



37th ANNUAL REPORT
2003-2004

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ANSAL PROPERTIES & INDUSTRIES LTD.

(AN ISO 9001: 2000 COMPANY)


**ANSAL PROPERTIES
& INDUSTRIES LTD.**

BOARD OF DIRECTORS

Shri Sushil Ansal	<i>Chairman</i>
Shri H. K. Varma	<i>Whole Time Director</i>
Shri Gopal Ansal	Director
Shri D.N. Davar	Director
Dr. R. C. Vaish	Director
ACM O. P. Mehra (Retd.)	Director
Shri Rahul C. Kirloskar	Director
Shri Lalit Bhasin	Director
Shri P. R. Khanna	Director

AUDIT COMMITTEE MEMBERS

Shri D.N. Davar	Chairman
Dr. R. C. Vaish	Vice-Chairman
ACM O. P. Mehra (Retd.)	Member
Shri P. R. Khanna	Member

VICE PRESIDENT & COMPANY SECRETARY

Shri Amitav Ganguly

STATUTORY AUDITORS

M/s Khanna & Annadhanam
Chartered Accountants
New Delhi-110001

FINANCIAL INSTITUTION

Housing Development Finance Corporation Limited

BANKERS

Punjab National Bank
UCO Bank
The Jammu & Kashmir Bank Ltd.
Oriental Bank of Commerce
ICICI Bank Ltd.
Development Credit Bank Ltd.

REGISTERED OFFICE OF THE COMPANY

115, Ansal Bhawan
16, Kasturba Gandhi Marg
New Delhi-110001

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of the Company will be held on Tuesday, the 28th day of September, 2004 at 10.00 A.M. at Sri Sathya 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, 2004 and the Profit & Loss Account together with consolidated financial statement of 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 Dr. R.C. Vaish who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of ACM O.P. Mehra (Retd.) who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Lalit Bhasin who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

7. Appointment of Shri H.K. Varma, as Director of the Company.

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

"RESOLVED THAT Shri H.K. Varma, who has been appointed as an Additional Director of the Company w.e.f. 21st November, 2003 under Section 260 of the Companies Act, 1956 (The Act), by the Board of Directors, and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a member alongwith a deposit of Rs.500/- signifying his intention to propose Shri H.K. Varma, as a candidate for the office of Director, be and is hereby appointed as a Director of the Company."

8. Appointment of Shri H.K. Varma, as Whole Time Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule-XIII of the Companies Act, 1956, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 1956 and provisions of the Articles of Association of the Company, appointment and remuneration of Shri H.K. Varma, as a Whole Time Director of the Company, for a period of 2 {two} years commencing from 21st November, 2003, on the remuneration, perquisites, and other terms and conditions as decided by the Board of Directors and its Remuneration Committee, and as set out here below be and are hereby approved:

Salary & Perquisites

Sl. No.	Particulars	Amount (Rupees)	
		w.e.f the date of Appointment i.e. 21.11.2003	Revised w.e.f 01.04.2004
1.	Basic salary	54,400/- p.m.	80,000/- p.m.
2.	House rent Allowance	7800/- p.m.	20,000/-p.m.
3.	Medical Reimbursement	Payable as per the rules of the Company equivalent to 15 days basic salary per annum.	Payable as per the rules of the Company equivalent to 30 days basic salary per annum.
4.	Leave Travel Assistance	Payable as per the rules of the Company equivalent to 15 days basic salary per annum.	Payable as per the rules of the Company equivalent to 15 days basic salary per annum.



Other Perquisites

- a) **Provident Fund:-** Company's contribution towards Provident Fund, as per rules of the Company, which are applicable from time to time, not being taxable under the Income Tax Act 1961, which at present is 12% of the basic salary.
- b) **Gratuity:-** Gratuity in accordance with the rules of the Company but not exceeding one-half month's basic salary for each completed year of service.
- c) **Leave:-** Leave shall be allowed with full pay and allowances as per the rules of the Company.

RESOLVED FURTHER THAT Shri H. K. Varma shall not be entitled to any sitting fees or other payments for attending meetings of the Board, or where applicable, any committee/s thereof.

RESOLVED FURTHER THAT Shri H. K. Varma be permitted use of Company's car with driver for official business of the Company.

RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits in any financial year the remuneration payable to Shri H. K. Varma, shall be regulated in accordance with applicable parts/sections of the Schedule XIII and/or other applicable provisions of the Companies Act, 1956 as existing from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary and/or modify the Salary and Perquisites of Shri H. K. Varma, and other terms and conditions, from time to time, after approval of the remuneration by the Remuneration Committee, provided that the remuneration does not exceed the ceiling/s laid down under the Schedule XIII and/or other applicable provisions of the Companies Act, 1956 as existing from time to time."

9. Change of the name of the Company.

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

"RESOLVED THAT approval of the Company be and is hereby accorded to change the name of the Company from "Ansal Properties & Industries Ltd". to "Ansal Properties & Infrastructure Ltd." subject to the approval of the Central Government in terms of Section 21 and other applicable provisions of the Companies Act, 1956 and, on the basis that, the availability of the said new name has been approved by the Registrar of the Companies, NCT of Delhi and Haryana, New Delhi.

RESOLVED FURTHER THAT the aforesaid new name shall be effective from the date of issue of fresh Certificate of Incorporation with the new name, by the Registrar of the Companies, NCT of Delhi and Haryana, New Delhi.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all necessary acts/ deeds/ things and to take steps as may be required to give effect to the above Resolution which, inter alia, includes making application to the Central Government for the aforesaid purpose and agreeing to any terms and conditions, if any, stipulated by the Central Government in this regard."

10. Amendment in the Articles of Association of the Company.

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 and other applicable provisions of the Companies Act, 1956, approval of the Company be and is hereby accorded to substitute the existing Article No. 48 of the Articles of Association of the Company with the following:-

- "48. Subject to the relevant provisions of the Companies Act, 1956, or any re-enactment thereof, if any, the Board, after giving the reasons for refusal, may, within two months from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company refuse to register any transfer of, or the transmission by operation of law of the right to a share. Provided, that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. The Board may


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refuse registration of transfer or transmission of shares or debentures to an undesirable person or if carried out would or might in the Board's opinion violate the provisions of these Articles. The transferor shall be deemed to remain a member in respect of such shares until the name of the transferee is entered in the Register of Members in respect thereof."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all necessary acts/ deeds/ things and to take steps as may be required to give effect to the above Resolution."

Regd. Office:

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

By Order of the Board
for **Ansal Properties & Industries Ltd.**

Amitav Ganguly

Vice President & Co. Secretary

Dated : 31st July, 2004

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 item Nos. 7, 8, 9 & 10 are annexed herewith.
- c) The Register of Beneficial Owners, Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, the 18th September, 2004 to Tuesday, the 28th September, 2004 (both days inclusive).
- d) i) Dividend, if declared, will be payable to those members whose names appear in the Register of Members/ Beneficial Owners as will be provided by the Depository at the close of business hours on the 28th September, 2004.
ii) No tax at source shall be deducted from Dividend amount payable to the members. Tax will be paid by the Company at the flat rate of 12.5% and surcharge there on @ 2.5% on the total amount of dividend payable.
- e) The Company has appointed M/s. Intime Spectrum Registry Limited, A-31, Naraina Industrial Area, Phase-I, New Delhi-110028, as Share Transfer Agent (STA), both for electronic connectivity and Share Transfer work w.e.f. 30th January, 2003. Members can make correspondence with STA for Share Transfer requests, dividend and change of address related queries. To avoid misuse of Dividend Warrants, members are requested to send details of Bank / its address and Account number, for printing on Dividend Warrants. This should be sent to reach the Registered Office of the Company before the Annual General Meeting.
- f) Members having multiple accounts in identical names or joint accounts in the same order are requested to intimate the Company / STA the ledger folio of such accounts to enable the Company to consolidate all such shareholdings into one account.
- g) Members are hereby informed that pursuant to Section 205A (5) of the Companies Act, 1956, (The Act) 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 Investors Education and Protection Fund established by the Central Government under sub section (1) of Section 205C 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 and transferred to the Fund, as aforesaid.

In accordance with above provisions, unclaimed / unpaid Dividend for the years ended 31st March, 1995 & 31st March, 1996 have been transferred to Investor Education and Protection Fund. Dividend for the year ended 31st March, 1997, declared in the 30th Annual General Meeting of the Company held on 28th October, 1997, shall be transferred to the said Fund within 30 days of 11th December, 2004 as per aforesaid provisions.


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- h) Pursuant to Section 205 A of the Companies Act, 1956 all unclaimed/unpaid dividends up to the dividend for the period ended 31st March, 1994 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: Paryavaran Bhawan, 11nd Floor, CGO Complex, Lodhi Road, New Delhi - 110003.
- i) Those members who have not so far encashed their Dividend Warrants for the Accounting Years ended 31st March, 1997, or any subsequent years may immediately approach the Company for revalidation of Unclaimed Dividend Warrants. Dividend for the year ended 31st March, 1997, shall be transferred to Investor Education and Protection Fund, very shortly, as stated in note (g) above.
- j) The Company is registered with the:-
- i) National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013
 - ii) Central Depository Services (India) Ltd. (CDSL), at Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai-400001
- for dematerialization of its Equity Shares and the Registration No. granted is ISIN INE-436A01018 in both the cases.
- k) As per the provisions of Section 109A of the Companies Act, 1956, facility for making nominations is available to the shareholders, in respect of Equity shares, held by them. Requests for nomination facility should be made in the prescribed form (Form 2B) a copy of which can be obtained on request from the Registered Office of the Company.
- l) Members desiring any information/clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least 15 days before the date of Annual General Meeting so that the same may be attended to well in advance.

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. 7& 8.

Shri H.K. Varma a distinguished Sales and Marketing Professional, having over 30 years of experience and exposure to all India markets for both Consumer / Consumer Durable products marketing and associated with the Company for past 13 years in senior positions, has been appointed as an Additional Director by the Board of Directors w.e.f. 21st November, 2003. In accordance with Section 260 of the Companies Act, 1956 (The Act) read with Article 105 of the Articles of Association of the Company, he holds the office upto the date of this Annual General Meeting. A Notice has been received from a member of the Company together with a deposit of Rs. 500/- as prescribed under Section 257 of the Act, signifying his intention to propose Shri H.K. Varma as a candidate for the office of Director of the Company.

Simultaneously, Shri H.K. Varma has also been appointed as a Whole Time Director of the Company by the Board, with effect from the said date, at a remuneration consisting of Basic Salary of Rs. 54,400/- p.m. and House Rent Allowance at Rs. 7,800/- p.m. along with other perquisite as per Rules of the Company, which have also been approved by the Remuneration Committee of the Board. His appointment and remuneration are in terms of provisions of Section 269 read with Schedule XIII of the



Companies Act, 1956 and other applicable provisions of the Act, and, are subject to the approval of the members.

The remuneration of Shri H.K. Varma has been revised w.e.f. 01.04.2004 by the Board and the Remuneration Committee at their meetings held on the 30th April, 2004, in terms of said schedule XII and is subject to the approval of the members.

Details of remuneration w.e.f. 21.11.2003 and revised remuneration w.e.f. 01.04.2004 are set out in the item no. 8 of the Notice.

The aforesaid appointment and remuneration of Shri H. K. Varma which are subject to the approval of the members, in terms of the decisions of the Board and its Remuneration Committee and the provisions of the Companies Act, 1956, be regarded as an abstract of the terms and conditions of his appointment and remuneration and its variation, and Memorandum of Interest of Director under Section 302 of the Companies Act.

Your Directors recommend to pass the proposed Resolutions given in item No.7& 8 as Ordinary Resolutions.

None of the Directors except Shri H.K. Varma is interested in the proposed Resolutions.

Item No. 9

The Board at its meeting held on 21st November 2003 was of the view that present name of the Company does not correctly reflect the business carried on by it. The Board therefore decided the new name as "Ansal Properties & Infrastructure Ltd." which will correctly reflect the business of the Company relating to real estate and infrastructure development. The decision of the Board is subject to the approval of the members by way of special resolution, and the Central Government in terms of Section 21 and other applicable provisions of the Companies Act, 1956.

The availability of the new name has been approved by the Registrar of the Companies, NCT of Delhi and Haryana, {ROC} New Delhi vide his letter No. N-57165/Stat/2004/A-49692 dated 19th March, 2004.

The said approval of ROC can be inspected by the members of the Company at its Registered Office on any working day during business hours and at the Annual General Meeting.

Your Directors recommend to pass the proposed Resolution given in item No.9 as a Special Resolution.

None of the Directors is interested in the proposed Resolution.

Item No. 10

It is proposed to amend the existing Article No. 48 of Articles of Association of the Company relating to the Board's power to refuse the registration of transfer of shares. This Article, inter alia, stipulates that "registration of transfer may be refused on the ground of the transferor being either alone or jointly with any other person(s) indebted to the Company on any account whatsoever."

The proposed amendment as detailed in the item No. 10, providing that such registration of transfer shall not be refused, will be in adherence to and in conformity with the provisions of Section 111A (2) of the Companies Act, 1956 (the Act), wherein it is, inter alia, laid down that shares/debentures and any interest therein of a public company shall be freely transferable. Moreover the Company is seeking



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listing on the National Stock Exchange and one of the conditions stipulated by the said Exchange is to amend the said Article No 48, as proposed.

The said amendment in the Article was approved by the Board at its Meeting held on the 31st July, 2004. The Board resolution was passed keeping in view Section 31 and other applicable provisions of the Companies Act, 1956, and is subject to the approval of members by way of special resolution.

The Articles of Association of the Company can be inspected by the members of the Company at its Registered Office on any working day during business hours and at the Annual General Meeting.

Your Directors recommend to pass the proposed Resolution given in item No.10 as a Special Resolution.

None of the Directors is interested in the proposed Resolution.

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 37th Annual Report together with the Annual Audited Accounts of the Company for the Financial year ended the 31st March, 2004.

1. COMPANY'S PERFORMANCE

A. Financial Highlights

Particulars	2003-2004		(Rs. in Crores) 2002-2003	
Sales & Other Income	170.68		161.46	
Profit (Before Interest, Depreciation and Taxes)	28.74		44.92	
Less: Interest	21.99		29.67	
Depreciation	0.97		1.01	
Profit Before Tax	5.78		14.24	
Less : Provision for taxation				
-Current Tax	0.69		3.60	
-Deferred Tax	(0.75)		0.11	
- Income Tax pertaining to earlier years	-	(0.06)	0.16	3.87
Profit After Tax	5.84		10.37	
Add : Surplus Profit brought forward from previous year	5.73		1.67	
DISPOSABLE PROFIT	11.57		12.04	
APPROPRIATIONS				
- Proposed Dividend @10%	1.16		1.16	
- Tax on Dividend	0.15		0.15	
- Transfer to General Reserve	3.00	4.31	5.00	3.31
Surplus carried to Balance Sheet	7.26		5.73	

B. Operations

The previous year has shown good signs of economic recovery, which could be seen, felt and realized in many ways. There are noticeable upward movements in the real estate sector which concurrently have led to a multifold expansion in business and activity. Thus, it is but understandable, that, in the positive and encouraging economic scenario of the Country, the industry and specifically the real estate sector, is bound to grow.

Sales and other Income for the year stood at Rs.17068 lacs, as against Rs.16146 lacs in the previous year. Net Profit after tax was Rs.584 lacs as against Rs.1038 lacs in the previous year. The last year's profit figure had one time transaction of forfeiture of security deposit of Rs 4200 lacs received from a party for non performance as per award given in favor of the Company, included in the "other income" and duly disclosed.

C. ISO 9001:2000 Quality Certification

Your Directors are pleased to inform you that the Company has been awarded ISO 9001:2000 Certificate for Quality Management by Intal Quality Certification Pvt. Ltd. (IQC), which is an associate of Quality Matrix International, after their successful audit of Company's systems. IQC complies with the criteria of National Accreditation Board for Certification Bodies - QMS, a Govt. of India organization.

2. CHANGE OF NAME OF THE COMPANY

Pursuant to the resolution passed at the Board Meeting held on the 21st November, 2003, name of the Company is proposed to be changed from its existing name to "Ansal Properties & Infrastructure Ltd." as the present name does not correctly reflect the business which the Company is pursuing relating to real estate and