



# 17th

*Annual Report*

2002-2003



**Manipal Housing Finance Syndicate Ltd.**

Regd. Office : Manipal House, Manipal - 576 104, Karnataka



## Manipal Housing Finance Syndicate Limited

### Network of Branches

1. Ahmedabad: A-301  
Samudra Complex  
3rd Cross  
Off. C.G. Road  
Navrangpura  
Pin: 380 006
2. Bangalore:  
A-103, I Floor  
Blue Cross Chambers  
Infantry Road Cross  
Pin: 560 001
3. Bangalore: Unit No. N-116  
Manipal Centre  
North Block  
Dickenson Road  
Pin: 560 042
4. Bellary: Door No. 42  
K.H.G. Colony  
Near Old St. Peters School  
Behind Central Jail  
Parvathy Nagar  
Pin: 583 102
5. Chennai: No. 2  
Shiva Ganga Road  
Nungambakkam  
Pin: 600 034
6. Coimbatore:  
47/50, Sharada Krupa  
Rajunaidu Road  
Tatabad, Pin: 641 102
7. Goa: "Sindhur", I Floor Bldg.-A  
Dr. Atmaram Borkar Road  
Panaji, Pin: 403 001
8. Hassan: Door No. 1244/3  
Ist Floor, Rakshanapura  
Pin: 573 201
9. Hubli: Haribal Compound  
Ist Main, Ist Cross  
Deshpande Nagar  
Pin: 580 029
10. Hyderabad: Oxford Plaza  
9-1-129/101, Ist Floor  
S. D. Road  
Near Deccan Chronical  
Secunderabad, Pin: 500 003
11. Kumta: Subhash Road  
Pin: 581 343
12. Mangalore: City Point  
Ground Floor, Navabharath Circle  
Kodiyalbai  
Pin: 575 003 (D.K.)
13. Manipal:  
"Manipal House"  
Pin: 576 104 (Udupi)
14. Mumbai: Shyam Kamal  
'D' Building, 'B' Wing  
B.N. Agarwal Market  
Vile Parle (East)  
Pin: 400 057
15. Mumbai: 105/106  
Arenja Corner  
Plot No. 71, Sector 17  
Vashi (New Mumbai)  
Pin: 400 705
16. Mumbai: Star Manor Apartments  
Ground Floor  
Anand Road Extension  
Malad (West), Pin: 400 064
17. Mysore: Manipal Bhavan  
No. 316, Dewans Road  
Pin: 570 001
18. Nasik: Khar Banda Park  
Opp: Hotel Dwaraka  
Nasik - Pune Road  
Pin: 422 001
19. Pune: A-36, III Floor  
Prestige Chambers, J.M. Road  
Opp. Sai Petrol Pump  
Pin: 411 005
20. Puttur: Bonanthaya  
Dr. Krishna Bhat Memorial  
Hospital Building  
Pin: 584 301
21. Shimoga:  
Near Meenakshi Bhavan  
B.H. Road, Pin: 577 201
22. Udupi: Maruthi Veethika  
Pin: 576 101



# Manipal Housing Finance Syndicate Limited

## BOARD OF DIRECTORS

### Executive Director

Sri T. Sunil Pai

### Directors

Prof. U. R. Kamath

Sri T. Sanjay Pai

Sri M. K. V. Desikan, Nominee – SyndicateBank

Sri H. R. Kulkarni, Nominee – SyndicateBank

### General Manager

Dr. K. K. Ammannaya

### Auditors

M/s CHATURVEDI & SHAH

Chartered Accountants

712-713, Tulsiani Chambers

Nariman Point, MUMBAI – 400 021

### Bankers

1) SyndicateBank, 2) Union Bank of India, 3) Canara Bank 4) Indian Overseas Bank, 5) Oriental Bank of Commerce, 6) Lord Krishna Bank Ltd., 7) ICICI Bank Ltd., 8) Karnataka Bank Ltd.

### Registered Office

MANIPAL HOUSE

MANIPAL – 576 104 (UDUPI)

KARNATAKA

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## Manipal Housing Finance Syndicate Limited

### NOTICE

NOTICE is hereby given that the SEVENTEENTH ANNUAL GENERAL MEETING of the Members of MANIPAL HOUSING FINANCE SYNDICATE LTD., will be held on Tuesday, the 30th September, 2003 at 3.00 p.m. at the Company's Registered Office: "Manipal House", Manipal – 576 104, Udupi District, Karnataka, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2003 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on the Equity Shares.
3. To appoint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

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

*"RESOLVED THAT* Sri T. Sanjay Pai, be and is hereby appointed as a Director of the Company whose period of Office shall be liable to determination by retirement of Directors by rotation."

Registered Office:  
'Manipal House'  
Manipal – 576 104

By Order of the Board

*Sd/- T. SUNIL PAI*  
*Executive Director*

September 3, 2003

#### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument of proxy in order to be effective must be deposited with the Company at its registered office not less than 48 hours before the time of holding the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23<sup>rd</sup> September, 2003 to Tuesday, 30<sup>th</sup> September, 2003 (both the days inclusive).
4. The dividend, when declared, will be payable within 30 days from the date of the Annual General Meeting to those members whose name appear in the Company's Register of Members as on 30<sup>th</sup> September, 2003.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Executive Director at least seven days before the date of the meeting, so that the information required may be made available at the meeting.



## Manipal Housing Finance Syndicate Limited

6. The amount of unclaimed/unpaid dividends upto the financial year ended 31-03-1994 have already been transferred to General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in prescribed form No. II to the Registrar of Companies, Karnataka, Department of Company Affairs, II Floor, 'E' Wing, II Block, Kendriya Sadan, Koramangala, Bangalore – 560 034.

Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of Dividend remaining unclaimed for a period of 7 years shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their Dividend Warrant(s) for the financial year ended 31-03-1996 onwards are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed dividend for the year ended 31-03-1996 is due for transfer to the "Investor Education and Protection Fund" during October, 2003.

7. Investors desirous of availing nomination facility are requested to send the Nomination in Form No. 2B which is available at the Regd. Office of the Company. Shareholders may write to the Company's Secretarial Department to obtain Nomination Form.
8. Members are requested to :
- Intimate immediately to the Company change in their registered address if any.
  - Quote Ledger Folio Number in all their correspondence.
  - Bring their copies of the annual report to the Meeting.

### **Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.**

#### **Item No. 4**

Sri T. Sanjay Pai was appointed as an Additional Director by the Board at its meeting held on 30th June, 2003. He holds office as such up to the date of ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, the Company has received a notice along with requisite deposit, from a Member proposing the candidature of Sri T. Sanjay Pai for the office of Director, at the ensuing Annual General Meeting.

The Board of Directors recommend the resolution at Item No. 4 for your approval.

Excepting Sri T. Sanjay Pai and Sri T. Sunil Pai, no other Director is concerned or interested in the said resolution.

Registered Office:  
"Manipal House"  
MANIPAL – 576 104  
September 3, 2003

By Order of the Board

**Sd/- T. SUNIL PAI**  
*Executive Director*



## Manipal Housing Finance Syndicate Limited

### DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have great pleasure in presenting the 17th ANNUAL REPORT of your Company together with Audited Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2003.

#### 1. FINANCIAL RESULTS :

The highlights of the financial results for the year ended 31<sup>st</sup> March, 2003 are indicated below:

	For the year ended 31-03-2003	For the year ended 31-03-2002
	Rs.	Rs.
Gross Income	<u>11,53,21,315</u>	<u>11,55,78,631</u>
Profit before Depreciation	<b>1,31,50,153</b>	1,74,24,089
Less: Depreciation	<u>4,82,805</u>	<u>6,48,199</u>
Profit before Tax	<b>1,26,67,348</b>	1,67,75,890
Less: Provision for Taxation		
- Current Tax	<b>45,00,000</b>	43,00,000
- Deferred Tax	<u>(2,95,044)</u>	Nil
Profit after Tax	<b>84,62,392</b>	1,24,75,890
Excess/(Short) Provision for Tax Earlier Year	<b>18,224</b>	(11,456)
Add: Balance of Profit from Previous Year	<u>24,02,367</u>	<u>33,040</u>
Profit available for Appropriation	<u><b>1,08,82,983</b></u>	<u>1,24,97,474</u>
Appropriations:		
Transfer to Special Reserve	<b>70,00,000</b>	69,00,000
Proposed Dividend @ 4% p.a.	<b>33,98,274</b>	31,95,107
Dividend Distribution Tax	<b>4,35,404</b>	Nil
Surplus carried forward	<u>49,305</u>	<u>24,02,367</u>
TOTAL	<u><b>1,08,82,983</b></u>	<u>1,24,97,474</u>

#### 2. NHB GUIDELINES :

Your Company has been religiously conforming to the guidelines issued by the National Housing Bank from time to time. The prudential norms concerning income recognition, asset classification and provisioning have also been complied with. As a matter of prudent business policy, the company has made adequate provision in respect of non-performing assets.

In terms of the guidelines of the National Housing Bank, the company has also taken steps to institute the Asset Liability Management System. The Asset Liability Committee (ALCO) has been constituted with responsibility for integrated balance sheet management from risk – return perspective, including strategic management of interest rates and liquidity risks.

#### 3. CAPITAL & NET OWNED FUNDS :

The equity level of the company stood at Rs.8.50 Crores as on 31<sup>st</sup> March, 2003. The Net Owned Funds increased by Rs. 61 Lakhs (5.03%) from Rs. 12.13 Crores to Rs.12.74 Crores during the year.



## Manipal Housing Finance Syndicate Limited

### 4. LENDING OPERATIONS :

Cumulative investment made by the company in housing sector increased to Rs.143.61 Crores by the end of the fiscal 2002-2003.

During the year, the company also entered into a securitisation deal with ICICI Bank Ltd. In terms of this deal, the company sold a portion of its housing loan port-folio to the ICICI Bank Ltd. at a premium. Securitisation also served as an 'additional avenue' for raising resources for the company and enabled the company to earn profits by way of premium. As a result of sale of a portion of the loan port-folio, the outstanding level of housing loans declined to Rs. 48.69 Crores as on 31st March, 2003. The company has planned to increase disbursements during the current year, so as to increase the outstanding level of housing loans.

### 5. DEPOSITS :

The aggregate deposits of the company as on 31st March, 2003 stood at Rs. 26.02 Crores, as against the deposit figure of Rs. 37.30 Crores as on 31st March, 2002. It was a conscious decision of the company to reduce its reliance on public deposits and explore alternative avenues of raising resources.

Aggregate amount of matured deposits as on 31st March, 2003 was Rs. 122.10 Lakhs as against the figure of Rs. 98.24 Lakhs as on 31st March, 2002. In terms of the guidelines of the National Housing Bank, depositors are being intimated regarding maturity of deposits with a request either to renew the deposits or to obtain refund of the same. The Corporate Office is constantly monitoring the position in this regard.

### 6. CORPORATE GOVERNANCE :

The company believes in transparency, empowerment, accountability and respect for law and fair business and corporate practices with all its stake holders. These practices are being scrupulously followed and the same has helped the company in its sustained growth.

### 7. ASSET QUALITY :

Your company gives utmost attention to the maintenance of quality of its loan assets. Efforts have been made to upgrade sub-standard assets to standard assets. The company was successful in getting several doubtful assets closed during the year. The percentage of non-performing assets to outstanding loans has slightly gone up as on 31<sup>st</sup> March, 2003 consequent on the decline in the outstanding level of housing loans, following securitisation of a portion of the housing loan portfolio.

### 8. ADMINISTRATIVE EXPENSES :

The company was able to bring down administrative expenses to 1.10% of outstanding housing loans as on 31<sup>st</sup> March, 2003 from 1.15% as on 31<sup>st</sup> March, 2002, as against the ceiling of 1.5% prescribed by National Housing Bank.

### 9. BRANCH NETWORK :

The company has 22 branches, spread over the states of Karnataka, Maharastra, Tamilnadu, Gujarath, Goa and Andhra Pradesh.