



AKASH HOUSING LIMITED

SEVENTH ANNUAL REPORT 2002-2003

CERTIFIED TRUE COPY

For AKASH HOUSING LIMITED.

Chandran *Am. It*
Director

REGD. OFFICE:
IV Floor, Vijay Complex,
No. 3. Blackers Road, Anna Salai,
Chennai - 600 002.

AKASH HOUSING LIMITED**AKASH HOUSING LIMITED**

ANNUAL REPORT 2002 - 2003

Board of Directors:

Mr. Chandan Parmar
Chairman

Mr. Chandan Kumar
Managing Director

Mr. Suresh Kumar
Director

Mr. Naresh Kumar
Director

Mr. V. Subba Rao
Company Secretary

Auditors
M/s. V. Ramaratnam & Co.,
Chartered Accountants
115, IV Street,
Abiramapuram,
Chennai - 600 018.

Registered Administrative Office:

"Vijay Complex"
No.3 Blackers Road,
Anna Salai,
Chennai - 600 002

Bankers
The South Indian Bank Ltd.,
Mount Road,
Chennai - 600 002

Names & Address of the Stock Exchange

1. Madras Stock Exchange
(Regional Stock Exchange)
Post Box No. 183,
Second Line Beach
Chennai 600 001.

2. Mumbai Stock Exchange
Phiroze Jeejeebhoy Towers
Dalal Street,
Fort, Mumbai - 400 001

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NOTICE TO SHAREHOLDERS:

Notice is hereby given that the Seventh Annual General Meeting of the Company will be held at Padmavathy Hall, No. 93, Arcot Road, Virugambakkam, Chennai - 600 092 on Thursday, the 18th September 2003 at 12.05 p.m to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2003 and Profit and Loss Account for the period from 1.4.2003 to 31.3.2003 and the report of the Board of Directors.
2. To elect Directors:
 - a) To appoint a Director in the place of Mr.Suresh Kumar, who retires by rotation and being eligible, offer himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION, 'RESOLVED THAT M/S.V.RAMARATNAM & CO., "CHARTERED ACCOUNTANTS, Chennai, the retiring Statutory Auditors be and hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS : ORDINARY RESOLUTION :

4. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution :
"RESOLVED that Mr.Chandan Parmar, who was appointed as Additional director of the

Company pursuant to Section 260 of the Companies Act, 1956, on 6.3.2003 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company".

5. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATIONS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :

"RESOLVED THAT subject to the Provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby given for the appointment of Mr.CHANDAN KUMAR as Managing Director for a period of 5 years commencing from 10th March 2003 and payment of remuneration as mentioned below:

Salary - Rs.60,000/- per month

Commission at 1% of the net profit of the Company subject to the ceiling of the total annual salary.

PERQUISITES :
PART - A

a) HOUSING - I

The expenditure by the Company on fixing unfurnished accomodation shall not exceed 60% of the Salary over and above 10% payable by the Managing Director.

HOUSING - II

In case the accomodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.

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HOUSING - III

In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance, subject to the Ceiling laid down in Housing - I

- b) The expenditure by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962 subject to the Ceiling of 10% of the Salary.
- c) **MEDICAL REIMBURSEMENT**
Expenses incurred for the Managing Director and his family subject to the ceiling of one month's Salary in a year over a period of three years.
- d) **LEAVE TRAVEL ALLOWANCE**
For the Managing Director and his family, once in a year incurred in accordance with any rules specified by the Company.
- e) **CLUB FEES**
Fees of Clubs subject to maximum of two Clubs, which will not include admission and life membership fees.
- f) **PERSONAL ACCIDENT INSURANCE**
Premium not to exceed Rs.1,000/- per annum

PART - B :

- a) Contribution to the Provident Fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- b) Gratuity not exceeding half a month's salary for each completed year of service subject to a ceiling of Rs.1,00,000/-.

PART - C:

CONVEYANCE AND TELEPHONE:

Provision of car for use on Company's business and Telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purposes shall be billed by the Company on the Managing Director.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form duly filled in and signed by the members should be sent to the Registered Office of the Company so as to reach the registered office of the Company not less than 48 hours before the commencement of the meeting.

2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under Item Nos. to is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 8th September 2003 to Thursday, the 18th September 2003 (both days inclusive).
4. Members are requested to notify immediately any change in their address to the Company.
5. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting, Members are, therefore, requested to bring their copies of the "Annual Report" to the Meeting.

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6. Members/Proxies are requested to affix their signature on the Attendance/ Admission slip provided in the "Annual report" and hand over the same at the Venue of the Meeting. Only Members/Proxies (whose Proxy forms have already reached the company) with the "Attendance slip" will be admitted.

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

4. Shri.Chandan Parmar was appointed as an Additional Director of the Company at the Board Meeting held on 6.3.2003. Shri.Chandan Parmar is a professional Tax Consultant with 20 years experience. His appointment in the Company is considered beneficial to the Company.

All the Directors are interested in the Resolution.

5. Mr.Chandan Kumar has been a Director of the Company. The Board of Directors have appointed Mr.Chandan Kumar as Managing Director on a remuneration of Rs.60,000/- per month for a period of 5 years from 10.3.2003 subject to the approval of the Shareholders

All the Directors are interested in the Resolution.

Place: Chennai - 600002 By order of the Board
Dated:31.7.2003

CHANDAN PARMAR
Chairman

REPORT OF THE DIRECTORSTO THE MEMBERS :

Your Directors have great pleasure in presenting their Seventh Annual Report together with the Audited Financial Accounts of the Company for the year ended 31st March 2003.

FINANCIAL RESULTS (Rupees in '000s)

	Year ended 31.3.2003	Year ended 31.3.2002
INCOME		
(Operations & Other Income)	65777	27538
Gross Profit(Before Int, Dep. & Tax)	4616	631
Interest	360	16
Depreciation	259	563
Profit Before Tax	3997	52
Provision for Tax	270	19
Profit After Current Tax	3727	34
Less: Deferred Tax	92	19
Net Profit	3635	15
Add:Profit (Loss) carried forward(69)		(84)
Profit/(Loss) available for Appropriation	3566	(69)
Transfer to General Reserve	Nil	Nil
Balance Carried Forward	3066	(69)

DIVIDEND

In View of meagre Profit, it is proposed not to recommend any dividend for the year ended 31.3.2003.

REVIEW OF OPERATIONS

The Construction industry is going through a very difficult period throughout the country. Every effort is being made to optimise the sale.

FUTURE PROSPECTS:

The Construction Industry is turning around and it is expected that the year ahead will see brighter prospects.

DIRECTORS :

The Board in its Meeting held on 6th March 2003 appointed Shri. Chandan Parmar as an Additional Director of the Company. Notice has been received under Section 257 of the Companies Act, 1956 along with requisite deposit proposing the candidature to appoint Shri. Chandan Parmar as a Director of the Company in the ensuing Annual General Meeting.

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Directors Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March 2003, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (iii) That the Directors had taken proper and sufficient care 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) That the Directors had prepared the accounts for the financial year ended 31st March 2003 on a 'going concern' basis.

DIRECTORS

Pursuant to the Provisions of the Companies Act, 1956 and the Articles of Association of the Company, the Director Mr. Suresh Kumar retires by rotation and being eligible offers himself for reappointment.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the timely assistance received

from the Bankers and also thank the Government Agencies / Institutions GICF, LICF and HDFC for the help and guidance received from them.

Your Directors also wish to place on record their appreciation of the excellent contribution made by the employees of the Company at all levels during the year under review and expect that they continue to maintain the same dedication, zeal and enthusiasm during the coming years also.

By order of the Board

Place : Chennai - 2
Dated : 31.7.2003

CHANDAN PARMAR
Chairman