

21st Annual Report 2005-06



ELDECO

HOUSING AND INDUSTRIES LTD.

An ISO:9001:2000 Certified Company

Report www.sansco.net



ELDECO
elevance
Vibhuti Khand,
Gomti Nagar, Lucknow

www.eldeco.com

Eldeco Housing and Industries Limited

BOARD OF DIRECTORS

Shri S. K. Garg
Shri Pankaj Bajaj
Shri Shrikant Jajodia
Shri O. P. Bajaj
Shri. J. P. Bhargava
Shri N. K. Sharma
Shri L. N. Sharma
Shri Arvind Bajaj

Chairman
Managing Director
Whole Time Director
Director
Director
Director
Director
Director

COMPANY SECRETARY

Smt. Sonia Reetesh Arora

STATUTORY AUDITOR

M/s Doogar & Associates
Chartered Accountants
13, Community Centre, East of Kailash
NEW DELHI - 110065

REGISTRAR AND SHARE TRANSFER AGENT

M/s Skyline Financial Services Pvt. Ltd.
123, Vinoba Puri, Lajpat Nagar - II
NEW DELHI - 110024

EXCHANGES WHERE COMPANY IS LISTED

The Bombay Stock Exchange Limited
Phiroze Jeejeebhay Towers
Dalal Street, Mumbai - 400 001

The Uttar Pradesh Stock Exchange Association Limited
Padam Towers, 14/113, Civil Lines,
Kanpur - 208 001

BANKERS

Punjab National Bank
HDFC Limited
Union Bank of India

REGISTERED OFFICE

First Floor, Pragati Kendra,
Kapoorthala Complex, Aliganj
LUCKNOW - 226 024.

HEAD OFFICE

28/2, First Floor, Sanjay Place,
AGRA - 282 002

DIVISIONS

A-1/153, 1st Floor
Safdarjung Enclave
NEW DELHI - 110 029

Virendra Smriti Complex,
15/54-B, Civil Lines,
KANPUR - 208 001

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Eldeco Housing and Industries Limited

NOTICE

Notice is hereby given that the Twenty-First Annual General Meeting of the Members of Eldeco Housing and Industries Ltd will be held on Monday, the 30th day of October, 2006, at 3.00 p.m. at Hotel Taj Residency, Vipin Khand, Gomti Nagar, Lucknow- 226 010 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2006 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2006.
3. To appoint a director in place of **Shri J. P. Bhargava** who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of **Shri Arvind Bajaj** who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

The present Statutory Auditors M/s Doogar and Associates, Chartered Accountants, New Delhi, are holding the office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Special Business

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956, the Articles of the Association of the Company and other applicable provisions, if any, consent of the Members be and is hereby given for the appointment of Shri S. K. Garg as the Executive Chairman of the Company for a period of five years with effect from 15th May, 2006 at the following remuneration:

(A) **Salary:** Rs. 1,00,000 (Rupees One Lac Only) per month

(B) **Perquisites:**

- i. **Gas Electricity, Water and Furnishings:** Expenditure incurred by the Company on providing gas, electricity, water and furnishings, valued as per the Income Tax Rules, 1962.
- ii. **Medical Reimbursement:** Expenses incurred for self and his family.
- iii. **Security:** Expenses incurred for provision of security guards at the residence.
- iv. **Leave Travel Concession:** Leave as per rules of the Company. Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.
- v. **Club Fees:** Fees of clubs subject to a maximum of two clubs.

For the purpose of calculating the above ceiling, perquisites will be evaluated as per the Income Tax Rules, 1962, wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.

Explanation

For the purpose of sub clause (ii) and (iv) of clause (B) above, "family" means 'the spouse, dependent children and dependent parents of the appointee.'

RESOLVED FURTHER THAT the remuneration payable to Shri S. K. Garg in any financial year, during his tenure as the Executive Chairman of the Company, shall not exceed five percent of the net profit of the Company as determined under section 349 and 350 of the Companies Act, 1956, as prescribed in Section I of Part II of Schedule XIII to The Companies Act, 1956.

Eldeco Housing and Industries Limited

RESOLVED FURTHER THAT the following perquisites payable to Shri S. K. Garg will not be included in the aforesaid remuneration:

- a. **Contribution** to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961;
- b. **Gratuity** payable at a rate not exceeding half a month's salary for each completed year of service; and

RESOLVED FURTHER THAT payment or re-imbursement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration and in specific, the Company inter-alia shall make payment or reimbursement for the following:

- a) **Car:** Provision of Car for use of Company's business purposes. The use of Company's Car for business purposes will not be considered as a perquisite. The Company shall bill the use of car for private purposes.
- b) **Telephone:** Mobile Phone & provision of telephones at residence will not be considered as a perquisite and the Company shall bill personal long distance calls made.
- c) **Entertainment expenses:** Reimbursement of entertainment expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time.

RESOLVED FURTHER THAT the Executive Chairman shall not be entitled to sitting fees for attending meetings of the Board of Directors or any committee(s) thereof.

RESOLVED FURTHER THAT the agreement for appointment of the Executive Chairman of the Company, incorporating the aforesaid remuneration package and other terms & conditions, as approved by the Board be and is hereby approved.

RESOLVED FURTHER THAT the office of Shri S K Garg shall not be liable to determination by retirement of Directors by rotation while he holds the position of the Executive Chairman of the Company."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 316, 317 and Schedule XIII of the Companies Act, 1956, the Articles of the Association of the Company and other applicable provisions, if any, consent of the Members be and is hereby given for the appointment of Shri Pankaj Bajaj as Managing Director of the Company for a period of five years with effect from 15th May, 2006 without any remuneration, by whatever name called.

RESOLVED FURTHER THAT the Company shall make payment or re-imbursement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred by Shri Pankaj Bajaj in the course of official duties and in specific, the Company inter-alia shall make payment or reimbursement for the following:

- a) **Car:** Provision of Car for use of Company's business purposes. The use of Company's Car for business purposes will not be considered as a perquisite. The Company shall bill the use of car for private purposes.
- b) **Telephone:** Mobile Phone & provision of telephones at residence will not be considered as a perquisite and the Company shall bill personal long distance calls made.
- c) **Entertainment expenses:** Reimbursement of entertainment expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time.

RESOLVED FURTHER THAT the Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or any committee(s) thereof.

Eldeco Housing and Industries Limited

RESOLVED FURTHER THAT the agreement for appointment of Mr Pankaj Bajaj as Managing Director of the Company as approved by the Board be and is hereby approved.

RESOLVED FURTHER THAT the office of Shri Pankaj Bajaj shall not be liable to determination by retirement of Directors by rotation while he holds the position of the Managing Director of the Company."

- 8 To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT In partial modification of the agreement dated 17th day of November, 2004 executed by the Company with Shri Shrikant Jajodia for appointing him as a Whole Time Director of the Company and in partial modification of all the resolutions earlier passed in this regard and pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, consent of the Members be and is hereby given to increase the remuneration of Shri Shrikant Jajodia as Whole Time Director of the Company from Rs. 25,000 per month to Rs. 1,00,000 per month with effect from 15th May, 2006 for his remaining tenure without any change in other terms & conditions of appointment and remuneration.

RESOLVED FURTHER THAT the remuneration payable to Shri Shrikant Jajodia in any financial year, during his remaining tenure as Whole Time Director of the Company, shall not exceed five percent of the net profit of the Company as determined under section 349 and 350 of the Companies Act, 1956.

RESOLVED FURTHER THAT the modification agreement for increase in remuneration of Shri Shrikant Jajodia as Whole time Director of the Company as approved by the Board be and is hereby approved.

RESOLVED FURTHER THAT the office of Shri Shrikant Jajodia shall be liable to determination by retirement of Directors by rotation."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 293(1)(e) of The Companies Act, 1956, the Articles of Association of the Company and other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorised to give donations or contributions to charitable or other funds or institutions or for any other purposes not directly relating to the business of the Company or the welfare of its employees, such amount(s), the aggregate of which in anyone financial year will not exceed Rs. 50,00,000 (Rupees Fifty Lacs)."

By the order of the Board
For **Eldeco Housing and Industries Ltd**

Sonia Reetesh Arora
Company Secretary & Sr. Manager (Accounts)

Date : 15th September, 2006
Place: Lucknow

NOTES

- A. **Appointment of Proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the PROXY need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company so as to reach the registered office of the company at First Floor, Pragati Kendra, Kapoorthala Complex, Aliganj, Lucknow, not less than 48 hours before the time fixed for commencement of the Meeting.
- B. **Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. **Members/Proxies** attending the meeting are requested to bring their copy of Annual Report to the Meeting and to submit the duly filled and signed admission slips.

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- D. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 20th day of October to Monday, the 30th day of October, 2006 (both days inclusive) for the purpose of the Annual General Meeting and payment of dividend, if any.
- F.** Members are requested to notify any change in their address/ mandate/ bank details immediately to the Registrar and Share Transfer Agent of the Company- M/s Skyline Financial Services Pvt Ltd., New Delhi.
- G.** The dividend on Equity Shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be payable to those shareholders whose names appear on the Company's Register of Members and the data base of the Company's Registrar and Transfer Agent (M/s Skyline Financial Services Pvt. Ltd., New Delhi) as on 30th October, 2006 after entertaining all valid requests for transfer of shares lodged with the Company on or before 20th October, 2006.

In respect of the shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) for this purpose.

- H. Transfer of unclaimed dividend:** The Company has transferred the unclaimed dividend for the financial year 1997-98 to the Investors Education and Protection Fund, in the month of December, 2005, in terms of the provisions of Section 205A of the Companies Act, 1956.
- I. Schedule for transfer of unclaimed dividend to the Investors' Fund:**

Financial Year Ended	Rate	Date of Declaration	Last Date for Claiming	Last Date for Transfer to IEPF
31.03.1999	10%	15/11/1999	02/01/2007	01/02/2007
31.03.2000	10%	15/11/2000	22/12/2007	21/01/2008
31.03.2001	10%	29/11/2001	04/01/2009	03/02/2009
31.03.2002	10%	30/12/2002	04/02/2010	06/03/2010
31.03.2003	10%	30/12/2003	04/02/2011	06/03/2011
31.03.2004	10%	17/11/2004	24/12/2011	23/01/2012
31.03.2005	10%	30/11/2005	05/01/2013	04/02/2013

- J.** In terms of provisions of Section 205A of the Companies Act, 1956, the amount of dividend for the financial year 1998- 99 that still remains unclaimed is required to be transferred to the Investors Education and Protection Fund on or after 3rd January, 2007. Any shareholder who has not encashed the dividend warrants for the financial year 1998-99 and onwards may claim the same immediately. **Please note that the unclaimed dividend once transferred to Investors Education and Protection Fund cannot be claimed by the shareholders.**
- K. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- L. Explanatory Statement:** As required under section 173(2) of The Companies Act, 1956, an explanatory statement in respect of Special Business under item nos. 6 to 9 is enclosed herewith.

Eldeco Housing and Industries Limited

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

ITEM NO. 6

Sri S. K. Garg, the promoter and founder of the ELDECO Group has been serving Eldeco Housing & Industries Ltd. as the Chairman & Managing Director. The company has grown from strength to strength under the stewardship of Shri S. K. Garg. He is a Diploma Holder in Civil and Rural Engg. and AMIE (INDIA) and has also worked as Lecturer in Polytechnic and as consulting engineer. He has wide and rich experience of more than 40 years in Real Estate & Construction Industry. He is a widely respected part of several committees and sub-committees, organization and working groups of Housing and Construction. He has also been awarded several times for his contribution to the industry, including **Best Builder Excellence Award 1987** and **U.P. Ratan Award** on 16th September 2001 for the recognition of the distinguished services rendered to the people at large.

Shri S. K. Garg has requested the Board of Directors to relieve him from the responsibilities of the Managing Director. The board in good gesture of deference requested him to continue to provide guidance to the company on whole time basis. Accordingly the board has accepted the resignation of Shri S.K. Garg as Managing Director with effect from 15th May 2006 and appointed him as Executive Chairman with effect from 15th May 2006, the abstract and memorandum has already been circulated to you pursuant to Section 302 of the Companies Act, 1956.

The detailed remuneration has been disclosed in proposed resolution in the Notice calling the ensuing Annual General Meeting.

The company has entered into an agreement with Shri S.K. Garg, for the said appointment a copy of which is available for inspection at any time at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.

Under the provisions of Section 198, 269, 309 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent is of members is required for the appointment of Shri S.K. Garg as Executive Chairman and payment of remuneration to him. The Board, accordingly, recommends the resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company, except Shri S.K. Garg himself & Shri Shrikant Jajodia being son- in law of Shri S. K. Garg are concerned or interested in the proposed resolution.

The above intimation may be deemed to be an abstract and memorandum under Section 302 of the Companies Act, 1956

ITEM NO. 7

Resignation of Shri Shiv Kumar Garg from the office of Managing Director has inculcated the Board to appoint an experienced professional who could provide an effective leadership and can contribute further to the growth trend of the Company. Your directors at its meeting held on 15th May 2006 unanimously appointed Shri Pankaj Bajaj as Managing Director of the company the abstract and memorandum has already been circulated to you pursuant to Section 302 of the Companies Act, 1956.

Shri Pankaj Bajaj is Management graduate from IIM (Ahmedabad). He is not only associated with Eldeco Housing & Industries Limited as a non executive director and but is actively involved in various policy decisions taken by the board from time to time. He has valuable experience in the Housing & Construction Business in a short span of time.

Shri Pankaj Bajaj is also managing the business affairs of the Eledco Infrastructure & Properties Ltd, New Delhi as he holds the post Managing Director in Eledco Infrastructure & Properties Ltd. He has successfully executed numbers of prestigious housing projects in the National Capital Region.

The company has entered into an agreement with Shri Pankaj Bajaj, for the said appointment a copy of which is available for inspection at any time at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.

Under the provisions of Section 198, 269, 309, 316 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent is of members is required for the appointment of Shri Pankaj Bajaj as Managing Director of the Company. The Board, accordingly, recommends the resolution for approval of the Members as an Ordinary Resolution.

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None of the Directors of the Company, except Shri Pankaj Bajaj, Shri O.P. Bajaj and Shri Arvind Bajaj being relatives of Shri Pankaj Bajaj are concerned or interested in the proposed resolution.

The above intimation shall may deemed to be an abstract and memorandum under Section 302 of the Companies Act, 1956

ITEM NO. 8

Shri Shrikant Jajodia was appointed as General Manager of the Company to look after the Kanpur division with effect from 1st April, 2004. He was also inducted on the board and was made as Executive Director of the company at the Nineteenth Annual General Meeting of the Company, held on the 17th day of November 2004.

Sri Shrikant Jajodia is an MBA from Houston having more than 15 years of experience in Financial & Marketing Management. He has made significant contribution during his short stint.

To remunerate him in tune with the market trend, the board has decided to enhance the remuneration to make remuneration package commensurate with the prevailing market rates.

Under the provisions of Section 198, 269, 309, 316 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of members is required for the aforesaid modification. The Board, accordingly, recommends the resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company, except, Shri S. K. Garg being father-in-law of Shri Shrikant Jajodia, and Shri Shrikant Jajodia himself are concerned or interested in the proposed resolution.

The above intimation may be deemed to be an abstract and memorandum under Section 302 of the Companies Act, 1956

ITEM NO. 9

Your company is conscious of its social responsibilities and has been contributing towards various social and charitable purposes. In term of Sec. 293(1)(e) of Companies Act, 1956, consent of the member is required to make contribution to charitable and other funds in excess of Fifty Thousand Rupees or Five percent of its Average Net Profit, during the three financial years immediately preceeding, which ever is higher in a particular financial year. Accordingly, the Board recommends the resolution for approval of the Members as an Ordinary Resolution, to enable the Company to meet its social obligations.

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

By the order of the Board
For Eldeco Housing and Industries Ltd.

Date : 15th September, 2006
Place : Lucknow

Sonia Reetesh Arora
Company Secretary & Sr. Manager (Accounts)

Eldeco Housing and Industries Limited

DIRECTORS' REPORT

Dear Members

Your Directors have the pleasure in presenting the twenty first Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2006.

Financial Highlights

(Rs in lacs)

Particulars	Financial Year ended	
	31 st March' 06	31 st March' 05
Turnover & Other Income	4,199.44	4,144.38
Profit before depreciation & taxes	537.22	642.51
Less: Depreciation	21.09	21.08
Profit before tax	516.13	621.43
Less: Provision for tax		
(i) Current	102.00	97.00
(ii) Deferred	-6.99	-4.13
(iii) Fringe Benefit tax	3.00	Nil
Profit After Tax	418.13	528.56
Previous Balance in Profit & Loss Account	950.16	474.03
Adjustments related to previous year	0.54	0.00
Profit available for appropriation	1,367.75	1,002.59
Less: Proposed dividend	19.67	19.67
Tax on proposed dividend	2.76	2.76
Transfer to general reserve	30.00	30.00
Balance in Profit & Loss Account	1,315.33	950.17
Earning per share (Rs.)	21.26	26.88
Dividend per share (Rs.)	1.00	1.00

Year in Retrospect

During the year under review, total income of the Company was Rs. 4174.77 lacs as against Rs. 4127.59 lacs in previous year ended 31st March, 2005. Profit before tax was Rs. 516.13 as against Rs. 621.43 in the preceding year. Profit after tax for the year under review was Rs. 418.12 as against 528.56 during the preceding year. Though there is a marginal increase in the top line, the bottom line of the Company suffered primarily due to rise in cost of construction.

Business Prospects:

During the year under review the Company has completed and handed over its another expansion at Eldeco Udyan II, Lucknow in the name and style of **Suraksha Enclave**. Works on remaining projects is also going as per schedule, and many are nearing completion.

Future Outlook

During the first quarter of the current year, the Company has recorded a total income of Rs. 737.56 lacs as against Rs. 700.17 lacs in the corresponding quarter in the preceding year.

During the period under review the Company launched four new projects at Lucknow viz. Eldeco Empereur, Eldeco Xpress Plaza, Eldeco Towne and Eldeco Elegance with overwhelming customer response and the Company is also planning and stepping towards the launch of three other projects in the near future.

The Company has tied up several new projects in Lucknow with an estimated value of more than Rs 500 Crores, which will be launched in the ensuing years and will add up considerably to the turnover and profitability of the Company. With the ongoing projects and new projects in hand your directors are hopeful to maintain the growth trend during the ensuing years.

Eldeco Housing and Industries Limited

Material Changes etc.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company, 31st March, 2006 and the date of this Report.

Dividend

Your Directors propose to maintain an Equity Dividend of 10% for the financial year ended on 31st March, 2006. The Dividend, if approved by you at the forth coming Annual General Meeting will absorb Rs. 19.67 lacs.

Transfer to Investors Education and Protection Fund

Un-claimed/un-paid dividend for the financial year 1997-98 has been transferred to the Investors Education and Protection Fund. Similarly, 17.5% Unsecured Optionally Convertible Bonds for Rs. 30,000 remained unclaimed despite several reminders to the concerned bondholders by the Company. This amount was also transferred to the Investors Education and Protection Fund along with the interest accrued thereon.

Public Deposits

As at 31st March, 2006, the Company held Fixed Deposits of Rs. 182.05 lacs from the Public, Shareholders and Employees, out of which deposits for Rs. 14.35 lacs, due for repayment on or before 31st March, 2006 were not claimed by depositors as on that date.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- 1 **Conservation of Energy:** Your Company is conscious about energy consumption and environmental issues related with it. It is continuously making sincere efforts towards conservation of energy and optimizing its usage in all aspects of operations.
- 2 **Technology Absorption:** The Company is taking advantage of the latest developments and advancements in the Construction Industry. The Company is using indigenous technology which is well established in the Country and no foreign technology/ know how was purchased. However, the Company has not incurred any R & D expenditure during the year.
- 3 **Export Activities:** There was no export activity in the Company during the year under review. The company is not planning any export in the near future, as well.
- 4 **Foreign Exchange Earnings and Outgo:** There was no Foreign Exchange Earning and Outgo during the year under review.

Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

Directors

After the last Annual General Meeting, Shri V K Garg and Shri Manoj Singhal resigned from the Board. The Board takes this opportunity to place on record its deep appreciation and gratitude for the valuable services received from these gentlemen during their incumbency.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri J P Bhargava and Shri Arvind Bajaj, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

Auditors

M/s Doogar and Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

Auditors' Report

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.