

MHFC

MANOJ HOUSING FINANCE COMPANY LIMITED

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14th Annual Report 2003 - 2004

MANOJ HOUSING FINANCE COMPANY LIMITED

BOARD OF DIRECTORS

SHRI G. N. GUPTA
(Rtd. CBDT Chairman)

CHAIRMAN

SHRI M. I. GUPTA

MANAGING DIRECTOR

SHRI M. D. DALAL

DIRECTOR

Ms. MEENA KESWANI

EXECUTIVE DIRECTOR

SHRI M. G. KESWANI

EXECUTIVE DIRECTOR

SHRI K. SRINIVASA VARADHAN

DIRECTOR

Dr. I. N. PARWANI

DIRECTOR

SHRI M. M. GUPTA

DIRECTOR

AUDITORS

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

BANKERS

Indian Overseas Bank.
The Abhinav Sahakari Bank Ltd.
HDFC Bank Ltd.,

REGISTERED OFFICE

Opp. Bldg. No. 163,
Near Jain Temple, Naidu Colony,
Pant Nagar, Ghatkopar (E),
MUMBAI - 400 075.

SHARE TRANSFER AGENTS

Purva Sharegistry (I) 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 FOURTEENTH ANNUAL GENERAL MEETING OF the Shareholders of MANOJ HOUSING FINANCE COMPANY LIMITED will be held on Wednesday, the 1st September, 2004 at 11.00 a.m. at the Registered Office of the Company at Mumbai to transact the following business :

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet of the Company for the year ended 31st March, 2004 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. K. S. Varadhan, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. I. N. Parwani, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. M. M. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint Auditors of the Company to hold office upto the conclusion of the 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 :

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

"RESOLVED THAT Pursuant to Regulation 5 of Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and all other applicable laws, rules, regulations, etc., and subject to the approvals/permissions, if any, from the regulatory authorities pose, approval be and is hereby given for delisting of equity shares (including equity shares that may be issued and listed in future) of the Company with immediate effect from the Stock Exchange, Ahmedabad, The Delhi Stock Exchange Association Ltd., New-Delhi & Madras Stock Exchange Ltd., Chennai."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to give necessary approvals, take appropriate steps, give necessary authority to any Director / Officer of the Company for purpose of delisting of shares as mentioned hereinabove and also to delegate such powers to the Sub-Committee of Directors."

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

NOTES :

- A. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on behalf of the member and such Proxy need not be a member of the Company. Proxy forms duly stamped and executed, must reach the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
- B. In terms of Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from 17-08-2004 to 19-08-2004 (both days inclusive).
- C. As a measure of economy copies of Annual Report will not be distributed at the Annual General Meeting. Therefore members are requested to bring their copy of the Annual Report to the Meeting.
- D. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an

early date so as to enable the management to keep the information ready.

E. Members who have multiple folios in identical names or joint names in the same order are requested to send all the share certificates to the Company for consolidation of all such shareholding into one folio to facilitate better service.

F. A member entitled to attend the meeting should bring the enclosed attendance slip duly filled in and hand over the same at the entrance of the meeting Hall.

G. Members are requested to send the change of address, if any, either to Company or the Share Transfer Agents M/s. Purva Sharegistry (I) Pvt. Ltd., Mumbai.

H. The Shareholders may kindly note that as mandated by the Securities & Exchange Board of India (SEBI), the Equity shares of the Company are traded in compulsory de-materialised form only since October, 2001.

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

RESOLUTION NO. VI :

The Securities and Exchange Board of India (SEBI) has vide SEBI (delisting of Securities) Guidelines, 2003 issued guidelines for delisting of shares by the Companies. Regulation 5 provides that a Company may delist from a Stock Exchange where its shares are listed provided that the securities of the Company have been listed for a minimum period of three years on any Stock Exchange. It also provides that if the shares of the Company continue to be listed on the Stock Exchange having nationwide trading terminals, then it need not give an exit opportunity to the shareholders/investors for purchasing their shares. As per explanation to Regulation 5, the Stock Exchange, Mumbai (BSE) has nationwide trading terminals. The shares of the Company are, among others, Listed on the Stock Exchange, Mumbai. Therefore, the Company is not required to give exit opportunity to the shareholders for selling their shares.

The shares of the Company are not being traded at all on the Stock Exchange, Ahmedabad (ASE), The Delhi Stock Exchange Association Ltd., New - Delhi (DSE) and Madras Stock Exchange Ltd., Chennai, (MSE). The trading volumes of the shares of the Company on the above mentioned Stock Exchanges are nil and continued listing thereon is not providing any advantage to the members of the Company. The Shares of the Company will continue to be listed on the Stock Exchange, Mumbai (BSE) having nationwide trading terminals. Therefore, the members of the Company will not be put to any inconvenience by the proposed delisting. In view of the legal position with regard to delisting of shares as provided in the above mentioned SEBI Regulations and as the Company's shares will continue to be listed on BSE having nationwide trading terminals, the Board considered and approved, subject to your approval, delisting of equity shares of the Company from Ahmedabad Stock Exchange, The Delhi Stock Exchange Association Ltd., and Madras Stock Exchange Ltd., in its meeting held on 05-07-2004. The Board, therefore, recommends this resolution for the approval of the shareholders. None of the Directors is, in any way, interested or concerned in this resolution.

By Order of the Board,
For MANOJ HOUSING FINANCE COMPANY LIMITED

Executive Director.

Place : Mumbai

Date : 05-07-2004.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the Fourteenth Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS :

	YEAR ENDED 31.03.2004	(Rs. in lacs) YEAR ENDED 31.03.2003
Gross Income	44.79	50.79
Total Expenditure	46.03	27.77
Interest	-----	-----
Gross Profit before Depreciation & Taxation	(1.24)	23.02
Depreciation	01.10	02.97
Bad Debt Written off	-----	302.58
Provision for Diminution in value of Investments	(00.94)	14.51
Provision for Taxation	00.17	-----
Net Profit / (Loss)	(01.57)	(297.04)
Paid-up Equity Share Capital	499.75	499.75
Reserves	27.03	27.03

OPERATIONS :

The operations of the Company during the year under review have not been satisfactory. The margins were under stress due to falling interest rates and will take some time before the same stabilise.

DIVIDEND :

In view of loss, the Board does not recommend any dividend for the year under review.

AUDITORS' REPORT :

The Auditors have not made any qualifications to the financial statements, in their Report or relevant notes on accounts, which are self explanatory and do not call for any further comments under section 217 (3) of the Companies Act, 1956.

DEPOSITS :

As on 31.03.2004, the Company held no deposit in any form from anyone. There was no deposit held by the Company as on 31.03.2004 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. The profitability of the Company is better during the current financial year and your Directors are making every possible effort to augment profits.

PARTICULARS REGARDING COSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

The information pursuant to section 217 (i) (a) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company as the Company is not engaged in manufacturing activities.

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.

PAYMENT OF LISTING FEES :

Your Company's securities are listed on The Stock Exchanges at Mumbai (Regional), Ahmedabad, Delhi and Chennai. The listing fees for the year 2004-2005 have been paid to all the Stock Exchanges, where the securities are listed. The Company has been complying with all the conditions required to be complied with in the Listing Agreement.

INVESTOR COMPLAINTS AND COMPLIANCE :

The Company has appointed a Compliance Officer in pursuance of directions given by the Securities and Exchange Board of India and The Stock Exchanges. The Company received no complaints since the holding of Last Annual General Meeting till date.

DELISTING

It is proposed to delist the shares of the Company from the Stock Exchanges at Ahmedabad, Delhi and Madras as the Shares of your Company are listed on the Stock Exchange, Mumbai and can be traded from anywhere in the country and also because there has been no trading of Shares taking place at the Stock Exchanges where from the delisting is proposed.

DIRECTORS :

Mr. K. S. Varadhan, Mr. I.N. Parwani and Mr. M. M. Gupta retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS :

M/s. Yogesh K. Vajani & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received their acceptance under Section 224 (1) of the Companies Act, 1956.

NON-PROMOTERS' SHAREHOLDING :

As on 31.03.2004 the Non-Promoters' Shareholding was 33,12,670 Equity Shares of Rs. 10/- each which amounted to 66.29% of the total Equity Capital of the Company.

DE-MATERIALISATION OF SECURITIES :

The Securities and Exchange Board of India (SEBI) and the Stock Exchanges have put the securities of all the listed Companies to be transacted in compulsory De-mat mode only. Accordingly your Company's shares are also being traded in De-materialised form only.

REGULATORY GUIDELINES :

Your Company has complied with NHB's revised guidelines on prudential norms for asset classification, accounting standards, income recognition, provisioning, capital adequacy, concentration of credit / investments and credit rating etc.,

CORPORATE GOVERNANCE :

As per the directions of SEBI and the Stock Exchanges, the Code of Corporate Governance became applicable to your Company w.e.f. 2002-03 and accordingly your Company has been adhering to the directions and guidelines as required. The report on the Code of Corporate Governance is annexed separately in this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

It is hereby confirmed that :

- (i) In preparation of the accounts for the financial year ended 31st March, 2004, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 profit or loss of the Company for the year under review;
- (iii) That the Directors have taken prior 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) That the Directors have prepared the accounts for the financial year ended 31st March, 2004 on a going concern basis.

ACKNOWLEDGEMENTS :

The Directors place on record their appreciation for co-operation and support extended by the Members, Bankers, Clients, Share Transfer Agents, Stock Exchanges at Mumbai, Ahmedabad, Delhi and Chennai and National Housing Bank and its Officers and Managers. They also thank the employees at all levels for their dedicated efforts in the continued growth of the Company.

FOR AND ON BEHALF OF THE BOARD,

G. N. GUPTA,
CHAIRMAN.

PLACE : MUMBAI.
DATED : 05.07.2004.

REPORT OF CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance :

Philosophy of Manoj Housing Finance Company Ltd., (MHFC) on Corporate Governance envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its operations and all interaction with shareholders, stakeholders, the Government and the apex Housing Bank. The Company is committed to achieve the highest Standards of the Corporate Governance.

2. Board of Directors :

The Board of Directors consists of eight Directors, comprising, three Executive and five non-executive Directors, whose composition is given below :

(a) Composition & Category :

Mr. G. N. Gupta	Chairman,	Non-executive and Independent
Mr. M. D. Dalal	Director,	Non-executive and Independent
Mr. K. S. Varadhan	Director,	Non-executive and Independent
Dr. I. N. Parwani	Director,	Non-executive and Independent
Mr. M. M. Gupta	Director,	Non-executive
Mr. Mukund Gupta	Executive Director	
Mr. Manoj Keswani	Executive Director	
Ms. Meena Keswani	Executive Director	

(b) Board Meetings :

During the financial year 2003-04, five Board Meetings were held on 02.04.03, 28.06.03, 20.07.03, 10.10.03. and 29.01.2004.

The attendance of each Director at the Board Meetings, last Annual General Meeting and Chairmanship/ Membership of Committees of each Director in various Companies is as under :

Name of Director	Attendance particulars		No. of other Directorship and all Committee Membership/Chairmanship		
	Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanship
Mr. G. N. Gupta	4	-----	8	7	6
Mr. M. D. Dalal	--	-----	2	1	-----
Mr. Mukund Gupta	5	Yes	-----	3	2
Mr. Manoj Keswani	5	Yes	1	-----	-----
Ms. Meena Keswani	5	Yes	-----	3	-----
Mr. K. S. Varadhan	5	Yes	3	7	4
Dr. I. N. Parwani	4	Yes	-----	3	2
Mr. M M Gupta	5	Yes	-----	1	-----

3. Committees of Board :

(a) Audit Committee :

The Audit Committee consists of 3 Directors, all non-executive and two are Independent namely Mr. K. S. Varadhan, Dr. I. N. Parwani & Mr. M. M. Gupta. Mr. K. S. Varadhan is the Chairman of the Committee.

During the year only four meeting of the committee were held on 28.06.2003, 20.07.2003, 10.10.2003 and 29.01.2001, all the three members were present in all the four meetings.

Composition:

The committee consists of Dr. I. N. Parwani, Chairman, Mr. K. S. Varadhan, Member and Mr. M. D. Dalal, Member. No meeting of the committee was held during the year under review.

(A) Remuneration to Non-executive Directors :

The non-executive Directors are paid sitting fees of Rs. 1,000/- for each meeting of Board as well as any other Committee meetings attended by them.

<u>Name of Director</u>	<u>Sitting Fees Rs.</u>	<u>Remarks</u>
Mr. G. N. Gupta	4000	
Mr. M. D. Dalal	---	
Mr. K. S. Varadhan	9000	
Dr. I. N. Parwani	8000	
Mr. M. M. Gupta	9000	

(B) Remuneration to Executive Directors :

<u>Name of Director</u>	<u>Position</u>	<u>Salary (Rs.)</u>
Mr. Mukund Gupta	Managing Director	5,40,000
Mr. Manoj Keswani	Executive Director	2,55,000
Ms. Meena Keswani	Executive Director	3,00,000

(1) No commission is paid to any Director, (2) The service contract of the Executive Director is terminable by either party giving notice of 6 months to the other party. (3) The Company has not given any stock options to the Executive and Non Executive Directors.

(C) Shareholders' / Investors' Grievance Committee :

The Committee consist of Dr. I. N. Parwani, Chairman, Mr. Mukund Gupta and Ms. Meena Keswani, as Members.

The Committee looks into redressing of shareholders'/investors' complaints, issue of Duplicate share certificates. During the year under review no complaints were received from shareholders/investors

(D) Share Transfer Committee :

The Board has delegated the powers to a committee consisting of Mr. Mukund Gupta and Ms. Meena Keswani to approve transfer/transmission of shares and attend to all other matters related thereto.

The Committee generally meets twice in a month. During the year 2003-04, 15 meetings were held. As on 31.03.2004, there were no pending share transfers.

(E) Compliance officer :

The Board has designated Mr. Mukund Gupta, as the Compliance Officer.

(F) Loan & Investment Committee :

The Committee consist of Mr. Mukund Gupta and Ms. Meena Keswani. Mr. Mukund Gupta is the Chairman.

The Committee generally sanctions the loans for Housing/Up-gradation from time to time. During the year 2003-04, 20 meetings were held.

4. General Body Meetings.

The Details of Annual General Meetings held in last 3 years are as under :

Financial Year	Date & Time	Venue	Special Resolutions Passed
2000-2001	19.09.2001 10.00 A.M.	Registered office at Ulhasnagar	1
2001-2002	09.09.2002 10.00 A.M.	Registered office at Ulhasnagar	3
2002-2003	14.08.2003 12.30 P.M.	Registered office at Ulhasnagar	--

special resolutions for shifting of Registered Office of the Company from Ulhasnagar to Mumbai was put through postal ballot last year i.e. on 11.10.2003.

No special resolution on matters requiring postal balloting are placed for shareholders approval at this meeting.

5. Disclosures :

(a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large.

There are no transactions with the related parties, i.e., Promoters, Directors or the Management or their relatives conflicting with Company's interests.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were no instances of non-compliance of any matter related to capital markets, during the last three years.