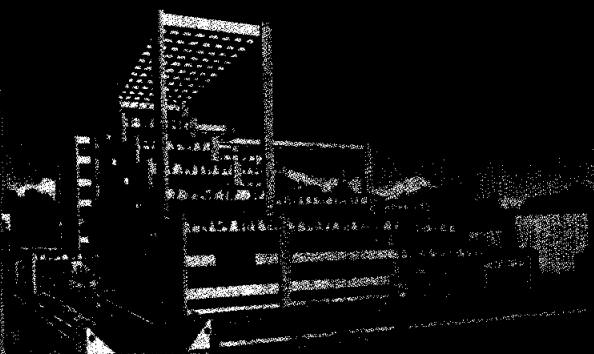
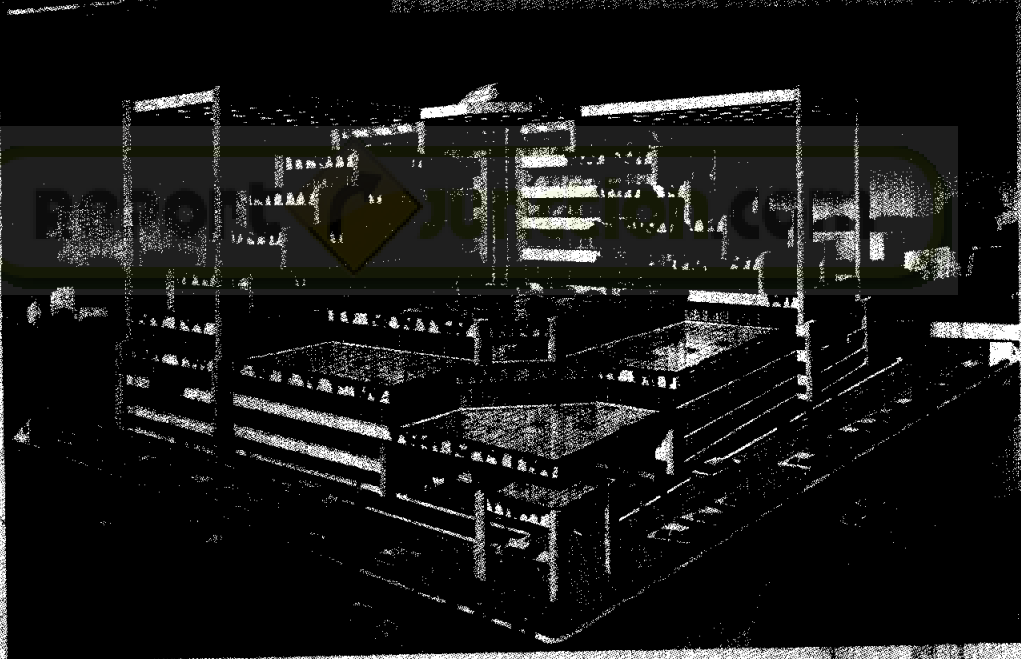


ELDECO
25
EXCELLENCE



*Eldeco
Corporate
Chambers,
Garden Ridge,
Lagos*

*Fifteenth
Annual
Report
1999-00*



ELDECO
HOUSING AND INDUSTRIES LTD.


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

COMPANY SECRETARY

- Shri Naveen Kakkar

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 Fifteenth Annual General Meeting of the Company will be held at Hotel Clarks Avadh, Lucknow, on Wednesday, the 15th day of November 2000, 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, 2000 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, 2000.
3. To appoint a Director in place of Shri O.P. Bajaj who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri J.P. Bhargava who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri N.K. Sharma who retires by rotation and being eligible, offers himself for re-appointment.
6. 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
for **Eldeco Housing and Industries Limited.**

Place : Lucknow
Dated : 21st September, 2000

NAVEEN KAKKAR
Company Secretary

**NOTES**

1. The Register of Members and Share Transfer Books of the Company will remain closed from the 1st day of November, 2000 to 15th day of November, 2000 (both days inclusive). Share transfers received in order at the Company's Registered Office by 3 p.m. on the 1st day of November, 2000 would be passed for payment of dividend, if declared. Dividend will be paid to those members whose names appear on the Register of Members of the Company on the 15th day of November, 2000 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., 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 1999-2000 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, 2000.
8. Pursuant to Section 205A(5) of the Companies Act, 1956, all dividends upto the financial year ended 31st March, 1995 which remained unpaid/unclaimed, stands transferred to the General Revenue Account of the Central Government.
9. Please check whether you have encashed Dividend Warrants for later years. If the Dividend Warrants are lost or have become time barred, please apply to the Company for duplicate/revalidated Dividend Warrants. Members who have not encashed their dividend upto that period may 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.



ELDECO HOUSING AND INDUSTRIES LIMITED

Place : Lucknow
Dated : 21st September, 2000

By Order of the Board
for **Eldeco Housing and Industries Limited.**

Registered Office :

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

NAVEEN KAKKAR
Company Secretary

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**ELDECO HOUSING AND INDUSTRIES LIMITED****DIRECTORS' REPORT****Dear Members,**

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2000 and Statutory Auditors Report thereon.

FINANCIAL RESULTS

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Total Income	1804.60	1280.35
Profit before Depreciation and Taxes	139.32	97.75
Less : Depreciation	16.78	15.58
Profit before Taxation	122.54	82.17
Less : Provision for Taxation	71.00	32.00
Profit after tax	51.54	50.17
Previous Balance in Profit and Loss Account	1.13	1.52
Adjustments for previous year	3.18	3.73
Profit available for appropriation	49.48	47.96
Less : Proposed Dividend	19.67	19.67
Tax on Proposed Dividend	4.32	2.16
Transfer to General Reserve	25.00	25.00
Balance in Profit and Loss Account	0.49	1.13

OPERATIONS

During the year under review, the turnover and profitability of the Company have increased by 40.95% and 49.12% to Rs. 1804.60 lacs and Rs. 122.54 lacs from Rs. 1280.35 lacs and Rs. 82.17 lacs during the preceeding year. The increase in profitability from real estate business alone is 59.60%. The overall profitability is reduced on account of set off of loss arising on sale of the leased assets.

Out of the fifteen self promoted projects under execution, the Company completed the Kusum Plaza project in Lucknow. Work on other projects also progressed satisfactorily.

During the Current Year, the Company has launched four new projects, two residential and two commercial, in Lucknow with an aggregate turnover of more than Rs. 60.00 crores. The Company has acquired more than 30 acres of land near its prestigious township Udyan and is planning a separate Housing Project to be known as Suraksha Enclave. Company is giving more value addition to its Gomti Nagar Project by promoting, on its own, the Commercial and Group Housing Projects. The Company has further made land advances for various new projects in Lucknow, Kanpur and Agra which shall also be launched in the near future.

There has been a considerable increase in the turnover and profitability of the Company during the year under review. The ongoing projects are getting very good customer response and with various new projects in offing, your Directors are hopeful of a further increase in turnover and profitability of the Company in the near future.


ELDECO HOUSING AND INDUSTRIES LIMITED
DIVIDEND

Your Directors propose to maintain an Equity Dividend of 10% for the financial year ended on 31st March, 2000. The Dividend, if approved by you at the forthcoming Annual General Meeting, will absorb Rs.19.67 lacs.

UNSECURED OPTIONALLY CONVERTIBLE BONDS

The Company had, in the past, 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 were redeemed during the preceeding year and bonds for Rs. 17.38 were redeemable during the current year, out of which bonds for Rs. 16.33 lacs were repaid during the current year and bonds for Rs. 1.05 lacs are unclaimed and overdue for repayment. The Company has written to the concerned bond holders to seek their redemption.

ACCEPTANCE OF DEPOSITS

As at 31st March, 2000 the Company held Fixed Deposits of Rs. 128.50 lacs from the public, Shareholders and Employees, out of which deposits for Rs. 1.15 lacs, due for repayment on or before 31st March, 2000 were not claimed by nine depositors as on that date. However, the same have since been renewed or repaid.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri O.P. Bajaj, Shri J.P. Bhargava and Shri N.K. Sharma are due to retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. During the current year, Shri V.K. Garg and Shri Pankaj Bajaj have resigned as Whole Time Directors. However, they shall continue to be on the Board as non-working Directors liable to retire by rotation.

AUDITORS

M/S M.K. Tandon & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Auditors in their report for the year ended 31st March, 2000 have referred to non-provision of depreciation on leasehold land and applicability of AS 7. The Company does not foresee their useful life as limited and intends to get the leasehold land converted into free hold whenever possible, and therefore, no depreciation in respect thereof, has been provided. The AS7 is in respect of accounting for construction contracts, the Company has accounted for its self promoted projects on the basis of the aforesaid standard with suitable modifications necessitated on account of difference in construction contracts and self promoted projects.

All other remarks of the auditors are self explanatory and are suitably explained in notes to the accounts.

STATUTORY STATEMENTS

There was no employee in receipt of remuneration in excess of the limits prescribed under the


ELDECO HOUSING AND INDUSTRIES LIMITED

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.

INFORMATION REGARDING STOCK EXCHANGES

The Company's Equity Shares are listed at The Stock Exchange, Mumbai, The Delhi Stock Exchange Association Limited and The Uttar Pradesh Stock Exchange Association Limited, Kanpur. The Company has paid listing fees to Stock Exchanges at Mumbai and Kanpur. The Company has applied for delisting of the Company's equity shares from the Delhi Stock Exchange as the same are hardly traded. This delisting shall not, in the opinion of the Board of Directors, prejudicially affect trading in the Company's shares.

YEAR 2000 COMPLIANCE

All the hardware and software available in the Company have been tested and confirmed to be Y2K compliant.

CORPORATE GOVERNANCE

SEBI has announced guidelines on Corporate Governance to be implemented by listed Companies having a paid-up capital of Rs. 3 crores and above. Since the paid-up capital of the Company is less than Rs. 3 crores, the aforesaid guidelines are not applicable to your Company. However your Directors shall endeavour to practice the guidelines in your Company.

ACKNOWLEDGMENTS

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 members of the Company in making its operation a success.

On behalf of the Board of Directors
for **Eldeco Housing and Industries Limited.**

Place : Lucknow
Date : 21st September, 2000

S.K. GARG
Managing Director


ELDECO HOUSING AND INDUSTRIES LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of **Eldeco Housing and Industries Limited** as at 31st March, 2000 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.
 - (d) In our opinion, the Profit and Loss Account and Balance Sheet subject to Note No.1(iii),(b) and (1)(vii) & (viii) in Schedule 17 regarding depreciation on leased land and revenue recognition comply with Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
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 in Schedule 17 regarding Direct Confirmations from Debtors, Creditors, Loans and Advances etc., 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, 2000.
 - (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
Date : 21st September, 2000

Mukesh Tandon
(Partner)