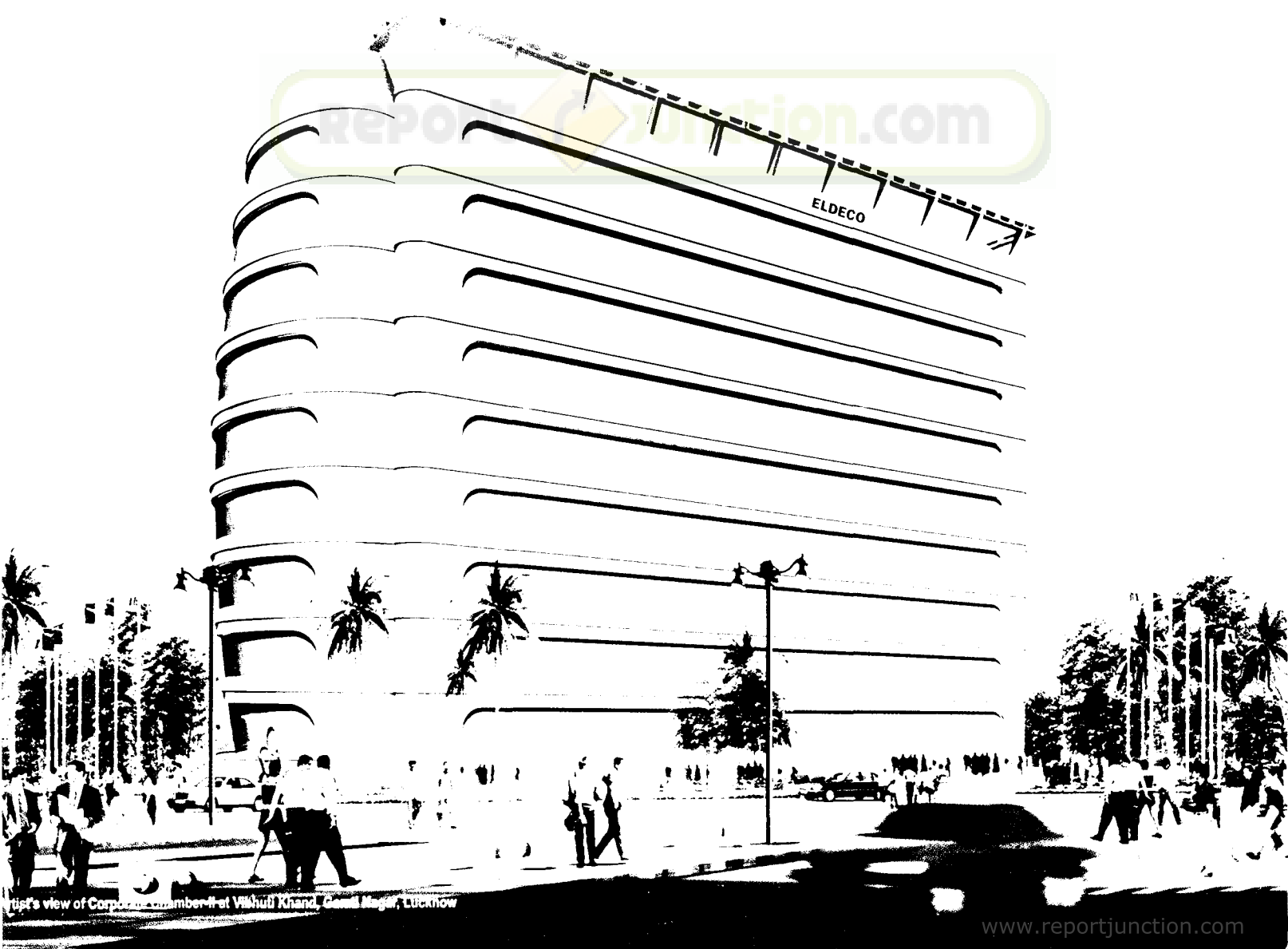


# Report

2006-07



**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

**COMPANY SECRETARY**

Ms. Sonal Srivastava

**STATUTORY AUDITOR**

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

**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, Ist Floor  
 Safdarjung Enclave  
 NEW DELHI - 110 029

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

**REGISTRAR AND SHARE TRANSFER AGENT**

M/s Skyline Financial Services Pvt. Ltd.  
 246, Ist Floor, Pant Nagar, East of Kailash  
 NEW DELHI - 65 Phone No. 011-26292682

**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  
 14/113, Padam Towers, Civil Lines,  
 KANPUR - 208 001

**BANKERS**

Punjab National Bank  
 HDFC Limited

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## ELDECO HOUSING AND INDUSTRIES LIMITED

**NOTICE**

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of Eldeco Housing and Industries Ltd will be held on Saturday, the 29th day of September 2007, at 3 p.m. at Hotel Taj Residency, Vipin Khand, Gomti Nagar, Lucknow 226 010 to transact the following business:

**Ordinary Business**

- To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2007 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
- To declare dividend on Equity Shares for the year ended 31st March 2007.
- To appoint a director in place of Shri L.N.Sharma who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a director in place of Shri Shrikant Jajodia who retires by rotation and, being eligible, offers himself for re-appointment.
- 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.

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

Date : 22nd August, 2007  
Place: Lucknow

**Sonal Srivastava**  
Company Secretary

**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.
- 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 Tuesday, the 25th day of September to Saturday, the 29th day of September, 2007 (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., 246, 1st Floor, Pant Nagar, East of Kailash New Delhi-65 Phone No.011-26292682).**

## ELDECO HOUSING AND INDUSTRIES LIMITED

- 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., 246, 1st Floor, Pant Nagar, East of Kailash New Delhi-65 Phone No.011-26292682) as on 29th September, 2007 after entertaining all valid requests for transfer of shares lodged with the Company on or before 25th September, 2007.

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 1998-99 to the Investors Education and Protection Fund, in the month of February, 2007, 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
31.03.2000	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
31.03.2006	10%	30/10/2006	06/12/2013	05/01/2014

- J. In terms of provisions of Section 205A of the Companies Act, 1956, the amount of dividend for the financial year 1999-00 that still remains unclaimed is required to be transferred to the Investors Education and Protection Fund on or after 21<sup>st</sup> January, 2008. Any shareholder who has not encashed the dividend warrants for the financial year 1999-00 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.

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

Date : 22nd August, 2007  
Place : Lucknow

**Sonal Srivastava**  
Company Secretary

## ELDECO HOUSING AND INDUSTRIES LIMITED

## DIRECTORS' REPORT

Dear Members

Your Directors have the pleasure in presenting the twenty second Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March 2007.

## Financial Highlights

(Rs in lacs)

Particulars	Financial Year ended	
	31st March'07	31st March' 06
Turnover & Other Income	4359.97	4174.78
Profit before depreciation & taxes	3764.44	3643.53
Less: Depreciation	15.49	15.12
Profit before tax	580.04	516.13
Less: Provision for tax		
Current	152.91	102.00
Deferred	(1.99)	(6.99)
Wealth Tax	1.29	-
Fringe Benefit Tax	3.10	3.00
Profit After Tax	424.73	418.13
Previous Balance in Profit & Loss Account	1315.33	950.17
Adjustments related to previous year	4.58	0.54
Profit available for appropriation	1744.64	1367.75
Less: Proposed dividend	19.67	19.67
Tax on proposed dividend	3.34	2.76
Transfer to general reserve	30.00	30.00
Balance in Profit & Loss Account	1691.64	1315.33
Earning per share (Rs.)	21.60	21.26
Dividend per share (Rs.)	1.00	1.00

## Year in Retrospect

During the year under review, total income of the Company was Rs. 4359.97 lacs as against Rs. 4174.77 lacs in previous year ended 31st March, 2006. Profit before tax was Rs. 580.04 as against Rs. 516.13 in the preceding year. Profit after tax for the year under review was Rs. 424.73 Lacs as against 418.12 Lacs during the preceding year. There is a marginal increase in the top line and bottom line of the company during the previous year.

## Business Prospects:

The company has completed and launched 2 towers of "Eldeco Elegance". Work 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. 786.39 lacs as against Rs. 737.56 lacs in the corresponding quarter in the preceding year.

The Company launches new projects at Lucknow, viz. Eldeco County, Eldeco Mension, Eternia, Towne II, Corporate Chambers II, Eldeco Nirvana, Corporate Tower and Freedom Mall with overwhelming customer response and the Company is also planning and stepping towards the launch of few three other projects in the near future.

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, 2007 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, 2007. 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 1998-99 has been transferred to the Investors Education and Protection Fund in terms of Provision of Section 205A of the Companies Act, 1956.

**Public Deposits**

As at 31st March, 2007, the Company held Fixed Deposits of Rs. 157.35 lacs from the Public, Shareholders and Employees, out of which deposits for Rs.6.75 lacs, due for repayment on or before 31st March, 2007 were not claimed by depositors as on that date.

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

- 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.
- 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.
- 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.
- 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, there has been no change in the Board of Directors of the Company.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Shrikant Jajodia and Shri L N Sharma, 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.

**Secretarial Compliance Certificate**

In terms of the provisions of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, the Company has obtained the necessary Compliance Certificate from M/s R & D, Company Secretaries, New Delhi. The Compliance Certificate is annexed herewith and forms part of this Report. Comments made in the Compliance Certificate are self-explanatory and does not require any further clarification.

## ELDECO HOUSING AND INDUSTRIES LIMITED

**Directors' Responsibility Statement**

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2007 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

**Listing**

The Equity shares of the Company are presently listed at Bombay Stock Exchange and U P Stock Exchange, Kanpur. The Company has already paid listing fees to these Stock Exchanges for the financial year 2007-08.

**Corporate Governance**

Presently the provisions of clause 49 of the Listing Agreement relating to the Corporate Governance are not applicable to your Company. However, your Company endeavors to observe good corporate practices to enhance the stakeholders' value.

**Acknowledgment**

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance, the Company has received from the Bankers and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees; support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board  
For **Eldeco Housing and Industries Ltd**

Date : 22nd August, 2007  
Place: Lucknow

**S.K. Garg**  
Chairman



## ELDECO HOUSING AND INDUSTRIES LIMITED

## COMPLIANCE CERTIFICATE

CIN No. : L45202UP1985PLC 007062

Nominal Capital : Rs. 10 Crore

The Members of

**Eldeco Housing and Industries Ltd**

Lucknow

We have examined the registers, records, books and papers of Eldeco Housing and Industries Ltd (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under, the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended on 31st March, 2007. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the financial year ended on 31st March, 2007:

1. The Company has kept and maintained registers as stated in “Annexure: A” to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in “Annexure: B” to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under save as mentioned in the aforesaid “Annexure: B”.
3. The Company is a public limited listed company.
4. The Board of Directors duly met 17 (seventeen) times on 29th April, 2006; 5th May, 2006; 15th May, 2006; 5th June, 2006; 6th July, 2006; 29th July, 2006; 21st August, 2006; 15th September, 2006; 3rd October, 2006; 28th October, 2006; 30th October, 2006; 15th December, 2006; 15th January, 2007; 29th January, 2007; 26th February, 2007; 7th March, 2007 and 26th March, 2007 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed, in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 20th October, 2006 to 30th October, 2006 (both days inclusive) and necessary compliance of section 154 of the Act has been made. The Company did not have any debentures.
6. The annual general meeting for the financial year ended on 31st March, 2006 was held on 30th October, 2006 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors and/or persons or firms or companies referred to in section 295 of the Act.
9. The Company has not entered into any contract falling under section 297 of the Act.
10. The Company has made necessary entries in the register(s) maintained under section 301 of the Act.
11. There was no case falling under section 314 of the Act.
12. Issue of duplicate share certificates have been duly approved by the Board of Directors/Committee of the Board.
13. a. The Company has delivered all the certificates on lodgments thereof for transfer etc. in accordance with the provisions of the Act.
- b. The Company has deposited the amount of final dividend declared in a separate bank account on 1st November, 2006, within stipulated period of 5 days from the date of declaration of such dividend.
- c. The Company has posted dividend warrants within a period of 30 days from the date of declaration. The Company has transferred unclaimed/unpaid dividend to Unpaid Dividend Account with HDFC Bank, Lucknow. Instructions were given to change the nomenclature of the dividend account with the Bank to 'Eldeco Housing Unpaid Dividend Account 2005-2006' with effect from 30th November, 2006 for balance amount remained un-claimed/un-paid.
- d. The Company has transferred the amount in un-paid dividend account for the financial year 1998-99, which has remained un-claimed or un-paid for a period of seven years to the Investor Education and Protection Fund.
- e. The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. Re-appointment of directors has been duly made.



## ELDECO HOUSING AND INDUSTRIES LIMITED

15. The Company has appointed Mr S K Garg as the Whole time Director designated as the Executive Chairman of the Company. Mr Pankaj Bajaj has been appointed as the Managing Director of the Company during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company has obtained approval of the Registrar of Companies, Uttar Pradesh and Uttranchal at Kanpur for extension of time to hold annual general meeting for the financial year ended 31st March, 2006 upto 30th October, 2006 vide ROC letter No. TC/166/7062/730 dated 28th August, 2006. The Company did not obtain any other approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies or other prescribed authorities under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not redeemed any preference shares or debentures during the financial year.
22. The Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares, as there was no such offering from the Company during the financial year.
23. The Company has complied with the provisions of sections 58A & 58AA read with the Companies (Acceptance of Deposit) Rules, 1975, the applicable Directions issued by the Reserve Bank of India and other authorities in respect of deposits accepted and renewed during the financial year. The Company has filed Advertisement with the ROC on 28th September, 2006. The Company has also filed Return of Deposits with the ROC on 29th June, 2006.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others was within the borrowing limits of the Company.
25. The Company has complied with applicable provisions of the Act in making loans and investments or giving guarantees or providing securities to other bodies corporate and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Registered Office of the Company from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects Clause of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the Name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Authorised Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under review.
31. There was no prosecution initiated against or show cause notice received by the Company for alleged offenses under the Act. Similarly, no fines, penalties or punishment was imposed on the Company under the Act during the financial year.
32. The Company has not received any amount as security from its employees in terms of section 417(1) of the Act.
33. Since the Company has not constituted any provident fund under section 418 of the Act, provisions of section 418 are not applicable to Eldeco Housing and Industries Ltd.

For **R&D**  
Company Secretaries

**Praveen K Bharti**  
Partner

**ACS: 17671 CP No.: 7048**

Date : 22nd August, 2007

Place : New Delhi

## ELDECO HOUSING AND INDUSTRIES LIMITED

## ANNEXURE : A

## Registers maintained by the Company

Sr. No.	Particulars	Relevant Section
1	Copies of Annual Returns	159
2	Register of Members	150
3	Register of Particulars of Directors, Managing Director, Manager and Secretary	303
4	Register of Directors' Shareholding	307
5	Register(s) of contracts, companies and firms in which Directors are interested	301
6	Register of Share Transfer	-
7	Register of Charges and copies of instruments creating charge	143/136
8	Register of Deposits	Rule 7 of the Companies (Acceptance of Deposit) Rules, 1975
9	Register of investments or loan made, guarantee given or security provided	372A
10	Register of Renewed and Duplicate Certificates	Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960