



ELDECO

HOUSING AND INDUSTRIES LTD.

SHAPING DREAMS OF CONCRETE



FOURTEENTH
ANNUAL REPORT
1998-99


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
• Shri Pankaj Bajaj	Whole Time Director
• Shri R. M. Dhariwal	Director
• Shri N. K. Sharma	Director
• Shri L. N. Sharma	Director
• Shri Manoj Singhal	Director
• Shri J. P. Bhargava	Director

COMPANY SECRETARY

- Shri 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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**ELDECO HOUSING AND INDUSTRIES LIMITED****NOTICE**

Notice is hereby given that the Fourteenth Annual General Meeting of the Company will be held at Hotel Clarks Avadh, Lucknow, on Monday, the 15th day of November 1999, at 3.00 P.M., to transact the following business:-

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 1999 and the Profit and Loss Account for the year ended on that date together with the report of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended on 31st March, 1999.
3. To appoint a Director in place of Shri L.N. Sharma who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R.M. Dhariwal 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.

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :
"RESOLVED That Shri Manoj Singhal be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation."
7. To consider, and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:-

Insert the following Article as Article 3A with marginal note after Article 3 :

BUY BACK OF SHARES AND SECURITIES :

Buy back of Shares Notwithstanding anything contained in these Articles and subject to the provisions of the Act or any other applicable law in force at the relevant time, the Board of Directors shall have power and is authorised to purchase any of the securities including equity shares of the Company and may make payments out of its capital, free reserves and/or the surplus in the profit and loss account, securities premium account or from such other sources including borrowing as may be permitted for such purchases.

For the purpose of this Article, securities shall include securities convertible into equity shares or having such underlying voting rights as may be notified by the Central Government from time to time.

8. To consider, and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:-

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force and as may be enacted hereinafter), Securities Contracts (Regulations) Act, 1956, as amended by SEBI, 1992 and the rules framed thereunder, Listing Agreements, and all other applicable laws,


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rules, regulations, and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and in view of the infrequent trading of shares of the Company on the Delhi Stock Exchange, the consent of the Company be and is hereby accorded to the board to delist 19,66,600 Equity Shares of the Company from the Delhi Stock Exchange Association Limited, Delhi."

9. To consider, and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:-

"RESOLVED that pursuant to the provisions of Section 17 of the Companies Act, 1956 and subject to the approval of shareholders at the Annual General Meeting, by passing a special resolution, and further, subject to the confirmation by the Company Law Board, the object clause of the Company's Memorandum be altered by addition to clause III of the Memorandum of Association of the Company the following new Clause (4) after Sub Clause (3) :

To establish and set up a Building Centre with the assistance of HUDCO or any other body for propagating cost-effective and environment-friendly building technologies; to act as a technology transfer centre in the field of housing, building and development for disseminating information on cost-effective and environment-friendly building materials and technologies; to act as a skill upgradation and training centre for masons, artisans, carpenters, other building work force trades including both urban and rural youths, in various cost-effective and environment-friendly building materials and technologies; to undertake production of cost-effective and environment-friendly building materials, components etc.; and to accept the grant, loan etc., from HUDCO or any other financial institutions, banks, in connection therewith."

EXPLANATORY STATEMENT
ITEM 6

Shri Manoj Singhal, who was appointed as an additional Director of the Company with effect from 21st August, 1999 pursuant to Section 260 of the Companies Act, 1956, holds office as Director upto the date of this Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Shri Manoj Singhal for reappointment as Director under the provisions of Section 257 of the Companies Act, 1956. Shri Manoj Singhal is a renowned Structural Consultant and practising Architect and has vast experience in the construction field. His association with the Company will help the Company to attain greater heights and to achieve the goals of the Company with renewed thrust.

The Directors recommend the Resolution for your approval. Except Shri Manoj Singhal and Shri S. K. Garg, Managing Director, none of the other Directors of the Company are in anyway concerned or interested in the Resolution.

ITEM 7

The Companies (Amendment) Ordinance, 1999 has inserted new sections 77, 77AA and 77B after Section 77 of the Companies Act, 1956 permitting companies to buy back their own shares subject to the conditions laid in the aforesaid sections. One of the conditions laid down in Section 77A(2) is that the buy-back should be authorised by the articles of the Company. Hence a new Article, ie., Article 3A, is proposed to be inserted as set out in the resolution to enable the Company to purchase its own shares and/or securities as permissible under law.


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The Board of Directors recommend the Shareholders to adopt the proposed resolution as a Special Resolution.

None of the Directors of the Company is concerned or interested in the said resolution.

ITEM 8

At present the Equity Shares of the Company are listed at the Uttar Pradesh Stock Exchange Limited, Kanpur, The Stock Exchange, Mumbai and The Delhi Stock Exchange Association Limited, Delhi. The Company's shares are rarely traded at the Delhi Stock Exchange, in view of which your Directors have, at their meeting held on the 28th day of January, 1999, resolved to get the 19,66,600 equity shares of the Company delisted from the Delhi Stock Exchange.

This delisting shall not, in the opinion of the Board of Directors, prejudicially affect trading in the Company's shares as the listing of the Company's Equity Shares with the Mumbai Stock Exchange and the Uttar Pradesh Stock Exchange Association Limited will continue as before.

The Director accordingly recommend the resolution for the approval of the shareholders.

None of the Directors is concerned or interested in the Special Resolution.

ITEM NO. 9

HUDCO is setting up a National Network of Building Centres in the country. Your Directors had applied to be part of the aforesaid network for Lucknow. The HUDCO guidelines for the aforesaid scheme require that the setting up of such a Building Centre should form part of the main objects clause of the Memorandum of Association of the Company. The change in main objects of the Company has to be authorised by the Shareholders by a Special Resolution.

The Directors accordingly recommend the resolution for the approval of the shareholders.

None of the Directors is concerned or interested in the Special Resolution.

By order of the Board
for **Eldeco Housing and Industries Limited**

Place : Lucknow

Dated : 15th September, 1999

SHIV KUMAR GARG
Managing Director

**ELDECO HOUSING AND INDUSTRIES LIMITED****NOTES**

1. The Register of Members and Share Transfer Books of the Company will remain closed from the 1st day of November, 1999 to 15th day of November, 1999 (both days inclusive). Share transfers received in order at the Company's Registered Office by 3 p.m. on the 30th day of October, 1999 would be passed for payment of dividend, if declared. Dividend will be paid to those members entitled thereto and whose names appear on the Register of Members of the Company on the 15th day of November, 1999 or to their mandates, 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 at least 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., name 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 1998-99 by quoting their Folio/Account Nos. so as to reach the Company's Registered office at the aforesaid address, latest by 15th day of November, 1999.
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, 1995 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.



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10. Please check whether you have encashed Dividend Warrants for earlier years. If the Dividend Warrants are lost or have become time barred, please apply to the Company for duplicate/ revalidated Dividend Warrants.

Place : Lucknow

Date : 15th September, 1999

By order of the Board
for **Eldeco Housing and Industries Limited**

Registered Office :

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

SHIV KUMAR GARG
Managing Director



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

Dear Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 1999 and Statutory Auditors Report thereon.

FINANCIAL RESULTS

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Total Income	1280.35	1084.42
Profit before Depreciation and Taxes	97.75	91.81
Less : Depreciation	15.58	15.23
Profit before Taxation	82.17	76.58
Less : Provision for Taxation	32.00	30.00
Profit after tax	50.17	46.58
Previous Balance in Profit and Loss Account	1.52	1.31
Adjustments for previous year	3.73	-0.55
Profit available for appropriation	47.96	47.34
Less : Proposed Dividend	19.67	9.83
Tax on Proposed Dividend	2.16	0.98
Transfer to General Reserve	25.00	35.00
Balance in Profit and Loss Account	1.13	1.52

OPERATIONS

During the year under review, the Company has achieved an increased turnover and profitability of Rs. 1280.35 lacs and Rs. 50.17 lacs as compared to Rs. 1084.42 lacs and 46.58 lacs during the preceding year. Though the total income has increased by 18.06%, the profit before tax has increased marginally by only 7.68%.

During the year, the Company has completed four projects viz., Heritage Apartments, Basera Palash Annexe, Kusum Villa, Shivani Plaza, and started work on two new projects, all in Lucknow.

During the year under review, the Company did not undertake any Contracted Project and has done work only on self-promoted projects. The Company has fifteen self-promoted projects, work is in progress in full swing on all the projects. The Company's two township projects, viz., Udyan and Eldeco Greens at Lucknow, have come up very well. Udyan is nearing completion and is almost fully inhabited. Eldeco Greens is also shaping up very well. Internal services are fully installed and operational. Work has started on Group Housing, Commercial Complex and Villas at Eldeco Greens.

Your Company has been able to beat the recessionary trend persisting in the real estate industry and is achieving better results and customer response day by day and is in the process of launching various new projects during the current year. All these projects shall contribute substantially to the turnover and profitability of the company in the ensuing years and will boost the financial performance of the Company.


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DIVIDEND

Your Directors recommend an increased Dividend of 10% on Equity Shares for the financial year ended on 31st March, 1999. The Dividend, if approved by you at the forthcoming Annual General Meeting, will absorb Rs.19.67 lacs.

FINANCE

The Company had, during the preceding year, raised a sum of Rs.50.10 lacs by way of 17.5% Unsecured Optionally Convertible Bonds to fund a part of its working capital requirements out of which bonds for Rs.32.72 lacs have been redeemed during the year. The balance are due for redemption during the current year. There were no bonds overdue for repayment.

JOINT VENTURE

The Company's Joint Venture Project Shankuntalam Plaza at Lucknow was not progressing as scheduled. The Company has, therefore, dis-associated itself from the Joint venture. Against its investment the Company has taken 1,680.00 sq. ft. covered area. The profit of Rs. 6.19 lacs has accordingly been accounted for.

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 under Section 217 (i) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in report of Board of Director) Rules, 1988 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 and 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

As at 31st March, 1999 the Company held Fixed Deposits of Rs. 111.75 lacs from the Public, Shareholders and Employees. There were no overdue deposits.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri L.N. Sharma, and Shri R.M. Dhariwal are due to retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS

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