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16th ANNUAL REPORT - 2008-2009

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**16th Annual Report  
2008-2009**

**Housing Development Corporation Limited**

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*Alpine*

**ALPINE HOUSING DEVELOPMENT  
CORPORATION LIMITED  
BANGALORE**

**16<sup>TH</sup> ANNUAL REPORT 2008-2009**



Housing Development Corporation Limited

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2008-2009

## **16th Annual General Meeting**

*On Wednesday, the 30th September , 2009*

*At 11.00 A.M at*

*"Green Arch Hall"*

*Woodlands Hotel Pvt Ltd., No. 5*

*Raja Ram Mohan Roy Road,*

*Bangalore - 560 025.*

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## Housing Development Corporation Limited

### BOARD OF DIRECTORS

- : Mr. S.A. KABEER**  
Chairman & Managing Director
- Mr. M.K.RAMACHANDRA**  
Independent Director
- Mr. G.H. SATYANARAYANA GUPTA**  
Director
- Mr. S.A. RASHEED**  
Whole Time Director
- Mr.SYED MOHAMMED MOHSIN**  
Director
- Mr. K.N.GUHA**  
Independent Director
- Mr. N.K.MALU**  
Independent Director
- Mr. V. KARTHIK**  
Independent Director

### AUDITORS

- : M/s.Rao & Venkatesulu**  
**Chartered Accountants**

### BANKERS

- : Syndicate Bank**  
**Canara Bank**

### REGISTERED OFFICE

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

### Register and Share Transfer Agents

- : M/s.CAMEO CORPORATE SERVICES LTD.,**  
Subramaniam Building, 5<sup>th</sup> floor  
No.1, Club House Road, Mount Road,  
Chennai – 600 002





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## NOTICE

Notice is hereby given that 16<sup>th</sup> Annual General Meeting of the members of **ALPINE HOUSING DEVELOPMENT CORPORATION LIMITED** will be held on 30<sup>th</sup> September, 2009, wednesday at "Green Arch" Hall, Woodlands Hotel Pvt Ltd, No.5, Raja Ram Mohan Roy Road, Bangalore - 560 025 at 11 A.M. to transact the following business:-

### I. ORDINARY BUSINESS :

1. To consider approve and adopt the audited balance sheet as at 31<sup>st</sup> March 2009 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. G.H.Satyanarayana Gupta who retires by rotation and being eligible offers himself for reappointment
3. To appoint a Director in the place of Mr. Syed Mohammed Mohsin who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

### II. SPECIAL BUSINESS :

**No. 5 :** To consider and if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION :**

"**RESOLVED THAT** pursuant to the provisions of section 198, 269 and 309 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956, approval of the members be and is hereby accorded to the re-appointment of Mr Syed Abdul Rasheed as Whole Time Director of the Company for a further period of 5 (five) years and he is not liable to retire by rotation with effect from 1<sup>st</sup> March 2009 on the remuneration and on the terms and conditions as set out in the explanatory statement annexed to this notice."

"**FURTHER RESOLVED THAT** in the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Whole Time Director the remuneration shall be paid, subject to the ceilings and conditions stipulated in Section II of Part II of Schedule XIII to the Companies Act, 1956, as minimum remuneration.

**No. 6 :** To consider and if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION :**

"**RESOLVED THAT** Mr. Karthick Varadarajan who was appointed as a Additional Director of the Company on 24<sup>th</sup> Feb. 2009 and holds office up to the date of this Annual General Meeting, being

eligible, offers himself for appointment as a Director of the Company and in respect of whom the Company has received a Notice from a Member under the provisions of Section 257 of the Companies Act, 1956 proposing the candidature of **Mr Karthick Varadarajan** for the office of the Director, be and is hereby appointed as a Director of the Company, whose office shall be subject to retirement by rotation."

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT AGM 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 from 25<sup>th</sup> to 30<sup>th</sup> September, 2009 inclusive of both days.
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., Subramaniam Building 5th floor, No.1, Club House Road, Mount Road Chennai - 600 002. 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.
8. Mr. G.H.Satyanarayana Gupta and Mr. Syed Mohammed Mohsin who retires by rotation are eligible for re-appointment. The information pertaining to him is provided in the Corporate Governance Section.
9. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed herewith.

By Order of the Board,  
Sd/-

**S.A. KABEER**  
Chairman & Managing Director

Date : Sept 01<sup>st</sup>, 2009  
Place : Bangalore



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## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT.

### Item No 5. :

The Board of Directors in its meeting held on 30th June, 2009 re-appointed Mr Syed Abdul Rasheed as Whole Time Director, not liable to retire by rotation for a further period of 5 years with effect from 01<sup>st</sup> March 2009, subject to approval of the shareholders.

The Board of Directors of your Company considers Mr Syed Abdul Rasheed as a competent person for re-appointment as Whole Time Director, of your Company for a further period of 5 years. In compliance with the requirements of Schedule XIII to the Companies Act, 1956, approval of the members by Ordinary Resolution is sought for the appointment of Mr Syed Abdul Rasheed as Whole time Director for a further period of 5 years with effect from 1st March 2009. The Board of Directors is confident that the re-appointment of Mr Syed Abdul Rasheed as Whole time Director will be of immense benefit to the Company.

In the event of inadequacy or absence of profits in any financial year during the currency of his tenure as Whole-Time Director, the above mentioned remuneration shall be paid, subject to payment of remuneration is approved by a resolution passed by the Remuneration Committee and the ceilings and conditions stipulated in Section II of Part II of Schedule XIII to the Companies Act, 1956, as minimum remuneration."

The Terms and Remuneration payable to Mr Syed Abdul Rasheed as Whole time Director are as follows

### 1. Salary :

Rs. 75,000/- per month including Dearness Allowance with Annual increment up to 20% on Basic Salary.

Re-imbursment of Telephone Expenses with STD and ISD facility at residence.

Re-imbursment of Medical expenses for self and family.

### 2. Perquisites : Provision of Motor Car with Driver for official and personal use.

Leave Travel Allowance for self and family to a place anywhere in India as per rules of the Company.

- I. Personal Accident Insurance premium.
- II. Medical Insurance premium.

The value of the Perquisites along with the salary mentioned above shall be subject to the ceiling and conditions stipulated in Part II Schedule XIII to the Companies Act 1956, i.e maximum to Rs 1,25,000/- Per Month.

### 3. Others :

- i) Contribution to Provident Fund; Superannuation fund and

Annuity Fund to the extent the same are not taxable under the Income Tax Act. 1961.

- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- iii) Encashment of leave at the end of the Tenure.

### 4. Commission :

Performance linked Commission on profits, not exceeding 1% of the net Profits of the Company in any financial year of the company as the Board may determine from time to time subject to ceiling prescribed limit mentioned in part II Section I of schedule XIII of Companies Act 1956.

In the event of any enactment or amendment there to, this resolution shall continue to remain in force and reference to various provisions of the Companies Act 1956 or the Income Tax 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments there to or the rules and notifications issued there under.

None of the Directors except Mr S.A,kabeer, Mr S.A.Rasheed and Mr Syed Mohammed Mohsin are in any way interested or concerned in the proposed resolution.

The Details resume of the Director is given in the Corporate Governance report to compliance the listing agreement.

This may be taken as abstract of the variation of the terms of appointment which is required to be circulated under section 302 of the Companies Act, 1956.

### Item No 6.

Mr. Karthick Varadarajan has been appointed as additional Director of the Company at the Board of Directors Meeting of the Company held on 07.05.2009 and accordingly the tenure of his appointment shall expire in this AGM. Mr. Karthick Varadarajan is a member Of ICSI and continuing as a Practising Company Secretary at Bangalore. In terms of provisions of the Companies Act, 1956 as amended from time to time, Shareholders' approval by way of Ordinary Resolution is necessary for the appointment. Mr. Karthick Varadarajan has joined the Board of Director as a non executive & Independent Director.

None of the Directors is interested in the resolution.

The proposed transaction will require the approval of the shareholders by ordinary resolution.

The Board of directors put up the resolutions for approval of shareholders.

None of the directors are interested in above resolution except as a shareholder

Date : Sept 01<sup>st</sup>, 2009  
Place : Bangalore

By Order of the Board,  
Sd/-  
**S.A. KABEER**  
Chairman & Managing Director



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## Housing Development Corporation Limited

**Details of Directors seeking Appointment / reappointment at the  
Annual General Meeting as per clause 49(IV)(G)(i) of the Listing Agreement.**

Particulars	Mr. G.H.S. GUPTA	Mr. Syed Mohammed Mohsin	Mr. Karthick Varadarajan
Date of Birth	30.07.1950	16.07.1962	27.06.1966
Date of Appointment	18.07.1992	05.12.1996	24.02.2009
Qualification	B.Com , FCA	B.com	M.Com , A C S.
Experience	Twenty five years of rich experience of which 20 years in companies abroad and presently he is a practising Chartered Accountant in India .	10 years of rich experience in Top Managerial level in Companies abroad .	20+ years with Corporate in different capacities, out of 12+ years post qualification experience. Practicing Company Secretary & Company Law Consultant for last 6+ years, specializing in Company Law, FEMA & SEBI laws. Have served Bangalore Chapter of ICSI as visiting faculty at different levels.
Expertise in specific functional area	Industrialist	Managerial Function.	Practicing Company Secretary
Directorships held in other Public Companies (excluding Foreign Companies) as at 31st March, 2009.	Nil	Nil	Nil
Number of shares held in the Company as at 31st March, 2009	10,000	4,53,500	Nil



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## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 16th Annual Report together with the Audited Accounts for the year ended 31.03.2009.

### Financial Results :

Your Company's performance during the year as compared with that of during the previous year is summarized below:

Particulars	Rupees in Millions	
	For the year ended 31.03.2009	For the year ended 31.03.2008
Total Income	321.51	647.97
Total Expenditure	224.22	464.28
Profit Before Depreciation Interest and Tax	97.29	183.69
Less: Interest & Finance Charges	29.808	10.90
Profit before Depreciation and Tax	67.48	172.79
Less: Provision for Depreciation	9.93	7.98
Profit before Tax	57.55	164.81
Less : Provision for Tax	6.52	19.20
Deferred Tax (Liability)	1.32	2.03
Fringe Benefit Tax	0.11	0.12
<b>Net Profit after Tax</b>	<b>48.78</b>	<b>143.38</b>
Add: Balance in Profit & Loss Account as per last Balance Sheet	248.746	123.47
Less: Profit Transferred to General Reserves	-	8.60
Proposed / Interim Dividend	-	8.12
Dividend Tax	-	1.38
<b>Balance carried forwards to Balance Sheet</b>	<b>297.53</b>	<b>248.75</b>

**Dividend :** The Board has not recommended any dividend in this year.

**Transfer to Reserves :** We have not transferred any amount of current profit to General Reserve. An amount of Rs. 297.533 million is proposed to be retained in the Profit & Loss Account.

### 2. MANAGEMENT DISCUSSION, ANALYSIS AND REVIEW

The Management discussion & review under clause 49 of the listing agreement is presented in a separate section of the annual report.

### 3. CORPORATE GOVERNANCE :

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

### 4. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- Appropriate accounting policies have been selected and applied consistently. Judgments 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 2009 and of the profit of the company for the year ended 31st March 2009.

- 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.

- The annual accounts have been prepared on a going concern basis.

### 5. 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. 5th floor , 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.

### 6. 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 Exchanges and the listing fee for the year 2008-2009 has been paid :-

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

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

The Madras Stock Exchanges, Post Box No 183, New No 30 (Old No. 110) Second Line Beach, Chennai - 600001.

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

### 7. FIXED DEPOSITS :

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

### 8. HUMAN RESOURCES :

We believe that just as engineering, technical expertise and specializations are the cornerstones of our progress; human capital also constitutes another important driver to the success in our business. The Company is proud of its 250 plus personnel team comprising experienced, skilled, committed and innovative engineers and it recognizes the invaluable contribution made by each of them. There was no strike or labour unrest during the





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period under review. The Company has provided a congenial working environment for its employees.

### 9. 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.

#### Absorption of technology:

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

Foreign Exchange earnings and outgo

Foreign Exchange earnings - Nil

Foreign Exchange outgo - Nil

### 10. DIRECTORS:

In accordance with the provisions of the Companies Act 1956 and the Articles of Association of the Company, the following Director due for retirement by rotation and being eligible to consider for reappointment.

1. Mr. G.H.Satyanarayana Gupta
2. Mr. Syed Mohammed Mohsin

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

### 11. 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.

### 12. 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.

### 13. 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 and behalf of the Board of  
Directors,

**S.A. KABEER**

Chairman & Managing Director

Place : Bangalore  
Date : 1st Sept. 2009

## Addendum to Directors' Report

### (Auditors' qualification & Management Reply)

#### 1. Auditors' qualification as per note No.8 of Schedule - Q :

The company has not been regular in remittance of certain statutory dues during the year towards the taxes deducted at source and the taxes payable under the direct and indirect tax laws and the amount due on that account for a period exceeding six months as at 31st March, 2009 is Rs.80.79 Lakhs.

#### 2. Management Reply to Auditors' report :

With reference to the qualification of the auditors about the payment of statutory dues, the Directors hereby state that due to the market downturn and financial crunch, some of the statutory dues were not paid in time, subsequently most of it has been paid and the balance due will also be cleared soon.

For and behalf of the Board of  
Directors,

**S.A. KABEER**

Chairman & Managing Director

Place : Bangalore  
Date : 1st Sept. 2009



## Housing Development Corporation Limited

### Management Discussion And Analysis Report

Housing Industry in the year 2008-09 has faced one of the worst situation due to global melt down, which had a severe impact on the Indian Economy in general and housing industry in particular. Subsequent to the stimulus steps taken by the Government of India, the economy has started showing positive turn and we expect the year 2009-10 to be much better than the year 2008-09.

Our manufacturing units also suffered in the year 08-09 due to economic slow down and we expect it to do much better in the year 2009-10.

Alpine Housing Development Corporation Limited has its presence in Bangalore, the IT capital of India. The Company caters to the housing needs of IT professionals besides other upper and middle to higher income group professionals/businessman.

Alpine has an on going housing project on an area of 8 Acres in north of Bangalore called as **Alpine Pyramid** with top class amenities and in this project we are developing 450 Apartments. The work is going on in this project and we expect to complete the first phase of the project by March 2010. Also Alpine is developing a project called **Alpine Viva** in White field area in about 6.5 Acres of Land consisting of 354 Apartments.

Besides these projects there are four more projects which are in different stages of clearances and the same will be launched depending on the market conditions.

#### Strength And Opportunities :

Alpine Housing Development Corporation Limited has been in the housing development market and caters particularly to the house seekers in the middle income group. With the economy reviving and with growing middle income population in the country the company is well placed to take the advantage.

As the company undertakes construction of its projects in house, there is substantial cost saving and that helps the company in putting itself in a very competitive position.

With the economy taking the road to recovery and particularly the IT industry started hiring people and not firing the existing staff, the confidence in the work force is coming up thereby the confidence in

the long term investment such as housing sector is coming back, which gives lot of opportunity to companies like ours who are in the housing sector.

#### Financial Performance.

Alpine Housing has made a turnover of Rs 321.51 million in the year 2008-09 and a net profit after tax of Rs 48.78 million. The Earning Per Share for the year 08-09 has been Rs 7.64.

The year 2008-09 has witnessed a much lower turnover and profits as compared to the previous year. The Company is expected to do much better in the coming year, keeping in view the improving market situation.

#### Constraints :

The main constraint for us has been the financial. The Sales/booking of apartments have been very slow and the financial institutions have been holding back advances to real estate sector, thereby the company is facing cash crunch. Though the company has huge assets, still the liquidity has become an issue to complete the projects. The company is working in different directions to raise funds to cope up with the existing liquidity issue.

#### Strategy :

The Company is focusing on sale of its existing units in the housing projects with innovative schemes.

The Company is also planning to launch projects in the affordable housing area, as it already has land bank to cater to the needs of affordable housing.

#### Internal Control System :

The company has adequate system of internal control and internal audit, which are monitoring the transactions of the company, be it purchase, billing, sales and stocks.

#### Human Resource :

The company focus has always been to recruit the right talent and particularly the talent which wants to be with the company on a long term basis and grow with it.

For and behalf of the Board of  
Directors,

**S.A. KABEER**  
Chairman & Managing Director

Place : Bangalore  
Date : 1st Sept. 2009