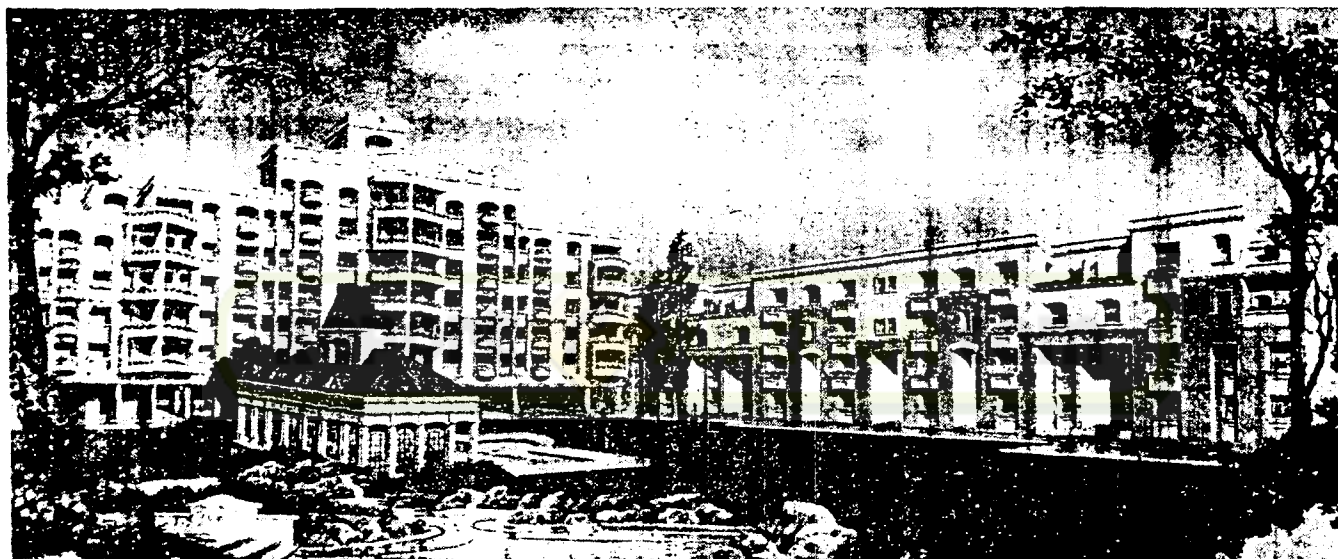


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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
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AGM	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

TWELFTH ANNUAL REPORT 1996-97



A Bird's Eye View of Eldeco Greens Apartment, Lucknow



ELDECO HOUSING AND INDUSTRIES LIMITED



ELDECO HOUSING AND INDUSTRIES LIMITED**BOARD OF DIRECTORS**

Shri O P Bajaj

Chairman

Shri S.K.Garg

Managing Director

Wg.Cdr. V.K.Garg (Retd)

Whole Time Director

Pankaj Bajaj

Whole Time Director

Shri R.M. Dhariwal, Director

Shri N.K. Sharma, Director

Shri L.N. Sharma, Director

Shri Balbir Singh, Director

Shri J.P. Bhargava, Director

COMPANY SECRETARY

Atul Dave

AUDITORS

M/s M. K. Tandon & Co.,
Chartered Accountants,
1, Krishna Enclave,
Heera Bagh Colony,
Dayal Bagh Road,
Agra - 282-005

BANKERS

Punjab National Bank

REGISTERED OFFICE

First Floor, Pragati Kendra,
Kapoorthala Commercial
Complex, Aliganj,
Lucknow - 226 020

HEAD OFFICE

28/2, Sanjay Place,
Agra - 282 002

DIVISIONS

F-2, Local Shopping
Centre, Masjid Moth.
Extn. (Udai Park)
New Delhi - 110 049

Virendra Smriti Complex,
First Floor, 15/54-B,
Civil Lines,
Kanpur - 208 001

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Audited Profit & Loss Account for the year ended 31st March, 1997	9
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ELDECO HOUSING AND INDUSTRIES LIMITED**NOTICE :**

Notice is hereby given that the Twelfth Annual General Meeting of the Company will be held at Hotel Clarks Avadh, Lucknow on Monday, the 27th day of October 1997, at 3.00 P.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors & Auditors thereon.
2. To declare dividend on Equity Shares for the year ended on 31st March, 1997.
3. To appoint a Director in place of Shri Balbir Singh who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri L.N.Sharma who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Auditors of the Company and to fix their remuneration. M/S M.K.Tandon & Co., Chartered Accountants retire and being eligible offer themselves for re-appointment.

By Order of the Board
SHIV KUMAR GARG
Managing Director

NOTES :

1. The Register of Members and Share Transfer Books of the Company will remain closed from the 16th day of October, 1997 to 27th day of October, 1997 (both days inclusive). Share transfers received in order at the Company's Registered Office by 3 p.m. on 15th day of October, 1997 would be passed for payment of dividend, if declared. Dividend will be paid, to those Members entitled thereto and whose names shall appear on the Register of Members of the Company on the 27th day of October, 1997, or to their mandatees, subject, however, to the provisions of Section 206A of the Companies Act, 1956 or any amendment or modification thereof.
2. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The Proxy Form must reach the Registered Office of the Company at First Floor, Pragati Kendra, Kapoorthala Commercial Complex, Aliganj, Lucknow not less than 48 hours before the time fixed for holding the meeting.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
4. Members/Proxies are requested to bring the admission slips alongwith their copies of Annual Reports to the Meeting.
5. Members desiring any information on the Accounts are requested to write to the Company at its Registered Office at First Floor, Pragati Kendra, Kapoorthala Commercial Complex, Aliganj, Lucknow giving atleast six days time before the date of Annual General Meeting to enable the management to collect and keep the information ready.
6. Members are requested to notify any change in their address/mandate/bank details immediately to the Company's Registered Office at the aforesaid address.
7. With a view to provide protection against fraudulent encashment of Dividend Warrants, the members are requested to provide their Bank Account Nos., names of the Bank and Branch to enable the Company to incorporate the said details in the Dividend Warrants for the Dividend, if declared, for the year 1996-97 by quoting their folio/account nos., so as to reach the Company's Registered Office at the aforesaid address, latest by 27th day of October, 1997.



8. Members who have multiple accounts/folios in identical names or joint accounts in the same order are requested to send all the Share Certificate(s) to the Company's Registered Office at the aforesaid address, for consolidation of all such holdings into one folio/account to facilitate better service.
9. Pursuant to Section 205A(5) of the Companies Act, 1956 all dividends upto the financial year ended 31st March 1993, which remained unpaid/unclaimed have been transferred to the General Revenue Account of the Central Government during the current financial year.

Members who have not encashed their dividend are requested to claim the same from the Registrar of Companies, Uttar Pradesh, West Cott Building, The Mall, Kanpur. In case any assistance is required, please write to the Company at its Registered Office at the aforesaid address.

Place : LUCKNOW

Dated : 3rd September, 1997

Registered Office :

First Floor, Pragati Kendra,
Kapoorthala Commercial Complex,
Aliganj, Lucknow - 226 020

By Order of the Board

SHIV KUMAR GARG

Managing Director

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ELDECO HOUSING AND INDUSTRIES LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 1997 and Statutory Auditors Report thereon.

FINANCIAL RESULTS :

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Turnover	1068.26	1043.14
Profit before dep. & taxes	57.36	37.51
Less : Depreciation	14.37	12.84
Profit before taxation	42.99	24.67
Less : Provision for taxation	22.00	18.00
Profit after tax	20.99	6.67
Previous Balance in Profit and Loss Account	1.66	28.28
Profit available for appropriation	22.65	34.95
Less: Proposed Dividend	9.83	9.83
Tax on Proposed Dividend	0.98	0.00
Adjustments related to previous year	0.52	36.55
Transfers to General Reserve	10.00	60.00

OPERATIONS :

During the year under review the Company has recorded a Gross turnover of Rs 1068.26 lacs and profit before tax of Rs 42.99 lacs as against Rs 1043.14 lacs and Rs.24.67 lacs during the preceeding year. Though the turnover has increased marginally by 2.41%, there is a considerable increase of 74.26% in profitability of the Company.

The year 1996-97 witnessed a considerably downturn in property markets across the Country. The markets in U.P. have been no exception to this phenomenon. Considering this, the marginal improvement in the turnover of the Company is a reflection of the customer goodwill that the Company enjoys even in depressed markets.

We have used the year 1996-97 as a phase for consolidation and planning for the year 1997-98 and beyond. This is manifested in the improved profitability of the Company this year. Your Company is now laying more stress on self-promoted projects as compared to construction contracts in the past which will further improve the profitability of the Company in the coming years.

The Company has already launched Gomti Nagar and few other projects in Lucknow and proposes to launch a number of other prestigious projects in the near future which will add up considerably to the turnover and profitability of the Company in the current year. Your Directors are confident of doubling the turnover of the Company in the next two years.

**DIVIDEND :**

Your Directors recommend payment of Dividend on Equity Shares @ 5% for the financial year ended on 31st March, 1997. The Dividend, if approved by you at the forthcoming Annual General Meeting will absorb Rs.9.83 lacs.

STATUTORY STATEMENTS :

There was no employee in receipt of remuneration in excess of the limits prescribed under the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Amendment) Rules, 1988.

As regards disclosure u/s 217 (i)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in Report of Board of Directors) it has been advised that the particulars relating to conservation of energy as required under the aforesaid rules are not applicable in the case of the Company. The Company is yet to undertake Research & Development activities and development of Technology in the area of construction activities.

Your Company does not have any Foreign Exchange Earnings or Outgo.

ACCEPTANCE OF DEPOSITS :

Your Company has not so far accepted any deposits from the Public within the meaning of section 58A of the Companies Act, 1956.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Shri Balbir Singh and Shri L.N. Sharma are due to retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

SUBSIDIARY COMPANY :

The Company's subsidiary Lucknow Cement Crafts Ltd had discontinued its manufacturing operations since 16.04.92. There are no prospects of rehabilitation of the aforesaid unit. The Company has therefore disposed off 800 Equity Shares at par value in the aforesaid Company which therefore is now no more a subsidiary of the Company. A sum of Rs.6.69 lacs advanced to them is however recoverable from the aforesaid Company.

AUDITORS :

M/S M.K. Tandon & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment. Auditors remarks are self explanatory and are suitably explained in notes to the accounts.

ACKNOWLEDGEMENT :

The Board of Directors wish to put on record their sincere appreciation for the co-operation received from the Company's Bankers and other Government and Non Government Agencies. The Directors also like to put on record their sincere appreciation for the hard work put in by the Officers and other staff of the Company in making its operation a success.

Place : LUCKNOW

Dated : 3rd September, 1997

On behalf of the Board of Directors

O. P. BAJAJ

Chairman

ELDECO HOUSING AND INDUSTRIES LIMITED**AUDITOR'S REPORT**

To,
The Share Holders of
Eldeco Housing and Industries Limited,
Agra.

We have audited the attached Balance Sheet of Eldeco Housing and Industries Limited as at 31st March 1997 and also the annexed 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 (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order to the extent applicable.
2. Further to our comments in the annexure referred to in paragraph 1 above we state that :
 - (a) 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 :
 - (b) 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.
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this Report are in agreement with the Books of account.
3. In our opinion and to the best of our information and according to the explanations given to us the accounts subject to Note No 5, 9 and 10 regarding Direct Confirmations from Debtors, Creditors, Loans and Advances etc., Losses of subsidiary, read with the other notes attached thereto or appearing thereon give the information required by the Companies Act 1956, in the manner, so required and give a true and fair view :
 - (a) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1997,
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

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For M.K. Tandon & Co.
Chartered Accountants

Place : LUCKNOW

Mukesh Tandon

Dated : 3rd September, 1997

Partner

ANNEXURE REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

1. The Company has maintained records showing full particulars including quantitative details of Fixed Assets. We were informed by the Management that physical verification of major Fixed Assets has been done by them. No major discrepancy was stated to have been noticed on comparison of said items with Fixed Assets Register. In respect of leased assets, no direct confirmation from the Lessees as at 31st March, 1997 as to their existence could be obtained.
2. None of the Fixed Assets of the Company have been revalued during the year.
3. As explained to us, physical verification of major items of building materials, stores, has been carried out by the management during the year.
4. As explained to us the procedure followed by the management for such physical verification is reasonable and adequate in relation to the size of Company and the nature of its business.
5. As far as we can ascertain and according to the information and explanation given by the Management the discrepancies between physical stocks and the book records, were not material and have been properly dealt with in the books of accounts.