




**GANESH
HOUSING
FINANCE
CORPORATION
LIMITED**

Report

CERTIFIED TRUE COPY

for Ganesh Housing Finance Corpn. Ltd.


Managing Director

**EIGHTH
ANNUAL
REPORT
1998-99**

GANESH HOUSING FINANCE CORPORATION LIMITED

BOARD OF DIRECTORS

MR. GOVINDBHAI C. PATEL	CHAIRMAN
MR. BIMAL K. PATEL	DIRECTOR
MR. DEEPAK G. PATEL	DIRECTOR
MR. KIRTIKANT S. NANAVATI	DIRECTOR
DR. BHARAT J. PATEL	DIRECTOR
MR. JATIN V. PARIKH	DIRECTOR
MR. SHEKHAR G. PATEL	MANAGING DIRECTOR

BANKERS

TAMILNAD MERCANTILE BANK LIMITED
1-B, WALL STREET
OPP. ORIENT CLUB
GUJARAT COLLEGE
ELLISBRIDGE
AHMEDABAD - 380 006.

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

MR. VIJAY R. LALAJI

AUDITORS

M. PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD.

REGISTERED OFFICE & SHARE DEPARTMENT

1ST FLOOR, SAMUDRA,
SARDAR PATEL NAGAR,
ELLISBRIDGE, AHMEDABAD-380 006.

GANESH HOUSING FINANCE CORPORATION LIMITED**NOTICE**

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of GANESH HOUSING FINANCE CORPORATION LTD. will be held on Thursday, the 30th September, 1999 at 3.00 P.M. at the Registered Office of the Company at A-1st Floor, Samudra, Sardar Patel Nagar, Ellisbridge, Ahmedabad - 380 006 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Deepak G. Patel, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Dr. Bharat J. Patel who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :

RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310,311,316 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or reenactment thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the said Act, the Company hereby approves the re-appointment of Shri Shekhar G. Patel, as a Managing Director of the Company for a further period of five years with effect from 1st July, 1999 and payment of remuneration, perquisites and commission, upon the terms and conditions as mentioned in the Explanatory Statement attached hereto and more particularly set out in the draft Agreement to be entered into between the Company and Shri Shekhar G. Patel, a copy whereof submitted to this meeting and for identification signed by the chairman thereof, which Agreement is hereby specifically approved with authority to the Board of Directors to alter and/or vary the terms and conditions of the said reappointment and/or remuneration including commission and perquisites and/or draft Agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 as may be agreed to between the Board of Directors and Shri Shekhar G. Patel.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the company will pay Shri Shekhar G. Patel minimum remuneration by way of salary, perquisites and other allowances not exceeding ceiling limits laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956 and as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and they are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration and perquisites of Shri Shekhar G. Patel as specified in the Explanatory Statement and

GANESH HOUSING FINANCE CORPORATION LIMITED

in draft Agreement which revision shall be within the limits set out in the said Act including Schedule XIII to the said Act or any amendments thereof or any modifications or statutory re-enactment(s) thereof and/or any rules or regulations framed thereunder and the terms of the aforesaid Agreement between the Company and Shri Shekhar G. Patel shall be suitably modified to give effect to such variation or increase as the case may be.

Registered Office :

A 1st Floor, Samudra,
Sardar Patel Nagar
Ellisbridge,

Ahmedabad - 380 006.

Date : 30th June, 1999.

By order of the Board
For, GANESH HOUSING FINANCE CORPN. LTD.

Vijay R. Lalaji
Vice President (Legal)
& Company Secretary

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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A proxy should be lodged with Company not less than 48 hours before the scheduled commencement of the meeting.
3. The Register of Members and the Share Transfer Books shall remain closed from Wednesday, 1st September, 1999 to Wednesday, 15th September, 1999. (Both days inclusive).
4. Members are requested to communicate the change in address if any, to the Company quoting their folio number immediately.
5. Members are requested to bring the copy of Annual Report while attending the Annual General Meeting of the Company.
6. If any shareholder has any query with regard to accounts the same may be sent to the Company's Registered Office at least 7 days before the Meeting.
7. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.

GANESH HOUSING FINANCE CORPORATION LIMITED**ANNEXURE TO THE NOTICE**

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

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

ITEM NO. 5

The present term of office of Shri Shekhar G. Patel as Managing Director of the Company is expiring on 30th June, 1999. The Board of Directors of the Company at their meeting held on 30th June, 1999 has, subject to the approval of Shareholders in general meeting, re-appointed Shri Shekhar G. Patel as Managing Director of the Company for a further period of five years with effect from 1st July, 1999, on the terms and conditions as to the appointment and payment of remuneration, perquisites and commission mentioned below and more particularly mentioned in the draft Agreement to be entered into between the Company and Shri Shekhar G. Patel.

Shri Shekhar G. Patel, is looking after day to day affairs of the Company including Finance, Marketing, Administration, etc..

Considering the above, your Directors are of the opinion that it is in the interest of the Company to re-appoint him as Managing Director of the Company.

Subject to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri Shekhar G. Patel shall be appointed as Managing Director on the following terms and conditions :

1. Period of Agreement : 5 Years with effect from 1st July, 1999.
2. Remuneration :
 - (i) Salary : Rs. 18,000/- (Rupees Eighteen Thousand Only) per month in the grade of Rs. 18,000-2,000-26,000/- (Inclusive of D.A., H.R.A. and other allowances)
 - (ii) Perquisites : In addition to the salary he shall be entitled to the perquisites listed in category - A, B & C below

Category : A

- (a) Medical Reimbursement : Expenses incurred for the Managing Director and the family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- (b) Leave Travel Concession : For the Managing Director and his family once in a year in accordance with the Rules specified by the Company.
- (c) Club Fees : Fees of Clubs subject to a maximum of two clubs, excluding admission and life membership fees.
- (d) Personal Accident Insurance : Premium not to exceed Rs. 8000/- per annum

Explanation : For the purpose of category-A, family means the spouse, the dependent children and dependent parents of the Managing Director.

GANESH HOUSING FINANCE CORPORATION LIMITED**Category - B :**

- (a) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act. Gratuity payable shall not exceed half a month's salary for each completed year of service.
- (b) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category - C :

Provision of car for use on Company's business and provision of phone at residence will not be considered as perquisites. However, personal long distance calls on phone and use of car for private purpose shall be billed by the Company to the Managing Director.

(iii) Commission

The Managing Director shall be entitled to a payment of commission at the rate of 1% subject, however, to the condition that the total remuneration by way of salary, perquisites, other allowances and commission shall not exceed 5% of net profit computed in the manner laid down under Section 198 and 309 of the Companies Act, 1956 for one such managerial person in any financial year.

- 3. However, the total remuneration by way of salary, perquisites, commission and other allowances shall not exceed 5% (where there is only one Managing/Whole-time Director) and 10% (where there are more than one managing/whole-time Director, for all of them together) of the net profits of the Company computed in the manner laid down under Section 349 and 350 of the Companies Act, 1956.

4. Minimum Remuneration :

Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay him a remuneration by way of salary, perquisites and allowances not exceeding the ceiling limits set out in Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

- 5. The Company will reimburse to the Managing Director such expenses as he may incur on behalf of the company.
- 6. The Managing Director shall not be liable to retire by rotation.
- 7. The Managing Director shall not be entitled to receive any sitting fee for attending the meetings of the Board of Directors or committee thereof from the date of his re-appointment.
- 8. Managing Director shall not so long as he functions as such become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

GANESH HOUSING FINANCE CORPORATION LIMITED

9. Managing Director shall not directly or indirectly engage himself in any employment or business without the previous sanction of the Board of Directors.
10. If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.
11. If at any time the Managing Director ceases to be Managing Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.
12. The Managing Director is appointed by virtue of his employment in the company and his appointment is subject to the provisions of section 283 (1) (1) of the Companies Act, 1956.
13. For purpose of Gratuity, Provident Fund, Superannuation, Commission and other benefits, the service of Managing Director under this Agreement will be considered continuous service in the Company from the original date of his joining the service of the Company on 1st July, 1994 and termination of agreement and renewal of agreement will not be considered as any break in service.
14. The agreement may be terminated by either party giving the other party six months notice or the Company paying six months salary in lieu thereof.
15. Subject expressly to the provisions of Section 318 of the companies Act. 1956, the company shall pay compensation for loss of office, or as consideration for retirement from office or in connection with such loss or retirement. The amount of such compensation shall be strictly in accordance with the provisions of Section 318(4) of the Companies Act, 1956.
16. The draft agreement to be entered into by the Company with Shri Shekhar G. Patel is available for inspection by the members at the Registered Office of the Company between 2.00 p.m. and 4.00 p.m. on all working days of the Company upto the date of the meeting.
17. Abstract under section 302 :
The above terms and conditions may be treated as an abstract of the draft Agreement proposed to be entered into between the Company and Shri Shekhar G. Patel, pursuant to Section 302 of the Companies Act, 1956.
18. The Board, therefore, recommends an Ordinary Resolution at Item No.5 of the Notice for your approval.
19. Memorandum of Interest:
Shri Shekhar G. Patel is interested in the resolution, Shri Govindbhai C. Patel and Shri Deepak G. Patel, Directors of the Company, being related to shri Shekhar G. Patel may be deemed to be concerned or interested in the resolution. Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

Registered Office :
A 1st Floor, Samudra,
Sardar Patel Nagar
Ellisbridge,
Ahmedabad - 380 006.
Date : 30th June, 1999.

By order of the Board
For, GANESH HOUSING FINANCE CORPN. LTD.

Vijay R. Lalaji
Vice President (Legal)
& Company Secretary

GANESH HOUSING FINANCE CORPORATION LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors present herewith the Eighth Annual Report and the audited accounts of the company for the year ended 31st March, 1999.

FINANCIAL RESULTS	(Rupees in lacs)	
	YEAR ENDED	YEAR ENDED
	31-3-99	31-3-98
Net Sales/Income from operations	2.10	58.24
Total Expenditure	37.33	51.64
Interest	2.50	4.38
Gross Profit before dep. and taxation	(37.73)	2.22
Depreciation	18.09	19.58
Net Profit (loss)	(55.82)	(17.36)
Add: Balance in Profit & Loss Account	(15.29)	11.03
Add: Excess/(Short) Provision of Depreciation in earlier years	Nil	(8.96)
Balance carried to Balance Sheet	(71.11)	(15.29)

OPERATIONS

During the year under review the total income has decreased from Rs.58.24 lacs to Rs.2.10 lacs due to financial constraints faced by borrowers.

DIVIDEND

Keeping in view the losses made by the company, your Directors do not recommend any dividend for the year under review.

SUBSIDIARY COMPANY

Pursuant to Section 212 of the Companies Act, 1956, the annual accounts of Sunrise Fincap Ltd., a subsidiary Company, are annexed.

DEPOSITS

At the end of the year there were no unclaimed or unpaid deposits.

DIRECTORS

Shri Deepak G. Patel and Dr. Bharat J. Patel, Directors of the company retire at the ensuing Annual General Meeting of the company and being eligible offer themselves for reappointment. You are requested to reappoint them. Shri K. C. Patel has passed away. The members of Board place on record the warm appreciation of valuable services rendered by him. Shri Shekhar G. Patel has been re-appointed as Managing Director for a period of 5 years with effect from 1st July, 1999 subject to the approval of shareholders at the ensuing Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are NIL.

GANESH HOUSING FINANCE CORPORATION LIMITED**PERSONNEL**

There was no employee who was in receipt of remuneration exceeding Rs. 6,00,000/- per annum or Rs. 50,000/- per month, being the limits specified under the Companies (Particulars of Employees) Rules, 1975 read with the provisions of Section 217(2A) of the Companies Act, 1956.

AUDITORS

M/S. M. Parikh & Associates, Chartered Accountants, Ahmedabad are the auditors of the Company. They hold the office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. The Company has received a written certificate from the Auditors to the effect that their reappointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956. The remarks of the auditors are self-explanatory and do not call for further comments.

Y2K COMPLIANCE

The Company has established a detailed programme to address and minimise the impact of year 2000 (Y2K) related issues. In the management's opinion, the Company expects to be Y2K compliant in areas which might otherwise vitiate the capacity of the company to operate as a going concern in the year 2000. The total expenditure for this project is estimated at Rs. 25,000/-.

ACKNOWLEDGEMENT

Your Directors place on record the warm appreciation of valuable co-operation received from National Housing Bank, Tamilnad Mercantile Bank Limited and others. Your Directors are also thankful to the employees for their unstinted support and co-operation.

On Behalf of the Board

GOVINDBHAI C. PATEL
Chairman

Place : Ahmedabad
Date : 30th June, 1999.

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GANESH HOUSING FINANCE CORPORATION LIMITED**AUDITORS' REPORT**

TO THE MEMBERS OF :
GANESH HOUSING FINANCE LIMITED

We have audited the attached Balance Sheet of GANESH HOUSING FINANCE CORPORATION LIMITED as at 31st March, 1999 and the Profit and Loss Account of the Company for the year ended on that date and report that :

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and as per the information and explanations given to us we annexe hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in para 1 above we report that :

2. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
3. In our opinion, proper books of Account as required by law have been kept by the Company, so far as appears from our examination of such books.
4. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of Account.
5. In our opinion the Balance Sheet and Profit and Loss Account comply with the mandatory Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account subject to note no.16 regarding nonprovisioning on sub-standard loans amounting to Rs. 28,71,494/- read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999 and
 - (ii) in so far as it relates to the Profit and Loss Account, of the loss for the year ended on that date.

For M. PARIKH & ASSOCIATES
Chartered Accountants

Place : Ahmedabad
Date : 30th June, 1999.

M. M. PARIKH
(Proprietor)