

11th ANNUAL REPORT 2003-2004



Alpine

Housing Development Corporation Limited

Alpine Housing Development Corporation Limited



**11th Annual Report
2003-2004**



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BOARD OF DIRECTORS

- Mr. S. A. KABEER**
Chairman & Managing Director
- Mr. M. K. RAMACHANDRA**
Director
- Mr. PAPA REDDY**
Director
- Mr. G. H. SATYANARAYANA GUPTA**
Director
- Mr. SYED MOHAMMED MOHSIN**
Director
- Mr. S. A. RASHEED**
Director

REGISTERED OFFICE

- ALPINE HOUSING DEVELOPMENT
CORPORATION LIMITED**
302, ALPINE ARCH
No.10, Langford Road,
Bangalore – 560 027.

- Syndicate Bank
Canara Bank

AUDITORS

- M/s.Rao & Venkatesulu
Chartered Accountants

**STOCK EXCHANGES WHERE
THE COMPANY'S SHARES ARE LISTED**

1. Bangalore Stock Exchange Ltd.,
2. Mumbai Stock Exchange Ltd.,



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NOTICE

Notice is hereby given that **Eleventh Annual General Meeting** of the members of **ALPINE HOUSING DEVELOPMENT CORPORATION LIMITED** will be held on **Tuesday 28th September, 2004** at **"MINI HALL"**, Woodlands Hotel Pvt. Ltd., 5, Raja Ram Mohan Roy Road, Bangalore 560 025, at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS :

1. To consider approve and adopt the Audited Balance Sheet as at 31st March 2004 and the Profit and Loss account for the year ended on that date together with the Directors' report and the Auditor's report thereon.
2. To appoint a Director in the place of Mr.S.M.Mohsin who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mr.G.H.Satyanarayana Gupta who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

By Order of the Board,

**Place : Bangalore
Date : August 30th 2004**

**Sd/-
S.A.KABEER
Chairman & Managing Director**



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NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.
2. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE DULY STAMPED AND SIGNED IN THE FORMAT ANNEXED HERETO, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
3. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
4. The Register of members and the share transfer books of the company will remain closed on 28.09.2004.
5. Members are requested to bring their copies of Annual Reports to the meeting and also intimate the change in their registered address, if any, immediately quoting the folio reference to the address of registered office of the company.
6. Members having multiple folio(s) in identical names or Folios in joint names in the same order are requested to send all their share certificates to the company for consolidating such shareholding into one account to facilitate better service.
7. The Company has established De-materialized facility of Share with NSDL/CDSL. In lines with SEBI's circular, the company has also established common registry facility for demat and physical transfer of shares with M/s.CAMEO Corporate Services Ltd., No.1, Subramaniam Building, Club House Road, Chennai – 600 002.
8. The Members/Shareholders are requested to avail this facility by forwarding their request for share transfer to the registrar and shares transfer agents, as mentioned above.
9. At the ensuing Annual General Meeting Mr. S.M.Mohsin and Mr.G.H.Satyanarayana Gupta retire by rotation and being eligible often themselves for re-appointment. The information pertaining to the aforesaid Director to be provided in terms of the listing agreement with stock exchange is submitted in the statement on corporate governance published in this Annual Report.

By Order of the Board,

Sd/-

S.A.KABEER

Chairman & Managing Director

Place : Bangalore
Date : August 30th 2004



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DIRECTOR'S REPORT

To the Members,

1. Your Directors are pleased to present their Eleventh Annual Report together with the Audited statements of accounts for the financial year ended 31st March 2004. The Total Turnover of the Company has increased to Rs.166.568 Millions in the current year as against Rs.81.406 in the previous year, which amounts to an increase of almost 100%. Our Profit have also gone up, after taxes, by 100% from Rs.3.021 Millions to Rs.5.933 Millions an increase of almost 100%.

The summary of financial results of the company for the year ended 31st March 2004 is, at a glance, are as under.

Rupees in Millions

Particulars	For the year ended 31.03.2004	For the year ended 31.03.2003
Total Income	166.568	81.406
Total Expenditure	150.346	72.017
Profit Before Depreciation, Interest and Tax	16.222	9.388
Less : Interest & Finance Charges	5.988	2.845
Profit before Depreciation and Tax	10.234	6.543
Less : Provision for Depreciation	3.436	3.240
Profit before Tax	6.798	3.303
Less : Provision for Tax	0.683	0.282
Deferred Tax (Liability)	0.182	-
Net Profit after Tax	5.933	3.021
Add: Balance in Profit & Loss Account as per last Balance Sheet	18.825	15.838
Less : Provision for Taxes for the Earlier Years (Current Taxes & Deferred Taxes)	9.321	0.034
Balance carried forwards to Balance Sheet	15.437	18.825

2. MANAGEMENT DISCUSSION, ANALYSIS AND REVIEW :

Housing Division :

The Housing market has considerably improved, particularly in view of easy availability of Housing Loans and also the Income Tax benefits available. Our project in Jayanagar Bangalore is going on in full swing and we are planning to launch new projects during the ensuring year. In view of this we expect substantial growth in the Housing Business in the ensuring year.

Railway Division :

Railway Sleeper division is also doing well. We have obtained contracts both from Central Railways and South Central Railways. We expect our turnover to be even better in the next year.

3. DIVIDEND :

Your Directors have decided to reduce the Loan Liability and also put in more funds for new projects. In view of this as you can see the Loan Liability has substantially come down and that with investment in new housing projects the company is on the high growing path. In view of this for this year no dividend is recommended.

4. CORPORATE GOVERNANCE :

The disclosures as required under the Corporate Governance Reporting System have been furnished in the Annexure to the Directors Report under the head "Corporate Governance" and the company is complying with the various requirements under the Corporate Governance reporting system.

5. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies (Amendment Act, 2000) the Directors' confirm that :

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.



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- ii. Appropriate accounting policies have been selected and applied consistently. Judgements and estimates are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2004 and of the profit of the company for the year ended 31st March 2004.
- iii. Proper and sufficient care has been taken for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts have been prepared on a going concern basis.

6. DEPOSITORY SYSTEM (DEMAT FACILITY FOR SHARES) :

The Company has established De-materialized facility of Share with NSDL/CDSL. In lines with SEBI's circular, the company has also established common registry facility for demat and physical transfer of shares with M/s.CAMEO Corporate Services Ltd., No.1, Subramaniam Building, Club House Road, Chennai – 600002.

The Members/Shareholders are requested to avail this facility by forwarding their request for share transfer to the aforesaid registrar and shares transfer agents.

7. SHARE CAPITAL :

- i. The Company has increased its Authorised Capital to Rs.65.00 Millions during the year.
- ii. In order to repay the company's borrowing in one time settlement to KSIIDC, the company has given for private plant of Rs.15,00,000/- Shares @ Rs.10/- per share totalling to Rs.1,50,00,000/- of which the company has received Rs.86.50 Lacs in the current year.
- iii. Also the company has ensured compliance of SEBI Guide Lines for Preferential Allotment.

8. LISTING WITH STOCK EXCHANGES:

As per the requirements of clause 49 of the listing agreement with Stock Exchanges, the company hereby declares that the listing of its shares continued throughout the year with the following Stock Exchange and the listing fee for the year 2003-2004 has been paid :

Bangalore Stock Exchange Ltd., Post Box No.27024, No.51, Stock Exchange Towers, 1st Cross, J.C.Road, Bangalore – 560 027.

The Mumbai Stock Exchange, Phiroze Jee Jeebhoy Towers, Dalal Street, Mumbai – 460 001.

Delisting of the Company Shares is pending from Stock Exchange Coimbatore, The Madras Stock Exchanges and The Hyderabad Stock Exchange.

9. FIXED DEPOSITS :

The Company has not accepted the fixed deposits from public during the year under review.

10. HUMAN RESOURCES :

Your company places utmost value in the development and training of its human resources and providing a congenial working environment for its employees

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO :

The information required under Section 217-(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Director) Rules, 1988, with respect to these matters is as under:

Conservation of Energy :

Though the Company's operation involves low energy consumption, there is a constant endeavor to conserve energy.



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Absorption of technology :

The company has an in-house R & D wing for product upgradation/development.

Foreign Exchange earnings and outgo

Foreign Exchange earnings - Nil

Foreign Exchange outgo - Nil

12. DIRECTORS :

In accordance with the provisions of the Companies Act 1956 and the Articles of Association of the Company Mr.S.M.Mohsin and Mr. G. H. Satyanarayana Gupta retire by rotation and being eligible have offered themselves for reappointment.

Mr. Papa Reddy expired during the year. He has always been a guiding torch for the company and in his death, the company has lost, a guide, an advisor and a reformer. The Board wishes to place on record its appreciation for the services rendered by Mr. Papa Reddy. We pray to the Lord to rest his soul in peace.

None of the Directors of the Company have incurred disqualification in terms of section 274(1)(g) of Companies Act 1956.

13. AUDITORS :

M/s.Rao and Venkatesulu, Chartered Accountants, the Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting. It is proposed to reappoint them till the conclusion of the next Annual General Meeting. M/s. Rao and Venkatesulu have pursuant to Section 224 1(B) of the Companies Act, 1956 furnished a certificate regarding their eligibility and given consent for re-appointment.

14. PERSONNEL :

Your Directors would like to express their sincere thanks and appreciation to all the employees for their commendable teamwork and exemplary contribution to operations and company's performance.

Information pursuant to the provisions of Section 217 (2A) of the Company Act, 1956 read with the Companies (Particulars of Employees) Rules 1975. No employee is covered under the provision.

15. APPRECIATION

Your Board would like to place on record its sincere appreciation for the wholehearted support and contribution made by all its employees, shareholders, banks, financial institutions and other business associates towards conducting the operations of the company.

For & behalf of the Board of Directors

Sd/-

S.A.KABEER

Chairman & Managing Director

Place : Bangalore

Date : August 30th 2004



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ADDENDUM TO DIRECTOR'S ANNUAL REPORT

MANAGEMENT'S EXPLANATION TO AUDITORS COMMENTS AND RESERVATIONS

1. PARA (2) OF AUDIT REPORT :

The changes in the significant accounting policies referred to by the auditors is for reasons exhaustively stated in Note No.9 in Schedule 'R' to the Balance Sheet. The change has been effected in order to facilitate reflection of True and Fair view of the State of Affairs and Profit and Loss of the Company.

2. PARA 3 (d) OF AUDIT REPORT :

The accounting policy of the company in respect of accounting of liability towards the gratuity and earned leave payable to employees as contained in Schedule "R" is self explanatory.

3. PARA 3 (f) OF AUDIT REPORT :

- i. The accounting policy of the company in respect of accounting of escalation price claims in respect of the Railway Sleepers contained in Note 16 A (d) (ii) is self explanatory.
- ii. The accounting policy of the company in respect of accounting of levies in respect of the escalation price claims for the Railway sleepers sold as contained in Note 16 B (4) is self explanatory.
- iii. The accounting policy of the company in respect of accounting of the liability towards gratuity and earned leave payable to employees as contained in Note 16 B (5) is self explanatory.
- iv. The reason's for non accounting of the Interest on Term Loan's due to KSIIDC for the year and written back of the Interest provided in the earlier year and the extent to which the Profit of the Company is effected has been exactly stating in the Note No.3 of Schedule 'R'. The Board is confidence of obtaining the final approval from the Board of the KSIIDC with regards to the Terms of One Term Settlement agreed in principal.

- v. The reasons for accounting of Price Escalation in respect of Railways Sleepers sold to Indian Railways at reduce extent as compared to earlier years and the extent that which the Profit of the Company has been effected on account there off has been more fully explained in Note No.9 of Schedule 'R' to the Balance Sheet. The same has been done having due regards to the negotiation on Progress with the Indian Railways and facilitate reflection of True and Fair of State of Affairs and the Profit & Loss of the Company.

- vi. No explanation is required in view of explanation given in (iv) and (v) above.

- vii. The explanation contained in Note No.17 of Schedule 'R' to the Balance Sheet is self-explanatory.

4. PARA (13) OF ANNEXURE TO AUDITORS REPORT :

The delays in deposit of the Provident Funds and ESI dues are through inadvertence. Action is taken to avoid such delays.

For & behalf of the Board of Directors

**Sd/-
S.A.KABEER
Chairman & Managing Director**

**Place : Bangalore
Date : August 30th 2004**



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AUDITOR'S REPORT

To the Members of ALPINE HOUSING DEVELOPMENT CORPORATION LIMITED

We have audited the Balance Sheet of ALPINE HOUSING DEVELOPMENT CORPORATION LIMITED as at 31st MARCH, 2004 and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We have, on the basis of such checks as we considered necessary and the information and explanations given to us, given our findings on the matters required by the Companies (Auditor's Report) Order, 2003 issued by the central government under section 227 (4A) of the Companies Act, 1956, as applicable to the company in the annexure hereto.
2. Further to our comments in the Annexure referred to in paragraph (1) above:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with those Books of account;
 - d. In our opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, except however the AS 15;
 - e. On the basis of the written representations received from the Directors and taken on record

by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director of the Company are disqualified from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956; and

f. Subject to:

- (i) Note No.3 of Schedule "R" to the Balance Sheet regarding provision of Rs.13,030,000 towards interest as per the terms of One Time Settlement with KSIIDC and its effect in reducing the profits of the company to the extent of Rs.3,529,415/-;
 - (ii) Note No. 9 of Schedule "R" and change in the Significant Accounting Policies as contained in Note No.18 (A) (d) (ii) of Schedule "R" to the Balance Sheet regarding accounting of Escalation Claims against Railways in respect of Railway Sleepers supplied at reduced rate and its consequential effect on the profits of the company to the extent of Rs.2,722,149; and
 - (iii) to non accounting of liability for Gratuity and Leave Encashment payable to employees at the time of retirement in accordance with the Significant Accounting Policies contained in Note No.18 (B) (5) of Schedule "R" to the Balance Sheet;
- in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (iv) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2004; and
 - (v) in the case of the Profit and Loss Account, of the profit of the company for the year ended on that date.

for RAO & VENKATESULU
Chartered Accountant

K. Y. NINGOJI RAO
Partner

Membership No. 18278

Place : Bangalore

Date : June 30th 2004