



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 T. PADAM DUGAR, Wholetime Director

AUDITORS

M/s. D.A. REDDY & CO.,

Chartered Accountants,

Chennai - 600 017.

REGISTERED OFFICE

"DUGAR TOWERS", 7th Floor

34 (Old # 123), Marshalls Road,

Egmore, Chennai - 600 008.

e-mail : housing@dugar.in

www.dugar.in

DUGAR HOUSING DEVELOPMENTS LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 16th Annual General Meeting of the Company will be held on Friday the 26th September 2008 at Nahar Hall, Deshbandhu Plaza, First Floor, 47, Whites Road, Royapettah, Chennai 600 014 at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive and adopt the audited Balance Sheet as at 31 st March 2008 and Profit and Loss Account of the Company for the year ended 31st March 2008 and reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Smt. R. Vijayalakshmi, who retires by rotation and is eligible offers herself for re-appointment
3. To appoint M/s. D.A. Reddy & Co., the retiring auditors, being eligible offer themselves for re-appointment to hold office upto the conclusion of the next annual general meeting and to fix their remuneration.

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 20th September 2008 to 26th September 2008 (both days inclusive)
3. Members are requested to :
 - a. Notify immediately any change in their addresses to the company.
 - b. Quote your account number in all correspondence with the company.

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

Chennai
31st July 2008

DIRECTOR'S REPORT

Dear Members,

Your Directors have great pleasure in presenting the 16th Annual Report along with the Audited accounts for the year ended 31st March 2008.

FINANCIAL HIGHLIGHTS

The company has restructured its business operations of building and constructions.

A SUMMARY OF FINANCIAL RESULTS

	Rs. in lakhs	
	Year ended	
	March 2008	March 2007
Profit /(loss) before Depreciation & tax	-17.01	-15.16
less: Depreciation	0.70	0.53
Profit/(Loss) before Tax	-17.71	-15.69
Less: Direct tax paid	4.05	0.41
Net Profit/Loss	-21.76	-16.10
Balance brought forward	-273.41	-257.31
Amount available for appropriation	-295.17	-273.41
Appropriation		
Proposed Dividend	--	--
Dividend Tax	--	--
Transfer to general Reserve	--	--
Balance transferred to Balance Sheet	-295.17	-273.41

Business Performance

The overall turnover of your Company for the period under review stood at Rs.11.00 Lacs. 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 31st March 2008.



DIRECTORS

Smt. R. Vijayalakshmi, Director, being the director retires by rotation and being eligible, offers herself for re-appointment.

AUDITORS

M/s. D.A.Reddy & Co, Chartered Accountants, Chennai, the present auditors retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment.

PUBLIC DEPOSIT

The directors hereby report that the company has not accepted any deposit from the public 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 Employees Rule, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Disclosure of particulars with respect of the provisions of Section 217(1)(e) of the Companies Act, 1956 and also required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 for the Year ended 31st March, 2008 do not apply to the Company.

ANNEXURE - A

DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the annual accounts, 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 loss of the company;
- (iii) 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 other frauds and irregularities;
- (iv) That the Directors prepared the accounts on a going concern basis.

ACKNOWLEDGEMENT

The Company is grateful for the co-operation and assistance extended by the Government and also wish to place on record their thanks and appreciation to the Employees for their hard work and dedication.

Chennai
31st July 2008.

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

DUGAR HOUSING DEVELOPMENTS LIMITED

REPORT ON CORPORATE GOVERNANCE

PHILOSOPHY

"Corporate Governance deals with laws, procedures, practices and implicit rules that determine a 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 and controlled.

Features of Good Corporate Governance

Following are generally considered as features of good governance:

- Independent and effective Board of Directors.
- Good audit process and reporting.
- Adequate and timely disclosure of information.
- Transparency of information.
- Greater participant of shareholders in decision-making.
- Maximizing shareholder value.
- Meeting social obligations.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

DUGAR HOUSING DEVELOPMENTS LIMITED bears the highest degree of commitment towards its Stakeholders, Creditors, Bankers, Government and the 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 standards 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 frequent intervals to decide on various strategic financial and business issues.



The composition of the Board is as under:

S.No	Name of Director	Position	Directors in other companies	Membership in committees	Attendance at the last AGM
1.	Shri Tarachand Dugar	Non-Executive	Three	Two	Yes
2.	Shri Padam T. Dugar	Executive	Two	--	Yes
3.	Shri Ramesh T.Dugar	Non-Executive	Two	Two	Yes
4.	Smt.R.Vijayalakshmi	Non-Executive Independent	Two	Three	Yes
5.	Shri Prasanth C.jain	Non-Executive Independent	One	Three	Yes

Smt. R. Vijayalakshmi is the Director retiring by rotation and being eligible, is re-appointed

Smt. R. Vijayalakshmi with finance background has got more than 20 years in legal matters. She is also experience in Hire Purchase & Leasing Business.

2. MEETINGS OF THE BOARD

The Board meets atleast 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 members.

During the financial year 2007-2008, Four Board Meetings were held.

S.No.	Date of Meeting	Strength of the Meeting	Names of the absentee Directors
1.	31.01.2008	Five	All were present
2.	31.10.2007	Four	Ramesh Dugar
3.	30.07.2007	Five	All were present
4.	27.04.2007	Four	R. Vijayalakshmi

DUGAR HOUSING DEVELOPMENTS LIMITED

3. AUDIT COMMITTEE

The Company has duly constituted an 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 Shri. Tarachand Dugar, Smt. R. Vijayalakshmi, and Shri. Prasanth C. Jain, Smt. R. Vijayalakshmi being the Chairperson 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 the company's financial and accounting mechanism and ensures that disclosures in its financial statements are correct, sufficient and credible.
- 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 2007-2008 the following meetings of the Audit Committee were held:

Sl.No	Date of Meeting	Name of the Absentee Directors
1.	25.01.2008	Sri. Prashant C. Jain
2.	25.10.2007	All were present
3.	29.07.2007	All were present
4.	25.04.2007	All were present

4. SHAREHOLDERS GRIEVANCE AND INVESTORS COMMITTEE

The Committee consists of Two Non-Executive Independent Directors, Shri Prashant C. Jain and Smt. R. Vijayalakshmi, and one Non-Executive Director Shri T. Ramesh Dugar. Shri Prasanth C. Jain being the Chairman. The company has 5289 Equity shareholders. During the year under review, no letter from SEBI, Investors Grievance cell was received.



5. REMUNERATION COMMITTEE

The role of remuneration committee has been defined as under:

- To review and approve/recommend the remuneration for the officers or the Whole-time directors of the company.
- To review and recommend to the Board the remuneration policy of the company.
- To discharge such other function(s) or exercise such powers as may be delegated to the Committee by the Board from time to time.

Disclosure regarding remuneration of Directors

None of the Directors have been given stock option.

Directors	Relationship with other directors	Business relation with the company	Loans & advance from the company	Remuneration for the year 2007-08			
				Sitting fees	Salary and perks	Comm.	Total
Tarachand Dugar	F/o. Padam Dugar & Ramesh Dugar	Nil	Nil	500	—	—	1,500
Padam Dugar	S/o. Tarachand Dugar	Nil	Nil	---	15,000 p.m.	---	1,80,000
Ramesh Dugar	S/o. Tarachand Dugar	Nil	Nil	500	---	---	500
R.Vijayalakshmi		Nil	Nil	500	---	---	1,500
C. Prashanth Jain		Nil	Nil	500	---	---	1,500

DUGAR HOUSING DEVELOPMENTS LIMITED

6. ANNUAL GENERAL MEETING

The Details of Last Three Annual General Meetings of the Company :

Year	Date	Time	Place
2007	21st September	10.00 a.m.	Nahar Hall, Deshabandhu Plaza, 1st floor, 47, Whites Road, Royapettah, Chennai - 600 014.
2006	29th September	10.00 a.m.	Nahar Hall, Deshabandhu Plaza, 1st floor, 47, Whites Road, Royapettah, Chennai - 600 014.
2005	17th September	11.00 a.m.	Nahar Hall, Deshabandhu Plaza, 1st floor, 47, Whites Road, Royapettah, Chennai - 600 014.

7. CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board Members and senior management of the company. All the Board members and senior management personnel have affirmed compliance with the Code for the year 2007-08

8. DISCLOSURES

- There are no materially significant related party transactions i.e. 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 the various rules and regulations prescribed by the stock exchange and SEBI during the last three years.

9. MEANS OF COMMUNICATION

- a. The Quarterly results are usually 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 26th Day of September 2008, at 10.00 A.M.

Venue : Nahar Hall, Deshbandhu Plaza,
First Floor, 47, Whites Road,
Royapettah, Chennai-600 014.



ii. Tentative financial calendar

- 1st Quarter results - 2nd half of July 2008
- 2nd Quarter results - 2nd half of October 2008
- 3rd Quarter results - 2nd half of January 2009
- 4th Quarter results - 2nd half of April 2009

iii. Book Closure

The register of members and the share transfer book shall remain closed from
20th September 2008 to 26th September 2008

iv. Listing on Stock exchanges

The Madras Stock Exchange - Stock Code - 'DUGAR HOU'
The Stock Exchange, Mumbai - Stock Code - 511634

v. Distribution of shareholdings as 31.03.2008

1.	Promoters	673200	22.44
2.	Mutual Funds and UTI	NIL	NIL
3.	Private Corporate Bodies	652500	21.75
4.	Indian Public	1674300	55.81
5.	NRIs / OCBs	NIL	NIL
6.	Others	NIL	NIL
	TOTAL	3000000	100.00

vi. Dematerialization of Shares

The company is in the process of dematerialisation of shares. Reasonable steps have already been taken in this respect.

DUGAR HOUSING DEVELOPMENTS LIMITED

vii. Compliance officer

Mr. T. Padam Dugar
Dugar Towers, 7th Floor,
New No. 34, (old No.123), Marshalls Road, Egmore, Chennai 600 008.

vii. Address for correspondence

Registered office: Dugar Towers, 7th Floor,
New No. 34, (old No.123), Marshalls Road,
Egmore, Chennai 600 008.
Email : housing@dugar.in

As required by Clause 49 (1D) of the Listing Agreement with the Stock Exchanges 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 2008

Place : Chennai

For and on behalf of the Board
Dugar Housing Developments Limited

sd/-

T. PADAM DUGAR
Wholetime Director



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Dugar Housing Developments Ltd.

We have examined the compliance of conditions of Corporate Governance of Dugar Housing Developments Ltd for the year ended 31st March 2005 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 explanations 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 investor grievances received during the year 31st March 2008, no investor grievances are pending against the company for a period exceeding one month as per 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 2008

For D.A. REDDY & CO.,
Chartered Accountants
sd/-
D. AUDISESHA REDDY, B.Com.,F.C.A.
Proprietor

DUGAR HOUSING DEVELOPMENTS LIMITED

AUDITORS' REPORT TO THE MEMBERS OF DUGAR HOUSING DEVELOPMENTS LTD.,

1. We have audited the attached Balance Sheet of Dugar Housing Developments Limited as at 31st March 2008 and the profit and loss accounts and the cash flow statement for the year ended on that date annexed thereto. 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 generally accepted 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 (Audit's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the Act), we enclose in the Annexure's statement on the matters specified in paragraphs 4 and the 5 of the said order.

4. Further to our comments in the Annexure referred to above, we report that :

i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

- ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
- iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of accounts.
- iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
- v) On the basis of written representations received from the directors, as on 31st March 2008 and taken on record by the Board of Directors, we report that none of directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) 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 at 31st March 2008:
- b) In the case of the profit and loss account, of the Profit for the year ended on that date ; and
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

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

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

Place: Chennai

Date : 31st July 2008



**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 stocks of finished goods, stores, materials and shares have been physically verified by the management during the year.
- iv) The procedure for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature its business.
- v) No material discrepancies have been noticed on physical verification of stocks as compared to the book records.
- vi) In our opinion, the valuation of stocks 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 under Section 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/s 301 of the Companies Act, 1956.
- ix) In respect of loans and advances in the nature of loans 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 for purchase of goods and materials and sale of goods, materials and services aggregating to Rs. 5 lacs or more in value to any of the parties listed in the 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 to income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at 31st March 2008 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 payable 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 and explanations given to us, no fraud on or by the company was noticed or reported during the year.
- xix) The other items of the aforesaid Order are, in our opinion, not applicable in the case of this Company.

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

D. AUDISHA REDDY, B.Com., F.C.A.
Proprietor

Place: Chennai

Date : 31st July 2008

DUGAR HOUSING DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2008

	Schedule	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share capital	1	30,000,000.00	30,000,000.00
		<u>30,000,000.00</u>	<u>30,000,000.00</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	2	1,755,417.42	1,755,417.42
Less : depreciation		1,348,394.23	1,279,032.42
Net block		<u>407,023.19</u>	<u>476,385.00</u>
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets	3	5,885,573.46	5,785,436.80
Loans and Advances	4	6,782,811.28	6,776,282.27
		<u>12,668,384.74</u>	<u>12,561,719.07</u>
Less: Current liabilities & provisions	5	10,592,394.29	10,379,299.31
Net current Assets		<u>75,990.45</u>	<u>2,182,419.77</u>
Miscellaneous Expenditure	6	29,516,986.36	27,341,195.23
		<u>300,00,000.00</u>	<u>300,00,000.00</u>

As per our report of even date

For D.A. Reddy & Co

Chartered Accountants

sd/-

D.AUDISESHA REDDY

Proprietor

sd/-

N.TARACHAND DUGAR

Chairman

sd/-

T.PADAM DUGAR

Wholetime Director

Chennai

31st July 2008



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

INCOME	Schedule	For the Year ended 31.03.2008 Rs. P.	For the period ended 31.03.2007 Rs. P.
Property Development	7	1,100,000.00	1,187,350.00
Other Income		120.00	120.00
		1,100,120.00	1,187,470.00
EXPENDITURE			
Opening Stock of Shares		5,764,525.20	
Add : Purchases		0.00	
		<u>5,764,525.20</u>	
Less : Closing Stock of Shares		5,764,525.20	0.00
Administration Expenses	8	2,801,263.32	2,704,328.78
Depreciation	2	69,361.81	52,711.90
		<u>2,870,625.13</u>	<u>2,757,040.68</u>
Profit / Loss before Tax		-1,770,505.13	-1,569,570.68
Provision for Tax			
Income Tax paid (earlier years)		373,706.00	0.00
Fringe Benefit Tax		31,580.00	40,630.00
Profit / (Loss) after Tax		<u>-2,175,791.13</u>	<u>-1,610,200.00</u>
Add : Balance brought forward from previous year		-27,341,195.23	-25,730,994.55
Balance taken to Balance Sheet		-29,516,986.36	-27,341,195.23

Significant Accounting Policies and Notes on Accounts 9

As per our Report attached of even date
For **D.A. REDDY & CO**
Chartered Accountants

sd/-
D.AUDISESHA REDDY
Proprietor

sd/-
N. TARACHAND DUGAR
Chairman

sd/-
T. PADAM DUGAR
Wholetime Director

Chennai
30th July 2007

DUGAR HOUSING DEVELOPMENTS LIMITED

Schedules 1 to 10 Annexed to and forming part of the Balance Sheet as at 31st March 2008 and Profit and Loss account for the year ended 31st March 2008.

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
1. SHARE CAPITAL		
Authorised		
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000.00	10,00,00,000.00
Issued and Subscribed		
30,00,000 Equity Shares	3,00,00,000.00	3,00,00,000.00
of Rs. 10/- Each fully paid up in cash		
2. CURRENT ASSETS		
(Property Development-Project in Progress (As Certified by the Management)		
Work in Progress		
Less : Cost of Construction	0.00	0.00
Stock of Shares (At cost)	5,764,525.20	5,764,525.20
Cash and Bank Balances		
Cash on hand	10,200.00	10,200.02
With Scheduled Banks in Current Accounts	110,848.26	10,711.58
	5,885,573.46	5,785,436.80

Schedule 1 to 10 Annexed to and forming part of the Balance Sheet as at 31st March 2008 and Profit and Loss account for the period ended 31st March 2008

2. FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2007	ADDITIONS	DELETIONS	As at 31.03.2008	As at 01.04.2007	FOR THE YEAR	DELETIONS	As at 31.03.2008	As at 31.03.2008	As at 31.03.2007
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
OFFICE EQUIPMENTS	775,193.42	0.00	0.00	775,193.42	503,652.07	48,877.44	0.00	552,529.51	222,663.91	271,541.35
PLANT & MACHINERY	905,570.00	0.00	0.00	905,570.00	769,667.82	13,590.22	0.00	783,258.04	122,311.96	135,902.18
FURNITURE & FITTINGS	74,654.00	0.00	0.00	74,654.00	5,712.53	6,894.15	0.00	12,606.68	62,047.32	68,941.47
	1,755,417.42	0.00	0.00	1,755,417.42	1,279,032.42	69,361.81	0.00	1,348,394.23	407,023.19	476,385.00



DUGAR HOUSING DEVELOPMENTS LIMITED

Schedules 1 to 10 Annexed to and forming part of the Balance Sheet as at 31st March 2008 and Profit and Loss account for the year ended on that date.

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
4. LOAN AND ADVANCES		
(Unsecured unless otherwise stated considered good)		
Loans	5,739,881.12	5,735,151.12
(Advance recoverable in cash or in Kind or for value to be received)		
-Keshav Dugar	894,148.00	894,148.00
Advance and Deposits	148,782.15	146,983.15
	<u>6,782,811.27</u>	<u>6,776,282.27</u>
5. CURRENT LIABILITIES		
Sundry Creditors	12,592,394.29	10,379,299.31
	<u>12,592,394.29</u>	<u>10,379,299.31</u>
6. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Profit and Loss Account	29,516,986.36	27,341,195.23
	<u>29,516,986.36</u>	<u>27,341,195.23</u>
7. PROPERTY DEVELOPMENT (SCH 7)		
Project Promotion Fess	11,000,000.00	1,187,300.00
	<u>11,000,000.00</u>	<u>1,187,300.00</u>



Schedules 1 to 10 Annexed to and forming part of the Balance Sheet as at 31st March 2008 and Profit and Loss account for the year ended 31st March 2008

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
ADMINISTRATION EXPENSES		
A.G.M Expenses	30,682.00	27,266.00
Advertisement & Publicity	215,912.00	115,397.00
Audit Fees	16,854.00	16,836.00
Bank Charges	2,948.06	24,636.34
Business Promotion Expenses	104,766.34	145,285.82
Directors Sitting Fees Directors conveyance Exps.	5,000.00	16,000.00
Electricity and Water charges	88,094.00	84,139.00
Insurance	55,458.00	89,216.00
Legal Expenses	55,000.00	23,000.00
Newspaper and Periodicals	0.00	1,000.00
Postage , Telephone and Telegrams	98,668.23	143,899.57
Printing & Stationery	144,177.05	135,291.16
Professional Fees	121,500.00	33,010.00
Rent, Rates and Taxes	333,900.00	432,600.00
Repairs and Maintenance	56,106.16	59,222.00
Salaries and Allowances	1,057,777.25	884,046.89
Office Expenses	134,923.67	127,750.16
Subscription and Periodicals	13,769.00	21,307.84
Travelling and conveyance expenses	242,776.00	240,584.90
Vehicle Maintenance	22,951.56	83,840.10
	<u>2,801,263.32</u>	<u>2,704,328.78</u>

DUGAR HOUSING DEVELOPMENTS LIMITED

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 Fee is the fee charged to customers on allotment of flats at specific rate per square foot of built-up area to be constructed, in consideration of the various services rendered by the company for promoting the respective projects. The same is recognized as income upon signing of construction agreement with customers and is not linked to status of 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 to the Companies Act, 1956.
- d) Miscellaneous Expenditure:

Preliminary Expenses and Public Issue Expenses are amortised over a period of 10 years.
- e) Current Assets:
 - i) Stock of shares is valued at cost. However in case of shares of Dugar Finance India Ltd. the shares have been valued at a notional value of Rs. 3/- per share.
 - ii) Work-in-progress is valued at cost aggregate of materials, labour charges and cost of material lying unused in site
 - iii) Real Estate Debtors represents (i) values of sales less amount received, and (ii) unrealised project promotion fees.
- f) 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.



10. NOTES ON ACCOUNTS

a)	Remuneration to Wholetime Director	2008	2007
	Salary	1,80,000.00	1,80,000.00
	PF Contribution	18,000.00	18,000.00
b)	Remuneration to Auditors:		
	For Audit	10,000.00	10,000.00
	For other services	5,000.00	5,000.00
c)	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, but an "other" company falling under sub-clause (e) thereof.		
d)	Foreign Currency :	2008	2007
	Expenditure related to travel	Nil	Nil
	Income	Nil	Nil
e)	Remittance in foreign currency in Respect of Dividend	Nil	Nil
f)	Value of imports calculated on C.I.F.basis:		
	i) Raw material	Nil	Nil
	ii) Spare parts	Nil	Nil
	iii) Capital goods	Nil	Nil
g)	Contingent Liability	Nil	Nil

DUGAR HOUSING DEVELOPMENTS LIMITED

g) Particulars in respect of Opening Stock, Purchase, Sales and Closing Stock of Shares

Sl.No.	Name of the Comnpany	Face Value	Quantity in numbers		Cost Price	
			31.3.08	31.3.07	31.3.08	31.3.07
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	3000000	3000000
6*	IFB Securities	10.00	1200	1200	12000	12000
7*	Mittal Securities	10.00	1300	1300	32500	32500
Total			710175	760175	5764525	5764525

* Quoted (Market Value Rs.344,504/-) (Previous Year Rs.150,000/-)

** Unquoted

- J) In respect of contracts, the company follows the 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 the CIT (Appeals) Range XII Chennai amounting to Rs. 31,62,625/-
- l) The figures for the previous accounting year have been regrouped / rearranged wherever necessary.

Signatories to Schedules 1 to 10

For D.A REDDY & CO

Chartered Accountants

sd/-

D.AUDISESHA REDDY

Proprietor

sd/-

N.TARACHAND DUGAR

Chairman

sd/-

T.PADAM DUGAR

Wholetime Director

Place : Chennai

Date : 31st July 2008

**A. CASH FLOW FROM OPERATING ACTIVITIES****31.03.2008****31.03.2007**

Rs in lakhs

Rs in lakhs

Net Profit / Loss before tax	-17.71	-15.69
Add :		
Depreciation	0.69	
Miscellaneous Expenditure written of	0.00	0.53
	<u>0.69</u>	<u>0.53</u>
Operating profit before working Capital changes	-17.02	-15.16
(Increase) / Decrease in Real estate projects	0.00	0.00
(Increase) / Decrease in stock of shares	0.00	0.00
(Increase) / Decrease in Loans & Advances	0.07	-2.34
(Increase) / Decrease in Current Liabilities	22.14	18.19
Cash generated from operating activities	5.05	0.69
Direct tax paid	4.05	0.41
Interest Paid	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Net Cash from operating activities	1.00	0.28

B. CASH FLOW FROM INVESTMENT ACTIVITIES

Purchase of fixed assets	0.00	-2.26
Sale of fixed assets	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Net cash used in investing activities	0.00	-2.26

C. CASH FLOW FROM FINANCING ACTIVITIES

Secured Loans	0.00	0.00
Unsecured Loans	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Net Cash used in financing activities	0.00	0.00
Net increase in Cash & Cash equivalents		
(A+B+C)	1.00	-1.98
Opening Cash & Cash equivalent	0.21	2.19
Closing Cash & Cash equivalent	1.21	0.21

sd/-

D.AUDISESHA REDDY

Proprietor

Place: Chennai

Date : 31st July 2008

sd/-

N.TARACHAND DUGAR

Chairman

sd/-

T. PADAM DUGAR

Wholetime Director

DUGAR HOUSING DEVELOPMENTS LIMITED

Auditors : Report on the Cash Flow Statement of Dugar Housing Developments Ltd. for the year ended 31st March 2008. We report that we have verified the cash flow statement for the 31st March 2008 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 : 31st July 2008

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 DEVELOPEMENTS 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 16th Annual General Meeting of
the company to be held on Friday the 26th September 2008 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 2008.

Signature

Re.1
Revenue
Stamp

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.

DUGAR HOUSING DEVELOPEMENTS LIMITED

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

ATTENDANCE SLIP

(16th Annual General Meeting - 26th September 2008)

Reg. Folio No

No. of Shares.....

I hereby record my presence at the 16th Annual General Meeting of the company to be held on Friday
26th September 2008 at Nahar Hall, Deshbandhu Plaza, First Floor, 47, Whites Road, Royapettah,
Chennai - 600 014 at 10.00 a.m.

Member's / Proxy Name

Member's / Proxy Signature

in Block Letters

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