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ASHIANA HOUSING & FINANCE (INDIA) LTD



Board of Directors

Mr. Badri Prasad Gupta (Chairman Emeritus)
Mr. Om Prakash Gupta (Managing Director)
Mr. Raj Kumar Modi
Mr. Ashok Kr. Mattoo
Mr. Lalit Kr. Chhawchharia
Mr. Vishal Gupta (Whole-time Director)

Company Secretary

Mr. D.B.R. Srikanta

Registered Office

5 F, Everest, 46/C,
 Chowringhee Road
 Kolkata - 700 071

Head Office & Share Deptt.

E - 125, Greater Kailash - III
 Masjid Moth, New Delhi - 110 048

Auditors

M/s. B. Chhawchharia & Co.
 K3/27, DLF City, Phase - II, Gurgaon, Haryana-122002

Bankers

State Bank of India
 Bank of Baroda
 Punjab National Bank
 State Bank of Bikaner & Jaipur
 Oriental Bank of Commerce
 HDFC Bank Ltd.

Web Site :

www.ashianahousing.com

Depository Transfer Agent

M/s. Beetal Financial & Computer Services Pvt. Ltd.
 321-S, Chirag Delhi, New Delhi - 110 017

Stock Exchanges :-

The Calcutta Stock Exchanges Association Ltd.

7, Lyons Range
 Kolkata - 700 001

The Stock Exchanges, Mumbai

Phiroze Jeejeebhoy Towers
 Dalal Street
 Mumbai - 400 001

The Delhi Stock Exchanges Association Ltd.

DSE House
 3/1, Asaf Ali Road
 New Delhi - 110 002

Magadh Stock Exchanges Association

9th Floor, Ashiana Plaza
 Budh Marg
 Patna - 800 001



NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the members of M/s. ASHIANA HOUSING & FINANCE (INDIA) LIMITED will be held on Saturday, the 28th day of September, 2002 at Hotel Shalimar 3, S. N. Banerjee Road, Kolkata - 700 013 at 12.30 P.M. to consider and transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002, the Profit & loss Account for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Ashok Kumar Mattoo, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. APPOINTMENT OF MANAGING DIRECTOR

To consider and if think fit, to pass with or without modification(s), the following resolution as Special Resolution :

"RESOLVED THAT pursuant to Sections 198, 268, 269, 309 & 310 read with Schedule VII and other applicable provisions, if any, of the Companies Act, 1956 or, any amendment or, modifications thereof, consent of the Shareholders be and is hereby accorded to the appointment of Mr. Om Prakash Gupta as Managing Director of the Company for a period of Five years w.e.f. 1st April, 2002 to 31st March 2007 on the following terms and conditions :

BASIC SALARY : 40,000-5,000-50,000/- P. M.

HOUSING :

- a) The expenditure incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60 percent of the basic salary.
- b) Free furnished accommodation in case the accommodation is owned by the Company.
- c) In case no accommodation is provided by the Company, entitlement to house rent allowance subject to the ceiling laid down in (a) above.

The expenditure incurred by the Company on gas, electricity, Water & furnishings will be valued as per Income Tax Rules, 1962.

PROVIDENT FUND : Contribution to the Provident Fund as per rules of the Company, subject to a ceiling of 12% of Basic Salary.

SUPERANNUATION FUND : Contribution to superannuation fund as per rules of the Company subject to the condition that such contribution together with Provident Fund shall not exceed 25% of basic salary as laid down under the Income Tax Rules, 1962.

GRATUITY : Payable as per rules of the Company but not exceeding half month's salary for each completed year of service.

MEDICAL REIMBURSEMENT : Expenses actually incurred for self and family.

LEAVE TRAVEL CONCESSION : For self and family once in a year for any destination in India.

CLUB FEES : Fees of Club subject to a maximum of two clubs may be allowed. Admission and Life membership fees are not permissible.

PERSONAL ACCIDENT INSURANCE : Premium not to exceed Rs. 1,000/- per annum.

CAR : Facility of Car with driver.

TELEPHONE: Telephone at residence. (Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.)

LEAVE : One month leave for Eleven Months of service. Leave accumulated but not availed will be allowed to be encashed at the end of tenure.

TERMINATION OF CONTRACT : The Company and Mr. Om Prakash Gupta are entitled to terminate the contract by giving not less than 'Ninety days' notice to either party.

RESOLVED FURTHER THAT Mr. Om Prakash Gupta, shall not be entitled to any sitting fees for attending the meeting of Board of Directors and/ or committee of Directors.

RESOLVED FURTHER THAT the remuneration aforesaid, shall be paid as minimum remuneration in absence or inadequacy of profits for such year."

5 DELISTING OF SHARES

To consider and if think fit, to pass with or without modification(s), the following resolution as Special Resolution :

RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof for the time being in force and as may be enacted hereinafter), Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreements, SEBI Guidelines and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary, the Board of Directors of the company be and is hereby authorised to seek voluntary delisting of its equity shares listed at Delhi Stock Exchange Association Ltd. and Magadh Stock Exchange Association.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to apply to such Stock Exchanges/ SEBI and to comply with all the legal and procedural formalities laid down by the Stock Exchanges/ SEBI and further to authorise any of its committee or any of its Director or any of the officer of the company to do all such acts, deeds or things to give effect to the aforesaid resolution.

By order of the Board

Place : New Delhi
Date : 28th June, 2002

D.B.R.Srikanta
Company Secretary

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy form duly filled up and executed must be received at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
3. The Register of Members and Share Transfer Books shall remain closed from 24th September, 2002 to 28th September, 2002 (both days inclusive).
4. Members desiring any further information on the business to be transacted at the Meeting should write to the Company at least 15 days before the date of the meeting so as to enable the management to keep the information, as far as possible, ready at the meeting.
5. Members are requested to notify the Company their change of address, if any, to its Head Office at E-125, Greater Kailash, Part III, New Delhi- 110 048.
6. Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 with respect to business No. 4 to 5 are forming part of the Notice and annexed hereto.
7. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting.
8. All correspondence relating to shares may be addressed to the Head office of the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION
173 (2) OF THE COMPANIES ACT, 1956**

ITEM NO. 4

Mr. Om Prakash Gupta was appointed as a Managing Director initially for a period of five years by the Shareholders and with the approval of the Central Government w.e.f. 01.06.1992. Afterwards he was re-appointed as Managing Director of the Company by the shareholders till 31.03.2002 as per resolution approved by the them. Mr. Om Prakash Gupta is a dynamic executive having over 20 years of rich and varied experience in the field of Real Estate development, construction of residential/ commercial complex and general management and administration. He is an Engineer (B. E. Civil-BITS Pilani & M. S. Civil - Louisiana State University, USA) and he has been instrumental in conceiving housing at affordable prices for middle income group people.

Keeping in view his contribution in the growth of company, his expertise and experience, the Board of Directors recommend for your approval, the appointment of Mr. Om Prakash Gupta as Managing Director and payment of remuneration and other benefits to him as stated in the resolution for a period of five years w.e.f. 1st April, 2002.

The notice together with the explanatory statement may be taken as the abstract of the terms of contract with the Managing Director together with the Memorandum of concern or, interest of the Director under Section 302 of the Companies Act, 1956.

The resolutions at Business No. 4 is therefore recommended for approval of the members by means of Special Resolution as required under Companies Act, 1956.

Except Mr. Om Prakash Gupta himself and Mr. Vishal Gupta, no other Directors of the Company are concerned or interested in the said resolution.

ITEM NO. 5

Presently the company's securities are listed on the following four stock exchanges in India, namely : (1) The Calcutta Stock Exchange Association Ltd. - CSE (Regional), (2) The Stock Exchange, Mumbai-BSE, (3) Delhi Stock Exchange Association Ltd.- DSE and Magadh Stock Exchange Association- MSE.

The trading in the Company's equity shares some times takes place on the CSE and BSE, and the depth and liquidity of trading in the company's securities on the DSE and MSE is lower. It is also observed that the listing fee paid to the DSE and MSE is disproportionately higher, and as stated herein, the trading volume and liquidity are substantially low compared to the CSE and BSE. As a part of cost reduction measures, the Company has proposed this resolution, which will enable it to delist all its securities from the DSE and MSE at an appropriate time in the future. The actual timing of such a move will depend upon further developments regarding integration of stock exchanges, the growth in volume of trading on different exchanges, etc. In line with the SEBI regulations, Members' approval is being sought by a Special Resolution for enabling voluntary delisting of its Securities from the said Stock Exchanges.

The proposed delisting of the Company's securities from DSE and MSE, as and when the same takes place, will not adversely affect the investors. The company's securities will continue to be listed on The Calcutta Stock Exchange Association Ltd. which is the regional stock exchange, and The Stock Exchange, Mumbai. The delisting will take effect after all approvals, permissions and sanctions are received. The exact date on which delisting will take effect will be suitably notified at that time.

Your directors recommend the Special Resolution for approval of the members.

None of the Directors except to the extent to their shareholdings may be treated as concerned and interested in the proposed resolution.

By order of the Board

Place : New Delhi
Date : 28th June, 2002

D.B.R.Srikanta
Company Secretary



16TH ANNUAL REPORT 2001 - 2002

DIRECTORS' REPORT

To the Member(s),

Your Directors have pleasure in presenting the 16th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March, 2002 are as follows:-

(Rs. in Lacs)

Sl. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
01.	Sales and other Income	1136.46	1104.36
02.	Profit before Depreciation	102.43	89.10
03.	Depreciation	13.99	13.71
04.	Profit after Depreciation but before Taxation	88.44	75.39
05.	Provision for Taxation - Current	6.00	22.00
	- Deferred	3.05	-
06.	Profit after Depreciation and Taxation	79.39	53.39
07.	Surplus brought forward from previous year	5.67	2.85
08.	Income Tax adjustment	(0.07)	(0.57)
09.	Profit available for Appropriation	84.99	55.67
10.	Transfer to General Reserve	80.00	50.00
11.	Balance Surplus carried to Balance Sheet	4.99	5.67

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Developments.

The Real Estate Industry which is shared both by Public and Private Sector in India has shown considerable growth in recent past. This is because of the renewed confidence of consumers in the real estate industry, which is expected to be sustained through the coming years too. The measures like credit guarantee scheme for housing loans, fresh provisions against non-performing assets and addition of foreclosure laws have further paved way to reduce lending tariff and provided choices for best loan options respectively to the customers, which ultimately raise the growth percentage of the housing sector.

The increase in spending on the construction sector have helped in raising the growth rate of the country's GDP benefiting the people and the business equally. However the investment of Government as well as Semi-Government organisations in the housing sector beside the Public and Private sectors must increase for the overall socio - economic development of the country.

B. Opportunities and threats.

In spite of the bygone recessionary economy, the real estate industry got the lion's share from the last union budget. Overall investments in various sectors of the real estate industry will definitely go a long way during the forthcoming financial years, leading to excellent conditions and boom time for the housing sector.

The Budget having several sops as well as provisions giving better deals in terms of easy availability of money, easier loan options etc. for the prospective customers reflects that during the coming years housing finance

scheme would become very competitive which is a positive sign for the growth of real estate industry.

Increase in the number of builders/middleman who do not adhere to the quality, time and cost dismantles the investor's confidence which is a biggest threat to the industry. The Government should take the following steps effectively to stabilize the overall market conditions of Real Estate Industry :

1. Rationalisation of Rent Control Act;
2. Rationalisation of Stamp Duty payable for transfer of property and putting them to a level where it is an incentive for the buyer of the property;
3. Development of secondary market in housing mortgage and to make the procedure of sale and purchase of housing property as simple as possible.
4. Creation of awareness and make suitable laws for the management and maintenance of built-up spaces and environment;
5. Development of urban infrastructure and rationalisation of Municipal Laws and House Tax Rules.

C. Segment wise performance

Your Company has focused on its motto to cater the housing need of Middle Income Group people. The Company's strong commitment to provide quality housing at an affordable cost to the middle income group people has made its growth very certain. The performance of the Company is satisfactory and it stands committed to its philosophy.

D. Out look

The Company is looking for various opportunities in consonance with Government effort to provide housing in various cities of Rajasthan & Jharkhand. Since the Company has the necessary infrastructure and experience to handle residential, commercial and industrial projects it is looking forward for a better tomorrow.

E. Risk & Concern

The stable position that your company occupies enables it to cater to the need of housing accommodation of its consumers comfortably despite of the fact that the downturn in the market has effected all Companies.

F. Internal Control System

The System of Internal control of the Company is adequate keeping in view the size and complexity of the Company's business. Systems are regularly reviewed to ensure effectiveness.

G. Performance of the Company

Financial :

The performance of the Company is satisfactory during the financial year 2001-2002 despite of sluggish market conditions of Real Estate business. The Sales & Other Incomes of the Company for the Financial year 2001-2002 was recorded at Rs. 1136.46 Lacs as compared to Rs. 1104.36 Lacs in the previous year. The Company's profit after depreciation & taxation during the Financial year 2001-2002 was Rs. 79.39 Lacs as against Rs. 53.39 Lacs in the previous financial year. Your Directors expect better results in the coming years keeping in view the upcoming projects of the Company.

ASHIANA HOUSING & FINANCE (INDIA) LTD.

**Operational (Project Expansion) :****Bhiwadi (Rajasthan)**

The construction of the third phase of residential complex "Ashiana Gulmohar Park" at Vasundhara Colony, Bhiwadi has been completed and handed over to the buyers of the flats. The construction of first phase of residential complex "Ashiana Gardens" at village Khanpur, Tehsil Tijara, Dist. Alwar is at advance stage of completion and the progressive handing over of the flats would be started very shortly. The construction of second phase of the aforesaid complex has been commenced.

Nimrana

The Construction work of the residential complex "Ashiana Green Hill" on 10 acres plot at Nimrana Industrial Area, Delhi-Jaipur Highway is very slow due to insufficient demand at present in the industrial area.

Jamshedpur (Jharkhand)

The third phase of residential complex "Ashiana Enclave" is completed and handed over to the buyers of the flat. The construction work of first phase of the residential complex "Ashiana Suncity" is at an advance stage. The construction of second phase of residential units has commenced.

Section 80(IB) Projects

Your Directors have pleasure in reporting that following projects are eligible projects for claiming deduction under Section 80 (IB) of the Income Tax Act, 1961 :

Sl.	Project Name	Phase No.
1	Ashiana Gulmohar Park, Bhiwadi, Dist.-Alwar (Raj.)	2nd & 3rd
2	Ashiana Gardens, Tehsil Tijara, Dist.-Alwar (Raj.)	1st & 2nd
3	Ashiana Enclave, Jamshedpur, Jharkhand	3rd
4	Ashiana Suncity, Jamshedpur, Jharkhand	1st

H. Material Development in Human Resources/ Industrial Relation

Being a Real Estate Company, Human Resources Development is a prime area of focus for your Company. The Company organises training programs for its employees from time to time in order to increase their overall efficiency and productivity. Your Company's industrial relations continued to be excellent. The number of persons employed permanently in the Company as on 31st March, 2002 were 98.

DIVIDEND

The Directors do not recommend any dividend for the year under review with a view to retain the earnings for further investment in new projects.

DIRECTOR

Shri Ashok Kumar Mattoo, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment.

AUDITORS

M/s. B. Chhawchharia & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a Certificate to the effect that their re-appointment if made, will be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956.

FIXED DEPOSITS

The Company had neither invited nor accepted any deposits from the public within the meaning of the Companies (Acceptance of Deposits) Rules 1975.

SUBSIDIARY COMPANY

The Audited statement of Accounts alongwith Directors' Report & Auditors' Report for the year ended 31st March, 2002 of M/s. Ashiana Apartments Ltd. and M/s. Vatika Marketing Ltd. are annexed to this Account pursuant to Section 212 of the Companies Act, 1956. Your Company has acquired 99.92 % of total share holdings of M/s. Ashiana Retirement Villages Ltd. which was incorporated on 28th April, 2002. Consequent to the above, M/s. Ashiana Retirement Villages Ltd. has become the Subsidiary Company of your Company.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Directors are of the opinion that particulars with respect to Conservation of Energy and Technology Absorption as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not relevant in view of the nature of business activities of the company and hence, are not required to be given. There has been no foreign exchange earnings whereas expenditure of Rs. 2,96,395/- has been incurred in foreign currency during the year under review.

PARTICULARS OF EMPLOYEES

There is no employee in respect of whom particulars pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) (Amendments) Rules, 1999 are required to be given.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company;
- (ii) such accounting policies have been selected and consistently applied and judgements & estimates made that 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, 2002 and of the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) annual accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance as follows :

1. Company's Philosophy on Code of Governance

The Company firmly believes in good Corporate Governance and has made Corporate Governance a practice and continuous process of development right across the company. The Company's Philosophy on corporate governance envisages the attainment of the highest levels of transparency and accountability in the functioning of the company and conduct of business.

The Company's corporate philosophy is focused on its people who are the most important assets. The company value its employees integrity, creativity and ability who in turn demonstrate the highest ethical standard and responsibility towards the shareholders. The Company believes that over a period of time all its operations and actions must serve the underlying goal of enhancing overall shareholder value.

2. Board of Directors

(a) The present composition of the Board of Directors is as below:-

Sr. No.	Name of Director	Executive / Non-executive	No. of other	
			Director-ships	Committee Membership*
1.	Om Prakash Gupta	Executive	4	2
2.	Ashok Kumar Mattoo	Non-Executive & Independent	5	2
3.	Raj Kumar Modi	Non-Executive & Independent	6	3
4.	Lalit Kumar Chhawchharia	Non-Executive & Independent	5	1
5.	Vishal Gupta	Executive	2	-

(* including membership of concerned Company)

The Board consists of five Directors of whom two are Executive Directors and three are Non-Executive Directors. Mr. Vishal Gupta was appointed as Whole-time Director of the Company by the Shareholders and with the approval of Central Government for a period of five years w.e.f. 1st September, 1996 till 31st August, 2001. Again he was reappointed as Whole-time Director of the Company by the shareholders till 31st August, 2006 as per resolution approved by them. All directors are professionally qualified and have a proven track record in their respective field and business matters.

Appointment of Managing Director :

Mr. Om Prakash Gupta was appointed as a Managing Director initially for a period of five years by the Shareholders and with the approval of the Central Government w.e.f. 01.06.1992. Afterwards he was re-appointed as Managing Director of the Company by the shareholders till 31.03.2002 as per resolution approved by them. Mr. Om Prakash Gupta is a dynamic executive having over 20 years of rich and varied experience in the field of Real Estate development, construction of residential/ commercial complex and general management and administration. He is an Engineer (B. E. Civil- BITS Pilani & M. S. Civil - Louisiana State University, USA) and he has been instrumental in

conceiving housing at affordable prices for middle income group people.

The Board of Directors recommend his appointment for a further period of another five years w.e.f. 1st April, 2002 to 31st March, 2007 to the shareholders for their approval in the ensuing general meeting of the Company as per following terms and conditions :

Basic Salary: 40,000-5,000-60,000/- P. M.

Housing :

- The expenditure incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60 percent of the basic salary.
- Free furnished accommodation in case the accommodation is owned by the Company.
- In case no accommodation is provided by the Company, entitlement to house rent allowance subject to the ceiling laid down in (a) above.

The expenditure incurred by the Company on gas, electricity, Water & furnishings will be valued as per Income Tax Rules, 1962.

Provident Fund : Contribution to the Provident Fund as per rules of the Company, subject to a ceiling of 12% of Basic Salary.

Superannuation Fund : Contribution to superannuation fund as per rules of the Company subject to the condition that such contribution together with Provident Fund shall not exceed 25% of basic salary as laid down under the Income Tax Rules, 1962.

Gratuity: Payable as per rules of the Company but not exceeding half month's salary for each completed year of service.

Medical Reimbursement : Expenses actually incurred for self and family.

Leave Travel Concession : For self and family once in a year for any destination in India.

Club Fees : Fees of Club subject to a maximum of two clubs may be allowed. Admission and Life membership fees are not permissible.

Personal Accident Insurance : Premium not to exceed Rs. 1,000/- per annum.

Car : Facility of Car with driver.

Telephone : Telephone at residence. (Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.)

Leave : One month leave for Eleven Months of service. Leave accumulated but not availed will be allowed to be encashed at the end of tenure.

Termination of Contract : The Company and Mr. Om Prakash Gupta are entitled to terminate the contract by giving not less than Ninety days' notice to either party.

Apart from Ashiana Housing & finance (India) Ltd. His other directorships are :

- Saaket Estates Ltd.
- Ashiana Apartments Ltd.
- Ashiana Retirement Villages Ltd.
- Ashiana Homes Pvt. Ltd.

**Appointment of Director retiring by rotation :**

Shri Ashok Kumar Mattoo, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment.

Mr. Ashok Kumar Mattoo, a non-executive Director is a consultant in the field of Municipal Services and Administration. He is a Mechanical Engineer and a fellow of the Institution of Engineers (India) and has 30 years of varied experience in many major organisation. Keeping in view of his expertise and experience, your directors recommend his appointment as Director of the Company.

Apart from Ashiana Housing & Finance (India) Ltd. his other directorships are :

1. Asian Gateway Ltd.
2. Security & Intelligence Services (I) Ltd.
3. Ashiana Retirement Villages Ltd.
4. Vatika Marketing Ltd.
5. Lakeland Villages (P) Ltd.

(b) Board Meeting held during financial year 2001 - 2002 and attendance of Directors.

The meeting of Board and its Committee/s are generally held in New Delhi and scheduled well in advance. The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and financial results. Detailed agenda notes with MIS reports, charts etc. are circulated well in advance. The Directors actively participate in the deliberation at these meetings.

The Board meetings held fifteen times during the financial year 2001-2002, the date of which are as follows :

1. Apr. 18, 2001	9. Nov. 09, 2001
2. Jun. 30, 2001	10. Dec. 08, 2001
3. Jul. 31, 2001	11. Dec. 09, 2001
4. Aug. 18, 2001	12. Dec. 24, 2001
5. Sep. 09, 2001	13. Jan. 29, 2002
6. Sep. 24, 2001	14. Mar. 11, 2002
7. Sep. 28, 2001	15. Mar. 27, 2002
8. Oct. 20, 2001	

The attendance of each Director at these meeting was as follows :

Sr. No.	Name of Director	No. of Board Meeting attended	Attendance at last AGM
1.	Om Prakash Gupta	15	Present
2.	Ashok Kumar Mattoo	6	Not Present
3.	Raj Kumar Modi	6	Not Present
4.	Lalit Kumar Chhawchharia	6	Present
5.	Vishal Gupta	15	Not Present

Audit Committee

The Company has an Audit Committee of Board since January 03, 2001 which comprises of three Non-Executive Directors. Consequent to introduction of Corporate Governance through changes in the listing agreement with the stock exchanges, the Audit Committee meeting was held on four times during financial year 2001-2002, the date of which are as follows :

1. Jun. 30, 2001
2. Jul. 31, 2001
3. Oct. 20, 2001
4. Jan. 29, 2002

The composition of the Audit Committee is as follows:

Sr. No.	Members	No. of Meetings Attended
1.	Mr. Ashok Kumar Mattoo (Chairman)	4
2.	Mr. Om Prakash Gupta	4
3.	Mr. Raj Kumar Modi	4

The committee acts as a link between the Management, External and Internal Auditors and the Board of Director of the Company. The Committee has full access to financial data. The Committee is responsible for an overview of the financial reporting process, review of internal audit work, periodic interaction with external auditors and review of quarterly/half yearly and annual financial results prior to approval by the Board.

The Committee discussed with the external auditors about their audit methodology, audit planning for the year and also ascertained the quality and accuracy of the Company's financial processes and the areas of concern. The Audit Committee also discussed major issues related to internal control, risk management, compliance and financial reporting. The Committee also reviewed the financial statements before they were submitted to the Board.

4. Remuneration Committee

The Remuneration Committee of the Board was constituted to recommend to the Board the remuneration package of Executive Directors. During the financial year ended 31st March, 2002, the meeting of the Remuneration Committee was held on 30/06/2001. The Composition of Remuneration Committee is as follows:

Sr. No.	Members	No. of Meetings Attended
1.	Mr. Ashok Kumar Mattoo (Chairman)	1
2.	Mr. Om Prakash Gupta	1
3.	Mr. Raj Kumar Modi	1

5. Transfer and Shareholders' / Investors' Grievance Committee

The members of the "Transfer and Shareholders'/ Investors' Grievance Committee" are Shri Om Prakash Gupta, Managing Director, Mr. Raj Kumar Modi, Director and Shri D. B. R. Srikanta, Secretary of the Company. Shri D. B. R. Srikanta has been delegated to head the Committee. The scope of the "Transfer and Shareholders'/ Investors' Grievance Committee" was enlarged to monitor investors' grievances/complaints along with the share transfer through Physical and Electronic mode. The Committee approved the share transfer at its meeting which were held once or twice in a month. The Transfer and Shareholder/Investor Grievance Committee also took note of the findings of audit carried out by practising Company Secretary and implemented the suggestions.

As required by the listing agreement executed with Stock Exchanges, Mr. D.B.R. Srikanta, Company Secretary, was appointed as a 'Compliance Officer' and entrusted to monitor the share transfer process and liaise with the regulatory authorities.

No. of Transfer Committee Meetings held	No. of pending share transfers	No. of investor complaints received In 2001 - 2002	Complaints Pending at the end of the year
20	Nil	41	Nil



6. General Body Meetings

The Annual General Meetings of the Company (AGMs) have been held at the following places in last three years.

For the year	Venue	Day and Date	Time	Whether Special resolution
1998-1999	Hotel Shalimar, 3, S. N. Banerjee Road, Kolkata-13	Saturday, Sep. 25, 1999	11.30 A.M.	Yes
1999-2000	Hotel Shalimar, 3, S. N. Banerjee Road, Kolkata-13	Thursday, Nov. 23, 2000	03.00 P.M.	No
2000-2001	Hotel Shalimar, 3, S. N. Banerjee Road, Kolkata-13	Saturday, Sep. 22, 2001	12.30 P.M.	Yes

No resolutions requiring postal ballot as recommended under Companies (Passing of Resolution by Postal Ballot) Rules, 2001 have been placed for shareholders' approval at the last Annual General Meeting.

7. Disclosures

No transactions of the Company of material nature with directors were in potential conflict with interest of the Company at large. The Company has complied with all the requirements of the Listing Agreement with the Stock Exchange(s) as well as regulations and guidelines of SEBI. No penalties have been passed on the Company by SEBI, Stock Exchange(s) or any statutory authorities.

8. Means of Communication

The quarterly Unaudited Financial Results and Annual Financial Results are published in leading national newspapers, i.e., Financial Express/ Business Standard (English) and Kalantar/ Khabar Kagaj (Bengali). The Company has also displayed the same on its web site www.ashianahousing.com. However half-yearly reports were not sent to shareholders individually. The Company had no material press release during the financial year to display in the said web site. No representation had been made to any institutional investor or to any analyst. The Management's Discussion and Analysis report prepared by the Management forms part of the Annual Report.

9. General Shareholder's Information

(a) Annual General Meeting

Day, Date and Time	Saturday, 28th September, 2002 at 12.30 P.M.
Venue	Hotel Shalimar, 3, S.N. Banerjee Road, Kolkata-13
Agenda (Ordinary Business)	1. Adoption of Annual Accounts 2. Re-appointment of Director 3. Re-appointment of Auditors
(Special Business)	1. Appointment of Mr. Om Prakash Gupta as Managing Director of the Company 2. Delisting of Shares from Delhi & Magadh Stock Exchanges.

(b) Financial Calendar

Year	1st April to 31st March
First Quarter results	3rd or 4th week of July
Second Quarter results	3rd or 4th week of October
Third Quarter results	3rd or 4th week of January
Fourth Quarter/ Audited Financial Results	3rd or 4th week of May / June

(c) Book Closure

The Company's Register of Members and Share Transfer books will remain closed from September 24, 2002 to September 28, 2002 (both days inclusive) for the purpose of Annual General Meeting of the Company.

(d) Stock Exchanges

The Company's equity shares are listed on the following Stock Exchanges:

Sr. No.	Name and address of the Stock Exchanges	Security Code No.
1.	The Calcutta Stock Exchange Association Ltd. (Regional) 7, Lyons Range, Kolkata 700 001	11109
2.	The Stock Exchange, Mumbai P.J. Towers, Dalal Street, Mumbai - 400 001	23716
3.	Delhi Stock Exchange Association Ltd. DSE House, 3/1, Asaf Ali Road, New Delhi- 110002	1158
4.	Magadh Stock Exchange Association 9th Floor, Ashiana Plaza, Budh Marg, Patna - 800 001	A-93

As per details available, the Company's shares are not regularly traded during the last financial year, hence the price data along with performance in comparison to the board based indices is not provided. The Depth and liquidity of trading in the company's securities in the Delhi & Magadh Stock Exchange is very low. Since the Listing expenses do not commensurate with the trading activity, the Board of Directors of the company proposes to delist the shares from the Delhi Stock Exchange Association Ltd. and Magadh Stock Exchange Association and recommends to the shareholders for their approval in the ensuing general meeting of the Company by means of a Special resolution. The Listing Fee for the Financial Year 2002-2003 has been paid to all the above Stock Exchanges. The Company has its ISIN No. INE 365D 01013 for dematerialisation of equity shares.

(e) Electronic Registrar :

The Electronic Registrar for Dematerialisation of Equity Shares of the Company is M/s. Beetal Financial & Computer services Pvt. Ltd., 321-S, Chirag Delhi, New Delhi 110 017. The Company has its inhouse Share Department at E-125, Masjid Moth, Greater Kailash-III, New Delhi- 110 048.

(f) (i) Shareholding Pattern (As on 28/06/2002)

Sr. No.	Shareholders	No. of shares	%
1.	Directors and their relatives	3305820	61.755
2.	Financial Institutions	200	0.004
3.	Non-Resident Individuals / OCBs	21350	0.399
4.	Private Corporate Bodies	13200	0.246
5.	General Public	2012530	37.596
	Total	6353100	100.000

ASHIANA HOUSING & FINANCE (INDIA) LTD.



(ii) Distribution of Shareholding (As on 28/06/2002)

No. of equity shares (Range)	No. of share holders		No. of shares		% of share capital	
	Physical Form	Demat Form	Physical Form	Demat Form	Physical Form	Demat Form
0-250	15419	451	1727452	50488	32.271	0.943
251-500	299	25	120250	9600	2.247	0.179
501-1000	62	15	50850	13100	0.950	0.245
1001-2000	18	7	29300	10100	0.547	0.189
2001-5000	7	0	17250	0	0.323	0
5001-10000	5	1	34875	7000	0.648	0.131
Above 10000	16	1	3272735	10100	61.138	0.189
Total	15826	500	5252712	100388	58.124	1.876
Net Total	16326		5353100		100.00	

(g) Share Transfer Process

The Company's shares being in compulsory demat list are transferable through the depository system. Shares in Demat Form are processed by the Electronic Registrar M/s. Beetal Financial & Computer Service Pvt. Ltd.. Transfer of shares both by Demat and Physical mode are approved by the 'Transfer and Shareholders/Investors Grievance Committee'.

(h) Dematerialisation of Shares and Liquidity

The Shares of the company are compulsorily traded in dematerialised form and are available for trading under both depository system in India, i.e., National Securities Depository Limited. (NSDL) and Central Depository Services Ltd. (CDSL). Out of 5353100 Equity Shares of the company 100388 Equity shares have been dematerialised as on 28th June, 2002.

(i) Compliance with Non Mandatory Requirements

The Board has already formed a Remuneration Committee. Other non-mandatory requirements are yet to be adopted.

(j) Offices Locations

Registered Office : 5F, Everest
46/C, Chowringhee Road
Kolkata-700 071

Head Office & Share Dept. : E-125, Masjid Moth
Greater Kailash-III
New Delhi - 110 048

Branch Offices :

a. Ashiana Trade Centre
Aditya Pur
Jamshedpur - 831 013

b. 413, Ashiana Tower
Exhibition Road
Patna- 800 001

c. Ashiana Bageecha
Bhagat Singh Colony
Bhiwadi (Rajasthan)

4 Address for correspondence

Shareholders are advised to correspond the Head Office & Share Department for any query regarding Share Transfer / Transmission etc. and other related matter or may contact Shri D.B.R. Srikanta, Company Secretary & Compliance Officer on Phone No. : 011-6237292 / 6237293, Fax-6489833 and Email : dbrsrikant@yahoo.com.

ACKNOWLEDGEMENT

Your directors take this opportunity to express grateful thanks to the Central and State Governments and Company's bankers for their support and guidance to the Company from time to time. The Directors wish to place on record their appreciation of the efficient and loyal services rendered by the officers & staff members of the Company. Your Company's industrial relations continued to be excellent.

For and on behalf of Board

Place : New Delhi
Date : 28th June, 2002

Om Prakash Gupta
Managing Director

AUDITORS' CERTIFICATE

To the Members of
Ashiana Housing & Finance (India) Limited

We have examined the compliance of conditions of corporate governance by Ashiana Housing & Finance (India) Limited for the year ended 31st March, 2002 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For B. Chhawchharia & Co.
Chartered Accountants

Place : Gurgaon
Date : 28th June, 2002

Atul Banshal
Partner