



MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		IV	✓
TRA	✓		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		✓

Annual Report 1997-98

ALSA CONSTRUCTIONS & HOUSING LIMITED



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SIXTH ANNUAL GENERAL MEETING

DATE	:	19.03.1999
TIME	:	10.15 A.M.
VENUE	:	RAJAN THIRUMANA MAALIGAI 2/152, AVADI ROAD SENNEER KUPPAM CHENNAI - 600 056.

A REQUEST

The practice of distributing copies of Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing. Shareholders are, therefore, requested to bring their copy of the Annual Report to the meeting.





ALSA CONSTRUCTIONS & HOUSING LIMITED

ANNUAL REPORT 1997 - 1998

BOARD OF DIRECTORS

ALTAF PASHA	Chairman & Managing Director
SALIM PASHA	Director
ELIAS SAIT	Director
A.V. RAMANA NAIDU	Director

COMPANY SECRETARY

S.SARAVANAN

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AUDITORS

M/s.SELVAM & SUKU
Chartered Accountants
Alsa Towers, C-1, First Floor
186/187, Poonamallee High Road
Kilpauk, Chennai - 600 010.

REGISTERED OFFICE

No.5, Raghava Veera Avenue
Poes Garden
Chennai - 600 086.
Tel. : 499 0059

ALSA CONSTRUCTIONS & HOUSING LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Sixth Annual General Meeting of ALSA CONSTRUCTIONS & HOUSING LIMITED will be held on Friday the 19th March, 1999 at 10.15 A.M. at Rajan Thirumana Maaligai, 2/152, Avadi Road, Senneerkuppam, Chennai - 600 056, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 30th September, 1998 and the Profit and Loss Account for the period ended that date together with the Report of the Directors' and Auditors' thereon.
2. To elect a Director in the place of Mr.A.V.Ramana Naidu who retires by rotation and being eligible, offers himself for re- election.
3. To appoint the Statutory Auditors and fix their remuneration

"RESOLVED that M/s.SELVAM & SUKU, Chartered Accountants, the retiring auditors of the Company be and are hereby re-appointed from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company."

"RESOLVED further that the Board of Directors be and is hereby authorised to determine the remuneration payable to the auditors."

SPECIAL BUSINESS

4. To consider and if thought fit to pass the following resolution with or without modification as an ordinary resolution:

"RESOLVED that pursuant to provisions of Sections 198, 269 (read with schedule) 309 and 310 and other applicable provisions if any, of the Companies Act, 1956 and subject to approval of members in the Annual General Meeting Mr.ALTAf PASHA, Chairman of the Board of Directors be and is hereby appointed as a Chairman and Managing Director of the Company with effect from 29.08.98 to 28.07.2003 for a period of five years."

"RESOLVED FURTHER that MR. ALTAF PASHA shall be entitled to the remuneration as set out in the Annexure to Explanatory Statement during his term of office as Chairman and Managing Director of the Company."

By Order of the Board,
For **ALSA CONSTRUCTIONS & HOUSING LTD.,**

Chennai
24.02.1999

S. SARAVANAN
Company Secretary



NOTES FOR SHAREHOLDERS' ATTENTION

- a) The Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of agenda 4 as set out above is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) The Register of Members and Share Transfer Books of the Company shall remain closed from 17.03.1999 to 19.03.1999 both days inclusive.
- d) Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
- e) Members are requested to notify any change in their address immediately to the registered office of the Company.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

AGENDA 4

Mr. Salim Pasha has resigned from the position of Managing Director on 29.08.1998 due to prolonged illness. Mr. Altaf Pasha, Chairman of the Board was unanimously appointed by the Board as Chairman and Managing Director of the Company with effect from 29.08.1998 to 28.07.2003 for a period of five years.

The remuneration and perquisites payable to Mr. Altaf Pasha is given below :

CATEGORY A

- I. Salary : Rs.60,000/- p.m.
- II. Commission : 1% of Net Profits of the Company

PERQUISITES

Housing

If the accommodation is provided by the Company, the expenditure on hiring furnished accommodation subject to 60% of the salary over and above 10% payable by the Chairman & Managing Director.

If the accommodation provided to the Chairman & Managing Director is owned by the Company, 10% of the salary of the Chairman & Managing Director shall be deducted by the Company.

In case no accommodation is provided by the Company, the Chairman & Managing Director is entitled to House Rent Allowance of 60% of the salary.

The expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per the Income Tax Rules, 1962 subject to a ceiling of 10% of the salary of the Chairman & Managing Director.

Medical Reimbursement

The Chairman & Managing Director and his family shall be entitled to full Medical Reimbursement.

ALSA CONSTRUCTIONS & HOUSING LIMITED

Leave Travel Concession

The Chairman & Managing Director and his family can avail Leave Travel Concession for self and family once in a year in accordance with the rules specified by the Company.

The Chairman & Managing Director is entitled to fees for two clubs (this will not include any admission of life membership fee).

Personal Accident Insurance - actual premium will be paid.

CATEGORY B

I. Provident Fund and Superannuation Fund

The Chairman & Managing Director shall be entitled to Provident Fund and Superannuation Fund contribution as per the rules of the Company but not exceeding 25% of the salary.

II. Gratuity

The Chairman & Managing Director shall be entitled to Gratuity @ half month's salary for each completed year of service.

III. Encashment of leave at the end of tenure.

CATEGORY C

Provision of Car

The Company shall provide car with driver to the Chairman & Managing Director for use on Company's business.

Telephone

The Chairman & Managing Director is entitled for a telephone at residence. However personal long distance calls shall be logged in and paid over to the Company.

In the event of inadequacy of profits or no profit in any financial year, the Company may pay the remuneration by way of salary, perquisites and other allowances as specified in Section II of part II of Schedule XIII to the Companies Act, 1956.

The above statement may be regarded as an abstract of the terms and memorandum of interest under section 302 of the Companies Act, 1956.

Interest of Directors

Except Mr. Altaf Pasha, Chairman & Managing Director none of the Directors may be deemed to be concerned or interested in the resolution.

Mr. Salim Pasha and Mr. Elias Sait, Directors being related to Mr. Altaf Pasha, may be deemed to be concerned or interested in the resolution.

By Order of the Board,
For **ALSA CONSTRUCTIONS & HOUSING LTD.,**

Chennai
24.02.1999

S. SARAVANAN
Company Secretary



DIRECTORS' REPORT

Your directors have pleasure in presenting the Sixth Annual Report of your Company, along with the Audited Accounts for the eighteen-month period ended 30th September, 1998.

FINANCIAL RESULTS

The period under review saw the industry go through a further setback, taking the Real Estate industry through yet another period of adversity. The market sentiment deteriorated further. The end-user market, so dominant in Chennai, appeared cautious being personally hit by the economic crisis, besides witnessing the presence of large stocks in the market and the scope for negotiating unreasonably on prices in a distressed market. Sales have either been slow or totally non-existent, resulting in an even more negative market sentiment.

Housing finance institutions continued to put a clamp down on lending to Builders. In the wake of this scenario, which has persisted for over 2 years, the Company's performance has been adversely affected.

Your Company has not earned a surplus to be distributed to the Shareholders. Given the setbacks, the Directors have not been able to recommend any dividend during the period under review.

	Accounting period ended 30.09.98	(Rs. Lakhs) Financial year ended 31.03.97
Sales and Other Income	2264.94	2266.86
Profit/Loss before depreciation and Taxation	-813.56	188.02
Less : Depreciation	85.98	64.41
Profit/Loss before Tax	-899.54	125.61
Less : Provision for Taxation	—	11.60
Profit/Loss after Tax	-899.54	114.01
Surplus/Deficit transferred to Balance Sheet	-899.54	114.01

PROSPECTS

Your Company is confident that this is only a temporary setback, albeit a prolonged phase. With the Central Government implementing their proposal in the repeal of the Urban Land (Ceiling & Regulation) Act, and with the Housing Sector being proposed to be viewed on par with Infrastructure, there is hope that this sector will be given the thrust that it warrants, and the future will see an immense growth in the Housing Sector.

Your Company has established expertise not only in the development of Real Estate but also in the execution of infrastructural projects like a portion of the MRTS in Chennai, besides doing turn-key Projects for Government organizations. Your Company's efforts in the immediate future would be to strengthen the latter. Additionally, seeing that the middle income sector which is the actual user market, has been encouraged by the lowering of interest rates on housing loans, this segment will be catered to in a large way.

Against all odds, what has given the Company great source of encouragement, is the confidence reposed in it, by the employees, existing customers and shareholders alike.

PUBLIC DEPOSITS

As on 30.09.98 deposit amounting to Rs.1.61 lakhs have matured for payment and remain unclaimed/ not renewed. Subsequently out of this amount a sum of Rs.1.26 Lakhs have been paid.