

# A NEW LEAP OF GROWTH EVERY YEAR.

ANNUAL  
REPORT  
2012-2013

● **BOARD OF DIRECTORS** ●

Mr S.K. Garg	Chairman	Mr Arvind Bajaj	Director
Mr Pankaj Bajaj	Managing Director	Mr Anil Tewari	Director
Mr Shrikant Jajodia	Whole Time Director	Mr Ashish Jain	Director
Mr Rahul Aggarwal	Director	Mr Ranjit Khattar	Director

**Company Secretary**

Ms Shruti Gupta

**Statutory Auditor**

M/s Doogar &amp; 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-153A, 1st Floor, Okhla Industrial Area

Phase-I, New Delhi – 110 020.

Ph. : 011-26812682-83

**Stock Exchanges where Company is Listed**

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai – 400 001

**U.P. Stock Exchange Limited**

Padam Towers, 14/113, Civil Lines

Kanpur – 208 001

**Bankers**

State Bank of India

Punjab National Bank

ICICI Bank

**Registered Office**

Shop No. 16, Second Floor,

Eldeco Station 1, Site No. 1, Sector 12, Faridabad

Haryana-121007

**Corporate Office**

2nd Floor, Eldeco Corporate Chamber –I

Vibhuti Khand, Gomti Nagar

Lucknow – 226 010

**Divisions**

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

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## NOTICE

Notice is hereby given that the **28th Annual General Meeting** of the Members of **M/s Eldeco Housing and Industries Limited** will be held on Friday, the 27th day of September, 2013, at 3:00 pm 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, 2013 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, 2013.
3. To appoint a Director in place of Mr Anil Tewari who retires by rotation and, being eligible, offers himself for re appointment.
4. To appoint a Director in place of Mr Ashish Jain 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** Mr. Rahul Aggarwal who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”

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

Date: 02.08.2013  
Place: Lucknow

**Shruti Gupta**  
**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 Saturday, the 21st day of September, 2013 to Friday, the 27th day of September, 2013 (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, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110 020; Phone No. 011-26812682-83.

**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 21st September, 2013 after entertaining all valid requests for transfer of shares lodged with the Company on or before 21st September, 2013.

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 2004-05 to the Investors Education and Protection Fund, in the month of February, 2013 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
31.03.2006	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
31.03.2012	10%	28/09/2012	02/11/2019	01/12/2019

- J.** In terms of provisions of Section 205A of the Companies Act, 1956, the amount of dividend for the financial year 2005-06 that still remains unclaimed is required to be transferred to the Investors Education and Protection Fund on or before 5th January, 2014. Any shareholder who has not encashed the dividend warrants for the financial year 2005-06 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 as well as the corporate 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**

Mr Rahul Aggarwal was appointed as an Additional Director by the Board of Directors of the Company w.e.f. 2nd August, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 81(a) of Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956, Mr. Rahul Aggarwal, Director, holds office up to the date of the ensuing Annual General Meeting. In this regard, the Company has received a notice in writing along with the requisite deposit from a Member, under Section 257 of the Companies Act, 1956, signifying his intention to propose appointment of Mr Rahul Aggarwal as a Director of the Company.

The Board feels that presence of Mr Rahul Aggarwal on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 6 for adoption.

None of the Directors, except Mr Rahul Aggarwal is concerned or interested in this resolution.

The Board recommends resolution under Item No. 6 to be passed as ordinary resolution.

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

Date : 2nd August, 2013  
Place: Lucknow

**Shruti Gupta**  
**Company Secretary**

**DIRECTORS' REPORT****Dear Members**

Your Directors have the pleasure in presenting the 28th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2013.

**Financial Highlights**

(Rs. in Lacs)

Particulars	Financial Year ended			
	31st March 2013 Consolidated	31st March 2013 Standalone	31st March 2012 Consolidated	31st March 2012 Standalone
<b>Revenue:</b>				
1 Revenue from operations	9607.55	4665.59	5893.64	6019.20
2 Other Income	787.81	1090.08	659.19	412.27
<b>Total Revenue</b>	<b>10395.36</b>	<b>5755.67</b>	<b>6552.83</b>	<b>6431.47</b>
<b>Expenses:</b>				
1 Expenditure	10101.22	4967.84	5972.86	5653.14
2 Changes in Inventories of Finished Stock & Project in Progress	(1369.90)	(505.72)	(279.08)	(167.17)
<b>Total Expenses</b>	<b>8731.32</b>	<b>4462.12</b>	<b>5693.78</b>	<b>5485.97</b>
<b>Profit before tax</b>	<b>1664.04</b>	<b>1293.55</b>	<b>859.05</b>	<b>945.50</b>
<b>Tax Expenses:</b>				
i Current Tax	701.88	351.49	368.11	312.12
ii Tax related to previous years	2.98	-	1.17	-
iii Deferred Tax	(3.06)	(3.15)	(3.17)	(3.82)
<b>Profit After Tax</b>	<b>962.24</b>	<b>945.21</b>	<b>492.94</b>	<b>637.20</b>
Previous Balance in Profit & Loss Account	4471.97	4843.55	4039.72	4269.21
Minority Interest	0.02	-	-	-
Shares of Profits of Associates (Net)	(11.43)	-	2.16	-
Profit available for appropriation	5422.79	5788.76	4534.82	4906.41
Less: Proposed dividend	157.33	157.33	19.67	19.67
Tax on proposed dividend	26.74	26.74	3.19	3.19
Transfer to general reserve	200.00	200.00	40.00	40.00
Balance in Profit & Loss Account	5038.72	5404.69	4471.96	4843.55
Earning per share (Rs.)	48.35	48.06	25.18	32.40
Dividend per Share (Rs.)	8.00	8.00	1.00	1.00

**Year in Retrospect**

During the year under review, total income of the Company was Rs. 5755.67 Lacs as against Rs. 6431.47 Lacs in previous year ended 31st March, 2012. Profit before tax was Rs. 1293.55 Lacs as against Rs. 945.50 Lacs in the preceding year. Profit after

tax for the year under review was Rs. 945.21 Lacs as against Rs. 637.20 Lacs during the preceding 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.

#### **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, 2013 and the date of this Report.

#### **Dividend**

Your Directors have recommended a dividend of Rs. 8.00 per equity share (last year Rs. 1.00 per equity share) for the financial year ended March 31, 2013, amounting to Rs.157.33 Lac (exclusive of Dividend tax of Rs. 26.74 Lac). The dividend will be paid to members whose names appear in the Register of Members as on 21st September, 2013; in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

#### **Transfer to Investors Education and Protection Fund**

Un-claimed/un-paid dividend for the financial year 2004-2005 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, 2013, the Company held Fixed Deposits of Rs. 344.50 Lacs from the Public, Shareholders and Employees, out of which deposits for Rs. 25.20 Lacs, due for repayment on or before 31st March, 2013 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. 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 in excess of the limit prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules, 2011, and hence no particulars are required to be disclosed in this Report.

#### **Subsidiary Companies and Consolidated Financial Statements**

As on date there are following subsidiaries of the Company:

1. Aadesh Constructions Private Limited
2. Bliss Constructions Private Limited
3. Carnation Realtors Private Limited
4. Deepjyoti Constructions Private Limited
5. Facility Constructions Private Limited



6. Fixity Constructions Private Limited
7. Garv Constructions Private Limited
8. Halwasiya Agro Industries Limited
9. Iris Realtors Private Limited
10. Khwahish Constructions Private Limited
11. Mahal Constructions Private Limited
12. Milaap Constructions Private Limited
13. Neo Realtors Private Limited
14. Neptune Infracon Private Limited
15. Numerous Constructions Private Limited
16. Perpetual Constructions Private Limited
17. Prasiddhi Constructions Private Limited
18. Prayatna Constructions Private Limited\*
19. Primacy Constructions Private Limited
20. Samarpit Constructions Private Limited
21. Shivaye Constructions Private Limited
22. Suniojit Constructions Private Limited
23. Sushobhit Constructions Private Limited
24. Swarg Constructions Private Limited
25. Swarnim Nirman Private Limited
26. Villa Constructions Private Limited

*\*Ceased to be subsidiary w.e.f. 09.04.2013.*

In accordance with the general Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same.

The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

### **Corporate Governance**

The Company has complied with the provisions of Clause 49 of the Listing Agreement relating to the Corporate Governance. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual 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, Mr J.P. Bhargava ceased to be director of the Company due to his sudden demise and Mr. Rahul Aggarwal was appointed as an additional director. In terms of the provisions of the Companies Act, 1956, Mr Rahul Aggarwal shall hold office until the date of the ensuing Annual General Meeting. His appointment as an ordinary Director of the Company is placed before the Members for consideration. The Board recommends the resolution for adoption by the members.

In accordance with the provisions of the Companies Act, 1956, Mr Anil Tewari and Mr Ashish Jain, Directors, retire by rotation and, being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Brief resume of the Directors proposed to be appointed / reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board/ Committees, are provided in the Report on Corporate Governance forming part of the Annual Report.

### **Auditors**

M/s Doogar and Associates, Chartered Accountants, Statutory Auditors of the Company shall hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under Section 224(1B) 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 and Notification issued by Ministry of Corporate Affairs, the company is not required to take Compliance Certificate u/s 383A of the Companies Act, 1956 as the company has a Whole Time Company Secretary.

### **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 the preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- 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, 2013 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 BSE Ltd, Mumbai and U.P. Stock Exchange Ltd, Kanpur. The Company has already paid listing fees to these Stock Exchanges for the financial year 2013-2014.

### **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 Limited**

**S.K. Garg**  
**Chairman**

Date: 2nd August, 2013  
Place: Lucknow