

Annual Report

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Eldeco Eternia, Sitapur Road, Lucknow

ELDECO HOUSING AND INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri S. K. Garg	Chairman	Shri L. N. Sharma	Director
Shri Pankaj Bajaj	Managing Director	Shri Arvind Bajaj	Director
Shri Shrikant Jajodia	Whole Time Director	Shri Anil Tewari	Additional Director
Shri J. P. Bhargava	Director	Shri Ashish Jain	Additional Director
Shri N. K. Sharma	Director	Shri Ranjeet Khattar	Additional Director

Company Secretary

Ms. Sonal Srivastava

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.
246, First 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 - 400 023

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

Bankers

Punjab National Bank
HDFC Limited

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, First Floor, Safdarjung Enclave
NEW DELHI - 110 029
- 15/54-B, Civil Lines, Virendra Smriti Complex,
KANPUR - 208 001

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ELDECO HOUSING AND INDUSTRIES LIMITED**NOTICE**

Notice is hereby given that the 23rd Annual General Meeting of the Members of **Eldeco Housing and Industries Ltd** will be held on Saturday, the 27th day of September, 2008, 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, 2008 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, 2008.
3. To appoint a Director in place of Shri N.K. Sharma who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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:**5. Appointment of Mr. Anil Tewari as a Director**

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

"RESOLVED that Mr. Anil Tewari who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 29, 2008 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act") be and is hereby appointed a Director of the Company liable to retire by rotation."

6. Appointment of Mr. Ashish Jain as a Director

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

"RESOLVED that Mr. Ashish Jain who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 29, 2008 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act"), be and is hereby appointed a Director of the Company liable to retire by rotation."

7. Appointment of Mr. Ranjeet Khattar as a Director

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

"RESOLVED that Mr. Ranjeet Khattar who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 29, 2008 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act"), be and is hereby appointed a Director of the Company liable to retire by rotation."

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

Sonal Srivastava

**Company Secretary &
Manager - I (A/c)**

Date : 12th August, 2008

Place : Lucknow

ELDECO HOUSING AND INDUSTRIES LIMITED**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 Monday , the 22nd day of September to Saturday, the 27th day of September, 2008 (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).
- 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 22nd September, 2008 after entertaining all valid requests for transfer of shares lodged with the Company on or before 22nd September, 2008.
- 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 1999-2000 to the Investors Education and Protection Fund, in the month of January 2008 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
31.03.2001	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
31.03.2007	10%	29/09/2007	05/11/2014	04/12/2014

- J.** In terms of provisions of Section 205A of the Companies Act, 1956, the amount of dividend for the financial year 2000-01 that still remains unclaimed is required to be transferred to the Investors Education and Protection Fund on or after 3rd February, 2009. Any shareholder who has not encashed the dividend warrants for the financial year 2000-01 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.**

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- 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.** The information required to be provided under the Listing Agreement entered in to by the Company with the Stock Exchanges regarding the Directors proposed to be reappointed is given in the annexure to the Notice.

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 (the Act), sets out all material facts relating to the business mentioned at Item nos. 5 to 7 of the accompanying Notice.

ITEM NO. 5 TO 7:

Mr Anil Tewari, Mr. Ashish Jain & Mr. Ranjeet Khattar were appointed as additional director of the Company w.e.f 29th February, 2008. All these directors are Independent Directors on the Board in terms of Clause 49 of the Listing Agreement. Under Section 260 of the Act, Mr. Anil Tewari, Mr. Ashish Jain & Mr. Ranjeet Khattar cease to hold office at this Annual General Meeting. A notice under Section 257 of the Act has been received from a Member signifying his intention to propose their appointment as Directors of the Company.

Brief particulars about Mr Anil Tewari, Mr. Ashish Jain & Mr. Ranjeet Khattar as required under clause 49 of the listing agreement is given in the annexure-A to the Directors' Report.

None of the Directors except Mr Anil Tewari, Mr. Ashish Jain & Mr. Ranjeet Khattar are concerned or interested in their respective resolution.

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

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Sonal Srivastava
Company Secretary &
Manager - I (A/c)

Date : 12th August, 2008
Place : Lucknow

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

Dear Members

Your Directors have the pleasure in presenting the Twenty Third Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2008.

Financial Highlights

(Rs in lacs)

Particulars	Financial Year ended		
	31st March 2008	31st March 2008	31st March 2007
	Consolidated	Standalone	
Income:			
A Value of Work Done	4490.52	4490.52	4104.18
B Other Income	362.30	362.30	288.35
C Increase/ Decrease in Stocks	92.76	92.76	(32.56)
Total	4945.58	4945.58	4359.97
Expenditure	3871.01	3870.89	3779.93
Profit before tax	1074.57	1074.70	580.04
Less: Provision for tax			
Current	188.06	188.10	152.91
Deferred	0.80	0.80	(1.99)
Wealth Tax	0.08	0.08	1.29
Fringe Benefit Tax	3.77	3.77	3.10
Profit After Tax	881.86	881.95	424.73
Previous Balance in Profit & Loss Account	1691.63	1691.63	1315.33
Adjustments related to previous year	73.19	73.19	4.58
Profit available for appropriation	2500.30	2500.38	1744.64
Less: Proposed dividend	19.67	19.67	19.67
Tax on proposed dividend	3.34	3.34	3.34
Transfer to general reserve	30.00	30.00	30.00
Balance in Profit & Loss Account	2447.29	2447.38	1691.64
Earning per share (Rs.)	44.84	44.85	21.60
Dividend per share (Rs.)	1.00	1.00	1.00

Year in Retrospect

During the year under review, total income of the Company was Rs. 4852.82 lacs as against Rs. 4359.97 lacs in previous year ended 31st March, 2007. Profit before tax was Rs. 1074.57lacs as against Rs. 580.04 lacs in the preceding year. Profit after tax for the year under review was Rs. 881.86 lacs as against Rs. 424.73 during the preceding year. (There is a significant increase in the bottom line of the Company during the previous year because few project are now completed so final accounts have been booked as per AS-7 issued by Institute of Chartered Accountants of India.)

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

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, 2008 and the date of this Report.

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Dividend

Your Directors propose to maintain an Equity Dividend of 10% for the financial year ended on 31st March, 2008. The Dividend, if approved by you at the forthcoming Annual General Meeting will absorb Rs. 19.67 lacs.

Transfer to Investors Education and Protection Fund

Unclaimed/unpaid dividend for the financial year 1999-2000 has been transferred to the Investors Education and Protection Fund in terms of the provisions of Section 205A of the Companies Act, 1956.

Public Deposits

As at 31st March, 2008, the Company held Fixed Deposits of Rs. 146.50 lacs from the Public, Shareholders and Employees, out of which deposits for Rs. 8.4 lacs, due for repayment on or before 31st March, 2008 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

Particulars of the employees who are in receipt of remuneration more than the limit prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is annexed to this Directors Report as **Annexure B**.

Subsidiary Companies and Consolidated Financial Statements

As on date there are following subsidiaries of the Company:

- a. Dua Constructions Private Limited
- b. Aadesh Constructions Private Limited
- c. Garv Constructions Private Limited
- d. Mahal Constructions Private Limited
- e. Milaap Constructions Private Limited
- f. Samarpit Constructions Private Limited
- g. Suniyojit Constructions Private Limited
- h. Utsav Constructions Private Limited
- i. Halwasiya Agro Industries Limited

A statement regarding particulars of the subsidiaries of the Company form part of the Annual Accounts of the Company. As per section 212 of the Companies Act, 1956, the annual reports of the aforesaid subsidiaries are attached herewith this Annual Report. Further in accordance with Accounting Standard - 21, a Consolidated Financial Statement of the Company and its subsidiaries forms part of this Annual Report.

ELDECO HOUSING AND INDUSTRIES LIMITED**Corporate Governance**

The provisions of clause 49 of the Listing Agreement relating to the Corporate Governance have become applicable w.e.f 1st January, 2008 as the net worth of the Company has crossed the limit of Rs 25 crores as per the financial result for the quarter ended 31st December, 2007. Your Directors adhere to the requirements set out in Clause 49 of the Listing Agreements with the Stock Exchanges. Report on Corporate Governance as stipulated in the said Clause is annexed hereto and forms part of this Report.

A Certificate from M/s R & D, Company Secretaries confirming compliance of conditions of Corporate Governance as stipulated under Clause 49, is also annexed to the Report on Corporate Governance.

Directors

After the last Annual General Meeting, there have been certain changes in the Board of Directors of the Company. Mr Anil Tewari, Mr. Ashish Jain & Mr. Ranjeet Khattar were appointed as additional directors w.e.f 29th February, 2008.

In terms of the provisions of the Companies Act, 1956, he holds office until the date of the ensuing Annual General Meeting. A notice under Section 257 of the Act has been received from a Member signifying his intention to propose their appointment as Directors of the Company.

Their appointment as ordinary directors of the Company is placed before the members for consideration. The Board recommends the resolution for adoption by the members. Mr. O. P. Bajaj has resigned from the Board w.e.f 29th February 2008. The Board appreciated his services & Guidance during his tenure as Director.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr N K Sharma retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. Directors recommend his 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.

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, 2008 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.

ELDECO HOUSING AND INDUSTRIES LIMITED**Listing**

The Equity shares of the Company are presently listed at Bombay Stock Exchange, Mumbai and U P Stock Exchange, Kanpur. The Company has already paid listing fees to these Stock Exchanges for the financial year 2008-09.

Acknowledgement

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**

S K Garg
Chairman

Date : 12th August, 2008

Place : Lucknow

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ELDECO HOUSING AND INDUSTRIES LIMITED**ANNEXURE 'A'****DISCLOSURE REGARDING APPOINTMENT & RE-APPOINTMENT OF DIRECTORS IN THE ENSUING AGM**

Mr Anil Tewari, Mr Ashish Jain and Mr Ranjeet Khatar were appointed as additional directors by the Board of Directors in their meeting held on 29th February, 2008. Mr N K Sharma, Director who shall be retiring in this AGM, being eligible have offered himself for re-appointment. Brief particulars of these gentlemen are as follows:

Particulars	Mr Anil Tewari	Mr Ashish Jain	Mr Ranjeet Khattar	Mr N K Sharma
DIN	02132374	00483052	00726997	00216264
Father's Name	Ramakant Tewari	Brij Mohan Jain	Late Shri Amrik Rai Khattar	Late Shri Nihal Singh Sharma
Date of Birth	28/06/1951	20/09/1971	16/09/1959	28/12/1929
Address	68, Vishnu Puri, Aliganj, Lucknow.	10 Underhill Lane, Delhi, India.	R-785, New Rajinder Nagar, New Delhi, India	B-23, Sector 19, Noida, Uttar Pradesh, India.
Designation	Additional Director	Additional Director	Additional Director	Director
Education	M. A. (Eco.), LLB	Mechanical Engineer and MBA	Chartered Accountant	B.E.
Experience	30 yrs experience in Banking Sector.	Over 10 yrs experience in Management.	24 yrs experience as Practicing Chartered Accountant	60 yrs experience
Companies in which holds Directorship	NIL	L.M.C. Enterprises Pvt. Ltd.	<ul style="list-style-type: none"> • Medfin Management Services Pvt Ltd. • Classic Enterprises Pvt. Ltd. • Rathi Udyog Ltd • Multimode Marketing • Serices Private Limited 	NIL
Companies in which holds membership of committees	NIL	NIL	NIL	NIL
Shareholding in the Company (No. & %)	NIL	NIL	NIL	NIL