

MHFC

MANOJ HOUSING FINANCE COMPANY LIMITED

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Annual Report 1999 - 2000

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FOR MANOJ HOUSING FINANCE COMPANY LIMITED

ACCOUNTANT

DIRECTOR/MG. DIRECTOR

MANOJ HOUSING FINANCE COMPANY LIMITED

BOARD OF DIRECTORS

SHRI GYANENDRA NATH GUPTA
SHRI MUKUND I. GUPTA
SHRI PRAKASH G. PANJABI
SHRI MADHUKAR DALAL
MS. MEENA KESWANI
SHRI MANOJ G. KESWANI

CHAIRMAN
MANAGING DIRECTOR
DIRECTOR
DIRECTOR
EXECUTIVE DIRECTOR
EXECUTIVE DIRECTOR

AUDITORS

M/S. YOGESH K. VAJANI & CO
DHANU ROAD,
DIST. THANE.

BANKERS

Central Bank of India
The Federal Bank Limited
The Nav Jeevan Co-Operative Bank Limited
Indian Overseas Bank
The Abhinav Sahkari Bank Ltd.

REGISTERED OFFICE

MHFC HOUSE, 1st floor,
164, Sant Karwaram Chowk,
ULHASNAGAR-421 003.(DIST. THANE)

SHARE TRANSFER AGENTS

Purva Sharegistry (India) Pvt. Ltd.
33-34, printing House,
28- D, Police Court Lane,
Behind Handloom House,
Fort, MUMBAI - 400 001.

NOTICE

NOTICE is hereby given that the TENTH ANNUAL GENERAL MEETING of MANOJ HOUSING FINANCE COMPANY LIMITED will be held at the REGISTERED OFFICE OF THE COMPANY AT MHFC HOUSE, FIRST FLOOR, 164, SANT KASHWARAM CHOWK, ULHASNAGAR-421003, ON THURSDAY, THE 28th September, 2000 at 10.00 A.M. to transact the following business :-

- 1) To receive, consider and adopt Audited Balance Sheet of the Company for the year ended on 31st March, 2000 and the Profit & Loss Account on that date together with the Report of Auditors and Directors thereon.
- 2) To appoint a Director in place of Mr. G. N. Gupta who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. P.G. Punjabi, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint Auditors of the Company to hold office upto the conclusion of next Annual General Meeting and to fix their remuneration. M/s. Yogesh K. Vajani & Co. Chartered Accountants, retire as Auditors, and are eligible for re-appointment.

SPECIAL BUSINESS

- 5) To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to section 17 of the Companies Act, 1956 and other applicable provisions, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company for deleting the word TRADERS from the main object Clause No. 2 of Memorandum of Association of the Company and accordingly the main object Clause No. 2 of the Memorandum of Association of the Company be altered.

- 6) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

Resolved that Mr. Mukund I. Gupta, be and hereby re-appointed as Managing Director of the Company for a period of 5 Years w.e.f. 01.12.99.

"RESOLVED FURTHER THAT, pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to all such approvals as may be required, the approval of the members of the Company be and is hereby accorded to the payment of remuneration and perquisites as set out in Agreement dated 2nd November, 1999 with effect from 1st December, 1999 to Mr. Mukund I. Gupta, the Managing Director till 30th November 2004. The remuneration and perquisites shall be paid as per the Agreement dated 02.11.99 and as per the terms and conditions set out in the said Agreement dated 2nd November, 1999 or as may be decided by the Board of Directors from time to time.

Resolved that Mr. Mukund I. Gupta will receive the remuneration and perks as follows :

Remuneration : Salary Rs. 35,000/- per month with an increment of Rs. 5,000/- per annum.

Perquisites may be allowed in addition to salary restricted to an amount of 50% of the annual salary. These are classified into three categories unless the context otherwise requires, perquisites are 'A' 'B' & 'C' as follows :

CATEGORY 'A'

This will comprise house rent allowance, leave travel concession Medical reimbursement, fees of clubs and personal accident insurance. These may be provided for as under :

- (i) Housing I : The expenditure by the Company on hiring furnished accommodation for the appointee will be subject to the following ceiling : Sixty per cent of the salary, over and above ten per cent payable by the appointee.

Housing II : In case the accommodation is owned by the Company, ten per cent of the salary of the appointee shall be deducted by the Company.

Housing III : In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962. This shall, however be subject to a ceiling of ten per cent of the salary of the appointee.

- (ii) Medical benefits for self and family :

(a) Expenses incurred for the appointee and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

(b) Hospitalisation : Actual expenses to be incurred.

- (iii) Leave Travel Concession : For the appointee and his family once in year subject to a ceiling of one month's salary.

- (iv) Club Fees : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

- (v) Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

CATEGORY 'B'

- (i) Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.

(ii) 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. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

3. Commission : Remuneration by way of commission may also be allowed in addition to salary or perquisites or both or in lieu thereof. The amount of it, based on the net profits of the Company in a particular year, shall be subject to the overall ceilings laid down in section 198 and section 309. Notwithstanding anything in this part, where in any financial year, during the currency of tenures of the Managing Director, the Company has no profits or its profits are inadequate, it may pay them remuneration by way of salary and perquisites not exceeding the limits specified in this part.
4. The Managing Director will be entitled to one month's leave with full pay and allowances for every eleven months of service. Such leave may be accumulated in accordance with the Company's rules and practices in force from time to time.
5. If at any time the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director in terms of the agreement and such agreement shall terminate forthwith.
6. The Managing Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283 (i) (ii) of the Companies Act, 1956.
7. The Managing Director shall not be entitled to supplement his earning under the agreement with any buying or selling commission nor shall he so long as he functions as such, becomes interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company without the prior approval of the Central Government.
8. The agreement may be terminated by either party giving the other party six months' notice.

PLACE : ULHASNAGAR

DATED : 30.06.2000

By Order of the Board,
for MANOJ HOUSING FINANCE COMPANY LIMITED,
Executive Director.

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/herself and such proxy need not be member of the Company. The duly filled in proxy forms to be valid shall be deposited at the Company's Registered Office, at least 48 hours before the scheduled time of the Annual General Meeting.
- 2) In terms of Section 154 of the Companies Act, 1956, the Register of Members and Transfer Books of the Company will remain closed from 05.09.2000 to 07.09.2000 (both days inclusive).
- 3) A member entitled to attend the meeting is required to bring the enclosed attendance slip duly filled in and hand over the same at the entrance of the meeting hall.
- 4) Members are requested to send the change of address, if any, directly to the Share Transfer Agents, M/s. PURVA SHAREGISTRY (INDIA) P. LTD., for incorporating the same in the Register of Members.
- 5) The members are requested to bring their Annual Reports to the meetings as no extra copies will be distributed at the meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5 :

The Company presently carries on the business as per the Main Objects mentioned in the Memorandum of Association of the Company.

Clause 2 of the Main Object in the Memorandum of Association of the Company has a word TRADERS.

The National Housing Bank, the regulatory authority, has directed the Company to delete the said word TRADERS from clause 2 of the Main Object Clause in the Memorandum of Association of the Company.

Accordingly the Board of Directors of the Company have decided to follow the directives given by the said National Housing Bank. In the interest of the Company the Directors recommend this resolution for your approval.

None of the Directors are concerned or interested in the Resolution.

ITEM NO. 6

Mr. Mukund I. Gupta was re-appointed as Managing Director of the Company for a further period of five years, w.e.f. 1st December, 1999, on a remuneration fixed by the Board of Directors in their meeting held on 30.10.99 subject to your approval.

His appointment and remuneration is in accordance with the requirements of Schedule XIII of the Companies Act, 1956.

This may be treated as an abstract of the terms & conditions governing the appointment and remuneration of the Managing Director pursuant to Section 302 of the Companies Act, 1956.

Except Mr. Mukund I. Gupta none of the Directors is concerned or interested in the said resolution.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the Tenth Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS :

	YEAR ENDED 31.03.2000	(Rs. in lacs) YEAR ENDED 31.03.1999
Gross Income	42.77	44.88
Total Expenditure	32.14	27.39
Interest	02.95	03.85
Gross Profit before Depreciation & Taxation	07.68	13.64
Depreciation	05.27	05.91
Provision for Taxation	01.20	02.25
Taxes for earlier years	00.04	00.44
Net Profit	01.17	05.04
Paid-up Equity Share Capital	499.72	499.72
Reserves	70.39	69.22

OPERATIONS :

The operations of the Company during the year under review have not been upto the desired level but have been improving considerably during the current fiscal year. There has been steep and all round fall in interest during the fiscal year under review. Due to this the interest on Housing loans granted by your Company has been affected to that extent.

And as per the guidelines of the National Housing Bank and as per Section 43 D of the Income Tax Act, 1961, the interest on loans, granted by the Company, has been recognised on cash basis.

And as per the guidelines, the Company has written off loans/advances to the extent of Rs. 5,91,772/- hence the income has been reduced to the extent.

DIVIDEND :

In view of inadequate profits, the Board does not recommend any dividend for the year under review. The Profit for appropriation available is proposed to be transferred to Reserves.

DEPOSITS :

As on 31.03.2000 the Company held no deposits in any form from anyone. There was no deposit held by the Company as on 31.03.2000 which was overdue or unclaimed by the depositor/s. For the present the Board of Directors have resolved not to accept any deposits from Public, Shareholders and/or others.

FUTURE PROSPECTS :

Your Company is providing long term Housing Finance to individuals and also Project Finance to builders. Your Company is also in Leasing activity since past four years. The profitability of the Company is better during the current financial year. However your Directors are making every possible effort to perform still better in view of improvement in realty market coupled with the Central Government's efforts in reviving the Housing Construction Industry.

A) As required by Section 217 (2A) of the Companies Act, 1956 and rules framed thereunder, there was no employee falling under the category, hence no statement/particulars of employees, have been annexed to this report.

B) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

- | | |
|------------------------------|-----------------|
| a) Conservation of Energy | Not Applicable. |
| b) Technology Absorption | Not Applicable. |
| c) Foreign Exchange Earnings | Not Applicable. |