



21st
ANNUAL REPORT
2005-2006

LINK HOUSE
INDUSTRIES LTD.

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LINKHOUSE INDUSTRIES LIMITED

- BOARD OF DIRECTORS:**
1. **MR. NANDKUMAR K. HARCHANDANI**
CHAIRMAN-CUM-MANAGING DIRECTOR
 2. **MR. ANILKUMAR N. HARCHANDANI**
EXECUTIVE DIRECTOR
 3. **MRS. ANITA A. HARCHANDANI**
EXECUTIVE DIRECTOR
 4. **MRS. POONAM N. HARCHANDANI**
DIRECTOR
 5. **MR. ASHOK B. PUROHIT**
DIRECTOR
 6. **MR. AMAR DOULATANI**
DIRECTOR
 7. **MR. PURUSHOTTAM UDERNANI**
DIRECTOR

- AUDITORS :** ANAND V. DESHPANDE & CO.,
CHARTERED ACCOUNTANTS,
NAGPUR – 440 012.
- BANKERS :** 1> ORIENTAL BANK OF COMMERCE
2> UTI BANK LTD.
- REGISTRAR AND
TRANSFER AGENT:** INTIME SPECTRUM REGISTRY LTD.
C-13, PANNALAL SILK MILLS COMPOUND,
LBS MARG, BHANDUP (W), MUMBAI-400078
- REGISTERD OFFICE :** 7TH FLOOR, POONAM PLAZA,
PALM ROAD, CIVIL LINES,
NAGPUR – 440 001.
- PHONE NO. :** 0712 –2527981
- FAX NO. :** 0712 -2527989

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LINKHOUSE INDUSTRIES LIMITED
7TH FLOOR, POONAM PLAZA, PALM ROAD,
CIVIL LINES, NAGPUR – 440 001.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

To,
The Members & Auditors,

NOTICE is hereby given that the TWENTY-FIRST Annual General Meeting of the Members of LINKHOUSE INDUSTRIES LIMITED, will be held on Saturday, the 30th day of September 2006 at 02.00 P.M. at the Registered office of the Company at 7TH FLOOR, POONAM PLAZA, PALM ROAD, CIVIL LINES, Nagpur – 440 001 to transact the following businesses as Ordinary Businesses:

1. To receive, consider and adopt the audited Balance Sheet as at 31/03/2006, Profit & Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Ashok B. Purohit, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Poonam N. Harchandani, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint Auditors in place of M/s. Anand V. Deshpande & Co. who retire at the conclusion of the meeting and being eligible offers themselves for re-appointment and to fix their remuneration.

SPECIAL BUSINESS:

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

APPOINTMENT OF DIRECTOR LIABLE TO RETIRE BY ROTATION:

“RESOLVED THAT MR. PURUSHOTTOM UDERNANI, who was appointed as an Additional Director at the Meeting of the Board of Directors held on 30th day of April 2006 in place of Ms. Archana D. Wani in order to fill casual vacancy caused due to resignation by Ms. Archana D. Wani. He shall hold office as such up-to the date of the forthcoming Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose MR. PURUSHOTTOM UDERNANI as a candidate for the office of Director of the Company be and is hereby appointed as Director of the Company w.e.f.30/09/2006 on regular basis, liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Anilkumar N. Harchandani, Director of the Company be and is hereby authorized to file the Form No.32, within 30 days from the date of appointment, in duplicate, in respect of the appointment of the above said Director, with the Registrar of Companies, Maharashtra.”

Place: Nagpur
Dated: 06.09.2006.

By the order of Board
LINKHOUSE INDUSTRIES LTD.,

ANILKUMAR HARCHANDANI
(CHAIRMAN)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. A PROXY FORM IS ENCLOSED. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. PLEASE BRING YOUR COPY OF THE ANNUAL ACCOUNTS TO THE MEETING.
4. RECORD DATE FOR ENTITLEMENT TO DIVIDEND SHALL BE 27-09-2006 AND BOOK CLOSURE OF THE COMPANY SHALL COMMENCE FROM 28-09-2006 AND SHALL END ON 30-09-2006 (BOTH DAYS INCLUSIVE)

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:**ITEM NO.6.**

MR. PRUSHTOM UDERNANI was appointed as an additional Director of the Company w.e.f. 30th day of April 2006 in place of Ms. Archana D. Wani in order to fill casual vacancy caused due to resignation by Ms. Archana D. Wani. Under Section 260 of the Companies Act, 1956, read with the Articles of Association of the Company, MR. PURUSHOTTOM UDERNANI continues to hold office as a Director until the conclusion of the forthcoming Annual General Meeting. However, as required under Section 257, the Company has received the notice from a member signifying his intention to propose MR. PURUSHOTTOM UDERNANI as a candidate for the office of the Director of the Company and the required deposit of Rs.500/- has been received by the Company along-with such notice. It is proposed to appoint MR. PURUSHOTTOM UDERNANI, as Director on regular basis & he will be liable to retire by rotation.

Since MR. PURUSHOTTOM UDERNANI, being eligible has accorded his consent and approval to act as Director of the Company, if appointed as such on regular basis by the Members of the Company at the proposed Annual General Meeting of the Company, slated to be held on 30/09/2006. The Board was also of the view that, his appointment into the Board of Directors on regular basis would be in the larger interest of the Company.

The said Director is not disqualified from being appointed as Director of any other Company. The Board was of the view that his induction into the Board shall be in the larger interest of the Company and furtherance of the future progress and development of the Company.

After looking into the overall aspects for the appointment of Director of the Company, the Board decided to recommend MR. PURUSHOTTOM UDERNANI, for appointment as Director on regular basis.

Section 255 of the Companies Act, 1956 requires the passing of Ordinary Resolution for the appointment of Director and the Board hereby recommends the above said Ordinary Resolution for the approval of members.

Except, MR. PURUSHOTTOM UDERNANI being recommended for appointment as Director of the Company, none of the Directors is /are in any way interested or concerned or deemed to be interested or concerned in the passing of the above said Ordinary Resolution.

Place: Nagpur
Dated: 06.09.2006.

By the order of Board
LINKHOUSE INDUSTRIES LTD.,

ANILKUMAR HARCHANDANI
(CHAIRMAN)

LINKHOUSE INDUSTRIES LIMITED
7TH FLOOR, POONAM PLAZA, PALM ROAD,
CIVIL LINES, NAGPUR - 440 001.

DIRECTORS' REPORT

Dear Members,

Your Board of Directors has the pleasure to present the 21st Annual Report and the Audited Balance Sheet and the Profit & Loss Account of the Company for the year ended on 31st March 2006.

FINANCIAL RESULTS:

Sr. No. (1)	Particulars (2)	Period	
		(3) 31.03.2006	(4) 31.03.2005
1.	Total Income	94205706.87	88382795.80
2.	Profit before Interest & Depreciation	20368802.98	12633011.84
	Less: Interest	3314236.65	5424772.95
3.	Profit before Depreciation	17054566.33	7208238.89
	Less: Depreciation	1233517.02	1217222.38
4.	Profit before Taxation	15821049.27	5991016.15
	Less: Prov. for Deferred Tax	266316 09	377528.00
	Less: Provisions for Taxation	2831000.00	752810.67
5.	Profit after Taxation	12723733.18	5615733.84
	Add: Profit brought forward From previous year	27521490.22	27425779.38
6.	Profit after addition of Profit from P.Y.	40245223.40	32796228.22
	Less: Appropriations		
	Transfer to General Reserve	5952000.00	2480000.00
	Proposed Dividend (Inc. Dividend Tax)	6786768.00	2794738.00
7.	Balance of Profit Carried over to Balance Sheet	27506455.40	27521490.22

DIVIDEND:

In view of the enhanced profitability and the positive outlook for the future of the Company, the Board of Directors have recommended a dividend of 6% on equity shares. The total outgo of the dividend to be paid to the shareholders will be Rs.67.88 Lacs (including dividend Tax)

OPERATIONS:

The Company is involved in the business of Construction of Commercial and Residential Complexes in the City of Nagpur and near about.

PERFORMANCE:

Overall performance of the Company for the period under review was overwhelming, as Sales of the Company have risen during the period under review to Rs.942.06 Lacs from Rs.883.83 during the last financial year and the profit after tax of the Company has increased during the year ended on 31-03-2006 to Rs.127.24 Lacs against Rs.56.16 Lacs during the year ended on 31-03-2005, it needs to be done better in the current fiscal year by reducing the expenditure to the requisite extent and the Directors are hopeful of better performance of the Company in the current fiscal year.

DIRECTORS:

Mr. Purushottom Udernani, was appointed as additional Director of the Company w.e.f.30th day of April 2006 in place Ms. Archana D. Wani in order to fill casual vacancy caused due to resignation by Ms. Archana D. Wani has been proposed as candidate by one of the shareholder for appointment as Director on Regular basis, liable to retire by rotation on the Board of the Company. Items of Special Business for his appointment has been inserted in the notice calling the forthcoming 21st Annual General Meeting.

Mr. Ashok B. Purohit and Mrs. Poonam N. Harchandani, Directors are due to retire by rotation and being eligible for re-appointment have offered themselves for re-appointment. The Board proposes them for re-appointment as Directors liable to retire by rotation.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no employees drawing remuneration in excess of the prescribed limits and whose particulars need be given under Section 217 (2A) of The Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975, as amended.

a) CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

The Company does not use any technology or energy for its existing business except for the electricity used in offices and at sites of the Company which is not a significant part of the construction cost, hence it is not practicable to furnish the information in this connection.

b) FOREIGN EXCHANGE EARNINGS & OUTGO:

The Company earned foreign exchange NIL through Export of software during the accounting year 2005-2006.

c) POLLUTION CONTROL MEASURES:

The Company's business does not involve any emission of pollutants and therefore, no special pollution control measures are called for. However, special attention is paid to maintain healthy and hygienic condition to make the services customer friendly.

DEPOSITS:

The Company has not accepted any deposit from the public under section 58A and 58AA of the Companies Act, 1956 during the year.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm:

- (i) That in the preparation of the Annual Accounts for the financial year ended 31/03/2006 the applicable Accounting Standards have been followed along-with proper explanation relating to material departures.

- (ii) That the directors had 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 fare view of the state of affairs of the Company at the end of the financial year and of the PROFIT of the Company for the year under review.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That the Directors have prepared the Annual Accounts for the Financial Year ended 31/03/2006 on a 'Going Concern' basis.

AUDITOR'S REPORT:

Observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments U/s217 (3) of the Companies Act, 1956.

AUDITORS:

The Auditors M/s. Anand V. Deshpande & Co., Chartered Accountants, Nagpur holds office till the conclusion of the forthcoming Annual General Meeting and they have expressed their willingness to be re-appointed and have also given a certificate to that effect that their re-appointment, if made, would be within the limits prescribed under section 224(1-B) of the Companies Act, 1956.

The Directors recommend re-appointment of M/s. Anand V. Deshpande & Co., Chartered Accountants, Nagpur, as Auditors to hold the office from the conclusion of the ensuing Annual General Meeting till the next Annual General Meeting at the remuneration to be decided by the Board in consultation with them.

ACKNOWLEDGEMENT:

Directors wish to place on record their thanks and gratitude to:

- i) The Central and State Government as well as their respective Departments and Development Authorities connected with the business of the company and the Bankers to the Company.
- ii) The Members and suppliers/contractors for the trust and confidence reposed and to the Customers for their valued patronage.
- iii) The Board also takes this opportunity to express their sincere appreciation for the efforts put in by the officers and employees at all levels in achieving the results and hopes that they would continue their sincere and dedicated endeavor towards attainment of better working results during the current year.

Regd. Office:
7TH FLOOR, POONAM PLAZA,
PALM ROAD, CIVIL LINES,
NAGPUR - 440 001.

For and behalf of the Board

Dated: 06.09.2006.

ANILKUMAR N. HARCHANDANI
(CHAIRMAN)