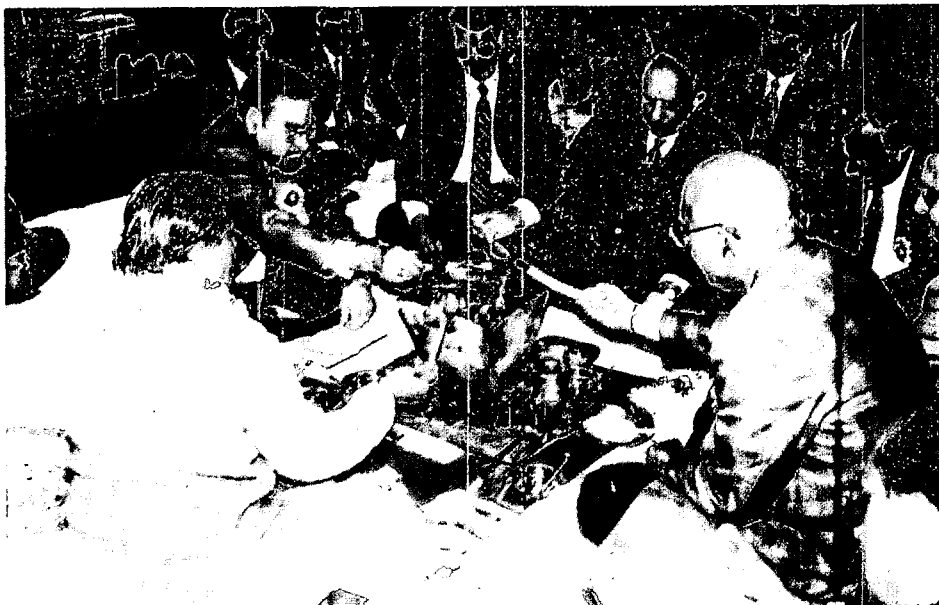




14th ANNUAL REPORT

1997/98



BHOOMI PUJAN - FORTUNE ARCADE, NOIDA ON 23.01.1998

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VIKAS DEEP-A PRESTIGIOUS COMMERCIAL COMPLEX, LAXMI NAGAR DISTRICT CENTRE

BOARD OF DIRECTORS

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

ADDL.G.M. & COMPANY SECRETARY**AUDITORS****BANKERS****REGISTERED OFFICE****BRANCH OFFICES**

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

Shri Mohinder Bajaj

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

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

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

'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,Bhoal - 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-249 205.

3rd Floor, 1st Mall,
The Mall, Ludhiana (Punjab)

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting of the Company will be held on Friday, the 25th September, 1998 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, 1998 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 R.D. Thapar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.L. Chopra, 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.



Regd. Office

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

By Order of the Board

Place : New Delhi
Dated : 28th August, 1998

(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) *Register of members and the share transfer books of the company shall remain closed from 18th September, 1998 to 25th September, 1998 (both days inclusive)*
- c) (i) Dividend, if declared, will be payable to those shareholders whose names appear in the Register of Members at the close of business hours on 25th September, 1998.
- (ii) No tax at source shall be deducted from the dividend amount payable to the shareholders. Tax will be paid by the company at a flat rate of 10% on the total amount of dividend payable.
- d) As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, it is confirmed that unpaid/unclaimed dividend for the financial year ended 31st March, 1994 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, 1994	371796	1913	296147	25.10.97

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, IInd Floor, Paryavaran Bhawan, New Delhi - 110 003. In case any assistance is required, members may write to the company.

- (e) 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.
- (f) 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.

DIRECTORS' REPORT

Dear Shareholder,

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

FINANCIAL RESULTS

The Working Results of the Company are briefly given below:

	Current Year (Rs.in lacs)	Previous Year (Rs.in lacs)
Sales & Other Income	<u>7526.49</u>	<u>7370.60</u>
Gross Profit (Before Interest and Depreciation etc.)	<u>1777.97</u>	<u>1895.09</u>
Less:		
- Interest & Finance charges	1037.27	1139.83
- Depreciation	97.13	83.39
- Expenses pertaining to Earlier years	<u>130.92</u>	<u>6.81</u>
	1265.32	1230.03
Add :		
- Surplus Profit Brought Forward From Previous Year	105.82	27.22
- Investment Allowance Reserve Written back	—	9.45
- Profits available for appropriation	<u>618.47</u>	<u>701.73</u>
Appropriations:		
- Provision For Taxation	235.00	315.00
- Transfer To Debenture Redemption Reserve	50.00	50.00
- Transfer To General Reserve	20.00	20.00
- Proposed Dividend @ 10% *		
(Previous Year @ 15%)	<u>140.61</u>	<u>445.61</u>
	210.91	595.91
Surplus Profit Carried to Balance Sheet	<u>172.86</u>	<u>105.82</u>

*(inclusive of Corporate Dividend Tax @ 10%)

DIVIDEND

Out of the Profits of the Financial year under review, your Directors are pleased to recommend, for your approval a Dividend @ 10 % (Tax Free) for the financial year ended 31st March, 1998 which if approved by Shareholders will absorb Rs.1,27,82,520 (One Crore Twenty Seven Lacs Eighty Two Thousand Five Hundred Twenty only). Total outgo will be Rs. 1,40,60,772. (One Crore Forty Lacs Sixty Thousand Seven Hundred Seventy Two Only) including the payment of Corporate Dividend Tax @ 10% on the said dividend amount.

OPERATING PERFORMANCE

It is gratifying to record that the year under review has again been another period of higher turnover and growth in business despite general recession in the economy during the whole year. The sales and other income have touched Rs.7526.49 lacs as compared to Rs. 7370.60 lacs in the previous year. The profit after tax stands at Rs. 408.57 lacs as compared to 356.87 lacs recording an improvement of 14.49%. Out of disposable surplus of Rs. 395.59 lacs a sum of Rs. 50 lacs have been transferred to Debenture Redemption Reserve and Rs. 20 lacs to General Reserve respectively. The total General Reserve stood at Rs. 805.47 lacs at the end of the Financial Year.

The company further offered possession to the buyers of flats/houses in Neelpadm Kunj and Neelpadm-I projects in Vaishali, Chiranjiv Vihar in Ghaziabad, Suryodaya Vihar in Meerut, Aashiana in Lucknow, Anand Dham in Haridwar, Lake View Apartments and Paramount Villas in Bhopal and Sumangalam (Commercial) in Ghaziabad during the year under review.

The occupancy in the aforesaid projects has been progressing steadily. The three commercial projects in Laxmi Nagar District Centre named Laxmi Deep, Pragati Deep and Vikas Deep are nearing completion and possession of the flats to the respective buyers will commence shortly.

During the year, the company successfully launched sale of Plots/Houses in new residential township named "East End" in Tronica City being developed by UPSIDC in Ghaziabad. The scheme was well received by the investors.

The Company also launched sale of a new Commercial Project in Sector - 18, Noida called "Fortune Arcade". It received good response from the customers.

The development work at various commercial/residential projects has been progressing satisfactorily.

PROSPECTS AND FUTURE OUTLOOK

The recent economic and legislative changes being considered by the government which inter-alia include conferring of infrastructure status to 'Housing', providing various tax concessions/tax holiday for the company as well the investors etc. augur well for your company. The decision of the Urban Development Ministry to involve Private Developers for land development/construction of dwelling units subject to land use as per the Master Plan of Delhi 2001 should give added business opportunities to your company. Your company would strive to take maximum advantage of the aforesaid liberalised provisions and take appropriate steps as and when required for enhancing the overall profitability of the company.

The company has as on date 35 Real Estate Development Construction Projects with estimated turnover of Rs. 824 crores assuring adequate Sales & Turnover and profits for the next 4-5 years.

PROJECTIONS VS. PERFORMANCE

In compliance with clause 43 of the Listing Agreement, the comparison between the Projections and performance figures for the year 1997-98 is given hereunder:

Particulars	(Rs.in Crores)	
	Projected (Prospectus dated 28.9.93) (For Financial year 1997-98)	Actual as per Audited Financial Results for the period 1997-98
Sales & Other Income	88.79	75.26
Gross Profit	18.31	17.78
Net Profit after Tax	7.30	4.09

The net profit is lower than projected because of higher incidence of interest charges attributable to higher borrowing cost and larger deployment of funds in new projects taken up by the company. The ongoing economic recession in the country has also caused drop in real estate prices resulting in lower margins.

STATUTORY STATEMENTS

Statement showing particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read together with the Companies (Particulars of Employees) Rules, 1975 is annexed herewith and forms part of the Report. As regards disclosure under section 217(1)(c) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, it has been advised that the particulars relating to "Conservation of Energy" are not applicable to the company and hence no disclosure is required to be made in this behalf.

The company has not undertaken any Research & Development Activity and Development of Technology in the area of Construction. Disclosure of information relating to foreign exchange earnings and outgo as required under Rule 2(C) is already given in Schedule No. 15 on 'Notes on Accounts' forming part of the Audited Annual Accounts.

FIXED DEPOSITS

Fixed Deposits from the Public, Shareholders and Employees as on 31st March, 1998 stood at Rs. 757.15 lacs as against Rs. 547.80 lacs in the previous year. There were unclaimed Deposits amounting to Rs. 10.76 Lacs pertaining to 59 depositors as on that date and out of above 36 depositors having deposits aggregating to Rs. 5.75 lacs have subsequently claimed refund or renewed their deposits. However, the balance amount of Rs. 5.01 lacs still remains unclaimed.

DIRECTORS

In accordance with the provisions of section 255 of the Companies Act, 1956 and Article 104 of the Company's Articles of Association Sarvashri R.D. Thapar and S.L. Chopra, Directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

AUDITORS

M/s Khanna & Annadhanam, Chartered Accountants, who retire at the conclusion of this 14th Annual General Meeting and being eligible for reappointment, have expressed their willingness to be reappointed as Statutory Auditors of the company. They have given certificate to the effect that the appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956. Your directors recommend their appointment for another year.

ACKNOWLEDGEMENTS

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

- i) The Central and State Governments as well as their respective Departments and Development authorities connected with the business of the Company, Bankers to the Company, Housing finance as well as other Institutions for their cooperation and continued support.
- ii) The Shareholders, Depositors, suppliers and contractors for the trust and confidence reposed and to the Customers for their valued patronage.

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

Regd. Office

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

For and on behalf of the Board

Place : New Delhi
Dated : 28th August, 1998

(SUSHIL ANSAL)
CHAIRMAN