

17TH ANNUAL REPORT

2002 - 2003



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ASHIANA HOUSING & FINANCE (I) LTD.


ASHIANA HOUSING & FINANCE (INDIA) LTD
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**Kind Attn. Shareholders
of the Company**

The Company has appointed the Registrar & Transfer Agent - M/s. Beetal Financial & Computer Services Pvt. Ltd. to perform all the work relating to share registration in both physical and electronic mode. The Shareholders of the Company are therefore requested to send their request for share registration in physical as well as electronic form, change of address, change of mandate etc., or for their queries relating to transfer, transmission etc. directly to **M/s. Beetal Financial & Computer Services Pvt. Ltd., 321-S, Chirag Delhi, New Delhi - 110 017.**

**Kind Attn. Shareholders
of Erstwhile
Ashiana Proteins Ltd.**

Shareholders are requested to send their Share certificate(s) of the Erstwhile Ashiana Proteins Ltd. to the Head Office of the Company at E-125, Masjid Moth, Greater Kailash-III, New Delhi- 110 048 for exchange thereof with the share certificate(s) of the Company by virtue of amalgamation of erstwhile Ashiana Proteins Ltd. With M/s. Ashiana Housing & Finance (India) Ltd. pursuant to the Order of Hon'ble High Courts at West Bengal & Rajasthan.



ASHIANA HOUSING & FINANCE (INDIA) LTD

Board of Directors

Mr. Badri Prasad Gupta (Chairman Emeritus)
Mr. Om Prakash Gupta (Managing Director)
Mr. Vishal Gupta (Whole-time Director)
Mr. Ashok Kr. Mattoo
Mr. Lalit Kr. Chhawchharia
Mr. Ankur Gupta
Mrs. Sonal Marwah

Company Secretary

Mr. D.B.R. Srikanta

Registered Office

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

Head Office

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

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

Web Site :

www.ashianahousing.com

Registrar & 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

39th Floor, Ashiana Plaza
 Budh Marg
 Patna - 800 001



NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of **M/s. ASHIANA HOUSING & FINANCE (INDIA) LIMITED** will be held Tuesday, the 29th day of July, 2003 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, 2003, 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 Shri Lalit Kumar Chhawchharia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. VARIATION OF TERMS AND CONDITIONS OF 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 in partial modification of the earlier resolution passed in the 16th Annual General Meeting held on 28th September, 2002 and pursuant to Section 198, 268, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modifications thereof, consent of the Members be and is hereby accorded to the variation in the terms of appointment of Mr. Om Prakash Gupta, Managing Director of the Company in respect of his remuneration with effect from 1st April, 2003 for the remaining period of his tenure, i.e. upto 31st March, 2007 on the following terms and conditions.

BASIC SALARY : Rs. 75,000/- Per Month

HOUSING :

- a) The expenditure 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 : On full pay & allowances, as per rule of the Company but not exceeding One month leave for eleven months of service and that leave accumulated but not availed will be allowed to be encashed.

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

5. VARIATION OF TERMS AND CONDITIONS OF APPOINTMENT OF WHOLE-TIME DIRECTOR :

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

"RESOLVED THAT in partial modification of the earlier resolution passed in the 15th Annual General Meeting held on 22nd September, 2001 and pursuant to Section 198, 268, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modifications thereof consent of the Members be and is hereby accorded to the variation in the terms of appointment of Mr. Vishal Gupta, Whole-time Director of the Company in respect of his remuneration with effect from 1st April, 2003 for the remaining period of his tenure i.e. upto 31st August, 2006 on the following terms and conditions.

BASIC SALARY : Rs. 50,000/- Per Month

HOUSING :

- a) The expenditure 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.



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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 whole-time Director.)

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

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

6. APPOINTMENT OF DIRECTOR

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

"RESOLVED THAT pursuant to Section 257 of the Companies Act, 1956, Mr. Ankur Gupta be and is hereby appointed as a Director of the Company, liable to retire by rotation"

7. APPOINTMENT OF DIRECTOR

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

"RESOLVED THAT pursuant to Section 257 of the Companies Act, 1956, Mrs. Sonal Marwah be and is hereby appointed as a Director of the Company, liable to retire by rotation"

8. PAYMENT OF REMUNERATION TO DIRECTORS BY WAY OF COMMISSION

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

" RESOLVED THAT pursuant to the provisions of Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956, a sum not exceeding one percent of the annual net profit of the Company computed in accordance with the provisions of section 198, 349 and 350 of said Act be paid as remuneration by way of commission to and distributed amongst the ordinary directors of the Company (other than the Managing Director and Whole-time Directors) in such amounts or such proportions and in such manner as may be decided by the Board of Directors and such payment shall be made in respect of profit of the company for each year for a period of five financial years commencing from 1st April, 2003."

By order of the Board

Place : New Delhi

Date : 28th June, 2003

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 25th July, 2003 to 29th July, 2003 (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 8 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 Managing Director of the company with effect from 01/04/2002 for a period of five years i.e, upto 31/03/2007 with the approval of the shareholders at 16th Annual General Meeting dated 28th September, 2002. Keeping in view of the current situation in the industry and to make it consistent with the increased job responsibilities due to considerable growth in the operations of the Company, the Board recommends that the remuneration and other terms and conditions of appointment of the Managing Director be revised with effect from 1st April, 2003 for the remaining period of his tenure i.e, upto 31/03/2007 as stated in the Resolution.

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, Mr. Vishal Gupta and Mr. Ankur Gupta, no other Directors of the Company are concerned or interested in the said resolution.

ITEM NO. 5

Mr. Vishal Gupta was appointed as Whole-time Director of the company with effect from 01/09/2001 for a period of five years i.e, upto 31/08/2006 with the approval of the shareholders at 15th Annual General meeting dated 22nd September, 2001. Keeping in view of the current situation in the industry and to make it consistent with the increased job responsibilities due to considerable growth in the operations of the Company, The Board recommends that the remuneration and other terms and conditions of appointment of the Whole-time Director be revised with effect from 1st April, 2003 for the remaining period of his tenure i.e, upto 31/08/2006.

The notice together with the explanatory statement may be taken as the abstract of the terms of contract with the Whole-time 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. 5 is therefore recommended for approval of the members by means of SPECIAL RESOLUTION as required under Companies Act, 1956.

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

ITEM NO. 6

The Company has received a notice under Section 257 of the Companies Act, 1956 from a Member signifying his intention to propose the candidature of Mr. Ankur Gupta as a Director of the Company. Mr. Ankur Gupta has done his Master of Science in Real Estate from New York University, USA. The Directors feel that the Company will be benefited from the education and experience of Mr. Ankur Gupta. The resolutions at Business No. 6 is therefore recommended for approval of the members by means of ORDINARY RESOLUTION as required under Companies Act, 1956.

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

ITEM NO. 7

The Company has received a notice under Section 257 of the Companies Act, 1956 from a Member signifying his intention to propose the candidature of Ms. Sonal Marwah as a Director of the Company. Ms. Sonal Marwah is a Law Graduate from National Law School of India University, Bangalore and practicing as an Advocate in and around Delhi. The Board is in opinion that the Company will be benefited from the education and experience of Ms. Sonal Marwah. The resolutions at Business No. 7 is therefore recommended for approval of the members by means of ORDINARY RESOLUTION as required under Companies Act, 1956.

Except Ms. Sonal Marwah herself, and Mr. Ashok Mattoo, no other Directors of the Company are concerned or interested in the said resolution.

ITEM NO. 8

The Non-whole-time Directors of the company devote considerable time for the business of company and the company is substantially benefited by their expertise and mature advice. Therefore they should be paid suitable remuneration by way of commission not exceeding one percent of the net profit of the company per annum computed in accordance with the provisions of the Act. This remuneration will be distributed amongst the directors in accordance with the directions given by the Board. The resolutions at Business No. 8 is therefore recommended for approval of the members by means of SPECIAL RESOLUTION as required under Companies Act, 1956.

All the directors of the company, except the Managing Director and Whole-time Director, may be deemed to be concerned or interested in the aforesaid resolution to the extent of the remuneration by way of commission that may be received by them.

By order of the Board

Place : New Delhi
Date : 28th June, 2003

D.B.R.Srikanta
Company Secretary



DIRECTORS' REPORT

To the Member(s),

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March, 2003 are as follows:-

(Rs. in Lacs)

Sl. NO.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
01.	Sales and other Income	1978.10	1136.46
02.	Profit before Depreciation	382.10	102.43
03.	Depreciation	14.38	13.99
04.	Profit after Depreciation but before Taxation	367.72	88.44
05.	Provision for Taxation		
	- Current	30.00	6.00
	- Deferred	(6.15)	3.05
06.	Profit after Depreciation and Taxation	343.87	79.39
07.	Surplus brought forward from previous year	4.99	5.67
08.	Income Tax adjustment	2.49	(0.07)
09.	Profit available for Appropriation	331.35	84.99
10.	Transfer to General Reserve	340.00	80.00
11.	Balance Surplus carried to Balance Sheet	11.35	4.99

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Developments.

The recognition of Real Estate Sector as infrastructure industry is imperative to give boost to overall growth of related industries. Additionally inclusion of social infrastructure in the definition of infrastructure, i.e., medical, educational and community facilities in order to improve the living standard of present and character building of future generation is imperative. The real estate industry is the largest employment generator. Statistics reveals that construction of every one million housing units per year would lead to the creation of additional 5 million man-years of direct employment and 7.5 million man-years of indirect employment.

The need of the hour is to ensure integrated real estate development which includes commercial, corporate, medical, educational, recreational and institutional complexes for fully developed cities.

B. Opportunities and threats.

Easy availability of loans, reduced interest rates, flexible payment period etc. for the prospective customers reflects that during the coming years housing finance would become further competitive which is a positive sign for the growth of real estate industry. The provision of tax rebate on housing loan in the Union Budget also indicates the Government's intention to boost the 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 the biggest threat to the industry. Your Company closely adheres to the quality, time and cost factors do not foresee any threat to the company.

C. Segment wise performance

The main focus of the Company is to cater the housing need of Middle Income Group people. The performance of the Company is satisfactory and it stands committed to its philosophy of quality housing at reasonable price for the urban middle class.

D. Out look

Your Company has necessary infrastructure and experience to develop residential, commercial and industrial project and is looking for various opportunities in consonance with Government effort to provide housing in various cities of Rajasthan & NCR region.

E. Risk & Concern

The major risk to the real estate industry is the subdued demand of housing due to general recession of economy of the Country. However Government's initiation to boost the real estate industry has helped in curtailing the risk in a substantial way. Non-availability of adequate developed land in urban areas is a major concern to the real estate developers.

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 very much satisfactory during the financial year 2002-2003. The Sales & Other Incomes of the Company for the financial year 2002-2003 was recorded at Rs. 1978.10 Lacs as compared to Rs. 1136.45 Lacs in the previous year. The Company's profit after depreciation & taxation during the Financial year 2002-2003 was Rs.343.87 Lacs as against Rs. 79.39 Lacs in the previous financial year. Your Directors expect good results in the coming years keeping in view of the projects already in hand of the Company.

Operational (Project Expansion) :

Bhiwadi (Rajasthan)

The construction of the first and second phase of "Ashiana Gardens" residential complex at village Khanpur, Tehsil Tijara, Dist. Alwar (Rajasthan) is completed and handing over is in process. The construction work of third phase of the aforesaid residential complex is in full swing and is likely to be completed by December' 2003. Your Company has



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purchased a piece of land admeasuring 30.5 Acres at Vasundhara Nagar Colony- Phase-II, Bhiwadi (Rajasthan) from Urban Improvement Trust, Alwar. Your Company has announced to develop Duplex Villas and recreational Club House on a portion of aforesaid land. Your company is not carrying on the construction work of flatted factory complex "Ashiana's Industrial Park" at Plot No. SP-54, RIICO Industrial Area, Bhiwadi, Rajasthan due to paucity in demand at present.

Nimrana

Due to subdued demand of housing in the Neemrana region, the booking of flats/ plots etc. in Company's "Ashiana Green Hill" Residential Complex is not very encouraging. However your Company has handed over physical possession of few flats to the buyers in the project.

Jamshedpur (Jharkhand)

The construction of the first phase of "Ashiana Suncity" Residential Complex is completed and handing over is in process. The construction of second phase of aforesaid complex is at advance stage and is likely to be completed by July' 2003. Your Company has acquired a piece of land admeasuring 5.15 Acres at Mouza pardih, Mango, Dist.- East Singhbhum, Jamshedpur, Jharkhand for development of Flats/ Executive floors etc. in the said land. The Company has started the construction work in the project.

Section 80(IB) Projects

Your Directors have pleasure in informing that subsequent to recent amendment in Section 80 (IB) of the Income Tax Act, 1961 through the Union Budget, almost all the projects of the Company will be eligible for claiming deduction under the section. At present 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, Rajasthan	2nd & 3rd
2	Ashiana Gardens, Tehsil Tijara, Dist.-Alwar, Rajasthan	1st, 2nd, 3rd and Captive Shopping Complex
3	Ashiana Enclave, Jamshedpur, Jharkhand	3rd
4	Ashiana Suncity, Jamshedpur, Jharkhand	1st, 2nd and Captive Shopping Complex.
5	Ashiana Residency Greens	1st & Captive Shopping Complex

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, 2003 were 100.

DIVIDEND

The Directors do not recommend any dividend for the year under review with a view to retain the earnings for further development of business.

DIRECTOR

Shri Lalit Kumar Chhawchharia, 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 COMPANIES

The Audited statement of Accounts alongwith Directors' Report & Auditors' Report for the year ended 31st March, 2003 of M/s. Ashiana Apartments Ltd., M/s. Vatika Marketing Ltd. and M/s. Ashiana Retirement Villages Ltd. are annexed to this Account pursuant to Section 212 of the Companies Act, 1956.

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. 48,750/- 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 :

- in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company;



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- (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, 2003 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.

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 Memberships*
1.	Om Prakash Gupta	(Executive)	4	2
2.	Ashok Kumar Mattoo	(Non-Executive & Independent)	5	2
3.	Lalit Kumar Chhawchharia	(Non-Executive & Independent)	58	1
4.	Sonal Marwah	(Non-Executive & Independent)	1	3
5.	Vishal Gupta	(Executive)	2	-
6.	Ankur Gupta	(Non-executive)	2	-

(* Including membership of concerned Company)

The Board consists of Six Directors of whom two are Executive Directors, three are Non-Executive & Independent Directors and one is Non-executive Director. During the previous financial year Mr. Raj Kumar Modi resigned from the Directorship and Mr. Ankur Gupta and Mrs. Sonal Marwah has joined the Board as Directors of the Company.

VARIATION OF TERMS AND CONDITIONS OF APPOINTMENT OF MANAGING DIRECTOR :

Mr. Om Prakash Gupta was appointed as Managing Director of the company with effect from 01/04/2002 for a period of five years i.e, upto 31/03/2007 with the approval of the shareholders at 16th Annual General Meeting dated 28th September, 2002. Keeping in view of the current situation in the industry and to make it consistent with the increased job responsibilities due to considerable growth in the operations of the Company, the Board recommends to the members of the Company that the remuneration and other terms and conditions of appointment of the Managing Director be revised with effect from 1st April, 2003 for the remaining period of his tenure i.e, upto 31/03/2007 as per following terms and conditions :

Basic Salary: 75,000/- 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.



ASHIANA HOUSING & FINANCE (INDIA) LTD

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

1. Ashiana Apartments Ltd.
2. Ashiana Retirement Villages Ltd.
3. Ashiana Homes Pvt. Ltd.
4. Saaket Estates Ltd.

VARIATION OF TERMS AND CONDITIONS OF APPOINTMENT OF WHOLE-TIME DIRECTOR :

Mr. Vishal Gupta was appointed as Whole-time Director of the company with effect from 01/09/2001 for a period of five years i.e, upto 31/08/2006 with the approval of the shareholders at 15th Annual General Meeting dated 22/09/2001. Keeping in view of the current situation in the industry and to make it consistent with the increased job responsibilities due to considerable growth in the operations of the Company, the Board recommends to the members of the Company that the remuneration and other terms and conditions of appointment of the Whole-time Director be revised with effect from 1st April, 2003 for the remaining period of his tenure i.e, upto 31st August, 2006 as per following terms and conditions :

BASIC SALARY : Rs. 50,000/- Per Month

HOUSING :

- a) The expenditure 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 whole-time 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 the tenure.]

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

1. Ashiana Retirement Villages Ltd.
2. Vatika Marketing Ltd.

Appointment of Director retiring by rotation :

A. Mr. Ankur Gupta was appointed as Additional Director of the Company on 24.12.2002 to hold the office of the Directorship till the date of Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 from a Member signifying his intention to propose the candidature of Mr. Ankur Gupta as a Director of the Company. Mr. Ankur Gupta has done his Master of Science in Real Estate from New York University, USA. The Directors feel that the Company will be benefited from the education and experience of Mr. Ankur Gupta. The Board recommends to the members of the Company to appoint Mr. Ankur Gupta as a Director of the Company retiring by rotation.

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

1. Ashiana Apartments Ltd.
2. Vatika Marketing Ltd.

B. Mrs. Sonal Marwah was appointed as Additional Director of the Company on 14.03.2003 to hold the office of the Directorship till the date of Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 from a Member signifying his intention to propose the candidature of Mrs. Sonal Marwah as a Director of the Company. Mrs. Sonal Marwah is a Law Graduate from National Law School of India University, Bangalore and practicing as an Advocate in and around Delhi. The Board is in opinion that the Company will be benefited from the education and experience of Mrs. Sonal Marwah. The Board recommends to the members of the Company to appoint Mrs. Sonal Marwah as a Director of the Company retiring by rotation. Apart from Ashiana Housing & Finance (India) Ltd. her other directorships is in Helping Hands Non-profit Charitable Trust.

C. Shri Lalit Kumar Chhawchharia, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment. Shri Lalit Kumar Chhawchharia, a non-executive Director has been looking after the legal affairs of the Company at the Registered Office at Kolkata. He has 30 years of varied experience and is director in many companies. 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. Ashiana Apartments Ltd.
2. Ashiana Retirement Villages Ltd.
3. Saaket Estates Ltd.
4. Elite Logistics Ltd.
5. Spectrum Commercials Ltd.