



**GANESH  
HOUSING  
CORPORATION LTD.**

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**GANESH HOUSING CORPORATION LIMITED**

  
**MANAGING DIRECTOR**

**ELEVENTH  
ANNUAL  
REPORT  
2001-2002**

# **GANESH HOUSING CORPORATION LIMITED**

## **BOARD OF DIRECTORS**

**MR. GOVINDBHAI C. PATEL**

**CHAIRMAN & WHOLE**

**TIME DIRECTOR**

**MR. DEEPAK G. PATEL**

**VICE CHAIRMAN**

**MR. BIMAL K. PATEL**

**DIRECTOR**

**MR. KIRTIKANT S. NANAVATI**

**DIRECTOR**

**DR. BHARAT J. PATEL**

**DIRECTOR**

**MR. SHEKHAR G. PATEL**

**MANAGING DIRECTOR**

## **BANKERS**

**TAMILNAD MERCANTILE BANK LIMITED**

**HDFC BANK LTD.**

**KALUPUR COMMERCIAL CO-OP. BANK LTD.**

**PROGRESSIVE MERCANTILE CO-OP. BANK LTD.**

## **VICE PRESIDENT**

**(LEGAL) &**

**COMPANY SECRETARY**

**MR. VIJAY R. LALAJI**

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## **AUDITORS**

**JATIN PARIKH & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**AHMEDABAD**

## **REGISTERED OFFICE**

**&**

**SHARE DEPARTMENT**

**A 1ST FLOOR., 'SAMUDRA'**

**NR. CLASSIC GOLD HOTEL**

**OFF C.G. ROAD.,**

**ELLISBRIDGE,**

**AHMEDABAD - 380 006.**

# GANESH HOUSING CORPORATION LIMITED

## NOTICE

**NOTICE** is hereby given that the Eleventh Annual General Meeting of the member of GANESH HOUSING CORPORATION LTD. will be held on Friday, the 27th September, 2002 at 3.00 p.m. at the Registered office of the Company at A-1st Floor, Samudra Ganga, 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, 2002 and the Profit & Loss account for the year ended on that date together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri D.G. Patel, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Dr. B.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 appointment of Shri Govindbhai C. Patel, as a Wholtime Director of the Company for a period of three years with effect from 1st November, 2001 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 Govindbhai C. 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 appointment 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 Govindbhai C. 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 Govindbhai C. 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 Govindbhai C. Patel as specified in the Explanatory Statement and 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

## **GANESH HOUSING CORPORATION LIMITED**

re-enactment(s) thereof and/or any rules or regulations framed thereunder and the terms of the aforesaid Agreement between the Company and Shri Govindbhai C. 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 : 28th June, 2002

By order of the Board  
for **GANESH HOUSING CORPORATION 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 the 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 Tuesday, 10th September, 2002 to Friday, 13th September, 2002 (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.

### **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 Board of Directors of the Company at their meeting held on 30th October, 2001 has, subject to the approval of Shareholders in General Meeting, appointed Shri Govindbhai C. Patel as wholetime Director of the Company for a period of three years with effect from 1st November, 2001, 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 Govindbhai C. Patel.

Shri Shekhar G. Patel who is a Managing Director of the company looks after day to day affairs of the Company including Finance, Marketing, Administration, etc. Shri Govindbhai C. Patel will look after overall policies, construction, real estate development, procurement etc.

As activities of the company have increased manifold, your Directors are of the opinion that it is in the interest of the Company to appoint Shri Govindbhai C. Patel as Wholetime 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 Govindbhai C. Patel shall be appointed as Director on the following terms and conditions:

## **GANESH HOUSING CORPORATION LIMITED**

1. Period of Appointment : 3 years with effect from 1st November, 2001
2. Remuneration :
  - i) Salary : Rs. 30,000/- (Rupees Thirty Thousand Only) per month in the grade of Rs. 30000-3000-45000 (inclusive of D.A. and other allowances)
  - ii) Perquisites : He shall be entitled to the perquisites listed in category-A,B & C below.

### **CATEGORY -A:**

- a) **Housing :** The expenditure by the Company on hiring furnished accommodation for the Wholetime Director will be subject to a ceiling of 60% of the salary over and above 10% payable by the Wholetime Director.

In case the accommodation is owned by the Company, 10% of the salary of the Wholetime Director shall be deducted by the Company.

In case no accommodation is provided by the Company, the Wholetime Director shall be entitled to House Rent Allowance subject to ceiling laid down above.

**Explanation :** The wholetime Director shall be entitled to reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, salaries to - servants, gardeners, cook, security and property tax. Alternatively the company may pay directly all such expenses or allowances.

- b) **Medical Reimbursement :** Expenses incurred for the wholetime Director and his family, in India and abroad.
- c) **Leave Travel Concession :** For the Wholetime Director and his family once in a year in accordance with the Rules specified by the Company.
- d) **Club Fees :** Fees of Clubs subject to a maximum of two clubs, excluding admission and life membership fees.
- e) **Personal Accident Insurance :** Premium not to exceed Rs. 4000/- per annum.

**Explanation :** For the purpose of category-A, family means the spouse, the dependent children of the Wholetime Director.

### **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 telephone at residence will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Wholetime Director.

- iii) **Commission :**

The Wholetime Director shall be entitled to a payment of commission at the rate of 1% subject, however, the total remuneration by way of salary, perquisites, other allowances and commission shall not exceed 5% of net profit for one such managerial person and if there is more than one such managerial person, 10% for all of them together computed in the manner laid down under Section 198 and 309 of the Companies Act, 1956.



## **GANESH HOUSING CORPORATION LIMITED**

In case the Company has no profits or profits are inadequate in any financial year during the term of office, remuneration payable to Wholetime Director shall not exceed the limits prescribed in section II part II of Schedule XIII to the Companies Act.

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 Wholetime 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 Wholetime Director such expenses as he may incur on behalf of the Company.
6. The Wholetime Director shall not be liable to retire by rotation.
7. The Wholetime 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. Wholetime 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.
9. Wholetime 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 Wholetime Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Wholetime Director.
11. The Wholetime Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of section 283 (1) (i) of the Companies Act, 1956.
12. For purpose of Gratuity, Provident Fund, Superannuation, Commission and other benefits, the service of Wholetime Director under this Agreement will be considered continuous service in the Company from the original date of their joining the service of the Company on 1st November, 2001 and termination of agreement and renewal of agreement will not be considered as any break in service.
13. The agreement may be terminated by either party giving the other party six months notice or the Company paying six month's salary in lieu thereof.
14. 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.
15. The draft agreement to be entered into by the Company with Shri Govindbhai C. 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.

## **GANESH HOUSING CORPORATION LIMITED**

**16. 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 Govindbhai C. Patel, pursuant to Section 302 of the Companies Act. 1956.

**17. The Board therefore recommends an Ordinary Resolution at Item No.5 of the Notice for your approval.**

**18. Memorandum of Interest :**

Shri Govindbhai C. Patel is interested in the resolution, Shri Shekhar G. Patel and Shri Deepak G. Patel, Directors of the Company, being related to Shri Govindbhai C. 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  
Elliebridge  
Ahmedabad - 380 006

Date : 28th June, 2002

By order of the Board  
for **GANESH HOUSING CORPORATION LTD.**

**VIJAY R. LALAJI**  
**VICE PRESIDENT (LEGAL)**  
**& COMPANY SECRETARY**

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# GANESH HOUSING CORPORATION LIMITED

## DIRECTORS' REPORT

Dear Members,

Your Directors present herewith the Eleventh Annual Report and the audited accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS	(Rupees in lacs)	
	YEAR ENDED 31-3-2002	YEAR ENDED 31-3-2001
Net Sales/Income from operations	12.74	111.24
Total Expenditure	8.89	56.85
Interest	0.21	0.89
Gross Profit before dep. and taxation	3.64	53.50
Depreciation	1.68	10.66
Provision for Taxation	0.16	1.02
Net Profit/(loss)	1.80	41.82
Provision for Deferred Tax	3.99	Nil
Add: Balance in Profit & Loss Account	(89.94)	(131.76)
Balance carried to Balance Sheet	(92.13)	(89.94)

## OPERATIONS

As a developer, the Company is construction three residential complexes in Ahmedabad. The expenditure incurred towards the said projects have been treated as work-in-process in the accounts. The income from all projects will be recognised on the completion of project as per completed contract method stated in Accounting Standard - 7 issued by the institute of Chartered Accountants of India on Accounting for Construction Contracts.

The Company follows a policy of allocating its over-head expenses to all the projects it is implementing while in case of one Project "Ratnam" the over-heads were allocated regularly during the year, in case of other two projects, the over-heads were allocated only in the last quarter of the year. However the expenses for the full year were allocated.

## DIVIDEND

In view of the carried forward losses, your Directors do not recommend any dividend for the year under review.

## DEMATERIALISATION OF EQUITY SHARES

As at 31st March 2002, 77% Equity Shares were held in demat form.

## DIRECTORS

Shri D.G.Patel and Dr. B.J. Patel, Directors of your Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. Shri Govindbhai C. Patel was appointed as Wholetime Director of the Company for a period of 3 years w.e.f. 01/11/2001.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA), your Directors confirm that :-

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The Directors have 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 as on 31st March, 2002 and of the loss of the Company for the year ended 31st March, 2002.



## **GANESH HOUSING CORPORATION LIMITED**

- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.

### **DEPOSITS**

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

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

The particulars regarding Conservation of Energy and Technology Absorption 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. There were no foreign exchange earnings during the year under review. As regards foreign exchange outgo, members are requested to refer to Note No. 14 of Schedule No. 18 in Notes forming part of accounts for the year ended 31st March, 2002.

### **INFORMATION AS PER SECTION 217 (2A) OF COMPANIES ACT, 1956.**

During the year under review, there was no employee in respect of whom information as per section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of the Employee) Rules, 1975 is required to be given in the Directors' Report.

### **AUDITORS**

M/s. Jatin Parikh & Associates, Chartered Accountants, Ahmedabad auditors of the Company, 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.

### **ACKNOWLEDGMENT**

Your Directors place on record the warm appreciation of valuable co-operation received from 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

Place : Ahmedabad  
Date : 28th June, 2002

**GOVINDBHAI C. PATEL**  
**CHAIRMAN**

# **GANESH HOUSING CORPORATION LIMITED**

## **AUDITOR'S REPORT**

### **TO THE MEMBERS OF : GANESH HOUSING CORPORATION LIMITED**

We have audited the attached Balance Sheet of GANESH HOUSING CORPORATION LIMITED as at 31st March, 2002 and the Profit and Loss Account of the Company for the year ended on that date and report that :

1. These financial statements are the responsibility of the GANESH HOUSING CORPORATION LTD's management. Our responsibility is to express an opinion on these financial statements based on our audit. 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 whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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 statements. We believe that our audit provides a reasonable basis for our opinion.
2. 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 2 above we report that :**

3. 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.
4. 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.
5. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
6. 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.
7. On the basis of written representations received from the directors of the company as at March 31, 2002 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub section (1) of section 274 of the Companies Act, 1956.