



## **BOARD OF DIRECTORS**

Sri. N. Tarachand Dugar, Chairman  
Sri. T. Ramesh Dugar  
Smt. R. Vijayalakshmi  
Sri. Prashant C Jain  
Sri. Karunanidhi Devasigamani  
Sri. T. Padam Dugar, Whole time Director

## **AUDITORS**

M/s. KRISHNAKUMAR & ASSOCIATES  
Chartered Accountants  
Chennai -600 028

## **REGISTERED OFFICE**

Dugar Towers 7<sup>th</sup> 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)

**NOTICE TO THE MEMBERS**

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of the Company will be held on Monday the 27<sup>th</sup> September 2010 at Nahar Hall, Deshabandu Plaza, First Floor, 47 Whites Road, Royapettah, Chennai 600014 at 10.00 AM to transact the following business

**ORDINARY BUSINESS**

1. To receive and adopt the Balance Sheet as at 31<sup>st</sup> March 2010 and Profit and Loss Account of the company for the year ended 31.03.2010 and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sri.N.Tarachand Dugar retires by rotation and is eligible offers for reappointment.
3. To appoint Auditors to hold the office from the conclusion of this meeting and to fix 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 21<sup>st</sup> September to 27<sup>th</sup> September 2010 ( 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 your correspondence with the company.

By Order of the Board

Chennai  
31<sup>th</sup> July 2010

**T.Padam Dugar**  
Whole Time Director

**DIRECTORS REPORT**

Dear Members,

Your Directors have great pleasure in presenting the 18<sup>th</sup> Annual Report along with the Audited Accounts for the year ended 31<sup>st</sup> March 2010.

**FINANCIAL HIGHLIGHTS**

The Company has restructured its business operations and constructions.

**A. SUMMARY OF FINANCIAL RESULTS**

	Rs.in Lakhs	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Profit /(Loss (Before Depreciation and Tax)	1.82	-6.55

Less Depreciation	0.51	0.61
Profit /(Loss) Before Tax	1.31	-7.16
Less : Direct Taxes Paid	0.00	0.12
Net Profit/(Loss)	1.31	-7.28
Balance Brought Forward	-298.46	-299.77
Amount available for appropriation		
<b>APPROPRIATION</b>		



Proposed Dividend		
Dividend Tax	-	
Transfer to General Reserve	-	
Balance Carried to Balance Sheet	<b>-298.46</b>	<b>-299.77</b>

## **BUSINESS PERFORMANCE**

The overall turnover of the company for the period under review was Rs.6.00 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 31.03.2010.

### **DIRECTORS**

Sri., N.Tarachand Dugar , Promoter Director retires by rotation and being eligible, offers himself for re appointment.

### **AUDITORS**

M/S Krishnakumar & Associates , Chartered Accountants , Chennai , retiring Auditors being eligible for reappointment are proposed to be reappointed to hold office up to the conclusion of the next Annual General Meeting .

### **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 31<sup>st</sup> March 2010 do not apply to the company.

### **Annexure-A**

### **DIRECTORS RESPONSIBLY STATEMENT**

As per the Companies Act 1956, 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 flowed 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.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **INDUSTRY STRUCTURE AND DEVELOPMENT**

Robust growth in the economic activity in various

sectors of the economy compelled company to improve performance alongside the economic activity. However in spite of best efforts and expertise possessed the company could not launch any project due to cut throat competition and input cost escalation.

The company will strive hard to continue its business strategy of building and creating value for all its stakeholders in both its existing and new business.

#### **OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

There exists abundant opportunities for growth. However, cut throat competition coupled with escalation in the cost of inputs and changes in the policies of the government are the areas of concern. However the company is confident that it would overcome the hurdles and achieve its financial objectives in the near future.

#### **SEGMENTWISE / PRODUCTWISE PERFORMANCE**

The Company has currently only one segment in line with the Accounting Standard on Segment Reporting. Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

#### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has adequate system of internal control in place. This is to ensure that assets are safeguarded and all transactions are authorized, recorded and correctly reported. The internal audit function is empowered to examine the adequacy, relevance and effective control system, compliance with policies, plans and statutory requirements. The top management and the Audit Committee of the Board review the findings and recommend to the Board improvement on the same.

#### **CAUTIONARY STATEMENT**

Statements of Management Discussion and Analysis describing the Company's objectives, projections,

estimates and expectations may be "forward looking statements". As forward looking statements are based on certain assumptions and expectations of future events over which the Company exercises no control. The Company assumes no responsibility to publicity, amend, modify or revise any forward looking statements on the basis of any statements, development, information or events.

#### **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted the Code of Conduct for its Non-Executive Directors. The Code of Conduct copies can be availed from Company.

I confirm that the Company has in respect of the financial year ended 31<sup>st</sup> March 2010 received from the Management Personnel of the Company and the Members of the Board a declaration of compliance with the code of conduct as applicable to them.

BY THE ORDER OF THE BOARD

Whole Time Director

PLACE : CHENNAI  
DATE : 31.07.2010

#### **ACKNOWLEDGEMENTS**

The Company is grateful for the cooperation 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.

By order of the Board

Chennai  
31.07.2010

**T.Padam Dugar**  
Whole Time Director



## **REPORT ON CORPORATE GOVERNANCE**

### **PHILOSOPHY**

“Corporate 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:

SI.No	Name of Director	Position	Director in other Companies	Membership in Committees	Attendance At the last AGM
1	Sri. N.Tarachand Dugar	Non Executive	Two	One	No
2	Sri.T.Padam Dugar	Executive	Two		Yes
3	Sri.T.Ramesh Dugar	Non Executive	Two	One	Yes
4	Smt.R.Vijayalakshmi	Non Executive	Nil		
5	Sri.Prasanth C Jain	Non Executive	One	Two	Yes
6	Sri.D.KarunanidhiNon Executive	Nil			

Sri.N.Tarachand Dugar is the Promoter Director retiring by rotation and being eligible, is Re- appointed.Sri N.Tarachand Dugar is a seasoned businessman with wide experience for more than four decades. He is the Management committee member of Federation of Indian chamber of commerce & Industry.. He was the President of Hindustan Chamber of commerce. He also served as the Chairman of All India Manufacturers Organisation ( T N Circle). He is also the Zonal Vice President of All India Manufacturers Association. He is also the Trade Representative for South India of Omani centre for Investment Promotion and Export Development.

## 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 2009-2010 four Board meetings were held.

SI.No	Date of the Meeting	Strength of the meeting	Names of the Absentee
1	31.01.2010	5	Smt.R.Vijayalkshmi
2	31.10.2009	5	N.Tarachand Dugar
3	31.07.2009	6	Prasant C Jain
4	30.04.2009	5	All present

## 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 Director namely Sri. N.Tarachand Dugar, Sri.D.Karunanidhi & Sri.Prasant C Jain .Sri.Prashant C Jain 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 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 2009-2010 the following meetings of the Audit Committee were held:

<b>Sl.No</b>	<b>Date of Meeting</b>	<b>Name of the Absentee Director</b>
1	28.01.2010	All Present
2	31.10.2009	All Present
3	30.07.2009	All Present
4	28.04.2009	All present

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

The committee consists of Two Non Executive independent Directors Shri.Prasant Jain and Smt.Vijayalakshmi and one Non Executive Director Sri.T.Ramesh Dugar. The Company has Equity Shareholders. During the year under review, no letter from SEBI, Investors grievance cell was received. The Committee met on 30.04.2009, 31.07.2009, 31.10.2009 and 20.03.2010.

#### **5. REMUNERATION COMMITTEE**

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. The directors have decided that till the financial position of the company improves, the remuneration committee did not meet during the year.

**Disclosure regarding remuneration of Directors**

None of the Directors have been given stock option.

Directors	Relation-ship with other Directors	Business Relation with the Company	Loans & Advance from the Company	Sitting Fees	Salary & Perks	Commn.	Total
N.Tarachand Dugar	F/o T.Padam Dugar & T.Ramesh Dugar	Nil	Nil				
Padam Dugar	S/o Tarachand Dugar	Nil	Nil		15,000 Per month		<b>1,80,000</b>
Ramesh Dugar	S/o Tarachand Dugar	Nil	Nil				
R.Vijayalakshmi		Nil	Nil				
Prasant C Jain		Nil	Nil				
D.Karunanidhi							

**6. ANNUAL GENERAL MEETING**

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

Year	Date	Time	Venue
2009	25 <sup>th</sup> September	10.00 AM	Nahar Hall, Deshabandhu Plaza, 1 <sup>st</sup> Floor, 47 , Whites RoadRoyapettahChennai -600014
2008	26 <sup>th</sup> August	10 .00AM	Nahar Hall, Deshabandhu Plaza, 1 <sup>st</sup> Floor, 47 , Whites RoadRoyapettahChennai -600014
2007	21 <sup>st</sup> September	10.00 AM	Nahar Hall, Deshabandhu Plaza, 1 <sup>st</sup> Floor, 47 , Whites RoadRoyapettahChennai -600014

**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 2009-2010.

**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 COMMUNICATION

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 : Monday , the 27<sup>th</sup> September 2010 at 10.00 AM  
Venue : Nahar Hall, Deshabandhu Plaza, 1<sup>st</sup> Floor,  
47 , Whites Road Royapettah, Chennai -600014

### ii. Tentative Financial Calendar

1<sup>st</sup> Quarter Results - 2<sup>nd</sup> half of July 2010  
2<sup>nd</sup> Quarter Results - 2<sup>nd</sup> half of October 2010  
3<sup>rd</sup> Quarter Results - 2<sup>nd</sup> half of January 2011  
4<sup>th</sup> Quarter Results - 2<sup>nd</sup> Half of April 2011

### iii. Book Closure:

The Register of members and the Share transfer Book shall remain closed from 21st September 2010 to 27<sup>th</sup> September 2010.

### 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 at 31.03.2010

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

### vi. Listing Agreement Requirements:

The securities of your company are listed in Bombay and Madras Exchanges. Trading in company's securities remain suspended at stock Exchanges. for various reasons and steps are being taken by the management for revocation of the suspension and to get the shares traded at the floor of the exchange.

**vii. Compliance Officer**

Mr.T.Padam Dugar, Dugar Towers 7<sup>th</sup> Floor, New 34(Old 123) Marshalls Road  
Egmore, Chennai -600008.

**viii. Address for correspondence**

Registered Office: Dugar Towers 7<sup>th</sup> 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 : 31<sup>st</sup> July 2010  
Place : Chennai

For and On behalf of the Board  
Dugar Housing Developments Limited

**T. PADAM DUGAR**  
Whole Time Director

**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 31.03.2010 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 above mentioned listing agreement.

We state that in respect of investors grievances received during the year ended 31.03.2010, 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.

**For KRISHNAKUMAR & ASSOCIATES**  
Chartered Accountants

Place: Chennai  
Date: 31<sup>st</sup> July 2010

**K.KRISHNAKUMAR B.Com, F.C.A**  
Proprietor

## CEO / CFO CERTIFICATION

### The Board of Directors

Dugar Housing Developments Limited  
Chennai

Reg: Financial Statements for the year 2009 - 2010 Certification

We N. Tarachand Dugar and T. Padam Dugar, Whole time Director, on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31.03.2010 and to the best of our knowledge and belief, thereby certify:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading,
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended 31.03.2010 which are fraudulent, illegal, or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies of which, we were aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that
  - a) There have been no significant changes in the internal control over financial reporting during the year.
  - b) There have been no instances of fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the company's internal control over financial reporting.

N. Tarachand Dugar  
Chairman

T. Padam Dugar  
Whole Time Director

Place: Chennai

Date: 31.07.2010



**M. KRISHNAKUMAR**  
**CHARTERED ACCOUNTANT**

33/17, SCHOOL VIEW ROAD  
R.K.NAGAR, CHENNAI – 600 028

## **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 31<sup>st</sup> March 2010 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, subject to Non-provision of liability for gratuity as per actuarial valuation, which is in contravention of Accounting Standard on Provision for Gratuity (AS-15) issued by The Institute of Chartered Accountants of India and the impact of which is unascertainable, comply with the Accounting Standards refer to in sub Section 211 of the Companies Act, 1956, subject to
  - v. On the basis of the written representations received from the directors as on 31.03.2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2010 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 on 31.03.2010.  
B) In the case of Profit and Loss Account, of the profit 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 **KRISHNAKUMAR&ASSOCIATES**  
Chartered Accountants,

PLACE: CHENNAI  
DATE : 31.07.2010

**M.KRISHNAKUMAR B.Sc., F.C.A**  
Proprietor. M.No.203929

**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 Management.
- 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/s 301 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. However Adequate Internal Control System is in place.
- 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 31/03/2010 for a period of more than six months from the date they became payable other than what is given in Note (k) in the Notes to the Accounts.
- 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. In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth. The company has not incurred cash loss during the financial year covered by our audit but had incurred a Cash Loss in the immediately preceding financial year.
- xix. We are of the opinion that the Company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities.
- xx. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xxi. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xxii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- xxiii. According to the information and explanations given to us the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xxiv. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- xxv. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- xxvi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **KRISHNAKUMAR&ASSOCIATES**  
Chartered Accountants,

PLACE: CHENNAI  
DATE : 31.07.2010

**M.KRISHNAKUMAR B.Sc., F.C.A**  
Proprietor. M.No.203929

## BALANCE SHEET AS AT 31.03.2010

PARTICULARS	SCHE- DULE	31.03.2010 Rs.	31.03.2009 Rs.
<b><u>SOURCES OF FUNDS</u></b>			
<b>SHAREHOLDERS FUNDS</b>			
SHARE CAPITAL	1	30,000,000	30,000,000
		<b>30,000,000</b>	<b>30,000,000</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	2	1,767,937	1,767,937
LESS:DEPRECIATION		1,460,469	1,409,163
NET BLOCK		307,469	358,774
<b><u>CURRENT ASSETS, LOANS AND ADVANCES</u></b>			
CURRENT ASSETS	3	5,611,269	5,774,627
LOAN AND ADVANCES	4	8,077,411	6,964,411
		13,688,680	12,739,038
LESS:CURRENT LIABILITIES & PROVISIONS	5	13,842,737	13,075,640
NET CURRENT ASSETS		-154,057	-336,602
MISCELLANEOUS EXPENDITURE (P & L A/c)	6	29,846,588	29,977,828
		30,000,000	30,000,000

Notes forming part of Accounts.

As per our Report of even date

For **KRISHNAKUMAR&ASSOCIATES**  
Chartered Accountants,

**M.Krishnakumar B.Sc., F.C.A**  
Proprietor. M.No.203929

**N.Tarachand Dugar**  
Chairman

**T. Padam Dugar**  
Wholetime Director

PLACE : CHENNAI  
DATE : 31.07.2010



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

PARTICULARS	SCH		For the year ended 31.3.2010 Rs.	For the year ended 31.3.2009 Rs.
<b>INCOME</b>				
PROPERTY DEVELOPMENT	7			280,000
OTHER INCOME			600,000	100
			<b>600,000</b>	<b>280,100</b>
<b>EXPENDITURE</b>				
OPENING STOCK OF SHARES		5,764,525		
ADD: PURCHASES		0		
		5,764,525		
CLOSING STOCK OF SHARES		5,764,525	0	0
ADMINISTRATION EXPENSES	8		417,455	935,253
DEPRECIATION	2		51,305	60,769
			<b>468,760</b>	<b>996,022</b>
PROFIT / (LOSS) BEFORE TAX			131,240	-715,922
PROVISION FOR TAXATION				
INCOME TAX PAID (EARLIER YEARS)			0	0
FRINGE BENEFIT TAX			0	11,920
PROFIT/(LOSS) AFTER TAX			131,240	-727,842
ADD: BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			-29,977,828	-29,249,986
BALANCE TAKEN TO BALANCE SHEET			<b>-29,846,588</b>	<b>-29,977,828</b>

Significant Accounting Policies and notes on Accounts

As per our Report of even date

For **KRISHNAKUMAR&ASSOCIATES**  
Chartered Accountants,

**M.Krishnakumar B.Sc., F.C.A**  
Proprietor. M.No.203929

**N.Tarachand Dugar**  
Chairman

**T. Padam Dugar**  
Wholetime Director

PLACE : CHENNAI  
DATE : 31.07.2010



**SCHEDULES 1-9 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31.03.2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

	31.03.2010 Rs.	31.03.2009 Rs.
<b><u>SCHEDULE 1</u></b>		
<b>SHARE CAPITAL</b>		
AUTHORISED 1,00,00,000 EQUITY SHARES OF RS.10 EACH	100,000,000	100,000,000
ISSUED ,SUBSRIBED AND PAID UP 30,00,000 EQUITY SHARES OF RS.10 EACH FULLY PAID UP IN CASH	30,000,000	30,000,000
	<b>30,000,000</b>	<b>30,000,000</b>
<b>CURRENT ASSETS 3</b>		
Stock of Shares (At Cost )	5,764,525	5,764,525
<b><u>Cash and Bank Balances :</u></b>		
Cash on Hand	200	200
With Scheduled Banks in Current Accounts	-153,456	9,902
	<b>5,611,269</b>	<b>5,774,627</b>

**SCHEDULES 1-9 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31.03.2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

**Depreciation Schedule - 2**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	01.04.09 Rs.	ADDNS Rs.	DELTN Rs.	31.3.10 Rs.	01.4.09 Rs.	FOR THE YEAR Rs	DEL Rs.	31.3.10 Rs.	31.3.10 Rs.	31.3.09 Rs.
OFFICE EQUIPMENTS	787,713		0	787,713	594,863	34,713	0	629,576	158,138	192,851
PLANT & MACHINERY	905,570	0	0	905,570	795,489	11,008	0	806,497	99,073	110,081
FURNITURE & FITTINGS	74,654	0	0	74,654	18,811	5,584	0	24,396	50,258	55,843
	<b>1,767,937</b>	<b>0</b>	<b>0</b>	<b>1,767,937</b>	<b>1,409,163</b>	<b>51,305</b>	<b>0</b>	<b>1,460,469</b>	<b>307,469</b>	<b>358,774</b>



**SCHEDULES 1-9 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31.03.2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

	31.03.2010 Rs.	31.03.2009 Rs.
<b><u>SCHEDULE</u></b>		
<b>LOANS AND ADVANCES (SCH 4)</b> (Unsecured unless otherwise stated considered good )		
Loans (Advance recoverable in cash or in Kind or for value to be received )	7,055,481	5,942,481
Keshav Dugar	894,148	894,148
Advance and Deposits	127,782	127,782
	<b>8,077,411</b>	<b>6,964,411</b>
<b>CURRENT LIABILITIES (SCH 5)</b>		
Sundry Creditors	13,842,737	13,075,640
	<b>13,842,737</b>	<b>13,075,640</b>
<b>MISCELLANEOUS EXPENDITURE (SCH 6)</b> (To the extent not written off or adjusted )		
Profit and Loss Account	29,846,588	29,977,828
	<b>29,846,588</b>	<b>29,977,828</b>
<b>PROPERTY DEVELOPMENT (SCH 7)</b>		
Project Promotion Fess (Net of Expenses)	600,000	280,000
	<b>600,000</b>	<b>280,000</b>



**SCHEDULES 1-9 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31.03.2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

	<b>31.03.2010 Rs.</b>	<b>31.03.2009 Rs.</b>
<b>ADMINISTRATION EXPENSES (SCH 8)</b>		
A.G.M Expenses	5,900	18,767
Advertisement & Publicity	52,245	55,198
Audit Fees	15,000	16,545
Bank Charges	28	2,476
Business Promotion Expenses	0	48,914
Directors Sitting Fees & Directors conveyance Exps	4,500	10,000
Electricity and Water charges	0	14,242
Insurance	496	7,315
Postage , Telephone and Telegrams	29,461	51,836
Printing & Stationery	26,744	37,441
Professional Fees	20,000	32,540
Rent Rates and Taxes	25,028	154,084
Repairs and Maintenance	0	20,195
Salaries and Allowances	214,756	231,641
Office Expenses	18,547	93,360
Subscription and Periodicals	2,750	64,339
Travelling and conveyance expenses	2,000	76,359
Vehicle Maintenance		
	<b>417,455</b>	<b>935,253</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.

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) 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.



## NOTES ON ACCOUNTS

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
a) Remuneration to Whole time Director	2008-2009	2008-2009
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	2009-2010	2008-2009
Expenditure related to Travel	Nil	Nil
Income	Nil	Nil
f) Remittance in foreign currency in respect of Dividend	Nil	Nil
	2009-2010	2008-2009
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
h) Contingent Liability	Nil	Nil

## DUGAR HOUSING DEVELOPMENTS LIMITED

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

Sl. No.	Name of the company	Face Value	Qty – Nos. 31.03.10	Qty- Nos. 31.03.09	Cost Price 31.03.10	Cost Price 31.03.09
<b>Equity Shares (Fully paid)</b>						
1**	Century Woods Ltd	10.00	90000	90000	900000	900000
2*	Dugar Finance India Ltd	10.00	547175	547175	1641525	1641525
3*	Zen Global Finance Limited	10.00	10500	10500	178500	178500
4**	Dugar Forex Ltd	10.00	60000	60000	300000	300000
5*	IFB Securities Ltd	10.00	1200	1200	12000	12000
6*	Mittal Securities Ltd	10.00	1300	1300	32500	32500
<b>Total</b>			<b>710175</b>	<b>710175</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

As per our Report of even date

For **KRISHNAKUMAR&ASSOCIATES**  
Chartered Accountants,

**M.Krishnakumar B.Sc., F.C.A**  
Proprietor. M.No.203929

**N.Tarachand Dugar**  
Chairman

**T. Padam Dugar**  
Wholetime Director

PLACE : CHENNAI

DATE : 31.07.2010



	31.03.2010 Rs in lakhs	31.03.2009 Rs.in Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / Loss Before Tax	1.31	-7.16
Add:		
Depreciation	0.51	0.61
Operating Profit before working Capital changes	<b>1.82</b>	<b>-6.55</b>
(Increase)/Decrease in Stock of Shares	0.00	0.00
(Increase)/Decrease in Loans & Advances	-11.13	-1.82
(Increase)/Decrease in Current Liabilities	7.67	7.50
Cash generated from operating activities	-1.64	-0.87
Direct Tax paid	0.00	0.12
Interest paid		
Net Cash from operating activities	-1.64	-0.99
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	0	0.12
Sale of Fixed Assets	0	0
Net cash used in investing activities	0	0.12
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
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)	(1.64)	(1.11)
Opening Cash & Cash equivalent	0.10	1.21
Closing Cash & Cash equivalent	-1.54	0.10
As per our Report of even date		

For **KRISHNAKUMAR&ASSOCIATES**  
Chartered Accountants,

**M.Krishnakumar B.Sc., F.C.A**  
Proprietor. M.No.203929

**N.Tarachand Dugar**  
Chairman

**T. Padam Dugar**  
Wholetime Director

PLACE : CHENNAI  
DATE : 31.07.2010



Auditors : Report on the Cash Flow Statement of Dugar Housing Developments Ltd. for the year ended 31st March 2010. We report that we have verified the cash flow statement for the 31st March 2010 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.

For **KRISHNAKUMAR&ASSOCIATES**  
Chartered Accountants,

Place: Chennai  
Date : 31.07.2010

**M.Krishnakumar B.Sc., F.C.A**  
Proprietor. M.No.203929

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILES  
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 DEVELOPMENT OF FUNDS (Amount in Rs. Thousands)**

Total Liabilities      Total Assets       
Souce of Funds  
Paid up Capital      Reserve & Surplus     
Secured Loans    Unsecured Loan     
Application of Funds  
Net Fixed Assets     
Net Current Assets      
Accumulated Losses

**IV. PEFROAMANCE 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. GENERAL NAMES OF THREE PRICIPAL PRODUCTS / SERVICESE OF THE COMPANY  
(as per Monetary Terms)**

Item Code No.                     
(ITC Code)