards.



4. SUBSIDIARY COMPANIES

The Audited Balance Sheets as at 31st March, 2002 and Profit and Loss Accounts for the year ending as on the 31st March, 2002 together with the Reports of Directors' and Auditors' thereon of M/s. Star Estates Management Ltd. and Delhi Towers Ltd., wholly owned subsidiaries are attached herewith. Statement as required under Section 212 of the Companies Act, 1956, is enclosed as Annexure-A.

5. STATUTORY STATEMENTS

A) Conservation of Energy and Technology Absorption

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

B) Foreign Exchange Earnings and outgo

Disclosure of Foreign Exchange earnings and outgo as required under section 217(1)(e) read with Rule 2(c) of the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is as following :

	For the Year ended on 31.03.2002 (Rupees)	For the Year ended on 31.03.2001 (Rupees)
(i) Expenditure in Foreign Currency		
1. Travelling expenses	32,26,798	17,82,737
2. Others	5,77,228	4,69,046
(ii) Earnings in Foreign Currency		
Sale of Flats/Plots/Farms etc.	3,49,49,521	2,17,07,025

C) Employee's Particulars

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, 1999 as amended by Amendment Rules, 2002 is given in Annexure-B and forms part of the Report.

D) In view of insufficient information from the suppliers regarding their status as SSI Units, amount overdue to small scale industrial undertakings as on 31st March, 2002 could not be ascertained and accordingly the same could not be disclosed in the Financial statement.

E) The Annual Accounts were signed by Shri Gopal Ansal, Managing Director of the Company on the 3rd July, 2002 on his return from abroad, in compliance with the provisions of Section 215 of the Companies Act, 1956.

6. CORPORATE GOVERNANCE

- Pursuant to clause 49 of the Listing Agreement, a report on Corporate Governance and a certificate from the auditors of the company is given in the Annexure-C which forms part of this Report.
- Managements' Discussion and Analysis Report given separately, forms part of the Annual Report.

7. FIXED DEPOSITS

Fixed deposits as on the 31st March, 2002 stood at Rs.1069.07 lacs as against Rs. 874.41 lacs in the previous year. There were unclaimed deposits of Rs.12.42 lacs as on the 31st March, 2002 which were due for payment, out of which Rs.6.84 lacs were got renewed or repaid during the current year. However, an amount of Rs.5.58 lacs still remains unclaimed so far.

8. DIRECTORS

- ACM O. P. Mehra (Retd.) and Dr. R.C. Vaish retire by rotation and being eligible offers themselves for re-appointment.
- Dr. Banshi Dhar has resigned from the Board. The Board places on record its gratitude for the most invaluable contribution made by Dr. Banshi Dhar during his long tenure on the Board of the Company.
- Shri G. R. Gogia offers to retire by rotation and being eligible offers himself for re-appointment. Your Directors recommend to re-appoint ACM O. P. Mehra (Retd.), Dr. R.C. Vaish and Shri G.R. Gogia in the ensuing Annual General Meeting of the Company.



**ANSAL PROPERTIES
& INDUSTRIES LTD.**

9. AUDITORS' REPORT AND AUDITORS

The observations in the Auditors' Report make specific reference to the relevant notes in Schedule No.18 which are self explanatory. According to the available information and advice, provisions already made in respect of disputed tax demand, Russian Project and debtors and advances are considered reasonable. No provisions has been made for disputed penal/overdue interest claimed by one of the Financial Institutions as the Company is negotiating for waiver of this amount and loans and advances to associate companies including interest thereon in view of the market value of assets owned by these companies and long term interest of the Company in these companies. Matters regarding Iraqi Bonds to be issued by the Government of India, adjustments regarding advance against share purchase of Adharshila Towers Pvt. Ltd. and amount due from Ansal Buildwell Ltd. are being followed up and necessary adjustments will be made as and when the final position is known.

M/s. Khanna & Annadhanam, Chartered Accountants, New Delhi, who retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. 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 recommend their appointment for the ensuing year.

10. LISTING INFORMATION

The Equity Shares of the Company are listed at Delhi, Mumbai, Ahmedabad, Kanpur and Jaipur Stock Exchanges.

The Company has paid listing fees to all the Stock Exchanges for the financial year 2001-2002.

11. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Board of Directors hereby confirms:

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- ii) That the Directors selected such accounting policies and applied them consistently and made judgements 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 profits or loss of the Company for that period.
- iii) That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- iv) That the Directors prepared the annual accounts on a going concern basis.

12. ACKNOWLEDGEMENT

Your 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, suppliers and 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 of the efforts put in by the officers and employees at all levels in achieving the corporate objectives.

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

for and on behalf of the Board

Dated : 31st August, 2002

SUSHIL ANSAL
Chairman


ANNEXURES TO DIRECTORS' REPORT
Annexure-A
**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 Shares of Rs. 100/- each fully paid up.	500 Equity Shares of Rs. 100/- each fully paid up.
3. Percentage of holding in the Subsidiary Company	100%	100%
4. Financial Year ended	31st March, 2002	31st March, 2002.
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, 2002.		
For the year	Rs. 21,43,872	Rs. (7,61,707)
For previous year	Rs. 20,14,637	Rs. (8,84,887)
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, 2002.		
For the year	NIL	NIL
For previous year	NIL	NIL

Place : New Delhi
Date : 31st August, 2002



Annexure-B

EMPLOYEES' PARTICULARS

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1999 as amended by Amendment Rules, 2002 and forming part of the Directors' Report for the period ended 31st March, 2002.

Name of Employee	Designation	Age (Year)	Gross Remuneration Rs.	Qualification	Experience (Yrs)	Date of Commencement of employment	Previous Employment & Position held.	Period during which post held in last employment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
A. EMPLOYED FOR THE WHOLE YEAR								
Ansal Sushil	Chairman	62	35,95,985	B.A. (Hons)	37	30.06.1967	Self employment	N.A.

B. EMPLOYED FOR PART OF THE YEAR

NONE-

NOTES

- Gross remuneration includes Basic Salary, House Rent Allowance, Employer's contribution to Provident Fund, L.T.A., Medical Allowance, Leased Accommodation, Superannuation Fund and perquisites.
- Shri Sushil Ansal, Chairman is brother of Shri Gopal Ansal, Managing Director of the company. His appointment is contractual. His nature of duties includes supervision and control of affairs of the Company subject to superintendence and directions of the Board of Directors.
- None of the Employees has drawn remuneration in excess of that drawn by the Whole-time Director, except Shri V.K. Saigal, who does not hold by himself or along with his spouse and dependent children, any equity shares of the Company.

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