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CONSTRUCTION LTD.**

We Salute India  
50th year of Independence

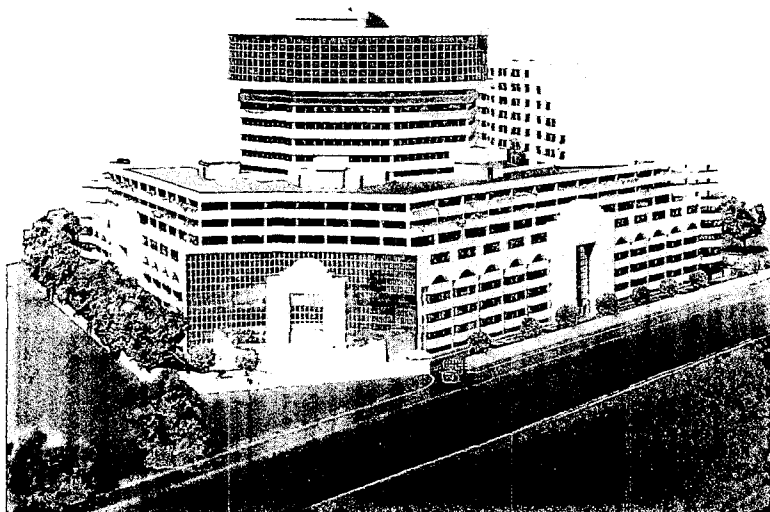


Dedicated Towards National Development

**ANSALS**

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input type="checkbox"/>	AC	<input type="checkbox"/>
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YE	<input type="checkbox"/>		<input type="checkbox"/>

# 13th ANNUAL REPORT (1996-97)

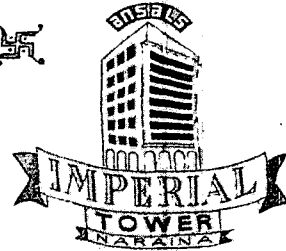


**TRADE SQUARE AN UPCOMING SHOPPING CUM OFFICE COMPLEX, VAISHALI**

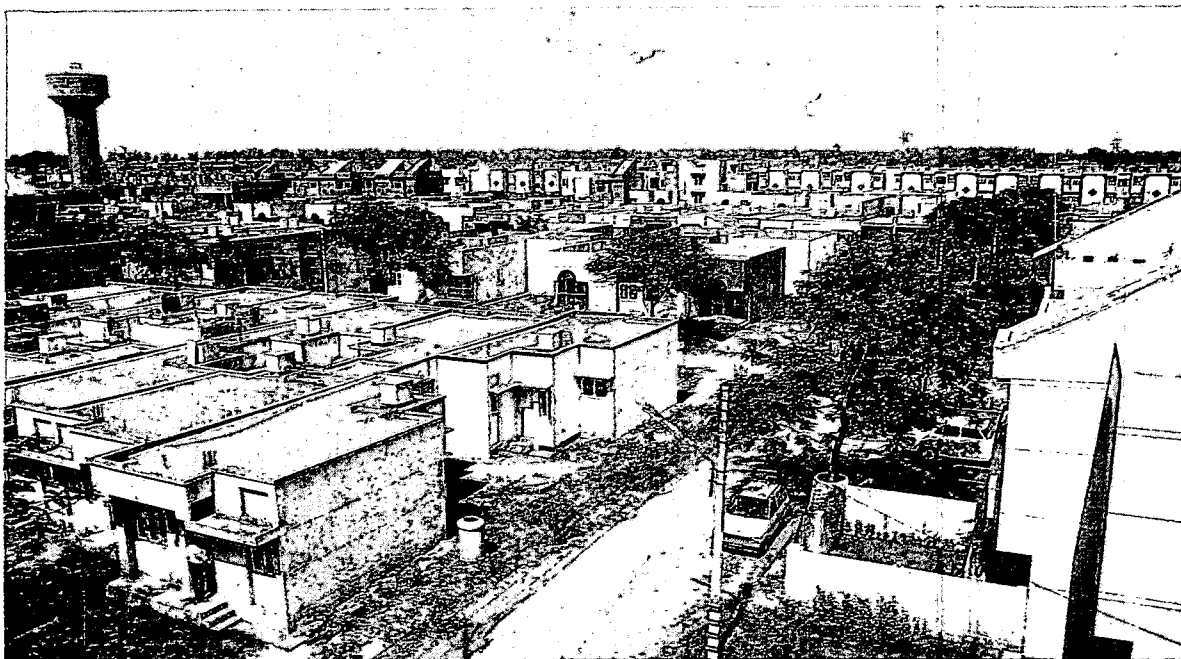
# ❧ BHOOMI PUJAN ❧

ON MONDAY 20th JANUARY 1997

 **ANSAL HOUSING & CONSTRUCTION LTD.**



Bhoomi Pujan at the foundation - laying ceremony of imperial tower, Naraina



Sprawling Chiranjiv Vihar - a thriving minicity

**BOARD OF DIRECTORS**

Shri Sushil Ansal  
*Chairman*  
 Shri Deepak Ansal  
*Managing Director*  
 Shri J.L. Dhar  
*Wholetime Director*  
 Shri Gopal Ansal  
 Shri Rai Dharambir Thapar  
 Shri Hari Mitter  
 Shri Sham Lal Chopra

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

Shri Mohinder Bajaj

**AUDITORS**

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

**BANKERS**

Canara Bank  
 The Bank of Tokyo Mitsubishi Limited  
 UCO Bank  
 UTI Bank Limited  
 Bank of India

**REGISTERED OFFICE**

15 UGF, Indra Prakash,  
 21, Barakhamba Road,  
 New Delhi - 110 001

**BRANCH OFFICES**

'Hill Crest' Ground Floor,  
 Flat No.2, Plot No. 7, N.S. Road No. 10,  
 JVPD Scheme, Mumbai- 400 049.

6, Sapru Marg,  
 Lucknow - 226 001

IIIrd Floor, Jubilee Building  
 45, Museum Road,  
 Bangalore - 560 001

Mezzanine Floor, Satyam Bldg.,  
 Raj Nagar District Centre,  
 Ghaziabad - 201 001

Lake View Enclave,  
 Shamla Hills, Bhopal - 462 016

122/235, Sarojini Nagar,  
 Kanpur - 208 012

Priyadarshini Apartments,  
 28, Sarojini Naidu Marg,  
 Civil Lines, Allahabad 210 002.

Suryodaya Vihar,  
 Shastri Nagar, Meerut - 250 001

SCO 91, 92 & 93, Sector - 5,  
 City Centre, Panchkula (Haryana)

Anand Dham, Moti Chur,  
 Haridwar.

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting of the Company will be held on Wednesday, the 24th December, 1997 at 11.00 A.M. at FICCI Auditorium, Tansen Marg, New Delhi - 110 001 to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997 and 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 Shri Sushil Ansal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Hari Mitter who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

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

"RESOLVED THAT in supersession of the Resolution passed by the shareholders of the company in the Annual General Meeting held on 27th September, 1995 pursuant to the provisions of Section 370 and other applicable provisions, if any, of the Companies Act, 1956, consent of the shareholders be and is hereby accorded to the Board of Directors of the company to give any guarantee or provide any security from time to time in connection with loans made by any other person to or to any other person by any body corporate, whether under the same management or not, and at such terms and conditions as the Board of Directors may deem fit and appropriate, provided that the aggregate of the guarantee(s) so given or securities so provided, outstanding at any time, shall not exceed a sum of Rs. 100 Crores (Rupees One Hundred Crores only)

### INCREASE IN AUTHORISED CAPITAL

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

"RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs. 15,00,00,000 (Rupees Fifteen Crores) divided into 1,49,90,000 (One Crores Forty Nine Lacs Ninety Thousand only) Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,000 (One thousand only) Redeemable Cumulative Preference shares of Rs. 100/- (Rupees One Hundred only) each to Rs. 20,00,00,000 (Rupees Twenty Crores only) by creation of additional 5,00,000 (Five Lacs only) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees One Hundred only) each and consequently the existing Clause V of the Memorandum of Association of the Company, relating to Share Capital be and is hereby substituted by the following.

V. The Authorised Share Capital of the company is Rs. 20,00,00,000 (Rupees Twenty Crores) divided into 1,49,90,000 (One Crores Forty Nine Lacs Ninety Thousand only) Equity Shares of Rs. 10/- each and 5,01,000 (Five Lacs One Thousand only) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees One Hundred only) 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****8. 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 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 3 be substituted by the following new Article and be renumbered as 3(a) and new sub clauses (b) & (c) be added in the manner given below:

3(a). 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 of 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.

3(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.

3(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.

B/ New sub clauses (d) & (e) be added in Article 56 in the manner given below;

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

56(e). 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.

C/ New sub clauses (vi) & (vii) be added in Article 127 A in the manner given below;

127A(vi). 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.

127A(vii). Subject to the provisions of the companies act, 1956, a Managing Director, Director who is in Wholetime 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 said 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.

RESOLVED FURTHER that the Board of Directors of the company shall exercise the powers conferred by the aforesaid Article 3 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****9. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION**

1. "RESOLVED 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 share 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.

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 Trusts 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**

##### **10. 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 Section 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 Redeemable Cumulative 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, that the aggregate face value of Redeemable Cumulative preference shares shall not in aggregate exceed Rs. 5,00,00,000 (Five Crores).



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

15 UGF, Indra Prakash  
21, Barakhamba Road,  
New Delhi - 110 001

By Order of the Board

Place : New Delhi

Dated : 10th November, 1997

( **MOHINDER BAJAJ** )  
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 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 respect of Special business is annexed hereto.
- c) Register of members and the share transfer books of the Company remained closed from 18th September, 1997 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) As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, it is confirmed that unpaid/unclaimed dividend for the financial year ended 31st March, 1993 was transferred to the General Revenue Account of the Central Government within the prescribed time as per details given below;

Dividend for the year ended	No. of Equity Shares	No. of Shareholders	Amount Rs.	Date of Transfer
31st March, 1993	155242	822	2,46,234	10.10.96

Shareholders who have not encashed the dividend warrants for the said period 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.

- f) 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.
- 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.

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

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

### **ITEM NO. 6**

At the Annual General Meeting held on 27th September, 1995, the Company had authorised the Board of Directors to give any guarantee or provide any security from time to time in connection with the loan(s) made by any other person to or to any other person by, any body corporate whether under the same management or not, upto a limit of Rs. 25 Crores.

In view of the substantial growth in business operations of the Company as well as the business potential equal to liberalisation, it has been considered desirable and necessary to enhance the existing Limit to Rs. 100 Crores.

The Resolution is accordingly recommended for approval of the shareholders by means of Special Resolution.

None of the Directors may be deemed to be concerned or interested in the proposed Resolution, except to the extent of any guarantee(s)/security that may be given to or on behalf of any other body or bodies corporate of which they are Directors or Members.

### **ITEM NO. 7**

The existing Share Capital of the company is Rs. 15,00,00,000 (Fifteen Crores only) consisting of 1,49,90,000 (One Crore Forty Nine lakhs Ninty thousand only) Equity Shares of Rs. 10/- (Ten) each and 1,000 (One Thousand) Redeemable Cumulative Preference Shares of Rs. 100/- (One Hundred) 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, the 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. 15,00,00,000 (Fifteen Crores only) to Rs. 20,00,00,000 (Twenty Crores Only) and to classify the same into equity shares of Rs. 14,99,00,000 (Forteen Crores Ninety Nine Lacs only) and Preference Shares of Rs. 5,01,00,000 (Five Crores One Lakh only).

Your approval is, therefore, sought to the amendment of the said Clause V of the Memorandum of Association of your Company vide Resolution No. 7 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. 8**

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 or by inserting new Articles in the Articles of Association of the Company. These changes would require your approval by way of Special Resolution as set out at Item No. 8 of the Notice.

The above changes would become effective only from the date of enactment and enforcement of the changed provisions of 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. 9**

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 of 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. 10**

Section 80 & 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 are 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 proposes to issue Redeemable Cumulative Preference Shares of aggregate face value not exceeding Rs. 5,00,00,000 (Five Crores) 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.10 is recommended to the members for approval.

The Directors of the company may be deemed to be 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.

**Regd. Office**  
15 UGF, Indra Prakash  
21, Barakhamba Road,  
New Delhi - 110 001

Place : New Delhi  
Dated : 10th November, 1997

By Order of the Board

( MOHINDER BAJAJ )  
Addl. G.M. & Company Secretary