

ANNUAL REPORT 2011-2012



● BOARD OF DIRECTORS ●

Shri S.K. Garg	Chairman	Shri Arvind Bajaj	Director
Shri Pankaj Bajaj	Managing Director	Shri Anil Tiwari	Director
Shri Srikant Jajodia	Whole Time Director	Shri Ashish Jain	Director
Shri J.P. Bhargava	Director	Shri Ranjit Khattar	Director

Company Secretary

Ms. Poonam Khurana

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.

D-153/A, 1st Floor, Okhla Industrial Area,

New Delhi – 20. Ph. : 011-30857575

Stock 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 Bank

Registered Office

Shop No. 16, Second Floor, Eldeco Station-1

Site No. 1 Sector-12, Faridabad, Haryana-121007

Corporate Office

2nd Floor, Corporate Chamber –I, Vibhuti Khand,

Gomtinagar, Lucknow – 226 010

Divisions

- 201-212, 2nd Floor, Splendor Forum, District Centre, Jasola, New Delhi-110 025
- 15/54-B, Civil Lines, Virendra Smriti Complex, Kanpur – 208 001
- 98, Allora Enclave, Dayal Bagh, Agra – 282 005

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NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of M/s **Eldeco Housing and Industries Limited** will be held on Friday, the 28th day of September, 2012, at 2.30 P.M. at Hotel Express Sarovar Portico, Sector-39, Surajkund, Faridabad, Haryana, 121010 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 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, 2012.
3. To appoint a Director in place of Mr. Arvind Bajaj who retires by rotation and, being eligible, offers himself for re appointment.
4. To appoint a Director in place of Mr. Jagdish Prasad Bhargava 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 Special Resolution:

“Resolved that pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modifications thereof, read with Schedule XIII to the said Act, and subject to such other consents/approvals as may be required the re-appointment of Mr. Srikant Jajodia as a Whole Time Director of the Company be and is hereby approved for a further period of three years from 1st December, 2012 at the following remuneration package:

 - a. Salary Rs.2,00,000 per month;
 - b. Rent free Company’s furnished accommodation;
 - c. Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month’s salary in a year or 3 months’ salary over a period of 3 years;
 - d. Leave travel concession for self & family once in a year as per the rules of the Company;
 - e. Personal Accident Insurance Premium not exceeding Rs.10,000 per annum;
 - f. Club fees subject to a maximum of two clubs, (This will not include admission and Life membership fees);
 - g. Provident fund, Superannuation benefits and Gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time;
 - h. Provision of Company’s Car;
 - i. Provision of free telephone at residence; and
 - j. Encashment of leave at the end of the tenure as per the rules of the Company.

Explanation

For the purpose of c. & d. above, family means, the spouse, dependent children and dependent parents of the appointee.

Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be

and are hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Whole Time Director as it may deem fit and proper.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and are hereby authorised to take all necessary steps to give effect to the aforesaid resolution.”

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

Date : 29th August, 2012
Place: Lucknow

Poonam Khurana
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 CORPORATE OFFICE OF THE COMPANY AT 2ND FLOOR, ELDECO CORPORATE CHAMBER-I, VIBHUTI KHAND, GOMTI NAGAR, LUCKNOW 226 010 , 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 Thursday, the 27th day of September 2012 to Friday, the 28th day of September, 2012 (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., D-153/A, Okhla Industrial Area, Phase-I, New Delhi- 110 020; Phone No. 011-2629 2682.

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 28th September, 2012 after entertaining all valid requests for transfer of shares lodged with the Company on or before 28th September, 2012.

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 2003-2004 to the Investors Education and Protection Fund, in the month of January, 2012 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
31.03.2005	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
31.03.2008	10%	27/09/2008	03/11/2015	02/12/2015
31.03.2009	10%	30/09/2009	06/11/2016	05/12/2016
31.03.2010	10%	30/09/2010	06/11/2017	05/12/2017
31.03.2011	10%	24/09/2011	31/10/2018	30/11/2018

- J.** In terms of provisions of Section 205A of the Companies Act, 1956, the amount of dividend for the financial year 2004-05 that still remains unclaimed is required to be transferred to the Investors Education and Protection Fund on or before 4th February, 2013. Any shareholder who has not encashed the dividend warrants for the financial year 2004-05 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.** The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchanges regarding the Directors proposed to be reappointed are provided in the Report on Corporate Governance forming part of the Annual Report.

M. Explanatory Statement:

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of Special Business under item no. 6 is enclosed herewith.

Explanatory Statement pursuant to section 173(2) of The Companies Act, 1956

Item No. 6:

The term of appointment of Mr. Srikant Jajodia as Whole Time Director will expire on 30th November 2012. The Board of Directors feels that for the sake of continuity of the present management and for efficient running of the Company, the services of Mr. Srikant Jajodia should be available to the Company for a further period of three years with effect from 1st December 2012. The remuneration proposed to be paid to Mr. Srikant Jajodia as Whole Time Director was approved by the Remuneration Committee.

In the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

The aforesaid terms of remuneration have been set out in a draft agreement to be executed in due course between the Company and Mr. Srikant Jajodia. The said agreement also provides for the mutual rights and obligations of the parties and stipulations relating to its termination in certain circumstances.

In compliance with section 309 of the Companies Act, 1956, the terms of remuneration specified above are now placed before the members for the approval and your Directors commend the acceptance of the resolution.

The information required under first proviso to sub para (B) of Section II, Part II of Schedule XIII of the Companies Act, 1956:

I. GENERAL INFORMATION

(1)	Nature of Industry	ELDECO Housing and Industries Ltd. is engaged in the business of Real Estate.	
(2)	Date or expected date of commencement of commercial production	The Company is already in existence and is in operation since July 1985	
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
(4)	Financial Performance of the Company for last 2 years is given below:		
Particulars		Financial Year ended	
		31st March, 2012 Standalone (Fig. in lacs)	31st March, 2011 Standalone (Fig. in lacs)
Revenue:			
1 Revenue from operations		6019.20	4171.86
2 Other Income		412.27	418.35
Total Revenue		6431.47	4590.21
Expenses:			
1 Expenditure		5653.14	3982.71
2 Changes in Inventories of Finished Stock & Project in Progress		(167.17)	(264.69)
Total Expenses		5485.97	3718.02
Profit before tax		945.50	872.19
Tax Expenses:			
i Current Tax		312.12	303.85
ii Tax related to previous years		-	(0.48)
iii Deferred Tax		(3.82)	(8.06)
Profit After Tax		637.20	576.88
Previous Balance in Profit & Loss Account		4269.21	3745.18
Profit available for appropriation		4906.41	4322.06
Less: Proposed dividend		19.67	19.67
Tax on proposed dividend		3.19	3.19
Transfer to general reserve		40.00	30.00
Balance in Profit & Loss Account		4843.55	4269.20
Earning per share (Rs.)		32.40	29.33
Dividend per share (Rs.)		1.00	1.00

II. INFORMATION ABOUT THE APPOINTEE

(1)	Background details	<p>Mr. Srikant Jajodia has been the Whole Time Director of the Company since last 8 years. He is instrumental in the growth of your Company over the years.</p> <p>He is having more than 23 years of experience in Real Estate business.</p>
(2)	Past remuneration	<p>Mr. Srikant Jajodia had been appointed as the Whole Time Director of the Company with effect from 1st December 2009. His remuneration was w.e.f. 1st December 2009 as approved by the members are:</p> <ol style="list-style-type: none"> a) Salary Rs.2,00,000 per month b) Rent free Company's furnished accommodation. c) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 month's salary over a period of 3 years d) Leave travel concession for self & family once in a year as per the rules of the Company e) Personal Accident Insurance Premium not exceeding Rs.10,000 per annum. f) Club fees subject to a maximum of two clubs, (this will not include admission and Life membership fees) g) Provident fund, Superannuation benefits and Gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time. h) Provision of Company's Car i) Provision of free telephone at residence, and j) Encashment of leave at the end of the tenure as per the rules of the Company. <p>In the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.</p>
(3)	Job profile and his suitability	<p>Mr. Srikant Jajodia being the Whole Time Director of the Company is entrusted with substantial powers in relation to normal business matters.</p> <p>He is having more than 23 years of experience in Real Estate business.</p>
(4)	Remuneration proposed	<p>Monthly remuneration of Rs. 2,00,000 (Rupees Two Lac Only) per month w.e.f. 1st December, 2012</p> <ol style="list-style-type: none"> a) Salary Rs.2,00,000 per month b) Rent free Company's furnished accommodation. c) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years d) Leave travel concession for self & family once in a year as per the rules of the Company e) Personal Accident Insurance Premium not exceeding Rs.10,000 per annum. f) Club fees subject to a maximum of two clubs, (this will not include admission and Life membership fees) g) Provident fund, Superannuation benefits and Gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time. h) Provision of Company's Car i) Provision of free telephone at residence, and

		j) Encashment of leave at the end of the tenure as per the rules of the Company. In the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.
(5)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
(6)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	The appointee is a relative of Mr. S.K.Garg and also receiving remuneration from the Company.
III. OTHER INFORMATION		
(1)	Reasons for loss or inadequate profits	The Company is in profit. However fixed remuneration is proposed to be paid as minimum remuneration in the event of loss/absence/inadequacy of profits due to unavoidable circumstances.
(2)	Steps taken or proposed to be taken for improvement	The Company is taking cost cutting measures and exploring new avenues of business to improve profitability
(3)	Expected increase in productivity and profits in measurable terms	The company is expected to have improved sales and profitability figures in the next financial years.

The members' approval is required by way of a Special resolution for re-appointment of Mr. Srikant Jajodia as Whole Time Director and fixing his remuneration.

The aforesaid explanatory statement for item no. 6 should also be deemed to be notice of the abstract under section 302 of the Companies Act, 1956 for terms of appointment and payment of remuneration to Mr. Srikant Jajodia as Whole Time Director.

None of the Directors of the Company other than Mr. Srikant Jajodia and Mr. S.K.Garg, Executive Chairman, being a relative, may be deemed to be concerned or interested in the resolution.

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

Date : 29th August, 2012
Place: Lucknow

Poonam Khurana
Company Secretary

DIRECTORS' REPORT

Dear Members

Your Directors have the pleasure in presenting the 27th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2012.

Financial Highlights

(Rs. in Lacs)

Particulars	Financial Year ended (Rs. in Lacs)			
	31st March, 2012 Consolidated	31st March, 2012 Standalone	31st March, 2011 Consolidated	31st March, 2011 Standalone
Revenue:				
1 Revenue from operations	5893.64	6019.20	4585.60	4171.86
2 Other Income	659.19	412.27	533.39	418.35
Total Revenue	6552.83	6431.47	5118.99	4590.21
Expenses:				
1 Expenditure	5972.86	5653.14	4773.12	3982.71
2 Changes in Inventories of Finished Stock & Project in Progress	(279.08)	(167.17)	(264.69)	(264.69)
Total Expenses	5693.78	5485.97	4508.43	3718.02
Profit before tax	859.05	945.50	610.55	872.19
Tax Expenses:				
i Current Tax	368.11	312.12	332.66	303.85
ii Tax related to previous years	1.17	-	(0.52)	(0.48)
iii Deferred Tax	(3.17)	(3.82)	(7.95)	(8.06)
Profit After Tax	492.94	637.20	286.36	576.88
Previous Balance in Profit & Loss Account	4039.72	4269.21	3803.66	3745.18
Minority Interest	-	-	(0.07)	-
Shares of Profits of Associates (Net)	2.16	-	2.62	-
Profit available for appropriation	4534.82	4906.41	4092.57	4322.06
Less: Proposed dividend	19.67	19.67	19.67	19.67
Tax on proposed dividend	3.19	3.19	3.19	3.19
Transfer to general reserve	40.00	40.00	30.00	30.00
Balance in Profit & Loss Account	4471.96	4843.55	4039.71	4269.20
Earning per share (Rs.)	25.18	32.40	14.69	29.33
Dividend per Share (Rs.)	1.00	1.00	1.00	1.00

Year in Retrospect

During the year under review, total income of the Company was Rs. 6431.47 lacs as against Rs.4590.21 lacs in previous year ended 31st March, 2011. Profit before tax was Rs. 945.50 lacs as against Rs. 872.19 lacs in the preceeding year. Profit after tax for the year under review was Rs. 637.20 lacs as against Rs. 576.88 lacs during the preceeding year. Your Directors are putting in their best efforts to further improve the performance of the Company.

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