

**DUGAR**  
**HOUSING DEVELOPEMENTS LIMITED**

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## **BOARD OF DIRECTORS**

Sri.N.Tarachand Dugar, Chairman  
Sri.T.Ramesh Dugar  
Smt.R.Vijayalakshmi  
Sri.Prashant C Jain  
Sri.D.Karunanidhi  
Sri.T.Padam Dugar, Wholetime Director

## **AUDITORS**

M/s.D.A.Reddy & CO  
Chartered Accountants  
Chennai -600017

## **REGISTERED OFFICE**

Dugar Towers 7th Floor  
34 (Old 123) Marshalls Road  
Egmore, Chennai -600008  
E Mail : [dugar@dugar.in](mailto:dugar@dugar.in)  
[www.dugar.in](http://www.dugar.in)

# DUGAR HOUSING DEVELOPMENTS LIMITED

## NOTICE TO THE MEMBERS

Notice is hereby given that the 17th Annual General Meeting of the Company will be held on Friday the 25th September 2009 at Nahar Hall, Deshabandu Plaza, First Floor, 47 Whites Road, Royapettah, and Chennai 600014 at 10.00 AM to transact the following business

### ORDINARY BUSINESS

1. To receive and adopt the Balance Sheet as at 31st March 2009 and Profit and Loss Account of the company for the year ended 31.03.2009 and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sri.R.Ramesh Dugar who retires by rotation and is eligible offers him for reappointment.
3. To appoint Auditors to hold the office from the conclusion of this meeting and to fix remuneration.

### SPECIAL BUSINESS

1. To appoint Mr.Karunanidhi Deva Sigamani as a director of the Board and pass the following resolution with or without modification as an ordinary resolution.

“RESOLVED that Mr.Karunanidhi Deva Sigamani who was appointed as an additional Director during the year be and is hereby appointed as director liable to retire by rotation”.

### 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. Register of members and Share Transfer Books will be closed from 19th September to 25th September 2009 (Both Days inclusive).
3. Members attending the meeting are requested to complete and bring the attendance slip enclosed with the Annual Report and hand over the same at the entrance of the meeting hall duly signed.

## EXPLANATORY STATEMENT

The Board of Directors appointed Mr.Karunanidhi Deva Sigamani as an Additional Director at their meeting held on 31.01.2009 and holds office until the date of this Annual General Meeting. Mr.Karunanidhi Deva Sigamani being eligible offers himself for appointment at the meeting. Notice along with a deposit of Rs.500 as required by section 257 of the Companies Act 1956 has been received from a member proposing the name of Mr.Karunanidhi Deva Sigamani. Mr.Karunanidhi Deva Sigamani has filed with the company his consent, pursuant to the provisions of section 264(1) of the Companies Act, 1956 to act as director if appointed. Therefore the Board proposes this appointment as a Director retiring by rotation. None of the Directors other than the incumbent is interested in the resolution.

By Order of the Board  
Chennai  
31st July 2009  
T.Padam Dugar  
Wholetime Director

## DIRECTOR REPORT

Dear Members,

Your Directors have great pleasure in presenting the 17th Annual Report along with the Audited Accounts for the year ended 31st March 2009.

## FINANCIAL HIGHLIGHTS

The Company has restructured its business operations and constructions.

### A. SUMMARY OF FINANCIAL RESULTS

Loss (Before Depreciation and Tax)	-6.55	-14.35
Add Depreciation	0.61	0.69
Profit/(Loss) before Tax	-7.16	-15.04
Less : Direct Taxes paid	0.12	4.05
Net Profit/(Loss)	-7.28	-19.09
Balance Brought Forward	-292.50	-273.41
Amount available for appropriation		-292.50
APPROPRIATION		
Proposed Dividend		
Dividend Tax		-
Transfer to General Reserve		-
Balance Carried to balance Sheet	-299.78	-292.50



## **BUSINESS PERFORMAMCE**

The overall turnover of the company for the period under review was Rs.2.80 Lakhs. As required under corporate governance, the management discussion and analysis report reflects Company has several plans to improve the turnover and profitability.

## **DIVIDEND**

No Dividend is being recommended for the year ended 31.03.2009.

## **DIRECTORS**

In accordance with Section 255 of the Companies Act 1956 Sri.T.Ramesh Dugar, Director retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

## **AUDITORS**

M/s. D.A.Reddy & CO , Chartered Accountants , Chennai the present auditors retire at the conclusion of this Annual General Meeting and expressed their inability to continue as auditors. Their resignation is accepted and your Directors propose to appoint M/s Krishna Kumar & Associates as Statutory Auditors of the Company.

## **PUBLIC DEPOSIT**

The Directors hereby report that the company has not accepted any deposit during the year under review.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The management discussion and analysis report forms part of the Director's statement and is included as an annexure to this report.

## **PARTICULARS OF EMPLOYEES**

No employees were covered under the purview of section 217 (2A) of the Companies Act 1956 read with Companies particulars of Employee's Rule, 1975.

## **CONSERVATION OF ENERGY , TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

Disclosure of particulars with respect to provisions of Section 217 (1) (e) of the Companies Act ,1956 and also required by the Companies ( Disclosure Particulars in the Report of Board of Directors) Rules 1988 for the year ended 31st March 2009 do not apply to the company.

## **RELATIONSHIP WITH EMPLOYEES**

Relationship with employees continued to remain cordial throughout the year under review. The company firmly believes in the commitment and loyalty of the employees to participate in the growth of the company.

## **ANNEXURE –A**

### **DIRECTORS RESPONSIBILITY STATEMENT**

As per the Companies (Amendment) Act 2000,the Directors have to give their responsibility statement, which is as follows.

(i) That in the preparation of annual accounts, 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 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 loss of the Company.

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act to safeguarding the assets of the Company and for preventing and detecting other frauds and irregularities.

(iv) That the Directors prepared the annual accounts on a going concern basis.

### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their gratitude to the Company's bankers for their assistance and cooperation extended to the Company. Your Directors also appreciate the contributions made by the Business Associates and employees towards the good performance during the year.

Chennai  
31st July 2009

By Order of the Board  
sd/-  
**T. PADAM DUGAR**  
Wholetime Director

## **DUGAR HOUSING DEVELOPMENTS LIMITED**

Governance deals with laws , procedures, practices and implicit rules that determines the Company's ability to take informed managerial decisions vis-a –vis its claimants, shareholders, creditors , customers, the State and Employees."

Corporate Governance is a system by which business corporations are directed or controlled.

Features of Good Corporate Governance.

Following are generally considered as features of good governance.

Independent and effective Board of Director.

Good Audit process and Reporting.

Adequate and timely disclosure of information.

Transparency of information.

Greater participation of shareholders in decision – making.

Maximizing Shareholders value.

Meeting Social obligations.

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE.**

DUGAR HOUSING DEVELOPMENTS LIMITED bears highest degree of commitment towards its stakeholders, creditors, bankers, Government and society at large. The Company follows a set of well established code of corporate Governance. Every step of the Management is aimed at broadening the financial base of the Company and increasing the shareholders wealth. The entire process begins with the functioning of the Board of Directors, with leading professionals and experts serving as independent Directors *and represented in the various Board Committees. Systematic attempt is made to eliminate informational asymmetry between Executive and Non Executive Directors.*

Key elements in corporate Governance are transparency , disclosure, supervision and internal controls, risk management, internal and external communications and high standard of safety, health , accounting fidelity, product and service quality. The Board has empowered responsible persons to implement its policies and guidelines and had set up adequate review processes.

### **1. BOARD OF DIRECTORS**

#### **Composition:**

The Board of Directors is a team of multifaceted personalities who emerge from various fields. The management team leads the company efficiently and effectively through its rich experience in the world of business. The Board meets at regular intervals to decide on various strategic financial and business issues.



The composition of the Board is as under:

<b>S;No</b>	<b>Name of Director</b>	<b>Position</b>	<b>Director in Other companies</b>	<b>Membership In Committees</b>	<b>Attendance At the last AGM</b>
1	Sri. N.Tarachand Dugar	Non Executive	Two	One	No
2	Sri.T.Padam Dugar	Executive	One		Yes
3	Sri.T.Ramesh Dugar	Non Executive	One	One	Yes
4	Smt.R.Vijaya Lakshmi	Non Executive	One	Two	Yes
5	Sri.Prasanth C Jain	Non Executive	Two	Two	Yes

Sri.T.Ramesh Dugar is the Director Retiring by rotation and being eligible, is Re- appointed.

Sri.T.Ramesh Dugar with Strong Finance background has got more than 15 years experience in Hire Purchase and Leasing Business.

## **2. MEETINGS OF THE BOARD**

The Board meets once a quarter to review the quarterly results and other items on the agenda. The Board meetings are generally held in the registered office at Chennai. The agenda of the Board meeting is drafted in consultation with the Chairman and the same is circulated in advance to the Board of Directors.

During the Financial year 2008-2009 four Board meetings were held. The Following are the Dates of the Board of Directors meeting

30.04.2008, 31.07.2008, 31.10.2008, 31.01.2009.

<b>S.No.</b>	<b>Name of Director</b>	<b>Position</b>	<b>Number of Meetings attended</b>
1	Sri.N.Tarachand Dugar	Chairman	4
2	Sri.T.Padam Dugar	Whole Time Director	5
3	Sri.T.Ramesh Dugar	Promotor	5
4	Sri.Prashant C Jain	Independent Director	4
5	Smt.VijayaLakshmi	Independent Director	4
6	Sri.Karunanidhi Deva Sigamani	IndependentDirector	1

## DUGAR HOUSING DEVELOPMENTS LIMITED

### 3.AUDIT COMMITTEE-

The Company has duly constituted Audit Committee in accordance with the listing agreement entered into with the stock exchanges. The Audit committee is entrusted with the power of reviewing the financial statements before submitting the same to the Board. The committee recommends the appointment of Statutory Auditors and fixation of their remuneration. The Committee also reviews all compliances with Accounting Standards and also the compliance with Stock Exchange and legal requirements concerning financial statements, any related party transactions.

#### Composition:

The Audit Committee of the company consists of three Non Executive Independent Directors namely Sri. N.Tarachand Dugar, Smt.R.Vijayalakshmi and Sri.Prasant C Jain. Sri.Prasant C Jain being the chairman of the committee.

#### Scope of the Committee

The scope of the committee also includes the following

The Audit Committee provides an over view on the reporting process of company's financial and accounting mechanism and ensures that disclosures in its financial statements are correct, sufficient and creditable.

The committee also reviews the efficacy of the internal control mechanism and monitors the risk management policies adopted by the company.

The committee also reviews the report furnished by the statutory Auditors and ensures that suitable follow up actions are taken.

The committee also examines accounting, taxation and disclosure aspects of all significant transactions.

During the year 2008-2009 meetings of the Audit Committee were held on 28.04.2008, 30.07.2008, 31.10.2008, 28.01.2009.

S.No	Name of the Director	Number of Meetings Attended
1	Sri.N.Tarachand Dugar	3
2	Sri.Prasant C Jain	3
3	Smt.R.Vajayalakshmi	3





#### **4. SHAREHOLDERS GRIEVANCE AND INVESTORS COMMITTEE**

The committee consists of Two Non Executive independent Directors Smt.Prasant Jain and Smt.Vijayalakshmi and one Non Executive Director Sri.T.Ramesh Dugar. Sri.Prasant C Jain being the Director. The Company has 5289 Equity Shareholders. During the year under review, no letter from SEBI, Investors grievance cell was received.

#### **5.REMUNERATION COMITTEE**

The role of Remuneration committee has been defined as under:

To review and approve/ recommend the remuneration for the officers or whole time Directors of the company.

To review and recommend to the Board the remuneration policy of the company

To discharge such other functions or exercise such powers as may be delegated to the committee by the Board from time to time.

Sri.N.Tarachand Dugar and Sri.T.Ramesh Dugar are the members of the remuneration committee.

The Remuneration committee met two times in the year on 31.07.2008 and 31.01.2009. During the financial year 2008-2009 the company has paid Rs.1, 80,000 to Sri.T.Padam Dugar .

#### **6. ANNUAL GENERAL MEETING**

The details of the last three Annual General Meetings of the company:

<b>Year</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
2008	26th August	10.00 AM	Nahar Hall, Deshabandhu Plaza, 1st Floor, 47 , Whites Road Royapettah, Chennai -600014
2007	21st September	10 .00AM	Nahar Hall, Deshabandhu Plaza, 1st Floor, 47 , Whites Road Royapettah, Chennai -600014
2006	29th September	10.00 AM	Nahar Hall, Deshabandhu Plaza, 1st-Floor, 47 , Whites Road Royapettah, Chennai -600014

## **DUGAR HOUSING DEVELOPMENTS LIMITED**

### **7. CODE OF CONDUCT**

The Board has laid down code of conduct for all Board of Directors and senior management of the company. All the Board Directors and senior management personnel affirmed compliance with the code for the year 2008-2009.

### **8. DISCLOSURES**

There are no materially significant party transactions of the company of material nature, with its promoters, the directors of the management, their subsidiaries or relatives that may have potential conflict with the interest of the company-at large.

No penalties or strictures were imposed on the company by the stock exchange or SEBI or any other statutory authority on any matter related to capital markets , during the last three years.

The company has complied with various rules and regulations prescribed by the Stock Exchange and SEBI during the last three years.

### **9. MEANS OF COMUNICATION**

The quarterly unaudited financial results and the Annual Audited Financial results are published in Trinity Mirror (in English) and Makkal-Kural (In regional language) dailies.

### **10. GENERAL SHAREHOLDERS INFORMATION**

#### **i. Annual General Meeting**

Day , Date and Time : Friday , the 25th September 2009 at 10.00 AM

Venue : Nahar Hall, Deshabandhu Plaza, 1st Floor, 47, Whites Road,  
Royapettah, Chennai -600014

#### **ii. Tentative Financial Calendar**

1st Quarter Results - 2nd half of July 2009

2nd Quarter Results - 2nd half of October 2009

3rd Quarter Results - 2nd half of January 2010

4th Quarter Results - 2nd Half of April 2010

#### **iii. Book Closure:**

The Register of members and the Share transfer Book shall remain closed from 19th September 2009 to 25th September 2009.

#### **iv. Listing on Stock Exchange**

The Madras Stock Exchange - Stock Code - 'DUGAR HOU'

The Stock Exchange, Mumbai - Stock Code - 5 1 1 6 3 4



#### **v. Distribution of shareholdings as 31.03.2009**

Promoters	5,53,700	18.46%
Mutual Fund & UTI	Nil	Nil
Private Corporate Bodies	6,04,500	20.15%
Indian Public	18,41,800	61.39%
NRIs/OCBs	Nil	Nil
Others	Nil	Nil
Total	30,00,000	100%

#### **vi. Dematerialisation of Shares**

The Company is in the process of dematerialization of shares. Reasonable steps have already been taken in this regard

#### **vii. Compliance Officer**

**Mr.T.Padam Dugar**

Dugar Towers 7th Floor

New 34(Old 123) Marshalls Road

Egmore, Chennai -600008.

#### **viii.Address for correspondence**

Registered Office: Dugar Towers 7th Floor New 34(Old 123) Marshalls Road  
Egmore, Chennai -600008.

As required by Clause 49 (1D) of the listing agreement with the stock exchange, it is hereby declared that all the Board Members and senior management personnel have affirmed compliance with the code of conduct of the company.

Date : 31st July 2009

Place : Chennai

For and on behalf of the Board

Dugar Housing Developments Limited

sd/-

**T. PADAM DUGAR**

Wholetime Director

## **DUGAR HOUSING DEVELOPMENTS LIMITED**

### **AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Dugar Housing Developments Limited

We have examined the compliance of conditions of corporate Governance of Dugar Housing Developments Limited for the year ended 31.03.2009 as stipulated in clause 49 of the Listing agreement of the said company with stock exchanges in India.

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 the 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that in respect of investors grievances received during the year ended 31.03.2009, no investor grievances are pending against the Company for a period exceeding one month as per the records maintained by the company which are presented to the shareholders/ Investor Grievance Committee.

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.

Place: Chennai  
Date: 31st July 2009

By Order of the Board  
sd/-  
**T. PADAM DUGAR**  
Wholetime Director



## AUDITORS REPORT TO THE MEMBERS OF DUGAR HOUSING DEVELOPMENTS LIMITED

1. We have audited the attached balance sheet of Dugar Housing Developments Limited, Chennai, as at 31st March 2009 and the profit and loss accounts for the year ended on that date annexed thereto both of which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditors Report) order, 2003 issued by the Central Government in terms of sub section 4 A of Sec 227 of the companies Act, 1956 (the Act), we enclose in the Annexure of the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that
  - i. We have obtained all information and explanations, which best of our knowledge and belief were necessary for the purpose of our Audit.
  - ii. In our opinion proper books of accounts as required by Law have been kept by the company as for as appears from our examination of those books.

- iii. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of Accounts.
- iv. In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the Accounting Standards refer to in sub Section 211 of the Companies Act, 1956.
- v. On the basis of the written representations received from the directors as on 31.03.2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2009 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
  - ii. In our opinion and to the best of our information and according to the Explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - A) In the case of the Balance Sheet, of the state of affairs of the Company as on 31.03.2009.
    - B) In the case of Profit and Loss Account, of the loss for the year ended on that Date.
    - C) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **D.A. REDDY & CO**  
Chartered Accountants

sd/-

**CA. D.AUDISESHA REDDY** B.Com, F.C.A  
Proprietor

PLACE: CHENNAI  
DATE : 31.07.2009

## DUGAR HOUSING DEVELOPMENTS LIMITED

### ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Fixed Assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification.
- ii. None of the fixed assets have been revalued during the year.
- iii. The stock of finished goods, stores and raw materials and shares have been physically verified by the
- iv. The procedure for physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- v. No material discrepancies have been noticed on physical verification of stocks as compared to the books records.
- vi. In our opinion, the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.
- vii. According to the information given, no loans have been granted to Companies, firms and other parties listed in the Register maintained U/S 301 of the Companies Act 1956. There are no Companies under the same management as defined U/S 370(1B) of the Companies Act 1956.
- viii. According to the information given, no loans have been taken from companies, firms or other parties listed in the register maintained u/s301 of the Companies Act 1956.
- ix. In respect of loans and advances in the nature of the loan given by the Company, the schedule of repayment of principal and interest is not stipulated.
- x. In our opinion there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stocks, Plant & machinery, Equipment, and other assets and with regard to the sale of goods.
- xi. In our opinion and according to the information and explanations given to us, the company has not entered into any transactions of purchase of goods and materials and sale of goods, materials and service aggregating to Rs. 500,000/- or more in value to any of the parties listed in register maintained U/S 301 of the Companies Act 1956.
- xii. The Company did not have unserviceable or damaged stocks during the year.
- xiii. The Company is not a manufacturing, mining or a processing company and therefore does not produce any by products or generate any scrap
- xiv. The Company does not have any internal audit system.
- xv. There are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess, which are outstanding as at 31/03/2009 for a period of more than six months from the date they became payable.
- xvi. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payments under contractual obligations or in accordance with generally accepted business practice.
- xvii. According to the records of the Company, Provident Fund and Employees State Insurance dues have been regularly deposited during the year with the appropriate authorities.
- xviii. To the best of our knowledge and belief and according to the information given to us, no fraud on or by the company was noticed or reported during the year.
- xix. The other items of the above said order are, in our opinion, not applicable in the case of this company.

For **D.A. REDDY & CO**  
Chartered Accountants

sd/-

**CA. D.AUDISESHA REDDY** B.Com, F.C.A

Proprietor

PLACE: CHENNAI

DATE : 31.07.2009

**BALANCE SHEET AS AT 31.03.2009**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
SHARE CAPITAL	1	30,000,000.00	30,000,000.00
		<hr/>	<hr/>
		30,000,000.00	30,000,000.00
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	2	1,767,937.42	1,755,417.42
LESS:DEPRECIATION		1,409,163.25	1,348,394.23
		<hr/>	<hr/>
NET BLOCK		358,774.17	407,023.19
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
CURRENT ASSETS	3	5,774,626.94	5,885,573.46
LOAN AND ADVANCES	4	6,964,411.27	6,782,811.28
		<hr/>	<hr/>
		12,739,038.21	12,668,384.74
LESS:CURRENT LIABILITIES & PROVISIONS	5	13,075,640.29	12,325,394.29
		<hr/>	<hr/>
NET CURRENT ASSETS		-336,602.08	342,990.45
<b>MISCELLANEOUS EXPENDITURE</b>			
	6	29,977,827.91	29,249,986.36
		<hr/>	<hr/>
		30,000,000.00	30,000,000.00

As per our Report of even date

**For D.A. Reddy & Co**

sd/-

**CA. D.AUDISESHA REDDY** B.Com, F.C.A  
**Proprietor**

sd/-

**N.Tarachand Dugar**  
**Chairman**

sd/-

**T. Padam Dugar**  
**Wholetime Director**

PLACE : CHENNAI

DATE : 31.07.2009

**DUGAR HOUSING DEVELOPMENTS LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009**

<b>PARTICULARS</b>	<b>sch</b>	<b>For the year ended 31.03.2009</b>	<b>for the year ended 31.03.2008</b>
<b>INCOME</b>			
PROPERTY DEVELOPMENT	7	<b>280,000.00</b>	1,367,000.00
OTHER INCOME		<b>100.00</b>	120.00
		<b>280,100.00</b>	1,367,120.00
<b>EXPENDITURE</b>			
OPENING STOCK OF SHARES	5,764,525.20		
ADD: PURCHASES	0.00		
	5,764,525.20		
CLOSING STOCK OF SHARES	5,764,525.20	<b>0.00</b>	0.00
ADMINISTRATION EXPENSES	8	<b>935,252.52</b>	2,801,263.32
DEPRECIATION	2	<b>60,769.03</b>	69,361.81
		<b>996,021.55</b>	2,870,625.13
PROFIT / LOSS BEFORE TAX		<b>-715,921.55</b>	-1,503,505.13
PROVISION FOR TAXATION			
INCOME TAX PAID (EARLIER YEARS ) FRINGE BENEFIT TAX		<b>0.00</b>	373,706.00
		<b>11,920.00</b>	31,580.00
PROFIT/(LOSS ) AFTER TAX		<b>-727,841.55</b>	-1,908,791.13
ADD: BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		<b>-29,249,986.36</b>	-27,341,195.23
BALANCE TAKEN TO BALANCE SHEET		<b>-29,977,827.91</b>	-29,249,986.36

Significant Accounting Policies and notes on Accounts

As per our Report of even date

**For D.A. Reddy & Co**

sd/-

**CA. D.AUDISESHA REDDY** B.Com, F.C.A  
Proprietor

sd/-

**N.Tarachand Dugar**  
Chairman

sd/-

**T. Padam Dugar**  
Wholtime Director

PLACE : CHENNAI

DATE : 31.07.2009





**SCHEDULES 1-10 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31.03.2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009**

	<b>As at 31.03.2009 Rs.</b>	<b>As at 31.03.2008 Rs.</b>
<b>1. SHARE CAPITAL</b>		
AUTHORISED <b>100,00,000 EQUITY SHARES OF RS.10 EACH</b>	<b>100,000,000.00</b>	100,000,000.00
ISSUED, SUBSCRIBED AND PAID UP 30,00,000 EQUITY SHARES OF RS.10 EACH FULLY PAID UP IN CASH	<b>30,000,000.00</b>	30,000,000.00
	<b>30,000,000.00</b>	30,000,000.00
<b>CURRENT ASSETS 3</b>		
Stock of Shares (At Cost )	<b>5,764,525.20</b>	5,764,525.20
Cash and Bank balances :		
Cash on Hand	<b>200.00</b>	10,200.00
With Scheduled Banks in Current Accounts	<b>9901.74</b>	110,848.26
	<b>5,774,626.94</b>	5,885,573.46

**DUGAR HOUSING DEVELOPMENTS LIMITED**

SCHEDULES 1-10 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31.03.2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

**2. FIXED ASSETS**

PARTICULARS	GROSS BLOCK ADDNSDELTN		DEPRECIATION FOR THE DEL YEAR	NET BLOCK	
	01.04.2008	31.03.2009		31.03.2009	31.03.2008
OFFICE EQUIPMENTS	775,193.42	12520.00	42333.10	192,850.81	222,663.91
PLANT & MACHINERY	905,570.00	0.00	12231.20	110,080.76	122,311.96
FURNITURE & FITTINGS	74,654.00	0.00	6204.73	55,842.59	62,047.32
	1,755,417.42	12,520.00	60,769.03	358,774.17	407,023.19



**SCHEDULES 1-10 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31.03.2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009**

<b>SCHEDULE</b>	<b>As at 31.03.2009 Rs.</b>	<b>As at 31.03.2008 Rs.</b>
<b>LOANS AND ADVANCES (SCH 4 )</b> (Unsecured unless otherwise stated considered good )		
<b>Loans</b> (Advance recoverable in cash or in Kind or for value to be received )	<b>5,942,481.12</b>	<b>5,739,881.12</b>
Keshav Dugar	<b>894,148.00</b>	<b>894,148.00</b>
Advance and Deposits	<b>127,782.15</b>	<b>148,782.15</b>
	<hr/> <b>6,964,411.27</b>	<hr/> <b>6,782,811.27</b>
<b>CURRENT LIABILITIES (SCH 5 )</b>		
Sundry Creditors	<b>13,075,640.29</b>	<b>12,325,394.29</b>
	<hr/> <b>13,075,640.29</b>	<hr/> <b>12,325,394.29</b>
<b>MISCELLANEOUS EXPENDITURE (SCH 6 )</b> (To the extent not written off or adjusted )		
Profit and Loss Account	<b>29,977,827.91</b>	<b>29,249,986.36</b>
	<hr/> <b>29,977,827.91</b>	<hr/> <b>29,249,986.36</b>
<b>PROPERTY DEVELOPMENT (SCH 7 )</b>		
Project Promotion Fess( Net of Expenses )	<b>280,000.00</b>	<b>1,367,000.00</b>
	<hr/> <b>280,000.00</b>	<hr/> <b>1,367,000.00</b>

# DUGAR HOUSING DEVELOPMENTS LIMITED

## SCHEDULES 1-10 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31.03.2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>ADMINISTRATION EXPENSES (SCH 8 )</b>		
A.G.M Expenses	18,767.00	30,682.00
Advertisement & Publicity	55,198.00	215,912.00
Audit Fees	16,545.00	16,854.00
Bank Charges	2,475.89	2,948.06
Business Promotion Expenses	48,914.43	104,766.34
Directors Sitting Fees & Directors conveyance Exps	10,000.00	5,000.00
Electricity and Water charges	14,242.00	88,094.00
Insurance	7,315.00	55,458.00
Legal Expenses	0.00	55,000.00
Postage , Telephone and Telegrams	51,835.50	98,668.23
Printing & Stationery	37,441.00	144,177.05
Professional Fees	32,540.00	121,500.00
Rent Rates and Taxes	154,084.00	333,900.00
Repairs and Maintenance	20,195.36	56,106.16
Salaries and Allowances	231,641.10	1,057,777.25
Office Expenses	93,359.79	134,923.67
Subscription and Periodicals	64,339.45	13,769.00
Travelling and conveyance expenses	76,359.00	242,776.00
Vehicle Maintenance	0.00	22,951.56
	<b>935,252.52</b>	<b>2,801,263.32</b>



## 9. SIGNIFICANT ACCOUNTING POLICIES

- a) The financial accounts are prepared under the accrual method, unless otherwise stated and at historical cost.
- b) Revenue Recognition
  - 1) Property Development.
    - i) In respect of contract the company follows completed contract method of accounting revenue and costs. Under this method, revenue is recognised only when the project is completed or substantially completed.
    - ii) Project promotion fess is the fee charged to customers on allotment of flats at a specific rate per square foot of built up area to be constructed in consideration of the various services rendered by the company by promoting the respective projects. The same is recognised as income upon signing of construction agreement with customers and is not linked to the status of the completion of project.
- c) Fixed Assets and Depreciation :
  - i) Fixed assets are stated at cost less depreciation
  - ii) Depreciation on all assets has been provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act 1956.
- d) Current Assets.
  - i) Stock of shares is valued at cost. However in case of shares of Dugar Finance India Limited, the shares have been valued at a notional value of Rs.3/ Share.
  - ii) Work in progress is valued at cost, aggregate of materials, labour charges and cost of materials lying unused at the site.
  - iii) Real Estate debtors represent (i) values of sales less amount received and (ii) unrealized project promotion fees.
- e) Deferred Taxation Liability  
Deferred taxation Liability if any, has been determined as Rs. NIL in view of the continuous losses suffered by the Company and accordingly has not been provided for in the accounts.

## DUGAR HOUSING DEVELOPMENTS LIMITED

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
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### NOTES ON ACCOUNTS

a) Remuneration to Whole time Director

Salary	1, 80,000	1, 80,000
PF Contribution	21,600	21,600

b) Remuneration to Auditors

For Audit	10,000	10,000
For other services	5,000	5,000

d) With regard to clause 3(ii) of part II of schedule VI of the Companies Act 1956, the company is of the view that in respect of the Property Development activity, the Company is not a 'Manufacturing' or a Trading or a 'Service' company falling under sub clause (a),(b) and (c) thereof, but an 'other' company falling under sub-clause (e) thereof.

e) Foreign Currency

Expenditure related to Travel

2009	2008
------	------

Nil	Nil
-----	-----

Income

Nil	Nil
-----	-----

f) Remittance in foreign currency in respect of Dividend

Nil	Nil
-----	-----

2009	2008
------	------

f) Value of imports calculated on C.I.F basis

i) Raw Materials

Nil	Nil
-----	-----

ii) Spare Parts

Nil	Nil
-----	-----

iii) Capital Goods

Nil	Nil
-----	-----

g) Contingent Liability

Nil	Nil
-----	-----



i) Particulars of opening stock, purchases, sales and closing stock of shares

S.No	Name of the company	Face Value	Qty –Nos 31.03.09	Qty- Nos 31.03.08	Cost price 31.03.09	Cost price 31.03.08
Equity Shares ( Fully Paid )		Rs.				Rs.
1*	Century Wood Ltd	10.00	90000	90000	900000	900000
2*	Dugar Finance India Ltd	10.00	547175	547175	1641525	1641525
3*	Zen Global Finance Ltd	10.00	10500	10500	178500	178500
5**	Dugar Forex Ltd	10.00	60000	60000	300000	300000
6*	IFB Securities	10.00	1200	1200	12000	12000
7*	Mittal Securities	10.00	1300	1300	32500	32500
<b>Total</b>			<b>710175</b>	<b>760175</b>	<b>5764525</b>	<b>5764525</b>

\* Quoted ( Market value – Rs.344504) Previous year Rs.1,81,280

\*\* Unquoted

j) In respect of contracts , the company follows completed contract method and has not made any provision in respect of future loss , if any, that it may incur on the Real Estate projects promoted, as the Board of Directors does not anticipate any Loss.

k) Contingent liabilities with respect to disputed amount of income tax for the A.Y.1999-2000 pending in appeal before ITAT , Chennai amounting to Rs.31.25 Lakhs

l) The figures for the previous accounting year have been regrouped/ rearranged Wherever required.

Signatories to Schedules 1-9

**For D.A. Reddy & Co**

sd/-

**CA. D.AUDISESHA REDDY** B.Com, F.C.A  
**Proprietor**

sd/-

**N.Tarachand Dugar**  
**Chairman**

sd/-

**T. Padam Dugar**  
**Wholetime Director**

PLACE : CHENNAI

DATE : 31.07.2009

# DUGAR HOUSING DEVELOPMENTS LIMITED

## A. CASH FLOW FROM OPERATING ACTIVITIES

	31.03.2009 Rs.in Lakhs	31.03.2008 Rs.in Lakhs
Net Profit / Loss before tax	-7.16	-15.04
Add:		
Depreciation	0.61	0.69
Operating profit before working Capital changes	-6.55	-14.35
(Increase)/Decrease in stock of shares	0.00	0.00
(Increase)/Decrease in Loans & Advances	-1.82	-0.07
(Increase)/Decrease in Current Liabilities	7.50	19.47
Cash generated from operating activities	-0.87	5.05
Direct tax paid	0.12	4.05
Interest paid		
Net Cash from operating activities	-0.99	1.00

## B. CASH FLOW FROM INVESTMENT ACTIVITIES

Purchase of fixed assets	0.12	0.00
Sale of fixed assets	0	0.00
Net cash used in investing activities	0.12	0.00

## C. CASH FLOW FROM FINANCING ACTIVITIES

Secured Loans	0	0
Unsecured Loans	0	0
Net Cash used in financing activities	0	0
Net increase in Cash & Cash equivalents (A+B+C)	(1.11)	1.00
Opening Cash & Cash equivalent	1.21	0.21
Closing Cash & Cash equivalent	0.10	1.21

For D.A. Reddy & Co

sd/-

**CA. D.AUDISESHA REDDY** B.Com, F.C.A  
Proprietor

sd/-

**N.Tarachand Dugar**  
Chairman

sd/-

**T. Padam Dugar**  
Wholetime Director

PLACE : CHENNAI

DATE : 31.07.2009





Auditors : Report on the Cash Flow Statement of Dugar Housing Developments Ltd. for the year ended 31st March 2009. We report that we have verified the cash flow statement for the 31st March 2009 Dugar Housing Developments Ltd. with reference to the audited accounts of the company for the relevant year.

Based on such verification, the cash flow statement as annexed hereto has been found to be in accordance with the audited accounts of the company for the relevant year and also with requirements of Clause 32 of the Listing Agreement with Madras Stock Exchange Limited.

Place: Chennai  
Date : 31<sup>st</sup> July 2009

For **D.A. REDDY & CO.**,  
Chartered Accountants  
*sd/-*  
**D. AUDISESHA REDDY**  
Proprietor

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT 1956**

**I. REGISTRATION DETAILS**

Registration No.                                              State Code                       
BALANCE SHEET DATE           

**II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)**

Public Issue                                                Rights Issue                      
Bonus Issue                                                 Private Placement           

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)**

Total Liabilities                                            Total Assets                          
Source of Funds  
Paid up Capital                                            Reserve & Surplus              
Secured Loans                                                      Unsecured Loans              
Application of Funds  
Net fixed Assets                        
Net Current Assets                     
Accumulated Losses              

**IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)**

Turnover                                                              Total Expenditure                
Profit Before Tax                                                     Profit After Tax                     
Earning per share in Rs. P.                                    Dividend Rate %             

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY  
(as per Monetary Terms)**

Item Code No.                                           
(ITC Code)



# DUGAR HOUSING DEVELOPMENTS LIMITED

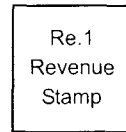
Regd. Office : "Dugar Towers", New No.34, (Old No.123), Marshalls Road, Egmore, Chennai - 600 008.

## PROXY FORM

Reg. Folio No ..... No. of Shares.....  
I/ We ..... being a Members(s) of the above named Company hereby appoint ..... of ..... of falling him ..... of ..... as my/our proxy to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting of the company to be held on Friday the 25th September 2009 at Nahar Hall, Deshbandhu Plaza, First Floor, 47, Whites Road, Royapettah, Chennai - 600 014 at 10.00 a.m and at any adjustment thereof

Signed this..... day of September 2009.

Signature .....



Note: The Form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the Meeting.

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## DUGAR HOUSING DEVELOPMENTS LIMITED

Regd. Office : "Dugar Towers", New No.34, (Old No.123), Marshalls Road, Egmore, Chennai - 600 008.

## ATTENDANCE SLIP

(17th Annual General Meeting - 25th September 2009)

Reg. Folio No ..... No. of Shares.....

I hereby record my presence at the 17th Annual General Meeting of the company to be held on Friday 25th September 2009 at Nahar Hall, Deshbandhu Plaza, First Floor, 47, Whites Road, Royapettah, Chennai - 600 014 at 10.00 a.m.

.....

Member's / Proxy Name

in Block Letters

.....

Member's / Proxy Signature

**Note** : Please fill in this attendance slip and hand it over at the Entrance of the Meeting Hall.

---

**NO COMPLIMENTS WILL BE GIVEN AT THE ANNUAL GENERAL MEETING**

If undelivered please return to



**DUGAR**  
**HOUSING DEVELOPEMENTS LIMITED**

Regd. Office : "Dugar Towers", New No.34, (Old No.123),  
Marshalls Road, Egmore, Chennai - 600 008.

[www.dugar.in](http://www.dugar.in)