

**19<sup>th</sup>**  
**ANNUAL REPORT**  
**2009-2010**

**USHA HOUSING DEVELOPMENT COMPANY LIMITED**

## **BOARD OF DIRECTORS**

MR. GOVIND SHARAN VERMA

DR. M.C. GUPTA

MR. DEEPAK JALAN

MR. AMAR SINGH

MR. SAPAN MOHAN GARG

MR. MANOJ GUPTA

MR. SANJEEV SAXENA

MR. PIYUSH PRAKASH

## **AUDITORS**

M/S. SRIVASTAVA KUMAR & CO.

21-A, NANGALI RAJAPUR,

NEAR SARAI KALE KHAN (I.S.B.T),

NIZAMUDDIN EAST, NEW DELHI-110013

## **BANKERS**

KOTAK MAHINDRA BANK, NEW DELHI

## **SHARE TRANSFER AGENT**

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

D-153A, OKHLA INDUSTRIAL AREA,

PHASE-I, NEW DELHI-110 020

Ph:-91-11-26292682, 91-11-26292683

Fax: - 91-11-26292681

## **REGISTERED OFFICE**

B-704, STERLING APARTMENT,

9, UNIVERSITY ROAD, LUCKNOW,

UTTAR PRADESH-261001

## **CORPORATE OFFICE**

B-210, ANSAL CHAMBER,

3, BHIKAJI CAMA PLACE,

NEW DELHI-110066

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## NOTICE

To,  
The Members  
Usha Housing Development Company Limited

Notice is hereby given that the 19th Annual General Meeting of the Company will be held on Thursday, the 30<sup>th</sup> September, 2010 at 11.00 AM at the registered office at B-704, Sterling Apartments, 9, University Road, Lucknow Uttar Pradesh-261001 to transact the following business:-

### ORDINARY BUSINESS

1. To receive and adopt the Balance sheet as on 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010 and the Directors' and Auditor's Report thereon.
2. To appoint a Director in place of Dr. M. C. Gupta who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Amar Singh who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT in accordance of the provisions of section 257 and all other applicable provisions, if any of the Companies Act, 1956, Mr. Piyush Prakash be and is hereby appointed as a Director of the Company."
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT in accordance of the provisions of section 257 and all other applicable provisions, if any of the Companies Act, 1956, Mr. Govind Sharan Verma, be and is hereby appointed as a Director of the Company."
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to section 198,269,309,310 and all other applicable provisions, if any, read with Schedule-XIII of the Companies Act, 1956 and Article 118 of the Articles of Association of the Company, Mr. Govind Sharan Verma, Director, be and is hereby appointed as Managing Director for a period of five years with effect from 01.08.2010 on the following terms and conditions:

### REMUNERATION

(A) Basic Salary: Rs. 17,000/- (Rupees Seventeen Thousand Only) per month.

(B) Perquisites and allowances:

In addition to the basic salary, Mr. Govind Sharan Verma, Managing Director, shall also be entitled to:

- i) House Rent Allowance : Rs. 8,000/- (Rupees Eighteen Thousand Only) per month,
- ii) Special Allowance : Rs. 8,000/- (Rupees Eighteen Thousand Only) per month,
- iii) Conveyance Allowance: Rs. 3,000/- (Rupees Three Thousand Only) per month,
- iv) Company provided Mobile phone for business and personal use,
- v) Mediclaim Insurance coverage for self, spouse and dependent children as per Company Rules,
- vi) Contribution to Provident Fund, Gratuity Fund, as per Rules of the Company from time to time.

**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Govind Sharan Verma as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in section II of Part II of Schedule-XIII of the Companies Act, 1956 as amended from time to time."

**For and on behalf of the Board of Directors**  
**Usha Housing Development Company Ltd**

Date : 29.07.2010  
Place : New Delhi

Dr. M. C. Gupta  
**Director**

# USHA HOUSING DEVELOPMENT COMPANY LTD

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## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY, PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and share Transfer Books of the company shall remain closed from 29.09.2010 to 30.09.2010 (Both days inclusive).
3. A blank proxy form is sent herewith.
4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
5. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on all working days except Sundays and other holidays upto the date of the Annual General Meeting.
6. The Register of Contract/arrangement and Register of Directors Shareholding shall be open for inspection by the members during the continuation of meeting.
7. Members desirous of any information concerning the accounts and operation of the Company are requested to send their queries to the Company at least one week before the meeting, so as, to enable the management to keep information ready. Replies will be provided only at the meeting.

## **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

### **ITEM No. 5**

The Board of Directors at their meeting held on 29.07.2010 co-opted Mr. Piyush Prakash as Additional Director of the company. As per Section 260 of the Companies Act, 1956 his term of office expires at the ensuing Annual General Meeting. The company has received a notice from Mr. Piyush Prakash, under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.

The Board recommends the resolution for your approval.

The aforesaid Director may be deemed to be interested in the resolution relating to his appointment.

### **ITEM No. 6 & 7**

The Board of Directors at their meeting held on 29.07.2010 co-opted Mr. Govind Sharan Verma as Additional Director of the company. As per Section 260 of the Companies Act, 1956 his term of office expires at the ensuing Annual General Meeting. The company has received a notice from Mr. Govind Sharan Verma under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.

The Board further appointed Mr. Govind Sharan Verma as Managing Director of the Company w.e.f. 01.08.2010 on the terms & conditions as set out in the resolution subject to the approval of shareholders in the General Meeting. Mr. Govind Sharan Verma has two decades of experience in the real estate sector. He has graduated in science stream from Agra University and also holds a diploma in Civil Engineering. He has worked with renowned construction companies for around two decades where he handled various types of real estate projects including housing projects, commercial complexes, residential colonies etc. He has also a rich experience in the field of road construction.

In terms of Schedule-XIII to the Companies Act, 1956, approval of the shareholders is required for appointment and remuneration of the Managing Director.

The Board recommends the resolution for the approval of the shareholders.

The aforesaid Director may be deemed to be interested in the resolution relating to their appointment.

## DIRECTOR'S REPORT

To

The Members,

Usha Housing Development Company Limited

Your Directors have pleasure in presenting the Annual Report together with Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the year ended on that date and Auditor's Report thereon.

### FINANCIALS HIGHLIGHTS

(Amount in Rupees)

Particular	Financial Year ended 31.3.2010	Financial Year ended 31.3.2009
Income	7,66,864	4,64,040
Expenditure	7,27,715	2,14,211
Profit before tax	39,149	(16,78,071)
Provision for tax (including deferred tax)	(85, 94,754)	—
Profit after tax	86,33,903	(16,78,071)
Balance carried forward to Balance Sheet	(9,58,12,728)	(10,44,46,631)

### DIVIDEND

In order to conserve funds for taking up execution of projects and expansion programme, the Directors do not recommend any dividend during the year.

### OPERATION AND FUTURE OUTLOOK

Usha Housing Development Company Limited is in the business of real estate development, construction and facility management service. The Company has not executed any major projects during the year and the turnover mostly consists of receipts on account of rent and property maintenance fees. In view of the revival sign in the real estate market, management of the Company is planning to raise funds through out of court settlement of its disputed assets and then utilizing the funds to execute new projects.

The Company has accumulated losses of more than fifty percent of its net worth as at the end of financial year 31<sup>st</sup> March, 2010. However the Company has not incurred cash losses during the financial year.

### DIRECTORS

Dr. M. C. Gupta and Mr Amar Singh retire by rotation and being eligible offers himself for re-appointment.

### DEPOSITS

The Company has not invited or accepted any deposits from the public.

### PARTICULARS OF EMPLOYEES

None of the employees of the company is in receipt of remuneration exceeding the limit as prescribed under Section 217 (2A) of the Companies Act, 1956.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 that period.
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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4. that the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2010 on a going concern basis.

### AUDITORS

Srivastava Kumar & Co., Chartered Accountants, Statutory Auditors of the Company, hold office up to the conclusion to the ensuing Annual General Meeting. The company has received communication from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The SEBI has issued a Circular directing the Stock Exchanges for various amendments to the Listing Agreement(s), which inter-alia, make it incumbent for the Listed Companies to appoint only those auditors who have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and who hold a valid certificate issued by the "Peer Review Board" of the said Institute. The aforesaid auditors have assured us that they will soon be taking up the issue of peer review process of their firm with the Institute to obtain the requisite Certificate to fall in line with the SEBI Circular. Your Directors agree with the proposal of the Auditors and accordingly propose their appointment as Auditors of the Company for the financial year 2010-11.

### AUDITOR REPORT

The observation of the Auditors in their Report to the members on the Annual Accounts for the period ended on 31.03.2010 have been explained in Schedule-8 in the notes to accounts attached to the Annual Accounts which is self-explanatory.

### CORPORATE GOVERNANCE

The principles of Corporate Governance are followed by the Company. As required under clause 49 of the Listing Agreement, Corporate Governance Report alongwith the necessary certificates and Management Discussion and Analysis Report are annexed as Annexure I & II and form an integral part of this Annual Report.

### LISTING ARRANGEMENTS

The Company is listed at Bombay and Delhi Stock Exchanges. The Delhi Stock Exchange Limited has already revoked the suspension of the securities of the Company w.e.f. 12.10.2009. The Company has paid listing fee to the Delhi Stock Exchange up to March, 2010. The Company has also approached the Bombay Stock Exchange Limited for revocation of suspension in the trading of securities of the Company and submitted the papers/documents pertaining to earlier non-Compliances to the Exchange.

The case of the Company for revocation of suspension of its securities is under active consideration of the Bombay Stock Exchange Limited and that the Company will pay the listing fee alongwith the arrears soon on receipt of the in-principle approval of the Exchange..

### DEMATERIALIZATION OF SHARES

As on date the company's shares are in Physical Form. As the Delhi Stock Exchange Limited has revoked the suspension of the securities of the Company and also submitted the papers/documents pertaining to the earlier compliances to the Bombay Stock Exchange Limited for revocation of the suspension of the securities, the Company has also initiated active steps for dematerialization its securities and is in the process of making requisite applications to the Depositories for the same.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING ETC

In absence of any manufacturing activities, no details have been given as required under Section 217(1) (e) of the Companies Act, 1956 and the rules framed there under.

Foreign Exchange earnings / outgo: NIL.

### ACKNOWLEDGEMENTS

Your Directors wish to place on record their deep appreciation for the continued support received from the business associates of the Company.

For and on behalf of the Board of Directors  
For Usha Housing Development Company Limited

Dated : 29.04.2010  
Place : New Delhi

Dr. M. C. Gupta  
Director

Deepak Jalan  
Director

**Annexure-I****CORPORATE GOVERNANCE****A. BOARD OF DIRECTORS:****Composition of the Board**

The composition of Board during the year ended 31<sup>st</sup> March, 2010 has been tabled below.

As on 31.03.2010 the Board of Directors comprised of following 6 directors all being Non-Executive Directors with 2 Independent Non-Executive Directors. Dr. M. C. Gupta, Mr. Sapan Mohan Garg, Mr. Manoj Gupta and Mr. Sanjeev Saxena being Non-Executive Director and Mr. Amar Singh and Mr. Deepak Jalan being Independent Non-Executive directors. The details of Board are given in **Table – 1**.

**No. of Board Meetings**

During the year under review (Four) Board Meetings were held on 15.04.2009, 29.07.2009, 30.10.2009 and 28.01.2010. The time gap between the two meetings did not exceed the maximum prescribed time gap of four months. The attendance record of all the Directors are as under:-

**TABLE – 1:**

**Structure of Board of Directors as on 31<sup>st</sup> March, 2010 and attendance at Board Meetings held during the financial year 2009-10 and Annual General Meeting (AGM) are given below:**

Name	Category	Designation	Board Meeting Attended	AGM
Dr. M. C. Gupta	NE *	Director	4	Yes
Mr. Sapan Mohan Garg	NE *	Director	2	Yes
Mr. Manoj Gupta	NE *	Director	2	Yes
Mr. Sanjeev Saxena	NE *	Director	2	Yes
Mr. Deepak Jalan	NE & ID**	Director	4	Yes
Mr. Amar Singh	NE & ID**	Director	4	Yes

**Notes:-**

Mr. Sapan Mohan Garg, Mr. Manoj Gupta and Mr. Sanjeev Saxena appointed as a Directors of the company w.e.f. 29.07.2009

\* - Non Executive

\*\* - Non-Executive & Independent

None of the directors is a member of more than ten Board level committees or acts as a chairman of more than five such committees, as required under clause 49 of the Listing Agreement.

**B. AUDIT COMMITTEE**

The Company has set up an Audit Committee on 30.01.2001, which was reconstituted on 25th June, 2007, in accordance with the requirements of Section 292A of the Companies Act, 1956 & Clause 49 of the Listing Agreement.

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Mr. Amar Singh, Mr. Deepak Jalan being Independent Non Executive Directors and Dr. M. C. Gupta being Non Executive Director. Mr. Deepak Jalan is the Chairman of the committee.

The Audit committee met four times during the year on 15.04.2009, 29.07.2009, 30.10.2009 and 28.01.2010

### Attendance record of Audit Committee members

Name of Director	Meetings Attended
Mr. Amar Singh	4
Mr. Deepak Jalan	4
Dr. M. C. Gupta	4

### C. REMUNERATION COMMITTEE:

The Company is not paying any remuneration to the Non-Executive Directors. Therefore, no remuneration committee has been constituted.

### D. SHAREHOLDER'S / INVESTOR GRIEVANCE COMMITTEE

Presently Mr. Amar Singh, Mr. Deepak Jalan being Independent Non Executive Directors and Dr. M. C. Gupta being Non Executive Director. Mr. Deepak Jalan is the Chairman of the committee.

The Shareholders/Investors Grievance committee met four times during the year on 15.04.2009, 29.07.2009, 30.10.2009 and 28.01.2010

### Attendance record of Shareholders/Investors Grievance committee members

Name of Director	Meetings Attended
Mr. Amar Singh	4
Dr. M. C. Gupta	4
Mr. Deepak Jalan	4

### E. GENERAL BODY MEETINGS

Location and time, where last three Annual General Meetings were held:-

Financial Year (ended)	Venue	Date	Time
31 <sup>st</sup> March, 2007	B-704, Sterling Apartment, 9, University Road, Lucknow (U.P.)	29. 09 .2007	11.00 A.M
31 <sup>st</sup> March, 2008	B-704, Sterling Apartment, 9, University Road, Lucknow (U.P.)	30. 09 .2008	11.00 A.M
31 <sup>st</sup> March, 2009	B-704, Sterling Apartment, 9, University Road, Lucknow (U.P.)	30. 09 .2009	11.00 A.M

### F. DISCLOSURE

#### (i) Materially Significant Related Party Transaction

During the year there was no transaction with Related Parties as per requirements of Accounting Standard-18.

#### (ii) Details of Non-Compliance by the Company, penalties etc imposed by Stock Exchange/ SEBI/ Any Statutory Authority on any matter related to Capital Market during the last three years.