

MEHTA HOUSING FINANCE LIMITED

11Th ANNUAL REPORT

2003-2004

BOARD OF DIRECTORS :-

DARSHAN V. MEHTA - DIRECTOR

BHAVNA D. MEHTA - DIRECTOR

INDIRA V. MEHTA - DIRECTOR

AUDITOR :-

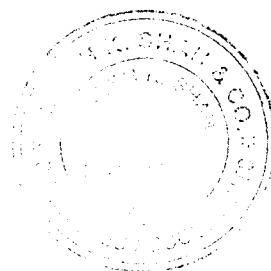
DINESH K SHAH & CO.,
CHARTERED ACCOUNTANTS
AHMEDABAD

BANKERS :-

1. DENA BANK

REGISTRERED OFFICE :-

004, LAW GARDEN APARTMENT,
SCHEME-I, OPP. LAW GARDEN,
ELLISBRIDGE,
AHMEDABAD-380 006.



NOTICE

Notice is hereby given that 11th ANNUAL GENERAL MEETING of the Members of **MEHTA HOUSING FINANCE LIMITED** will be held at 004, Law Garden Apartments, Scheme-1, Opp. Law Garden, Ellisbridge, Ahmedabad-380 006 on **Monday, the 28th JUNE, 2005 at 10.30 A.M.** to transact the following business :

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Accounts of the Company for the year ended **31st DECEMBER, 2004** the Balance Sheet as at that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Indira V. Mehta, who retire by rotation in terms of Article 127 of the Articles of Association of the Company and being eligible, offers herself for reappointment.
3. To consider the reappointment of M/s. Dinesh K. Shah & Co., Chartered Accountants, as Auditors of the Company to hold such office until the conclusion next Annual General Meeting and to fix their remuneration in addition to the reimbursement of out of pocket expenses.

REGISTERED OFFICE :-

004, LAW GARDEN APARTMENT,
SCHEME-I, OPP. LAW GARDEN,
ELLISBRIDGE,
AHMEDABAD-380 006.

BY THE ORDER OF THE BOARD

(DARSHAN V MEHTA)
DIRECTOR

DATE : 30TH APRIL, 2005. -
PLACE : AHMEDABAD.

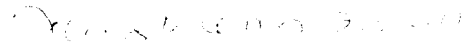
NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY, PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THIS ANNUAL GENERAL MEETING.
2. The register of member and the Share Transfer Book of the Company will remain Closed from 25/06/2005 to 28/06/2005.
3. Member/Proxies should bring copies of Annual Report and attendance slip sent herewith duly filed in for attending the meeting.
4. Members are requested to notify any change in their address immediately to the Company's Registered Office 002, Law Garden Apartments, Scheme-1, Opp. Law Garden, Ellisbridge, Ahmedabad-380 006.

REGISTERED OFFICE :-

004, LAW GARDEN APARTMENT.
SCHEME-I, OPT. LAW GARDEN.
ELLISERIDGE,
AHMEDABAD-380 006.

BY ORDER OF THE BOARD.



(DARSHAN V MEHTA)
DIRECTOR

DATE : 30TH APRIL, 2005.
PLACE : AHMEDABAD.

DIRECTOR'S REPORT

To,
The Members,
MEHTA HOUSING FINANCE LIMITED
Ahmedabad.

Your Directors have pleasure in presenting **11th Annual Report** of the Company along with Audited Accounts for year ended **31ST DECEMBER 2004**.

1. FINANCIAL RESULTS:-

The financial Results of the Company for the year ended on **31ST DECEMBER 2004**. As compared to the previous year are summarized below:-

(Rs. In Lacs)

	31/12/2004	31/12/2003
Total Income	39.45	0.55
Profit/Loss before Depreciation & Taxation	(29.62)	0.24
Less : Depreciation	0.00	0.00
Provision for Investment Fluctuation	NIL	NIL
Profit/Loss before Taxation	(29.62)	0.24
Provision for Income Tax	NIL	NIL
Net Profit/Loss After Tax	(29.62)	0.24
Transfer to General Reserve	NIL	NIL
Proposed Dividend	NIL	NIL

2. OVERALL REVIEW OF PERFORMANCE :-

The operations of the Company has improved in view of goods economic prospects, overall. As there is long term investments made by the Company, there are likely to yield returns over a longer period of time in view of the nature and type of investments.

During the year under review, the Company has earned Income of Rs. 39.45 Lacs as compared to Rs. 0.55 Lacs during the previous year.

Your Company has incurred during the year, Loss of Rs. 29.62 Lacs as compared to Loss of Rs. 0.24 Lacs during the previous year. After bringing forward Debit Balance of Rs. 24.15 Lacs, the Debit Balance of Rs. 24.66 Lacs has been carried to Balance Sheet.

3. BUSINESS OPERATIONS AND FUTURE OUTLOOK :-

The sector to which your Company pertains is affected by several factors. The globalization of the Indian economy, increasing privatization etc. has made contribution in increasing the stiff competition, dis-intermediation etc. But it looks that the economy in general will be on upward trend and the management of the Company is hopeful for the bright future.

4. DIRECTOR :-

One of your Directors viz. Smt. Indira V. Mehta, retires from office by rotation in accordance with the requirement of the Companies Act, 1956. She, however, being eligible, offers herself for reappointment.

5. PARTICULARS OF EMPLOYEES :-

The Company has no employee of the category specified in Section 217 (2A) of The Companies Act, 1956.

6. PARTICULARS OF CONSERVATION OF ENERGY ETC :-

The Company has no activities relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo during the year under review.

7. AUDITORS AND THEIR REPORT :-

Auditors M/s. Dinesh K. Shah & Co., Chartered Accountants hold office till the conclusion of ensuing Annual General Meeting and having furnished the required certificate U/s. 224 (1-B) of the Companies Act, 1956 are eligible for reappointment. Board recommends the reappointments and request the members to fix their remuneration.

8. PUBLIC DEPOSITS :-

There was no Deposits unclaimed or unpaid by the Company after the date on which it has become due for payment or renewal on **31ST DECEMBER, 2004**.

9. DIRECTORS' RESPONSIBILITY STATEMENT :-

Your Director confirm :-

- (a) That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation.
- (b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as give a true and fair view of the state of affairs of the company at the end of the financial year ended on **31ST DECEMBER, 2004** and of the Profit of the Company for that year.
- (c) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended **31ST DECEMBER, 2004** in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities.
- (d) That the Director had prepared the Annual Accounts on an ongoing basis.

10. LISTING :-

The Equity Shares of the Company are listed at Bombay Stock Exchange. The Company is generally regular in payment of Annual Listing Fees.

11. CORPORATE GOVERNANCE :-

A detailed section on the code of Corporate Governance forms part of the Directors' Report.

12. ACKNOWLEDGEMENT :-

Your Directors take this opportunity to place on record the appreciation of the valuable contribution and dedication shown by the employees of the Company, which have contributed to the successful management of the Company's affairs.

The directors also express their gratitude to the support extended by Financial Institution, Various Bankers, Central Govt. & State Govt. authorities & the Shareholders of the Company.

FOR, MEHTA HOUSING FINANCE LIMITED
ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD.

DATE : 30/04/2005.

(DARSHAN V. MEHTA)
DIRECTOR

CHARTERED ACCOUNTANTS**Dinesh K. Shah****B.Com. L.L.B. FCA**507, Hemkoot Complex, B/h. L.I.C. Building,
Ashram Road, Ahmedabad-380 009.

Tel. # : 079-26584450

Email : dkshah43@hotmail.com

AUDITORS' CERTIFICATE**To the Members of Mehta Housing Finance Limited**

We have examined the compliance of conditions of corporate governance by **MEHTA HOUSING FINANCE LIMITED**, for the year ended on 31ST **DECEMBER 2004** as stipulated in Clause 49 of the listing agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expressions of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad.**Date : 30/04/2005.****For, Dinesh K. Shah & Co.,
Chartered Accountants****(Dinesh K. Shah)****(Partner)**

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION :-

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges is set out below :-

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :-

Corporate Governance makes a significant contribution to the business prosperity and accountability. The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability, in all facets of its operations and in all its interactions with the shareholders, employees, the Government and Lenders.

During the year under review, the Company has fully complied with the requirements of Clause 49 of the listing agreements and will continue its efforts towards raising its standards in corporate governance and will also review its systems and procedures constantly in order to keep pace with the changing economic environments.

2. BOARD OF DIRECTOR :-

a) Composition and Category of Directors :-

Name of Directors	Category of Director Ship	No. of other Director-ships *	Committee (1) Membership / (2) Chairman ship in other companies	No. of Board Meetings attended	Attendance at the AGM held Yes(Y) / No(N)
Darshan V. Mehta	Executive	2	2	5	Y
Bhavna D. Mehta, Chairman	Non-Executive	1	1	5	Y
Indira V. Mehta	Non-Executive & Independent	1	1	4	-

* Private companies excluded.