

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

Contents

Page No.(s).

• Board of Directors	01
• Notice of the 23rd Annual General Meeting	02
• Directors' Report	05
• Management Discussion and Analysis	11
• Report on Corporate Governance	15
• Compliance Certificate	24
• Consolidated Accounts	
♦ Auditors' Report	28
♦ Audited Balance Sheet as at 31st March, 2008	29
♦ Audited Profit and Loss Account for the year ended 31st March, 2008	31
♦ Significant Accounting Policies and Notes to Accounts	43
♦ Cash Flow Statement for the year ended 31st March, 2008	52
• Standalone Accounts	
♦ Auditors' Report	55
♦ Audited Balance Sheet as at 31st march, 2008	58
♦ Audited profit and Loss Account for the year ended 31st March, 2008	60
♦ Significant Accounting Policies and Notes to Accounts	71
♦ Cash flow Statement for the year ended 31st March, 2008	81
• Statement U/S 212 of Companies Act 1956	83
• Account of Subsidiaries Companies	84

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**

Date : 12th August, 2008

Place : Lucknow

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

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.**

- 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**

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

Date : 12th August, 2008
Place : Lucknow

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.

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.

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.

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

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

ANNEXURE 'B' TO THE DIRECTOR' REPORT

Information pursuant to section 217 (2A) of the Companies Act 1956, read with the Companies (particulars of Employees) Rules, 1975, as amended and forming part of Directors' Report for the year ended March 31, 2008.

(A) Employed throughout the year and were in receipt of remuneration aggregating not less than Rs.24 lacs per annum

Name and Age	Designation and Nature	Remuneration received (Rs.p.a.)	Qualification and Experience	Date of Joining	Particulars of last employment
NIL	NIL	NIL	NIL	NIL	NIL

(B) Employed for part of the year under review and were in receipt of remuneration for any part of the year at a rate which in aggregate was not less than Rs.2 lacs per month.

Name and Age	Designation and Nature	Remuneration received (Rs.p.m.)	Qualification and Experience	Date of Joining	Particulars of last employment
Col. D. K.Singh. Age-55yrs	Chief Executive Officer	2,00,000	B.Tech	10/12/2007	Senior Army officer

MANAGEMENT DISCUSSION AND ANALYSIS

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The industry is highly fragmented with most of the real estate developers having a city-specific or region specific presence. The unorganized sector comprises small builders and contractors, who primarily construct houses on a contract basis with individuals. Real estate developers in the organized sector are actively considering townships, multiplexes and shopping malls as future projects to drive their business prospects. Regional real estate players dominate the industry because there are no strong national players in the sector.

Ever since the opening-up of Infrastructure sector and large scale Residential Complexes viz. Integrated Townships across the Country by the Govt. of India to the global players, host of new global property developers have entered India during the past one year for building Townships directly or through joint ventures focused on property development.

According to the international consultants as well as the National experts on the Real Estate Industry, India offers big opportunity as Real Estate yields are on upside.

The Real Estate Sector offers promising future for all its stakeholders and the company's new projects are expected to increase its Turnover and Profitability year after year. The company will continue to strive for more and more remunerative projects.

2. BUSINESS OVERVIEW

The company has launched four towers of Eldeco Elegance project at Gomti Nagar Lucknow. Work on all six blocks of Elegance is also going on as per the schedule. Construction work of our "Eldeco Empereur" and "Eldeco Corporate Chamber Phase II" projects are in full swing.

In the coming year the Company proposes to launch various new projects viz., "Eldeco Corporate Towers", "Eldeco Eternia", "Eldeco City" & "Eldeco Towne II". Construction activities have already started in "Eldeco Corporate Tower" and "Eldeco Eternia".

The Company is also working on two mega projects; (i) Integrated Township of 150 Acres on Sultanpur Road, Lucknow and, (ii) IT based SEZ of approximately 30 Acres on IIM Road, Lucknow.

3. OPPORTUNITIES AND THREATS

a) OPPORTUNITIES

- **High Growth Prospects:** In the face of rapid urbanization, the basic infrastructure of the cities is unable to cope up the rising demand which has resulted in shortage of about 20million units in the residential sector alone.
- **Rising Income Levels:** A growing middle income level population, rise in their average income levels and moderation in income tax rates has lead to enhanced market for the real estate sector.
- **Emergence of Nuclear Families:** Rapid development and urbanization has lead to the emergence of nuclear families which in turn has resulted in the increase in demand for residential units as well as commercial space.
- **Growing Consumer Culture:** The demand for better lifestyle has enhanced consumption levels and rapid growth in several areas like township development with state of art facilities, commercial space and mall construction. The Company with its wide portfolio is expected to benefit from improvement in lifestyle and higher aspiration levels.
- **Easy Availability of Home Loans:** With enhanced banking facilities and easy availability of consumer credit especially home loans there seems to be a seemingly unending prospect of future growth and unprecedented revenues.

- **Growing Organized Retail Sector:** With participation of newer sections like hospitality and mall construction the retail sector has become more organized and the opportunities at its behest have shown up as never before.

b) THREATS

- **Credit Unavailability:** Further tightening of credit facilities of liquidity position and reduction in exposure to construction finance would have an adverse impact on the Real Estate Sector.
- **Hardening of Interest Rates:** With inflationary trends setting in there is hardening of consumer interest rates which could have adverse impact on the housing segment as well as other segments of the industry.
- **Government Regulations:** Stringent Government regulations regarding environment and forest cover and various safety regulations could bring in new complexities and cost increase for the industry, impacting the Company's business.
- **Growing Consumer Awareness:** Growing awareness amongst consumers is driving up expectations from companies in terms of world class features for which adequate price realization is not always possible.

4. OUTLOOK

Real Estate in the country has been busy with the participation of newer segments each day. While hospitality and construction is roaring in with greater avenues housing segment makes the business as enticing as never before. Its Canvas is rich and varied and the colours seem to be getting brighter and better each day.

The downswing in the economy may have momentarily disrupted the momentum but India's most robust sector's sure on its way to bounce back. And all this is because of its one sector segment, which is a vital part of the sector and also an integral of the economy, is always booming with seemingly endless prospects. The housing segment offers maximum growth prospects to the Indian real estate and its tremendous potential, has been time and again acknowledged by the government, policy makers and professionals in the industry alike.

The buoyancy in the housing segment continues because the Union Budgets during the past few years have taken several measures to extend fiscal incentives and simplify procedures that have gone a long way in giving a major impetus to the segment. Also, with the purchasing power of the common man having increased and with easy availability of housing loans, the ordinary Indians' dream of owning shelter is no longer a distant one. The Government of India has also been adopting several measures to encourage NRI investment in housing and real estate development for promoting the flow of foreign exchange to the country. Housing as an agenda has always been the most important for the government. The National Housing and Habitat Policy emphasizes on "housing for all" together with services, social infrastructure, strong public-private partnerships and the role of the co-operative and corporate sectors. The picture sure looks attractive and why not, after all, this segment has been a key driver of both Indian real estate and the Indian economy.

Eldeco is committed to enhancing transparency and establishing standards for India's real estate industry while safeguarding the interests of the shareholding community. Eldeco will continue to maintain the highest standards of professionalism, ethics, quality and customer service while meeting its vision of contributing to building the new India and creating the most valuable real estate company in the world.

5. RISKS AND CONCERNS

Every business has its own set of risks involved in it. The endeavor of the management is to minimize the risks involved in the business.

- **Contingent Liabilities:** Due to project-based work, real estate companies often carry substantial contingent liabilities in the form of guarantees in order to comply with specific client requirements.
- **Development Risks:** Profitability of each project is subject to risks of mis-pricing, conditions adverse to the real estate market, geological conditions, management of specification changes and the outcome of competition with rival real estate companies.
- **Credit Risk:** The strength of clients from whom the receivables are being generated is important. Real estate developers usually secure project advances from clients to keep them committed to the projects.

- **Cost of Borrowing:** We regularly borrow funds for development and construction of projects. Because we some times rely on borrowed funds to finance a portion of our business, an increase in our costs of borrowing funds due to rising interest rates may affect our results of operations.
- **Fluctuations in market conditions:** The Company is subject to potentially significant fluctuations in the market value of land and constructed inventories. The risk of owning undeveloped land, developed land and constructed inventories can be substantial and the market value of the same can fluctuate significantly as a result of changing economic and market conditions.

We need to regularly identify and acquire new sites of undeveloped and developed land to support and sustain our business. There is often a significant lag between the time we acquire land or development rights and the time that we can construct and develop such project and sell our inventories. Further, the actual timing of the completion of a project may be different from its forecasted schedule for a number of reasons, including the need to obtain governmental approvals and building permits. In addition, real estate investments, both in land and constructed inventories, are relatively illiquid, which may limit our ability to vary our exposure in the real estate business promptly in response to changes in economic or other conditions.

- **Statutory Legislation:** Acquisition of land and development rights in relation to immovable properties are governed by certain statutory and governmental regulations, which regulate various aspects, including requirements for transaction documents, payment of stamp duty, registration of property documents, purchase of property for the benefit of others, limitation on land acquisition by an individual entity and rehabilitation of displaced persons. We are also subject to the land ceiling act that regulates the amount of land that may be held by an individual owner.

We are subject to extensive local, state and central laws, including the policies and procedures established by local authorities to implement such laws and regulations, that govern the acquisition, construction and development of land, including laws and regulations related to zoning, permitted land uses, proportion and use of open spaces, building designs, fire safety standards, height of the buildings, access to water and other utilities and water and waste disposal.

- **Tax Implication:** The Real Estate & Construction industry is already subject to a number of taxes. Any change in the tax legislations may affect the performance of the Company.
- **Economic Slowdown:** A slowdown in economic growth in India or in our geographic area could cause our business to suffer. Our performance and the quality and growth of our assets are necessarily dependent on the health of the overall Indian economy and the local economies in which we build our projects.

The Board takes responsibility for the total process of risk management in the organisation. The Audit Committee reviews reports covering operational, financial and other business risk areas. Through an Enterprise Risk Management programme, each Business Unit addresses opportunities and the attendant risks through an institutionalized approach that is aligned to the Company's objectives. This is also facilitated by internal audit. The business risks are managed through cross functional involvement and intense communication across businesses. Results of the risk assessment and residual risks are presented to the senior management.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

Some significant features of the internal control systems are:

- Corporate policies on accounting and major processes;
- Well-defined processes for formulating and reviewing annual and long term business plans;
- Preparation and monitoring of annual budgets for all operating and service functions;
- An on-going program for reinforcement of integrity of financial reporting, ethical conduct, regulatory compliance, conflict of interests review and reporting of concerns. All employees of the Company are regularly exposed to communications under this program;

- A well established multidisciplinary Internal Audit team, which reviews and reports to management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks;
- Audit Committee of the Board of Directors, comprising independent directors, which is functional since March 2008, will regularly review the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any;

7. FINANCIAL PERFORMANCE VIS-A-VIS OPERATIONAL PERFORMANCE

The Consolidated financial vis-à-vis operational performance of the company is as under:

Particulars	Amount (Rs in lacs)	
	March 31, 2008	March 31, 2007
Net Sales/ Income from other Operations	4490.52	4104.18
Other Income	362.30	288.53
Expenditure: (Increase)/Decrease in stock in trade and work-in-progress	(92.76)	32.56
Cost of Construction	3267.30	3128.66
Employee Cost	216.42	174.48
Other Expenditure	240.37	301.72
Profit before Depreciation, Interest and Tax (PBDIT)	1221.49	755.11
Depreciation	23.01	21.47
Interest	123.91	153.60
Profit before Tax (PBT)	1074.57	580.04

8. MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people. The Company has cordial relations with employees and staff. There are no industrial relations problems during the year and the Company does not anticipate any material problems on this count in the current year.

The management is also committed to help the employees and workers to sharpen their skills and to improve their knowledge base for which continuous efforts are made on training and development.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON 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.

Our Company's Corporate Governance philosophy is to continuously strive to attain higher levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

2. BOARD OF DIRECTORS

Directors presently comprises of ten Directors, out of which seven are Non-Executive Directors. The Company has an Executive Chairman and the five Independent Directors comprise half of the total strength of the Board.

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and Investors' Grievance Committee) across all the companies in which he is a Director.

The Board had an optimum combination of Executive, Non Executive and Independent Directors. The Company had total 10 (ten) directors on the Board on 31st March, 2008.

Following is the list of Directors and other details as on 31st March, 2008:

Name of the Director & Designation	Category	No. of positions held in other Public Companies#		
		Board	Committee	
			Membership	Chairmanship
S.K. Garg Executive Chairman	Executive, Promoter	4	-	-
Pankaj Bajaj Managing Director	Executive, Promoter	6	-	-
Arvind Bajaj Director	Non-Executive, Promoter	1	-	-
Shrikant Jajodia Whole Time Director	Executive, Promoter	1	-	-
L.N. Sharma Director	Non-Executive, Promoter	-	-	-
J.P. Bhargava Director	Non-Executive, Independent	-	-	-
N.K. Sharma Director	Non-Executive, Independent	-	-	-
Anil Tewari* Director	Non-Executive, Independent	-	-	-
Ranjit Khattar* Director	Non-Executive, Independent	1	-	-
Ashish Jain* Director	Non-Executive, Independent	-	-	-

#excludes Directorships in associations, private, foreign and Section 25 companies.

*appointed as additional director w.e.f. 29th February, 2008.

Directors' Attendance Record

During the period 1st January, 2008 to 31st March, 2 (two) meetings of the Board of Directors were held on 31.01.2008 and 29.02.2008. The Board was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Board Meetings held. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during this period are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
S.K. Garg	2	2	Yes
Pankaj Bajaj	2	2	Yes
Arvind Bajaj	2	1	No
Shrikant Jajodia	2	1	Yes
L.N. Sharma	2	1	Yes
J.P. Bhargava	2	1	Yes
N.K. Sharma	2	1	Yes
Anil Tewari*	1	1	NA
Ranjit Khattar*	1	1	NA
Ashish Jain*	1	1	NA
OP Bajaj#	1	1	Yes

#resigned from the Board of Directors w.e.f. 29th February, 2008.

*appointed as an additional director w.e.f. 29th February, 2008.

3. AUDIT COMMITTEE

(a) Terms of Reference

The Audit Committee of the Board had been constituted in the Board Meeting held on 29th February, 2008. The terms of reference of the Audit Committee, as defined by the Board of Directors is to comply with the requirements of section 292 A of the Companies Act and Clause 49 of the listing agreement. The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

- i.** To review financial reporting process, all financial statements.
- ii.** To recommend appointment/ re-appointment/ replacement/ removal/ Audit fees/ any other fees of Statutory Auditor.
- iii.** Reviewing along with management, the listing compliances, related party disclosures, qualifications in draft audit report, matters required to be included in Directors Responsibility Statement, quarterly financial statements before its submission to the Board, changes in accounting policies, major accounting entries based on estimate of management.
- iv.** To look into all matters relating to internal control system, internal audit system and the reasons for substantial defaults in the payment to the depositors.
- v.** To review functioning of “Whistle Blower Mechanism”, if any.
- vi.** To review Management Discussion and Analysis of financial condition and results of operation, statement of significant Related Party Transactions as submitted by management, internal audit report, term of chief internal auditor (including his remuneration).

(b) Composition

The Audit Committee of the Company comprises the following directors:

1. Mr. Anil Tewari - Chairman (Independent Director)
2. Mr. S K Garg - Member (Promoter Director)
3. Mr JP Bhargava Member (Independent Director)

*Ms Sonal Srivastava, Company Secretary is the Secretary of the Committee.

(c) Attendance

During the period 1st January, 2008 to 31st March, no meetings of the Audit Committee were held.

4. REMUNERATION COMMITTEE

(a) Terms of Reference

The Remuneration Committee of the Board had been constituted in the Board Meeting held on 29th February, 2008. The Remuneration Committee shall have the power to determine the Company's policy on specific remuneration packages including pension rights and other compensation for executive directors and for this purpose, the Remuneration Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary.

(b) Composition

The Remuneration Committee consists of three Directors, all of them being non-executive and independent directors.

1. Mr. Anil Tewari - Chairman (Independent Director)
2. Mr. N K Sharma - Member (Independent Director)
3. Mr JP Bhargava Member (Independent Director)

(c) Attendance

During the period 1st January, 2008 to 31st March, no meetings of the Audit Committee were held.

(d) Remuneration Policy of the Company

The Managing Director and the Whole Time Director of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. No remuneration was paid to any Non-Executive Directors during the financial year 2007-08 except sitting fee for attending Board meetings and committee meetings.

(e) Details of the Directors' Remuneration for the financial year ended 31st March, 2008

Name of Director	Salaries & Perquisites (In Rs.)	Commission, Bonus Ex-gratia (In Rs.)	Sitting Fee (In Rs.)	Total Amount (In Rs.)	No. of Shares held (& %)
S.K. Garg	12,00,000	Nil	Nil	12,00,000	5,300 (0.27)
Pankaj Bajaj	Nil	Nil	Nil	Nil	5,70,700 (29.02)
Arvind Bajaj	Nil	Nil	2,000	2,000	1,92,100 (9.77)
Shrikant Jajodia	13,82,160	Nil	Nil	13,82,160	Nil
L.N. Sharma	Nil	Nil	2,500	2,500	Nil
J.P. Bhargava	Nil	Nil	2,500	2,500	Nil

Name of Director	Salaries & Perquisites (In Rs.)	Commission, Bonus Ex-gratia (In Rs.)	Sitting Fee (In Rs.)	Total Amount (In Rs.)	No. of Shares held (& %)
N.K. Sharma	Nil	Nil	2,500	2,500	Nil
Anil Tewari*	Nil	Nil	Nil	Nil	Nil
Ranjit Khattar*	Nil	Nil	Nil	Nil	Nil
Ashish Jain*	Nil	Nil	Nil	Nil	Nil
O P Bajaj#	Nil	Nil	2,500	2,500	1,83,800 (9.35)

#resigned from the Board of Directors w.e.f. 29th February, 2008.

*appointed as an additional director w.e.f. 29th February, 2008.

5. INVESTORS' GRIEVANCE COMMITTEE

(i) Terms of Reference:

In compliance with the requirement of the Corporate Governance under the Listing Agreement with the Stock Exchange, the Company has constituted an "Investors' Grievance Committee" to look into redressing the shareholders and investors' complaints and to expedite the process of redressal of complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

(ii) Composition:

The Investor's Grievance Committee consists of three Directors, the Chairman being non-executive:

1. Mr. Anil Tewari - Chairman (Non-executive Independent Director)
2. Mr. S K Garg - Member (Executive Promoter)
3. Mr. J P Bhargava - Member (Independent Director)

(iii) Ms Sonal Srivastava is the Compliance Officer of the Company for this purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.

(iv) During the year, the company did not received any complaints from the shareholders. There was no pending complaint from any shareholder as on 31st March 2008.

6. GENERAL BODY MEETINGS

Particulars of past three Annual General Meetings of the Company:

Date	Year	Venue	Time
29th September, 2007	2006-07	Hotel Taj Residency, Vipin Khand, Gomti Nagar, Lucknow- 226010.	3:00 p.m.
30th October, 2006	2005-06		3:00 p.m.
30th November, 2005	2004-05		3:00 p.m.

All resolutions moved at the last three Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting.

No Special Resolution was passed at the Annual General Meetings held in the past 3 years. No resolution was put through Postal Ballot in the last year and there is no resolution, which is required to be passed by Postal Ballot at present.

7. SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company. The Audit Committee will review the financial statements of the Subsidiary Companies.

8. DISCLOSURES

(a) Related Party Transactions

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large. The other related party transactions are given in point no. 9 of Notes on Accounts annexed to and forming the part of Balance Sheet and Profit and Loss Account of the Company.

(b) Non-compliance by the Company, Penalties, Strictures

There were no instances of non-compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(c) Non mandatory requirements

The Company proposes to adopt the non-mandatory requirements given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

9. CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code.

Declaration on compliance with code of conduct by the Chairman and the CEO:

The Board has formulated a code of conduct for the Board members and senior management of the Company, which has been posted on the website of the Company www.eldecogroup.com

It is hereby affirmed that all the Directors and senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

Sd/-
S K Garg
Chairman

Sd/-
Col. D K Singh
CEO

10. MEANS OF COMMUNICATION

(a) At present quarterly/ half-yearly reports are not being sent to each household of shareholders.

(b) The Quarterly / half-yearly / annual accounts results are published in the English and Hindi Newspapers.

- which newspaper normally published in : The Pioneer (English) & Swatantra Bharat (Hindi)
- Any website where displayed : Yes www.eldecogroup.com

(c) The Management Discussion and Analysis forms a part of the Annual Report.

11. GENERAL SHAREHOLDERS INFORMATION

i). Annual General Meeting

Date & Time	Saturday, September 27, 2008 at 3:00 PM
Venue	Hotel Taj Residency, Vipin Khand, Gomti Nagar, Lucknow- 226010
Date of Book Closure	September 22, 2008 to September 27, 2008
Dividend Payment Date	Latest by 26th October, 2008.

ii) Financial Calendar

Events

Financial Reporting for the first quarter ended 30th June, 2008
 Financial Reporting for the second quarter ending 30th September, 2008
 Financial Reporting for the third quarter ending 31st December, 2008
 Financial Reporting for the fourth quarter ending 31st March, 2009

Tentative time frame

31st July, 2008 (actual)
 Last Week of October, 2008
 Last Week of January, 2009
 Last Week of April, 2009

iii) Listing on Stock Exchanges

The equity shares of the Company are listed on the following Stock Exchanges:

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers
 Dalal Street, Mumbai - 400 023
 Tel No.: 022-22722066
 Fax No.: 022-22723121 / 22723719
 E-Mail: corp.relations@bseindia.com
 Website: www.bseindia.com

U.P. Stock Exchange Association Limited (UPSE)

Padam Towers, 14/113, Civil Lines,
 Kanpur- 208 001.
 Tel No.: 0512-2338115 / 2338079
 Fax No.: 0512-2338175 / 2338220
 E-Mail: upse@vsnl.in
 Website: www.upse-india.com

The company has paid the listing fees payable to BSE & UPSE for 2008-09.

iv) Stock Code

BSE: 523329

v) Market Price Data: High/ low of market price of the Company's equity shares traded on BSE during the last financial year were as follows:

Month	High	Low	Volume	Month	High	Low	Volume
Apr 2007	242.80	188.00	80611	Oct 2007	275.00	176.10	169617
May 2007	227.50	195.00	53285	Nov 2007	242.00	180.00	105185
Jun 2007	213.00	170.00	26858	Dec 2007	336.80	199.20	384733
Jul 2007	236.10	180.00	66617	Jan 2008	397.00	160.00	504012
Aug 2007	197.00	157.30	36631	Feb 2008	242.40	183.00	49437
Sept 2007	230.00	168.00	71852	Mar 2008	193.95	110.00	72371

Source: www.bseindia.com

There was no quotation available of the Company's scrip on the UPSE.

vi) Registrar and Transfer Agents

Skyline Financial Services Private Limited is the Registrar and Share Transfer Agent for the shares of the Company in both physical as well as electronic modes. Securities lodged for transfer at the Registrar's address or at the Company's Registered Office, are normally processed within 30 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Senior Executives of the Company are empowered to approve transfer of shares and debentures and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 30 days.

Members are requested to correspond with the Company's Registrar and Transfer Agents M/s Skyline Financial Services Private Limited quoting their folio no. at the following address:

M/s Skyline Financial Services Private Limited,

246, First Floor, Panth Nagar,

East of Kailash,

New Delhi 110065

Tel- 011-26292682

vii) Secretarial Audit

- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company.
- A qualified practicing Company Secretary carried out a Secretcharter BI Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

viii) Shareholding Pattern

Shareholding Pattern of the Company as on 31st March, 2008 is given below:-

Category	No. of Shares	%
Promoters		
a) Individuals	1,12,9600	57.44
b) Bodies Corporate	10,000	00.51
Public Shareholding (Non Institution)		
a) Bodies Corporate	1,10,709	05.63
b) Individuals	7,12,130	36.21
c) NRI/OCB's	2,523	00.13
d) Clearing Member/ House	1,638	00.08
Total	19,66,600	100.00

ix) Distribution of Shareholding

Distribution of Shareholding of the Company as on 31st March, 2008 is as following:

Range of Shares	Shareholders' Numbers	% to Total Number	Shares in Rs.				%age
			Physical	NSDL	CDSL	Total	
Up to 5,000	2855	91.68	1,43,059	1,65,200	69,984	37,82,430	19.23
5,001 -10,000	147	04.72	44,939	64,889	13,945	12,37,730	06.29
10,001 - 20,000	58	1.86	13,100	49,811	23,408	8,63,190	04.39
20,001 -30,000	11	00.35	2,100	20,883	5,076	2,80,590	01.43
30,001 -40,000	4	00.13	0	14,256	0	1,42,560	00.72
40,001 -50,000	5	00.16	0	17,989	4,262	2,22,510	01.13
50,001 -1,00,000	18	00.58	42,000	67,257	23,495	13,27,520	06.75
1,00,001 & Above	16	00.51	4,88,300	6,78,647	14,000	118,09,470	60.05
TOTAL	3114	100.00	7,33,498	10,78,932	1,54,170	1,96,66,000	100.00

x) Dematerialization of Shares

The shares of the Company are in dematerialized segment and are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March 2008 about 62.70% (previous year 28.10%) of the Company's equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.

xi) There are no outstanding GDRs/ ADRs/ Warrants or any Convertible other Instruments as on the date.

xii) Address for Correspondence: The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

First Floor, Pragati Kendra, Kapoorthala Complex, Aliganj

Lucknow- 226024

Phone: 0522-2328 396, 2326 298

Fax No. 0522-2371029

e-mail: shareholdercomplaint@eldecohousing.co.in

12. NON-MANDATORY REQUIREMENTS

The Company proposes to adopt the non-mandatory requirements given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Eldeco Housing & Industries Ltd

We have examined the compliance of conditions of Corporate Governance by **ELDECO HOUSING & INDUSTRIES LTD**, for the year ended on 31st March, 2008, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We have to state that, no investor grievance is pending for a period exceeding one month against the Company as per the information furnished by the Company's Registrars, other than those which are a subject matter of litigation.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **R&D**
Company Secretaries

Praveen K Bharti
Partner
CP: 7048

Date: 12th August, 2008
Place: New Delhi

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** (hereinafter referred to as “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, 2008. 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, 2008:

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 thereunder 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 thereunder save as mentioned in the aforesaid “Annexure: B”.
3. The Company is a public limited listed company.
4. The Board of Directors duly met 10 (ten) times on 30th April, 2007; 5th May, 2007; 5th June, 2007; 31st July, 2007; 22nd August, 2007; 29th September, 2007; 31st October, 2007; 22nd December, 2007; 31st January, 2008 and 29th February, 2008 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 25th September, 2007 to 29th September, 2007 (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, 2007 was held on 29th September, 2007 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 4th October, 2007, 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 2006-2007' with effect from 29th October, 2007 for balance amount remained unclaimed/unpaid.
- d. The Company has transferred the amount in unpaid dividend account for the financial year 1999-00, which has remained unclaimed or unpaid 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. Appointment/ re-appointment of directors have been duly made.

15. Mr Pankaj Bajaj is the Managing Director of the Company. Mr. S. K. Garg is the Executive Chairman and Mr Shrikant Jajodia is the Whole Time Director of the Company. There has been no appointment/ re-appointment of managing or whole time director of the Company during the year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company did not obtain any 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 thereunder.
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, right 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 15th September, 2007. The Company has also filed Return of Deposits with the ROC on 30th June 2007.
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 : 12th August, 2008
Place: New Delhi

ELDECO HOUSING AND INDUSTRIES LTD (MARCH 31ST, 2008)

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

ELDECO HOUSING AND INDUSTRIES LTD (MARCH 31ST, 2008)

ANNEXURE: B

Forms And Returns filed with the Registrar of Companies , Uttar Pradesh and Uttranchal at Kanpur

Sr. No	Particulars of Forms & Returns Filed	Date of Filing	Whether filed within prescribed time	Additional Fees Paid
1	Form 32 for Appointment of Ms. Sonal Srivastava as Company Secretary of the Company w.e.f 01.05.2007	29/05/2007	Yes	NA
2	Form 32 for Appointment of Mr. Ranjit Khattar and Mr. Ashish Jain as Additional Directors of the Company and Resignation of Mr Om Prakash Bajaj from the Directorship of the Company w.e.f 29th February, 2008	28/03/2008	Yes	NA
3	Form 62 for Annual Return of Fixed Deposit in Form prescribed under rule 10 of Companies (Acceptance of Deposits Rules) 1975	30/06/2007	Yes	NA
4	Form 62 for Advertisement for Acceptance of Deposits u/s 58 A of the Act	15/09/2007	Yes	NA
5	Form 17 for satisfaction of charge w.e.f 31st August, 2007 created in favour of HDFC Limited	28/09/2007	Yes	NA
6	Form No 1 for Credit to IEPF Fund of unpaid dividend for the year 1999-00	23/01/2008	Yes	NA
7	Form 23AC and Form 23ACA for Annual Accounts u/s 220 for the year ended 31.03.2007.	27/10/2007	Yes	NA
8	Form 66 for Compliance Certificate u/s 383 A for the year ended 31.03.2007	27/10/2007	Yes	NA
9	Form 20B for Annual Return u/s 159 made up to 29th September, 2007, being the date of of AGM.	28/11/2007	Yes	NA

B. Forms & Returns filed with the Regional Director, Central Government or other authorities

Nil

CONSOLIDATED AUDITORS' REPORT

**TO
THE MEMBERS OF,
ELDECO HOUSING AND INDUSTRIES LIMITED**

1. We have audited the attached Consolidated Balance Sheet of **Eldeco Housing and Industries Limited, as at 31st March 2008**, its Subsidiaries (collectively referred to as "Eldeco Group") the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of nine subsidiaries (Dua Constructions Private Limited, Aadesh Constructions Private Limited, Garv Constructions Private Limited, Mahal Constructions Private Limited, Milaap Constructions Private Limited, Samarpit Constructions Private Limited, Suniyojit Constructions Private Limited, Utsav Constructions Private Limited, Halwasiya Agro Industries Private Limited) of Eldeco Housing & Industries Limited which reflects total assets of Rs. 666.23 lacs, total liabilities of Rs.519.69 lacs as at 31st March 2008 (Nil as at 31st March 2007) and total revenues of Rs.(0.12) lacs (Nil as at 31st March 2007) and cash flows amounting to Rs.29.19 lacs (Nil as at 31st March 2007) and have been considered for the purpose of preparation of these consolidated financial statements. The financial statements and other financial information of the above subsidiaries have been audited by other auditors whose report have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.
4. The consolidated financial statements have been prepared by Eldeco Housing & Industries Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements on the basis of the separate audited financial statements of Eldeco Housing & Industries Limited, and its subsidiaries in the consolidated financial statements.
5. In our opinion and to the best of our information and according to the explanations given to us and based on the consolidation of separate audit reports on individual financial statements of Eldeco Housing & Industries Limited, its subsidiaries, the consolidated financial statements Eldeco Housing & Industries Limited, its subsidiaries, give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - (a) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of Eldeco Group as at 31st March, 2008;
 - (b) in the case of the Consolidated Profit and Loss Account, of the Profit of the Eldeco Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Eldeco Group for the year ended on that date.

**FOR DOOGAR & ASSOCIATES
Chartered Accountants**

**(CA. UDIT BANSAL)
Partner
M. No. 401642**

Place: Lucknow
Dated: 12th August, 2008

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	SCHEDULES	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS FUNDS:			
a. Share Capital	1	19666000.00	19666000.00
b. Reserves and Surplus	2	293255659.11	214690214.82
TOTAL		312921659.11	234356214.82
2. MINORITY INTEREST			
		6534.80	0.00
3. LOAN FUNDS :			
a. Secured Loans	3	52728312.30	122660354.95
b. Unsecured Loans	4	13810000.00	15060000.00
TOTAL		66538312.30	137720354.95
4. DEFERRED TAX LIABILITIES (NET)			
		1472308.00	2158134.00
TOTAL FUNDS EMPLOYED		380938814.21	374234703.77
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS:			
a. Gross Block	5	64945295.43	34516449.43
b. Less : Depreciation		21430420.07	19801951.10
c. Net Block		43514875.36	14714498.33
2. GOODWILL ON CONSOLIDATION			
		163237.00	0.00
3. INVESTMENTS:			
	6	117922970.00	91962460.00
4. CURRENT ASSETS, LOANS & ADVANCES:			
a. Inventories		205167053.42	161012398.95
b. Sundry Debtors		22027914.00	1448906.00
c. Projects in Progress		192444165.94	212223157.64
d. Cash and Bank Balances		372707801.42	267335810.19
e. Loans and Advances		223352561.89	331175970.87
TOTAL		1015699496.67	973196243.65
Less : CURRENT LIABILITIES AND PROVISIONS			
a. Current Liabilities	8	746487092.82	650998482.54
b. Provisions		50022376.00	54640015.67
TOTAL		796509468.82	705638498.21

NET CURRENT ASSETS :	219190027.85	267557745.44
	-----	-----
TOTAL	380627873.21	374234703.77
	-----	-----
MISCELLANEOUS EXPENDITURE	147704.00	0.00
(To the extent not written off or adjusted)		
	-----	-----
	380938814.21	374234703.77
	-----	-----
Significant Accounting Policies and Notes to Accounts	15	

AUDITORS REPORT

As per our Report of even date attached

For and on Behalf of the Board

**For DOOGAR & ASSOCIATES,
Chartered Accountants**

**S. K. GARG
(Chairman & Executive Director)**

**PANKAJ BAJAJ
(Managing Director)**

**CA. UDIT BANSAL
(Partner)
M. NO. - 401642**

**SONAL SRIVASTAVA
(Company Secretary)**

Place : Lucknow
Dated : 12th August 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR 31ST MARCH, 2008

PARTICULARS	SCHEDULE	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
INCOME :			
a. Value of Work Done	9	449052500.82	410417728.95
b. Other Income	10	36230059.04	28835286.90
c. Increase/decrease in Stocks	11	9275857.87	-3255919.54
		-----	-----
TOTAL		494558417.73	435997096.31
		-----	-----
EXPENDITURE :			
d. Cost of Construction	12	334026641.63	318992187.44
e. Administrative and Selling Expenses	13	38990505.09	42091415.46
f. Financial Charges	14	12391834.03	15359748.89
g. Depreciation		1692461.00	1549507.15
		-----	-----
TOTAL		387101441.75	377992858.94
		-----	-----
PROFIT BEFORE TAXES :		107456975.98	58004237.37
 h. Less: Provision for Taxation			
i. Current Tax	18,806,000.00		
ii. Deferred Tax	79,963.00		
iii. Wealth Tax	8,300.00		
iv. Fringe Benefit Tax	<u>377,000.00</u>	19271263.00	15530826.00
PROFIT AFTER TAX :		88185712.98	42473411.37
i. Balance brought forward from last year		169163547.11	131533070.07
Less: Income Tax Adjustments related to Previous Years		5832267.89	457889.67
Less: Minority Adjustment		19.20	0.00
Less: Adjustment of gratuity liability on adoption of Revised AS-15 net of deferred Rs. 765789.00 (Refer note no.9 of schedule 15)		1487196.00	0.00
j. PROFIT AVAILABLE FOR APPROPRIATION		250029815.40	174464371.11
APPROPRIATIONS :			
k. Transferred to General Reserve		3000000.00	3000000.00
l. Proposed Dividend		1966600.00	1966600.00
m. Tax on Proposed Dividend		334224.00	334224.00

BALANCE CARRIED TO BALANCE SHEET :	244728991.40	169163547.11
Basic and Diluted Earning per Share of face value of Rs. 10 each (Refer Note no. 14 of Schedule 15)	44.84	21.60
Significant Accounting Policies and Notes to Accounts	15	

AUDITORS REPORT

As per our Report attached

For and on Behalf of the Board

For **DOOGAR & ASSOCIATES,**
Chartered Accountants

S. K. GARG
(Chairman & Executive Director)

PANKAJ BAJAJ
(Managing Director)

CA. UDIT BANSAL
(Partner)
M. NO. - 401642

SONAL SRIVASTAVA
(Company Secretary)

Place : Lucknow
Dated : 12th August 2008

**CONSOLIDATED SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2008**

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
SCHEDULE - 1 SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of Rs. 10/- each	10000000.00	10000000.00
ISSUED, SUBSCRIBED AND PAID UP		
19,66,600 Equity Shares of Rs. 10/- each fully paid up.	19666000.00	19666000.00
TOTAL	19666000.00	19666000.00
SCHEDULE - 2 RESERVES AND SURPLUS		
(i) CAPITAL RESERVE:		
As per last Balance Sheet	133600.00	133600.00
(ii) GENERAL RESERVE:		
As per last Balance Sheet	45393067.71	42393067.71
Add: Transferred from Profit and Loss Account	3000000.00	3000000.00
	48393067.71	45393067.71
(iii) SURPLUS AS PER PROFIT AND LOSS ACCOUNT		
	244728991.40	169163547.11
TOTAL	293255659.11	214690214.82
SCHEDULE - 3 SECURED LOANS:		
A. TERM LOAN :		
HDFC LIMITED, LUCKNOW	40000000.00	55000000.00
B. IMMOVABLE PROPERTY OVERDRAFT FACILITY :		
PUNJAB NATIONAL BANK, AGRA	8121032.35	0.00
C. OVERDRAFT FACILITY :		
CITY CO-OPERATIVE BANK, LUCKNOW	4607279.95	4607279.95
D. LOAN AGAINST FIXED DEPOSIT:		
INDIAN MERCANTILE CO- OPERATIVE BANK, LUCKNOW	0.00	63053075.00
TOTAL	52728312.30	122660354.95
A. TERM LOAN FROM HDFC LTD., LUCKNOW		

NOTES

- 1 Mortgage of Property financed
- 2 Extension of Mortgage of vacant land admeasuring 16,875 sq. ft. at Ajanta Bagh, Rajpur, Agra
- 3 Extension of Mortgage of vacant land admeasuring 57,264 sq. ft. area at Udyan at Ravikhand, Lucknow.
- 4 Mortgage of extension of vacant land admeasuring 1,34,865 sq. ft. area at Udyan at Ravikhand, Lucknow.
- 5 Personal guarantee of Mr. S.K.Garg, Executive Chairman.

Further Term Loan is secured by:

- 1 Mortgage on project land situated on Khasra No. 13(part) & 14 of village Adil Nagar, Pargana Tehsil & Distt. Lucknow and land situated at Khasra No. 291(part) of village Sikandpur Inayat Ali & 216(part) 217 & 218(part) of village Akilpur Pargana Tehsil and district Lucknow.
- 2 Extension of Mortgage of vacant land admeasuring 16,875 sq. ft. at Ajanta Bagh, Rajpur, Agra
- 3 Extension of Mortgage of vacant land admeasuring 57,264 sq. ft. area at Udyan at Ravikhand, Lucknow.
- 4 Mortgage of extension of vacant land admeasuring 1,34,865 sq. ft. area at Udyan at Ravikhand, Lucknow.
- 5 Personal guarantee of Mr. Pankaj Bajaj, Managing Director.

B. IMMOVABLE PROPERTY OVER DRAFT FACILITY FROM PUNJAB NATIONAL BANK, AGRA

- a. Equitable mortgage of -
 - i. Residential and commercial plot sold by LDA. Lucknow in Sharda Nagar Yojna/ Udyan II Raksha Khand at Lucknow measuring 6970.54 sq. mts. Covered in 4 title deeds.
 - ii. Plot no G-1, Group Housing Udyan II. Raksha Khand, Sharda Nagar Scheme, Rai Bareilly Road, Lucknow msg. 2835.50 sq.mts.
 - iii. Plot no G-5, Group Housing Udyan II. Raksha Khand, Sharda Nagar Scheme, Rai Bareilly Road, Lucknow msg. 2107.97 sq.mts.
 - iv. Plot no G-14, Group Housing Udyan II. Raksha Khand, Sharda Nagar Scheme, Rai Bareilly Road, Lucknow msg. 1864.70 sq.mts.
 - v. Plot measuring 3000 sq. mts. Sold by Lucknow Development Authority, Lucknow for Nursing Home Construction in Sharda Nagar Yojna/ Udyan II Raksha Khand at Lucknow, of Eldeco Constructions (P) Ltd.
 - vi. Residential and commercial property sold by LDA. Lucknow in Sharda Nagar Yojna/ Udyan II Raksha Khand at Lucknow measuring 6970.54 sq. mts. Covered in 4 title deeds, of Eldeco Constructions (P) Ltd.
- b. Further Secured by personal guarantee of Directors and Associate Companies

C. OVERDRAFT FACILITY FROM CITY CO-OPERATIVE BANK, LUCKNOW

In overdraft account secured against lien on bank Fixed Deposits and personal guarantee of Managing Director/Directors

D. LOAN AGAINST FIXED DEPOSIT

Secured against Fixed Deposit of Rs. 700 Lacs

SCHEDULE - 4 UNSECURED LOANS:

Fixed Deposits (Repayable within one year Rs. 92.40 Lacs (Previous Year Rs. 102.40 Lacs))	13810000.00	15060000.00
TOTAL	13810000.00	15060000.00

SCHEDULE 5 - FIXED ASSETS:

S. NO.	PARTICULARS	<---- GROSS BLOCK ---->				<---- DEPRECIATION ---->				<-- NET BLOCK -->	
		AS AT 01/04/2007	ADDITIONS DURING THE YEAR	SALES/ADJ DURING THE YEAR	AS AT 31/03/2008	UPTO 01/04/2007	FOR THE PERIOD ENDED 31/03/2008	SALES/ADJ DURING THE YEAR	TOTAL UPTO 31/03/2008	WD.V AS AT 31/03/2008	WD.V AS AT 31/03/2007
1	OFFICE PREMISES	4725583.55	28122608.00	0.00	32848191.55	806527.61	78,283.00	0.00	884810.61	31963380.94	3919055.94
2	CONSTRUCTION MACHINERY	12570834.17	315000.00	0.00	12885834.17	9566025.85	608,757.00	0.00	10174782.85	2711051.32	3004808.32
3	FURNITURE AND FIXTURE	6390008.09	179086.00	86050.00	6483044.09	3395987.66	421,186.00	41510.03	3775663.63	2707380.46	2994020.43
4	OFFICE EQUIPMENT	4120670.24	422915.00	0.00	4543585.24	1486331.43	221,307.00	0.00	1707638.43	2835946.81	2634338.81
5	VEHICLES	4737862.38	1376767.00	1080008.00	5034621.38	3696097.92	549,093.00	631239.00	3613951.92	1420669.46	1041764.46
6	COMPUTERS	1840907.00	330555.00	0.00	2171462.00	828881.75	336,895.00	0.00	1165776.75	1005685.25	1012025.25
7	COMPUTER SOFTWARE	130584.00	420956.00	0.00	551540.00	22098.88	77,528.00	0.00	99626.88	451913.12	108485.12
8	GENERATOR	0.00	427017.00	0.00	427017.00	0.00	8,169.00	0.00	8169.00	418848.00	0.00
	TOTAL	34516449.43	31594904.00	1166058.00	64945295.43	19801951.10	2301218.00	672749.03	21430420.07	43514875.36	14714498.33
	PREVIOUS YEAR FIGURES	38493107.70	1041662.00	5018320.27	34516449.43	18908971.91	2,146,622.15	1253642.96	19801951.10	14714498.33	19584135.79

SCHEDULE - 6 INVESTMENTS (LONG TERM unless otherwise stated)

(valued at lower of cost or market value)

QUOTED (NON TRADE INVESTMENT)

200 Equity Shares of Rs 10/- each in CRB Corporation Limited fully paid up (Market Value Not Available)	400.00	400.00
---	--------	--------

QUOTED (TRADE INVESTMENT)

11500 Equity Shares of Rs. 10.00 each in Union Bank of India Ltd.,fully paid up (M.V. Rs. 141 per share)	184000.00	184000.00
--	-----------	-----------

2400 Equity Shares of Rs. 10.00 each & 94 Equity Shares of Rs. 390.00 each in Punjab National Bank Ltd. fully paid up (M.V. Rs. 522.70 per share)	111060.00	111060.00
--	-----------	-----------

UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost

5000 Equity Shares of Rs.25.00 fully paid up in Indian Mercantile Co-operative Bank Limited	125000.00	125000.00
--	-----------	-----------

17500 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 250/- each in MAK Sales Pvt.Ltd.	4550000.00	0.00
---	------------	------

OTHERS

UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost

420 Equity Shares of Rs 100/- each fully paid up in Lucknow Cement Craft Pvt. Ltd.	42000.00	42000.00
---	----------	----------

3431250 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Eldeco City (P) Ltd. and 802894 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Eldeco City (P) Ltd.	84682880.00	68625000.00
---	-------------	-------------

2287500 10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each fully paid in Eldeco City (P) Ltd. and 535263 10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each fully paid in Eldeco City (P) Ltd.	28227630.00	22875000.00
---	-------------	-------------

TOTAL

	117922970.00	91962460.00
--	--------------	-------------

SCHEDULE - 7 CURRENT ASSETS, LOANS AND ADVANCES

CURRENT ASSETS:

a. INVENTORIES:

(Taken as valued and certified by the
Management at lower of cost or market value)

Land, Building Materials and Stores	184949124.97	150070328.37
Unsold Plots, Shops, Flats etc.,	20217928.45	10942070.58
TOTAL	205167053.42	161012398.95

b. SUNDRY DEBTORS:
(Unsecured, considered good)

Exceeding six months	1227687.00	80000.00
Other Debts	20800227.00	1368906.00
TOTAL	22027914.00	1448906.00

c. PROJECTS IN PROGRESS:

1) ON WHICH REVENUE IS RECOGNISED

Cost of land, Materials, Stores Consumed etc., amount paid to contractors, site overheads etc., Estimated Profits to be Capitalised	1987263534.31	1857110052.32
	654692848.63	591214557.80
	2641956382.94	2448324610.12
Less: Advances received	2586819383.28	2559670293.19
SUB TOTAL	55136999.66	-111345683.07

2) ON WHICH REVENUE IS NOT RECOGNISED

Cost of land, Materials, Stores Consumed, amount paid to contractors, direct overheads etc.,	560058183.12	323568840.71
	560058183.12	323568840.71
Less: Advances received	422751016.84	0.00
SUB TOTAL	137307166.28	323568840.71
TOTAL	192444165.94	212223157.64

d. CASH AND BANK BALANCES:

a. CASH ON HAND (Including Stamps in hand of Rs.18.85 Lacs)	7259406.01	13365832.01
---	------------	-------------

b. WITH SCHEDULED BANKS:

i) IN CURRENT ACCOUNT

a. Unclaimed/Unpaid Dividend Account	747783.27	770726.27
b. Other Short Term Deposit Accounts	29803608.06	26131074.66
c. Cheques in hand	10241996.00	3236869.00

ii) IN FIXED DEPOSITS ACCOUNTS	312654772.76	218202925.70
(Rs.330.00 lacs pledged as margin Money against Bank Guarantees)		
iii) Interest accrued and due on Fixed Deposits	12000235.32	5628382.55
TOTAL	372707801.42	267335810.19
 e. LOANS AND ADVANCES: (Unsecured, considered good unless otherwise stated)		
 A. LOANS		
Loans to Staff	14600.00	168600.00
 B. ADVANCES		
i. Advance recoverable in cash or in kind or for value to be received	33407599.59	39596783.89
ii. Advances to associated concerns against immovable property	65801423.00	115535495.27
(Eldeco Townships & Housing Limited Max Outstanding - Rs.39788649.00) (Eldeco Infrastructure & Properties Ltd. Max Outstanding - Rs. 26012774.00)		
iii. Other advances against project	44188272.00	89449007.63
iv. Advance Income Tax/Tax deducted at Source	55202344.80	63050761.58
v. Advance Fringe Benefit Tax	721850.00	360850.00
vi. Advance Service Tax under Protest	7740316.00	7740316.00
vii. Other Deposits	16276156.50	15274156.50
TOTAL	223352561.89	331175970.87

SCHEDULE - 8 CURRENT LIABILITIES AND PROVISIONS:

A. CURRENT LIABILITIES:

a. Sundry Creditors		
i. Due to small scale industrial undertakings (Refer Note No. 8 of Schedule 15)	0.00	0.00
ii. Other Sundry Creditors	134726209.57	51764543.54

b. Amount to be credited to Investor and Protection Fund as and when due U/S 205C of Companies Act, 1956 :		
i. Unclaimed Dividend	746304.00	769198.00
ii. Unclaimed Matured Deposits	840000.00	675000.00
c. Bank (Book Overdraft)	0.00	219603.01
d. Advances from customers	548296856.88	560079184.88
e. Security Deposits/Retention Money	39125823.97	31729140.36
f. Due to Directors (maximum outstanding Rs. 864751.36 previous year Rs.691751.26)	829001.26	341751.26
g. Other Liabilities	20151565.00	3233225.00
h. Interest Accrued on FDRs but not due	1771332.14	2186836.49
	-----	-----
TOTAL	746487092.82	650998482.54
	-----	-----

B. PROVISIONS:

a. Provision for Income Tax	44297000.00	51191000.00
b. Provision for Fringe Benefit Tax	687000.00	310000.00
c. Proposed Dividend	1966600.00	1966600.00
d. Tax on Proposed Dividend	334224.00	334224.00
e. Provision for Wealth Tax	8300.00	129400.00
f. Provision for Leave Encashment	412052.00	708791.67
g. Provision for Gratuity	2317200.00	0.00
	-----	-----
TOTAL	50022376.00	54640015.67
	-----	-----

**CONSOLIDATED SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS
A/C FOR THE YEAR ENDED 31ST MARCH, 2008**

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
SCHEDULE - 9 SALES & VALUE OF WORK DONE :		
Income from Real Estate Projects	449052500.82	410417728.95
	-----	-----
TOTAL VALUE OF WORK DONE	449052500.82	410417728.95
	-----	-----
SCHEDULE - 10 OTHER INCOME:		
Interest on Bank FDR (Gross)	20295704.37	10330302.19
(Tax Deducted at Source Rs. 3178958.53 Previous Year Rs. 1732672.96)		
Transfer Charges Received	1301135.00	1501970.00
Rent Received	10895155.00	7476169.00
Misc. Receipts	3162644.00	2730739.87
Interest from customers/parties	189402.00	118218.00
Profit on sale of Long Term Investments	0.00	365000.00
Profit on sale of Asset	33000.00	1635230.84
Dividend Receipts (Trade Investments)	37964.00	82440.00
Development Fees	0.00	4500000.00
Leave Encashment Liability written back	296739.00	0.00
Liabilities no longer required written back	18315.67	95217.00
	-----	-----
TOTAL OTHER INCOME	36230059.04	28835286.90
	-----	-----
SCHEDULE - 11 INCREASE/DECREASE IN STOCKS:		
STOCK AS ON 31.03.2008		
Residential flats and Commercial offices	20217928.45	10942070.58
Less : STOCK AS ON 01.04.2007		
Residential flats and Commercial offices	10942070.58	14197990.12
	-----	-----
TOTAL INCREASE/DECREASE IN STOCKS	9275857.87	-3255919.54
	-----	-----
SCHEDULE - 12 COST OF CONSTRUCTION ACCOUNT:		
Opening Balance of Projects in progress	370383010.71	50308004.57
Payments against Land	25800144.00	209595047.72
Expenses through Contractors	234502574.74	166294817.61
Materials/Stores consumed	186180671.14	126153342.10
Brokerage & Commission	2980571.00	6674397.35
Advertisement & Publicity	6538051.00	9391219.00

Salary, Wages & Other Benefits	6687497.00	5529381.00
Architects' Fees	5464760.00	9164303.00
Depreciation	608757.00	597115.00
Plant & Machinery Repairs	3937001.84	3394010.40
Maintenance of completed projects	1042439.33	2602860.51
Water & Electricity	1849979.00	909848.00
Plan Approval & External Devp.Fees	55382952.00	11558580.10
Other project expenses	7132056.99	40830241.79
	908490465.75	643003168.15
Less: - Misc Sales	1547581.00	442140.00
Construction Cost charged to Profit & Loss Account	334026641.63	318992187.44
	560058183.12	323568840.71

SCHEDULE - 13

13.1 PAYMENTS TO AND PROVISION FOR EMPLOYEES:

a. Salaries, Bonus, Gratuity and Allowances	10193062.00	7802317.51
b. Company's Contribution to Provident and Other funds.	1335349.00	1088486.00
c. Employees welfare and other ammenities.	3426486.00	3027912.80
	14954897.00	11918716.31
TOTAL PAYMENTS TO AND PROVISION FOR EMPLOYEES	14954897.00	11918716.31

13.2 ESTABLISHMENT EXPENSES:

a. Rent	5570886.00	5878167.00
b. Rates and Taxes	456478.00	422159.00
c. Insurance	96937.00	123961.00
d. Remuneration to Directors	2582160.00	2470774.00
e. Auditors Remuneration	386338.00	353556.00
f. Directors Sitting Fees	12000.00	24500.00
g. Postage, Telegram & Telephone	1554218.00	1344593.00
h. Travelling & Conveyance	2983199.80	2963002.33
i. Legal & Professional Charges	2640202.80	1556400.00
j. Printing & Stationery	804885.00	1096709.00
k. Repair & Maintenance	3272794.80	2787725.00
l. Fees	65826.76	561175.00
m. Donations	796904.00	4255105.00
n. Loss on sale of Assets	214308.97	298168.15
o. Misc Debits Written Off	80000.00	321200.00
p. Other establishment expenses	859546.00	866676.13
	22376685.13	25323870.61
TOTAL ESTABLISHMENT EXPENSES	22376685.13	25323870.61

13.3 SELLING EXPENSES:

a. Advertisement & Publicity	1011400.96	3338367.00
b. Sales Promotion & Discount	647522.00	1510461.54
	-----	-----
TOTAL SELLING EXPENSES	1658922.96	4848828.54
	-----	-----
TOTAL ADMINISTRATIVE & SELLING EXPENSES (1+2+3)	38990505.09	42091415.46

SCHEDULE - 14 FINANCIAL CHARGES:

a. Bank Interest and Commission	2096128.93	1169262.84
b. Interest on Secured Loans	5942437.00	4454866.82
c. Interest on Public Fixed Deposits & Other Interest	4353268.10	9735619.23
	-----	-----
TOTAL FINANCIAL CHARGES	12391834.03	15359748.89
	-----	-----

SCHEDULE - 15 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**i. Basis of Accounting**

The financial statements are prepared to comply in all material aspects with Indian Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

ii. Principles of consolidation

The consolidated financial statements relate to Eldeco Housing & Industries Ltd. ('the Parent') and its subsidiaries (collectively referred to as 'the Eldeco Group'). The consolidated financial statements have been prepared in accordance with the principles and procedures required for the preparation and presentation of financial statements as laid down under the Accounting Standards issued by the Institute of Chartered Accountants of India. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and transactions and resulting unrealized gain/losses.

Where the cost of the investment is higher/lower than the share of equity in the subsidiary at the time of acquisition the resulting difference is treated as goodwill/capital reserve.

The consolidated financial statements have been prepared using uniform accounting policies for transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

iii. Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

iv. Depreciation

Depreciation has been provided on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956 on pro-rata basis. Assets costing below Rs. 5000 are written off in the year of purchase.

v. Inventories

Inventories are valued as under:

Building Materials, Stores and Consumables are valued at lower of cost or net realizable value, where cost is determined on first in first out basis.

Land, Unsold Shops, Flats etc., are valued at lower of cost or net realizable value.

Project in Progress is valued at cost and consists of all direct expenditure incurred on projects under execution on which no income has been recognised in accordance with the percentage of completion method of accounting.

Tools, Implements and Wooden Shuttering Materials are written off in the year of purchase.

vi. Investments

Long term investments are stated at cost less permanent diminution, if any, in value of such investments.

vii. Revenue Recognition

a. The Company has followed the Percentage of Completion Method of Accounting. As per this method, the revenue in the Profit and Loss Account at the end of the accounting year is recognized in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company subject to actual cost being 30% or more of the total estimated cost. Expenses incurred on repairs and maintenance on completed projects is charged to profit and loss account.

b. The estimates relating to saleable area, sale value, estimated costs etc., are revised and updated periodically by the management and necessary adjustments are made in the current year's accounts.

c. Surrender of flats by buyers are valued at cost and accounted for as 'Cost of Construction'. When sold, proceeds are treated as 'Sales'.

d. Repair, maintenance and other costs incurred after the completion of the project are charged to the cost of construction in the year of incurrence.

viii. Turnover

The Management is consistent with the past practice in treating the value of work done as sales turnover. The value of work done has been arrived at after adding the estimated profits to the expenditure incurred on projects each year, subject to final accounting on the actual completion of the project, and is net of adjustments for losses and/or variations in turnover on final accounting of completed projects or revision of estimates.

ix. Retirement and Other Benefits

i. Provident Fund:

Contribution to Provident Fund is deposited in accordance with the provisions of Employees Provident Fund Act, 1952 and charged to Profit and Loss account.

ii. The Company is having Group Gratuity Scheme with Life Insurance Corporation of India. Provision for gratuity is made based on actuarial BI valuation in accordance with Revised AS-15. In accordance with transitional provision of revised AS-15, additional liability (net of tax) under new method as at 1st April, 2007 as compared to liability provided under pre-revised AS-15 is adjusted against the opening balance of profit & loss account.

iii. Provision for leave encashment in respect of unavailed leave standing to the credit of employees is made on actuarial BI basis in accordance with revised AS-15.

x. Accounting for taxes on income

The accounting treatment followed for taxes on income is to provide for current and deferred tax. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from the difference between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as on Balance Sheet date. The Deferred Tax is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

xi. Impairment of Assets

If the carrying amount of the fixed assets exceeds the recoverable amount on the reporting date the carrying amount is reduced to the recoverable amount. The recoverable amount is measured at the highest of the net selling price and the value in use determined by the present value of estimated future cash flow.

xii. Contingent Liabilities

Contingent liability, if any, is disclosed by way of notes on accounts. Provision is made in account in respect of those contingencies which are likely to materialize in to liabilities after the year end till the adoption of accounts by Board of Directors and which have material effect on the position stated in the balance sheet.

2. NOTES TO ACCOUNTS:

1. Previous Year's figures have been regrouped or rearranged wherever necessary to make them comparable.

2. AUDITORS' REMUNERATION:

	Current Year	Previous Year
(i) Audit Fees	2, 81,000.00	2, 75,000.00
(ii) Tax Audit Fee	25,000.00	25,000.00
(iii) Certification Charges	38,500.00	15000.00
(iv) Service Tax thereon	41,838.00	38,556.00
	-----	-----
TOTAL	3, 86,338.00	3, 53,556.00

3. DIRECTORS' REMUNERATION:

(i) Salaries	24, 00,000.00	22, 90,000.00
(ii) Perquisites	1, 82,160.00	1, 80,774.00
	-----	-----
TOTAL	25, 82,160.00	24, 70,774.00

PAYMENT TO NON EXECUTIVE DIRECTORS

(i) Sitting Fees	12,000.00	24,500.00
	-----	-----
TOTAL	12,000.00	24,500.00

4. Balance in various accounts included in sundry debtors, creditors and loans and advances are subject to confirmation from respective parties.
5. In the opinion of the management and to the best of their knowledge and belief the aggregate value of current assets including stocks, stores and loans and advances on realization in the ordinary course of business, will not be less than the amount at which these are stated in the Balance Sheet.
6. Determination of revenues in respect of real estate projects under the 'Percentage of Completion method' necessarily involves making estimates by management for projected revenues, projected profits, and costs to completion and foreseeable loss. These estimates being of a technical nature have been relied upon by auditors.
7. Loans and Advances includes payment to parties(including associates) for acquiring land for development of real estate projects, either on collaboration basis or self- development basis, for bulk booking, and for purchase of commercial space.

8. Micro, Small Scale Business Entities

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act has not been given.

9. EMPLOYEE BENEFIT

A. Gratuity

In accordance with the transitional provisions of Revised AS-15, additional liability (Net of tax) under new method as at 1st April 2007 as compared to liability provided in the pre revised AS-15 is adjusted against the opening balance of Profit & Loss account. The Company is having group gratuity scheme with LIC of India.

i) Adjustment made to liability as at 1st April, 2007 is as under:

Description	Amount (Rs. In lacs)
Present value of obligation as at 1 st April, 2007 (as per revised AS-15)	35.07
Fair value of planned assets as at 1 st April, 2007	(12.54)
Net Liability as per revised AS-15	22.53
Liability recorded under pre revised AS-15	0.00
Additional Liability	22.53
Less: Deferred tax impact	7.66
Net amount adjusted against opening balance of profit & loss account	14.87

ii) Amount recognized in Profit & Loss account is as under:

Description	Amount (Rs. in lacs)
Current service cost	3.10
Interest cost	3.09
Expected return on planned assets	(1.02)
Net actucharter BI (gain)/loss recognized during the year	(0.12)
Total	5.05

iii) Movement in the liability recognized in Balance Sheet is as under:

Description	Amount (Rs. in lacs)
Present value of obligation at the beginning of the year	35.07

Current service cost	3.10
Interest cost	3.09
Benefit paid	(2.45)
Actucharter BI (gain) / loss on obligation	(0.12)
Present value of obligation as at the end of year	38.69

iv) Net assets / liability recognized in Balance Sheet as at 31st March, 2008

Description	Amount (Rs. in lacs)
Present value of obligation as at 31 st March, 2008	38.69
Fair value of plan assets as at 31 st March, 2008	15.52
(Assets)/Liabilities recognized in the Balance Sheet	(23.17)

v) Changes in fair value of plan assets

Description	Amount (Rs. in lacs)
Fair value of plan assets at the beginning of the period	12.54
Expected return on plan assets	1.02
Contribution	4.41
Benefit Paid	(2.45)
Actucharter BI gain\ (loss) on plan assets	0.00
Fair value of plan assets at the end of the period	15.52

For determination of gratuity liability of the Company the following actucharter BI assumption were used.

Discount rate	8.00%
Future salary increase	6.00%
Expected rate of return on planned assets	9.15%
Method used	Projected unit credit actucharter BI method

B. Leave Encashment

Provision for leave encashment in respect of unavailed leaves standing to the credit of employees is made on actucharter BI basis. The Company does not maintain any fund to pay for leave encashment.

i) Adjustment made to liability as at 1st April, 2007 is as under:

Description	Amount (Rs. in lacs)
Present value of obligation as at 1 st April, 2007 (as per revised AS-15)	7.09
Liability recorded under pre revised AS-15	7.09
Adjustment made to liability as at the beginning of the year	Nil

ii) Amount recognized in Profit & Loss account is as under:-

Description	Amount (Rs. in lacs)
Current service cost	0.34
Interest cost	0.57
Benefits Paid	(1.12)
Net actucharter BI (gain)/loss recognized during the year	(2.76)
Recognized in Profit & Loss account	2.97

iii) Amount recognized in the Balance Sheet as at 31st March, 2008

Description	Amount (Rs. In lacs)
Present value of obligation as at 31 st March, 2008	4.12

iv) Movement in the liability recognized in Balance Sheet is as under:

Description	Amount (Rs. in lacs)
Present value of obligation at the beginning of the year	7.09
Interest cost	0.57
Current service cost	0.34
Benefits Paid	(1.12)
Actuarial BI (gain)/loss on obligation	(2.76)
Present value of obligation at the end of the year	4.12

For determination of liability in respect of leave encashment, the Company has used the following actuarial BI assumption.

Discount rate	8.00%
Future salary increase	6.00%
Actuarial BI method used	Projected unit credit actuarial BI method

C. Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Misc. Provision Act, 1952. This is post employment benefit and is in the nature of defined contribution plan.

10. Principal of consolidation

The financial statements of the following subsidiaries have been consolidated as per the Accounting Standard 21 on 'Consolidated Financial Statements'.

S.No.	Name of Subsidiary	Year ended March 31, 2008	Year ended March 31, 2007
		(% of share holding)	
1	Dua Constructions Private Limited	99.99	-
2	Aadesh Constructions Private Limited	99.99	-
3	Garv Constructions Private Limited	99.99	-
4	Mahal Constructions Private Limited	99.99	-
5	Milaap Constructions Private Limited	99.99	-
6	Samarjit Constructions Private Limited	99.99	-
7	Suniyojit Constructions Private Limited	99.99	-
8	Utsav Constructions Private Limited	99.99	-
9	Halwasiya Agro Industries Private Limited	99.94	-

11. SEGMENT REPORTING:

The Company has only one segment of real estate development and building construction and accordingly the disclosure requirements as prescribed in the "Accounting Standard (AS)-17 on Segment Reporting" are not applicable.

12. DEFERRED TAX LIABILITY (NET)

The deferred tax liability as per AS-22 - Accounting for Taxes on Income is as under:

(Rs.in Lacs)

	Deferred Tax Asset/ (Liability) as on 01.04.2007	Current Year (Charge)/Credit	Deferred Tax Asset/ (Liability) as on 31.03.2008
Deferred Tax Liability: On account of timing difference between Depreciation as per Income Tax Act, 1961 and Companies Act, 1956.	2158134.00	90282.00	2248416.00
Deferred Tax Asset: On initial recognition of liability on account of Gratuity & Leave encashment	(765789.00)	(10319.00)	(776108.00)
TOTAL	1392345.00	79963.00	1472308.00

The deferred tax charge for the year amounting to Rs.79963.00 has been debited to profit and loss account.

13. RELATED PARTY DISCLOSURE:

Details of disclosure as required by “Accounting standard (AS) - 18 on Related Party Disclosures” are as under:-

A. Names of related parties and description of relationship:

1. Associates & Joint Ventures

S.K Garg Constructions Pvt. Ltd (Previously known as Eldeco Constructions Private Limited)
 Lucknow Cement Crafts Private Limited
 EcodeI Projects Private Limited
 Eldeco Infrastructure & Properties Limited
 Surya Season Foods Private Limited
 Eldeco Townships & Housing Limited
 Reliable Securities Private Limited
 Eldeco City Private Limited
 S.K.Garg (HUF)

2. Key Management Personnel

Shri Shiv Kumar Garg	Executive Chairman
Shri Pankaj Bajaj	Managing Director
Shri Srikant Jajodia	Whole Time Director
Shri O.P Bajaj*	Non Executive Director
Shri N.K. Sharma	Non Executive Director
Shri L.N. Sharma	Non Executive Director
Shri J.P Bhargava	Non Executive Director
Shri Arvind Bajaj	Non Executive Director

*Resigned from Directorship on 29-2-2008

3. Relatives of Key Management Personnel

Asha Bajaj
W/o Shri O. P. Bajaj, Director

Varija Bajaj
D/o Shri O. P. Bajaj, Director

B. The following transactions were carried out with the related parties in the ordinary course of business:

Transactions	Key Management Personnel	Associates, JV & Subsidiary	Relatives of Key Management Personnel	Total
Remuneration	24,00,000.00 (22,90,000.00)			24,00,000.00 (22,90,000.00)
Perquisites	182160.00 (180774.00)			182160.00 (180774.00)
Rent Paid			552312.00 (1377883.00)	552312.00 (1377883.00)
Dividend Paid	954321.00 (19300.00)	1000.00 (1000.00)	63400.00 (224348.00)	1017721.00 (244648.00)
Sitting Fees	12000.00 (24500.00)			12000.00 (24500.00)
Interest Paid		NIL (297132.00)		NIL (297132.00)
Loan Repaid		NIL (5177991.00)		NIL (5177991.00)
Advance Against Bulk Booking		8508650.00 (2800000.00)		8508650.00 (2800000.00)
Investment in Shares		21410510.00 (91698600.00)		21410510.00 (91698600.00)
Sale of Investments		NIL (663600.00)		NIL (663600.00)
Purchase of Fixed Assets		16811428.00 NIL		16811428.00 NIL
Profit on Bulk Booking		NIL (4988130.00)		NIL (4988130.00)
Development Fees Received		NIL (4500000.00)		NIL (4500000.00)
Buy Back Of Units	NIL (2800000.00)		NIL (700000.00)	NIL (3500000.00)
Advance against Construction contract	NIL (NIL)	32007548.77 (NIL)	NIL (NIL)	32007548.77 (NIL)
Balances Outstanding as at 31.03.2008				
Creditors/Payable	829001.26	4061315.23	51216.00	4941532.49
Debtors/Receivable		72292117.00		72292117.00

* Figures in brackets denote previous year figures.

14. EARNING PER SHARE:

The calculation of earning per share (EPS) as disclosed in the Balance Sheet -abstract has been made in accordance with the Accounting Standard (AS)-20.

	Year ended March 31, 2008	Year ended March 31, 2007
Profit after taxation and extra ordinary item	88185712.98	42473411.37
Total No. of equity shares outstanding	1966600	1966600
Basic/Diluted earning per share (Face value-Rs.10.00 per share)	44.84	21.60

15. Information pursuant to Part-II of Schedule VI to the Companies Act, 1956.

	Current Year		Previous Year	
	Quantity	Value	Quantity	Value
OPENING STOCK:				
Bricks (Nos)	51213	85525.71	93925	161567.00
Cement (Bags)	3184	640215.00	3427	576194.00
Steel (MT)	35.76	989419.61	44.47	1195542.00
Other Materials		10186630.52		5664504.85
		-----		-----
		11901790.84		7597807.85
		-----		-----
PURCHASES:				
Bricks (Nos)	19824	32798.00	373591	623738.89
Cement (Bags)	73989	15235880.00	71900	13515526.10
Steel (MT)	2761.62	83286047.54	939.46	20488398.53
Other Materials		88836389.20		95829661.57
		-----		-----
		187391114.74		130457325.09
		-----		-----
CONSUMPTION:				
Bricks (Nos)	67944	113003.75	416303	699780.18
Cement (Bags)	74419	15327856.00	72143	13451505.10
Steel (MT)	2597.94	75747993.15	948.17	20694520.92
Other Materials		94991818.24		91307535.90
		-----		-----
		186180671.14		126153342.10
		-----		-----
CLOSING STOCK				
Bricks (Nos)	3093	5319.96	51213	85525.71
Cement (Bags)	2754	548239.00	3184	640215.00
Steel (MT)	199.43	8527474.00	35.76	989419.61
Other Materials		4031201.48		10186630.52
		-----		-----
		13112234.44		11901790.84
		-----		-----

* Quantities of Materials consumed in construction work through Contractors are not treated as consumption.

* Other Materials include items like Grit, Sand, Sanitary Materials, Electrical Fittings etc.

* In view of the practical difficulties in measuring other building materials and multifarious jobs undertaken in building construction it is not practicable to give quantitative information in respect thereof and in respect of consumption and production.

Other requirements are not applicable.

16.	CONTINGENT LIABILITIES:	Current Year (31.03.2008)	Previous Year (31.03.2007)
	(i) Outstanding Bank Guarantees	Rs.255.34 lacs	Rs.101.21lacs
	(ii) Sales Tax FY. 2004-05	Rs.477.00 lacs	Rs.477.00 lacs
	(iii) Cases have been filed by some of the buyers for damages, quality differences, etc., which have been disputed by the Company. Pending disposal of these cases, liability, if any, could not be determined and hence provision thereof could not be made.		
17.	The Company has an investment of Rs.42, 000.00 (31.3.2007 Rs.42, 000.00) in Lucknow Cement Crafts Private Limited (LCC). There are accumulated losses in LCC. The management of the Company is of the opinion that investment in LCC is long term strategic investment, therefore, provision for diminution in value of investment is not made.		
18.	Cash and Bank Balances include fixed deposits amounting to Rs.100.00 lacs with City Co-operative Bank Ltd., against which the Company had availed an overdraft facility of Rs.50.00 lacs. The said Bank has discontinued its operations. The Company has however applied for repayment of the Fixed Deposit after adjustment of the balance outstanding in the overdraft account.		
19.	The schedules referred to in Balance Sheet and Profit & Loss Account form an integral part of the accounts.		

As per our Report of even date attached

FOR DOOGAR & ASSOCIATES
Chartered Accountants

For & on behalf of the Board

(CA. UDIT BANSAL)
Partner

S. K. Garg **Pankaj Bajaj**
(Chairman) **(Managing Director)**

Place: Lucknow
Dated:12th August, 2008

Sonal Srivastva
(Company Secretary)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	FIGURES AS AT 31.03.2008 RUPEES	FIGURES AS AT 31.03.2007 RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax, appropriations and extra ordinary items	107,456,975.98	58,004,237.37
Adjustment for :		
Profit on sale of Fixed Assets	(33,000.00)	(1,635,230.84)
Loss on sale of Fixed Assets	214,308.97	298,168.15
Depreciation	2,301,218.00	2,146,622.15
Dividend received	(37,964.00)	(82,440.00)
Interest received	(20,295,704.37)	(10,330,302.19)
Interest paid	12,391,834.03	15,359,748.89
Profit on sale of Investment	-	(365,000.00)
Preoperative Expenses of Subsidiaries	(147,704.00)	-
	-----	-----
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	101,849,964.61	63,395,803.53
ADJUSTMENTS FOR WORKING CAPITAL CHANGES:		
Trade Payables & Others	97,100,864.61	277,273,824.68
Inventories	(44,154,654.47)	13,765,495.55
Project in Progress	19,778,991.70	(186,494,686.75)
Trade and Other Receivables	(20,579,008.00)	4,418,021.65
Loans and Advances	100,335,992.20	(54,944,326.42)
	-----	-----
CASH GENERATED FROM OPERATING ACTIVITIES:	254,332,150.65	117,414,132.24
Prior year Adjustments	(7,319,444.69)	457,889.67
Direct Taxes Paid	(18,676,672.22)	(21,286,723.63)
	-----	-----
NET CASH FROM OPERATING ACTIVITIES	228,336,033.74	96,585,298.28
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets	312,000.00	5,101,740.00
Purchase of Fixed Assets	(31,594,904.00)	(1,041,662.00)
Purchase of Investments	(25,960,510.00)	(91,500,000.00)
Sale of Investment	-	465,000.00
Interest received	20,295,704.37	10,330,302.19
Dividend received	37,964.00	82,440.00
Goodwill on Consolidation	(163,237.00)	-
Increase in Minority Interest	6,534.80	-
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(37,066,447.83)	(76,562,179.81)

C. CASH FLOW FROM FINANCING ACTIVITIES:

Repayment of Long Term Borrowings	(71,182,042.65)	74,353,764.90
Interest & Finance Charges paid	(12,391,834.03)	(15,359,748.89)
Dividend Paid	(1,989,494.00)	(2,057,894.26)
Tax on Dividend	(334,224.00)	(334,224.00)
NET CASH USED IN FINANCING ACTIVITIES	(85,897,594.68)	56,601,897.75
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	105,371,991.23	76,625,016.22
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	267,335,810.19	190,710,793.97
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	372,707,801.42	267,335,810.19

AUDITORS REPORT

As per our Report of even date attached

For and on Behalf of the Board

For **DOOGAR & ASSOCIATES,**
Chartered Accountants

S. K. GARG

(Chairman & Executive Director)

PANKAJ BAJAJ

(Managing Director)

CA. UDIT BANSAL

(Partner)

M. NO. - 401642

SONAL SRIVASTAVA

(Company Secretary)

Place: Lucknow

Dated: 12th August, 2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details		
State Code	:	20
Registration No.	:	7062
Balance Sheet date	:	31.03.2008

Capital raised during the year		
Public Issue	:	Nil
Bonus Issue	:	Nil
Rights Issue	:	Nil
Private Placement	:	Nil

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:

Total Liabilities	:	Rs. 381778814.21
Total Assets	:	Rs. 381778814.21

SOURCES OF FUNDS:

Paid up Capital	:	Rs. 19666000.00
Reserves and Surplus	:	Rs. 293255659.11
Secured Loans	:	Rs. 52728312.30
Unsecured Loans	:	Rs. 14650000.00
Deferred Tax Liability (Net)	:	Rs. 1472308.00

APPLICATION OF FUNDS:

Net Fixed Assets	:	Rs. 43514875.36
Investments	:	Rs. 117922970.00
Net Current Assets	:	Rs. 220030027.85

Performance of Company:

Turnover	:	Rs. 449052500.82
Total Expenditure	:	Rs. 387101441.75
Profit before Tax	:	Rs. 107456975.98
Profit after Tax	:	Rs. 88185712.98
Earnings per share (Year end)	:	Rs.44.84
Dividend Rate %	:	10%
Generic Names of Three Principal Products/ Services of Company	:	N.A.
Company Item Code No. (ITC Code)	:	N.A.
Product Description Real Estate Development & Construction of Single/Multi Storied Commercial and Residential Complexes.		

AUDITORS' REPORT TO THE SHAREHOLDERS**TO
THE MEMBERS OF,
ELDECO HOUSING AND INDUSTRIES LIMITED,
LUCKNOW.**

1. We have audited the attached Balance Sheet of Eldeco Housing and Industries Limited as at 31st March 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said Order.
 4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the mandatory Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representation received from the Directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of Section 274 (1) of the Companies Act, 1956;
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - (a) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2008;
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

**FOR DOOGAR & ASSOCIATES
Chartered Accountants**

Dated: 12th August, 2008
Place: Lucknow

**(CA. UDIT BANSAL)
Partner
M. No. 401642**

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 3 of our Report of even date on the accounts of **Eldeco Housing & Industries Limited** for the year ended 31st March, 2008)

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased programme of physical verification of its fixed assets which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Management has physically verified certain fixed assets during the year and no material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
2. (a) The inventories of building materials, stores, finished flats and shops have been physically verified by the management during the year.
- (b) As explained to us and in our opinion the procedure followed by the Management for such physical verification is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
3. (a) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. Therefore clause 4(iii) (a) to (d) are not applicable to the Company.
- (b) The Company had not taken any loans, secured or unsecured from companies, firms, or other parties covered in the register maintained under section 301 of the companies Act, 1956. Therefore clause 4(iii) (e) to (g) are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us during the course of audit, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory and fixed assets and services. Further on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India, we have neither come across nor have we been informed of any instance of major weaknesses in internal control procedures.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in register maintained u/s 301 of the Companies Act, 1956 have been entered in the register maintained under section 301 of the Act.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements have been made, at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. In our opinion and according to the explanations given to us, the Company has complied with the provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.
8. The provisions relating to the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 are not applicable.
9. (a) According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Excise duty, Customs Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities during the year and there are no undisputed statutory dues outstanding as on the date of balance sheet for a

period exceeding six months from the date they become payable.

- (b) According to the information & explanations given to us, and as per the books and records examined by us there are no dues of Income Tax, Sales Tax, Excise Duty, Custom Duty, Wealth Tax, Service Tax and Cess which have not been deposited on account of any dispute. Except the following

Name of Statute	Nature of Dues	Financial Year	Forum Where is Dispute Pending	Amount outstanding (Rs in Lacs)
SALES TAX ACT	TRADE TAX	2004-2005	ACST, AGRA	477.00

10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding year.
11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any Financial Institutions, Banks or Debenture Holders. The Company has old outstanding of Rs.46.07 lacs from City co-operative Bank, Lucknow in overdraft account against FDRs. The aforesaid Bank has closed down its operations. The Company has however applied for adjustment of the outstanding against FDRs. (Refer Note No.18 of Schedule 15).
12. According to the information and explanations given to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company as the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society.
14. The provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company as the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. To the best of our information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. To the best of our information and explanations given to us, construction term loans have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us, we report that no funds raised on short-term basis have been used for long- term investments.
18. The Company has not made any preferential allotment of shares to Parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the management.

**FOR DOOGAR & ASSOCIATES
Chartered Accountants**

**(CA UDIT BANSAL)
Partner
M. No. 401642**

Dated : 12th August, 2008
Place : Lucknow

BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	SCHEDULES	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS FUNDS:			
a. Share Capital	1	19666000.00	19666000.00
b. Reserves and Surplus	2	293264441.91	214690214.82
TOTAL		312930441.91	234356214.82
2. LOAN FUNDS :			
a. Secured Loans	3	52728312.30	122660354.95
b. Unsecured Loans	4	13810000.00	15060000.00
TOTAL		66538312.30	137720354.95
3. DEFERRED TAX LIABILITIES (NET)			
TOTAL		1472308.00	2158134.00
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS:			
a. Gross Block	5	64945295.43	34516449.43
b. Less : Depreciation		21430420.07	19801951.10
c. Net Block		43514875.36	14714498.33
2. INVESTMENTS:			
a. Investments	6	126216170.00	91962460.00
3. CURRENT ASSETS, LOANS & ADVANCES:			
a. Inventories		201852860.42	161012398.95
b. Sundry Debtors		22027914.00	1448906.00
c. Projects in Progress		132912770.94	212223157.64
d. Cash and Bank Balances		369739110.42	267335810.19
e. Loans and Advances		229221997.89	331175970.87
TOTAL		955754653.67	973196243.65
Less : CURRENT LIABILITIES AND PROVISIONS			
a. Current Liabilities	8	694518260.82	650998482.54
b. Provisions		50026376.00	54640015.67
TOTAL		744544636.82	705638498.21

NET CURRENT ASSETS :	211210016.85	267557745.44
	-----	-----
TOTAL	380941062.21	374234703.77
	-----	-----

Significant Accounting Policies and Notes to Accounts 15

AUDITORS REPORT

For and on Behalf of the Board

As per our Report of even date attached

For **DOOGAR & ASSOCIATES,**
Chartered Accountants

S. K. GARG
(Chairman & Executive Director)

PANKAJ BAJAJ
(Managing Director)

CA. UDIT BANSAL
(Partner)
M. NO. - 401642

SONAL SRIVASTAVA
(Company Secretary)

Date : 12th August, 2008
Place : Lucknow

AUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR 31ST MARCH, 2008

PARTICULARS	SCHEDULE	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
INCOME :			
a. Value of Work Done	9	449052500.82	410417728.95
b. Other Income	10	36230059.04	28835286.90
c. Increase/decrease in Stocks	11	9275857.87	-3255919.54
		-----	-----
TOTAL		494558417.73	435997096.31
		-----	-----
EXPENDITURE :			
d. Cost of Construction	12	334026641.63	318992187.44
e. Administrative and Selling Expenses	13	38982491.09	42091415.46
f. Financial Charges	14	12387046.03	15359748.89
g. Depreciation		1692461.00	1549507.15
		-----	-----
TOTAL		387088639.75	377992858.94
		-----	-----
PROFIT BEFORE TAXES :		107469777.98	58004237.37
h. Less: Provision for Taxation			
i. Current Tax	18,810,000.00		
ii. Deferred Tax	79,963.00		
iii. Wealth Tax	8,300.00		
iv. Fringe Benefit Tax	<u>377,000.00</u>	19275263.00	15530826.00
PROFIT AFTER TAX :		88194514.98	42473411.37
i. Balance brought forward from last year		169163547.11	131533070.07
Less: Income Tax Adjustments related to Previous Years		5832267.89	457889.67
Less: Adjustment of gratuity liability on adoption of Revised AS-15 net of deferred Rs. 765789.00 (Refer note no.9 of schedule 15)		1487196.00	0.00
j. PROFIT AVAILABLE FOR APPROPRIATION		250038598.20	174464371.11
APPROPRIATIONS :			
k. Proposed Dividend		1966600.00	1966600.00
l. Tax on Proposed Dividend		334224.00	334224.00
m. Transferred to General Reserve		3000000.00	3000000.00
BALANCE CARRIED TO BALANCE SHEET :		244737774.20	169163547.11
Basic and Diluted Earning per Share of face value of Rs. 10 each (Refer Note no. 14 of Schedule 15)		44.85	21.60

Significant Accounting Policies and Notes to Accounts

15

AUDITORS REPORT

For and on Behalf of the Board

As per our Report attached

For **DOOGAR & ASSOCIATES,**
Chartered Accountants

S. K. GARG
(Chairman & Executive Director)

PANKAJ BAJAJ
(Managing Director)

CA. UDIT BANSAL
(Partner)
M. NO. - 401642

SONAL SRIVASTAVA
(Company Secretary)

Date : 12th August, 2008

Place : Lucknow

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS
AT 31ST MARCH, 2008**

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
SCHEDULE - 1 SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of Rs. 10/- each	100000000.00	100000000.00
ISSUED, SUBSCRIBED AND PAID UP		
19,66,600 Equity Shares of Rs. 10/- each fully paid up.	19666000.00	19666000.00
TOTAL	19666000.00	19666000.00
SCHEDULE - 2 RESERVES AND SURPLUS		
(i) CAPITAL RESERVE:		
As per last Balance Sheet	133600.00	133600.00
(ii) GENERAL RESERVE:		
As per last Balance Sheet	45393067.71	42393067.71
Add: Transferred from Profit and Loss Account	3000000.00	3000000.00
(iii) SURPLUS AS PER PROFIT AND LOSS ACCOUNT	48393067.71	45393067.71
	244737774.20	169163547.11
TOTAL	293264441.91	214690214.82
SCHEDULE - 3 SECURED LOANS:		
A. TERM LOAN :		
HDFC LIMITED, LUCKNOW	40000000.00	55000000.00
B. IMMOVABLE PROPERTY OVERDRAFT FACILITY :		
PUNJAB NATIONAL BANK, AGRA	8121032.35	0.00
C. OVERDRAFT FACILITY :		
CITY CO-OPERATIVE BANK, LUCKNOW	4607279.95	4607279.95
D. LOAN AGAINST FIXED DEPOSIT:		
INDIAN MERCANTILE CO- OPERATIVE BANK,LUCKNOW	0.00	63053075.00
TOTAL	52728312.30	122660354.95

NOTES :-

A. TERM LOAN FROM HDFC LTD., LUCKNOW

- 1 Mortgage of Property financed
- 2 Extension of Mortgage of vacant land admeasuring 16,875 sq. ft. at Ajanta Bagh, Rajpur, Agra
- 3 Extension of Mortgage of vacant land admeasuring 57,264 sq. ft. area at Udyan at Ravikhanda, Lucknow.
- 4 Mortgage of extension of vacant land admeasuring 1,34,865 sq. ft. area at Udyan at Ravikhanda, Lucknow.
- 5 Personal guarantee of Mr. S.K.Garg, Executive Chairman.

Further Term Loan is secured by:

- 1 Mortgage on project land situated on Khasra No. 13(part) & 14 of village Adil Nagar, Pargana Tehsil & Distt. Lucknow and land situated at Khasra No. 291(part) of village Sikandpur Inayat Ali & 216(part) 217 & 218(part) of village Akilpur Pargana Tehsil and district Lucknow.
- 2 Extension of Mortgage of vacant land admeasuring 16,875 sq. ft. at Ajanta Bagh, Rajpur, Agra
- 3 Extension of Mortgage of vacant land admeasuring 57,264 sq. ft. area at Udyan at Ravikhand, Lucknow.
- 4 Mortgage of extension of vacant land admeasuring 1,34,865 sq. ft. area at Udyan at Ravikhand, Lucknow.
- 5 Personal guarantee of Mr. Pankaj Bajaj, Managing Director.

B. IMMOVABLE PROPERTY OVER DRAFT FACILITY FROM PUNJAB NATIONAL BANK, AGRA

a. Equitable mortgage of -

- i.** Residential and commercial plot sold by LDA. Lucknow in Sharda Nagar Yojna/ Udyan II Raksha Khand at Lucknow measuring 6970.54 sq. mts. Covered in 4 title deeds.
- ii.** Plot no G-1, Group Housing Udyan II. Raksha Khand, Sharda Nagar Scheme, Rai Bareilly Road, Lucknow msg. 2835.50 sq.mts.
- iii.** Plot no G-5, Group Housing Udyan II. Raksha Khand, Sharda Nagar Scheme, Rai Bareilly Road, Lucknow msg. 2107.97 sq.mts.
- iv.** Plot no G-14, Group Housing Udyan II. Raksha Khand, Sharda Nagar Scheme, Rai Bareilly Road, Lucknow msg. 1864.70 sq.mts.
- v.** Plot measuring 3000 sq. mts. Sold by Lucknow Development Authority, Lucknow for Nursing Home Construction in Sharda Nagar Yojna/ Udyan II Raksha Khand at Lucknow, of Eldeco Constructions (P) Ltd.
- vi.** Residential and commercial property sold by LDA. Lucknow in Sharda Nagar Yojna/ Udyan II Raksha Khand at Lucknow measuring 6970.54 sq. mts. Covered in 4 title deeds, of Eldeco Constructions (P) Ltd.

b. Further Secured by personal guarantee of Directors and Associate Companies

C. OVERDRAFT FACILITY FROM CITY CO-OPERATIVE BANK, LUCKNOW

In overdraft account secured against lien on bank Fixed Deposits and personal guarantee of Managing Director/Directors

D. LOAN AGAINST FIXED DEPOSIT

Secured against Fixed Deposit of Rs. 700 Lacs

SCHEDULE - 4 UNSECURED LOANS:

Fixed Deposits (Repayable within one year Rs. 92.40 Lacs (Previous Year Rs. 102.40 Lacs))	13810000.00	15060000.00
TOTAL	13810000.00	15060000.00

SCHEDULE 5 - FIXED ASSETS:

S. NO.	PARTICULARS	<---- GROSS BLOCK ---->				<---- DEPRECIATION ---->				<-- NET BLOCK -->	
		AS AT 01/04/2007	ADDITIONS DURING THE YEAR	SALES/ADJ DURING THE YEAR	AS AT 31/03/2008	UPTO 01/04/2007	FOR THE PERIOD ENDED 31/03/2008	SALES/ADJ DURING THE YEAR	TOTAL UPTO 31/03/2008	W.D.V. AS AT 31/03/2008	W.D.V. AS AT 31/03/2007
1	OFFICE PREMISES	4725583.55	28122608.00	0.00	32848191.55	806527.61	78,283.00	0.00	884810.61	31963380.94	3919055.94
2	CONSTRUCTION MACHINERY	12570834.17	315000.00	0.00	12885834.17	9566025.85	608,757.00	0.00	10174782.85	2711051.32	3004808.32
3	FURNITURE AND FIXTURE	6390008.09	179086.00	86050.00	6483044.09	3395987.66	421,186.00	41510.03	3775663.63	2707380.46	2994020.43
4	OFFICE EQUIPMENT	4120670.24	422915.00	0.00	4543585.24	1486331.43	221,307.00	0.00	1707638.43	2835946.81	2634338.81
5	VEHICLES	4737862.38	1376767.00	1080008.00	5034621.38	3696097.92	549,093.00	631239.00	3613951.92	1420669.46	1041764.46
6	COMPUTERS	1840907.00	330555.00	0.00	2171462.00	828881.75	336,895.00	0.00	1165776.75	1005685.25	1012025.25
7	COMPUTER SOFTWARE	130584.00	420956.00	0.00	551540.00	22098.88	77,528.00	0.00	99626.88	451913.12	108485.12
8	GENERATOR	0.00	427017.00	0.00	427017.00	0.00	8,169.00	0.00	8169.00	418848.00	0.00
	TOTAL	34516449.43	31594904.00	1166058.00	64945295.43	19801951.10	2301218.00	672749.03	21430420.07	43514875.36	14714498.33
	PREVIOUS YEAR FIGURES	38493107.70	1041662.00	5018320.27	34516449.43	18908971.91	2,146,622.15	1253642.96	19801951.10	14714498.33	19584135.79

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
SCHEDULE - 6 INVESTMENTS (LONG TERM unless otherwise stated) (valued at lower of cost or market value)		
QUOTED (NON TRADE INVESTMENT)		
200 Equity Shares of Rs 10/- each in CRB Corporation Limited fully paid up (Market Value Not Available)	400.00	400.00
QUOTED (TRADE INVESTMENT)		
11500 Equity Shares of Rs. 10.00 each in Union Bank of India Ltd.,fully paid up (M.V. Rs. 141 per share)	184000.00	184000.00
2400 Equity Shares of Rs. 10.00 each & 94 Equity Shares of Rs. 390.00 each in Punjab National Bank Ltd. fully paid up (M.V. Rs. 522.70 per share)	111060.00	111060.00
UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost		
5000 Equity Shares of Rs.25.00 fully paid up in Indian Mercantile Co-operative Bank Limited	125000.00	125000.00
UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost		
17500 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 250/- each in MAK Sales Pvt.Ltd.	4550000.00	0.00
IN SUBSIDIARY COMPANIES UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost		
350000 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Halwasiya Agro Industries Ltd. 49400 Equity Shares of Rs 10/- each fully paid up in Halwasiya Agro Industries Ltd.	7494000.00	0.00
9990 Equity Shares of Rs 10/- each fully paid up in Dua Constructions Pvt. Ltd.	99900.00	0.00
9990 Equity Shares of Rs 10/- each fully paid up in Aadesh Constructions Pvt. Ltd.	99900.00	0.00
9990 Equity Shares of Rs 10/- each fully paid up in Garv Constructions Pvt. Ltd.	99900.00	0.00
9990 Equity Shares of Rs 10/- each fully paid up in Mahal Constructions Pvt. Ltd.	99900.00	0.00

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
9990 Equity Shares of Rs 10/- each fully paid up in Milaap Constructions Pvt. Ltd.	99900.00	0.00
9990 Equity Shares of Rs 10/- each fully paid up in Samarpit Constructions Pvt. Ltd.	99900.00	0.00
9990 Equity Shares of Rs 10/- each fully paid up in Suniyojit Constructions Pvt. Ltd.	99900.00	0.00
9990 Equity Shares of Rs 10/- each fully paid up in Utsav Constructions Pvt. Ltd.	99900.00	0.00
OTHERS UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost		
420 Equity Shares of Rs 100/- each fully paid up in Lucknow Cement Craft Pvt. Ltd.	42000.00	42000.00
3431250 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Eldeco City (P) Ltd. and 802894 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Eldeco City (P) Ltd.	84682880.00	68625000.00
2287500 10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each fully paid in Eldeco City (P) Ltd. and 535263 10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each fully paid in Eldeco City (P) Ltd.	28227630.00	22875000.00
TOTAL	126216170.00	91962460.00
SCHEDULE - 7 CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS:		
a. INVENTORIES:		
(Taken as valued and certified by the Management at lower of cost or market value)		
Land,Building Materials and Stores	181634931.97	150070328.37
Unsold Plots,Shops, Flats etc.,	20217928.45	10942070.58
TOTAL	201852860.42	161012398.95
b. SUNDRY DEBTORS:		
(Unsecured, considered good)		
Exceeding six months	1227687.00	80000.00
Other Debts	20800227.00	1368906.00
TOTAL	22027914.00	1448906.00

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
c. PROJECTS IN PROGRESS:		
1) ON WHICH REVENUE IS RECOGNISED		
Cost of land, Materials, Stores Consumed etc., amount paid to contractors, site overheads etc.,	1987263534.31	1857110052.32
Estimated Profits to be Capitalised	654692848.63	591214557.80
	-----	-----
	2641956382.94	2448324610.12
Less: Advances received	2586819383.28	2559670293.19
	-----	-----
SUB TOTAL	55136999.66	-111345683.07
	-----	-----
2) ON WHICH REVENUE IS NOT RECOGNISED		
Cost of land, Materials, Stores Consumed, amount paid to contractors, direct overheads etc.,	500526788.12	323568840.71
	-----	-----
	500526788.12	323568840.71
Less: Advances received	422751016.84	0.00
	-----	-----
SUB TOTAL	77775771.28	323568840.71
	-----	-----
TOTAL	132912770.94	212223157.64
	-----	-----
d. CASH AND BANK BALANCES:		
a. CASH ON HAND		
(Including Stamps in hand of Rs.18.85 Lacs)	7243059.01	13365832.01
b. WITH SCHEDULED BANKS:		
i) IN CURRENT ACCOUNT		
a. Unclaimed/Unpaid Dividend Account	747783.27	770726.27
b. Other Short Term Deposit Accounts	29668274.06	26131074.66
c. Cheques in hand	7424986.00	3236869.00
ii) IN FIXED DEPOSITS ACCOUNTS		
(Rs.330.00 lacs pledged as margin Money against Bank Guarantees)	312654772.76	218202925.70
iii) Interest accrued and due on Fixed Deposits		
	12000235.32	5628382.55
	-----	-----
TOTAL	369739110.42	267335810.19
	-----	-----
e. LOANS AND ADVANCES:		
(Unsecured considered good unless otherwise stated)		

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
A. LOANS		
Loans to Staff	14600.00	168600.00
B. ADVANCES		
i. Advance recoverable in cash or in kind or for value to be received	32920733.59	39596783.89
ii. Advances to associated concerns against immovable property (Eldeco Townships & Housing Limited Max Outstanding - Rs.39788649.00) (Eldeco Infrastructure & Properties Ltd. Max Outstanding - Rs. 26012774.00)	65801423.00	115535495.27
iii. Other advances against project	50546574.00	89449007.63
iv. Advance Income Tax/Tax deducted at Source	55202344.80	63050761.58
v. Advance Fringe Benefit Tax	721850.00	360850.00
vi. Advance Service Tax under Protest	7740316.00	7740316.00
vii. Other Deposits	16274156.50	15274156.50
TOTAL	229221997.89	331175970.87
SCHEDULE - 8 CURRENT LIABILITIES AND PROVISIONS:		
A. CURRENT LIABILITIES:		
a. Sundry Creditors		
i. Due to micro and small and medium enterprises (Refer Note No. 8 of Schedule 15)	0.00	0.00
ii. Other Sundry Creditors	134526903.57	51764543.54
b. Amount to be credited to Investor and Protection Fund as and when due U/S 205C of Companies Act, 1956 :		
i. Unclaimed Dividend	746304.00	769198.00
ii. Unclaimed Matured Deposits	840000.00	675000.00
c. Bank (Book Overdraft)	0.00	219603.01
d. Advances from customers	509107330.88	560079184.88
e. Security Deposits/Retention Money	39125823.97	31729140.36
f. Due to Directors (maximum outstanding Rs. 864751.36 previous year Rs.691751.26)	829001.26	341751.26
g. Other Liabilities	7571565.00	3233225.00
h. Interest Accrued on FDRs but not due	1771332.14	2186836.49
TOTAL	694518260.82	650998482.54
B. PROVISIONS:		
a. Provision for Income Tax	44301000.00	51191000.00
b. Provision for Fringe Benefit Tax	687000.00	310000.00
c. Proposed Dividend	1966600.00	1966600.00
d. Tax on Proposed Dividend	334224.00	334224.00
e. Provision for Wealth Tax	8300.00	129400.00
f. Provision for Leave Encashment	412052.00	708791.67
g. Provision for Gratuity	2317200.00	0.00
TOTAL	50026376.00	54640015.67

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS A/C FOR
THE YEAR ENDED 31ST MARCH , 2008**

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
SCHEDULE - 9 SALES & VALUE OF WORK DONE :		
Income from Real Estate Projects	449052500.82	410417728.95
	-----	-----
TOTAL VALUE OF WORK DONE	449052500.82	410417728.95
	-----	-----
SCHEDULE - 10 OTHER INCOME:		
Interest on Bank FDR (Gross)	20295704.37	10330302.19
(Tax Deducted at Source Rs. 3178958.53 Previous Year Rs. 1732672.96)		
Transfer Charges Received	1301135.00	1501970.00
Rent Received	10895155.00	7476169.00
Misc. Receipts	3162644.00	2730739.87
Interest from customers/parties	189402.00	118218.00
Profit on sale of Long Term Investments	0.00	365000.00
Profit on sale of Asset	33000.00	1635230.84
Dividend Receipts (Trade Investments)	37964.00	82440.00
Development Fees	0.00	4500000.00
Leave Encashment Liability written back	296739.00	0.00
Liabilities no longer required written back	18315.67	95217.00
	-----	-----
TOTAL OTHER INCOME	36230059.04	28835286.90
	-----	-----
SCHEDULE - 11 INCREASE/DECREASE IN STOCKS:		
STOCK AS ON 31.03.2008		
Residential flats and Commercial offices	20217928.45	10942070.58
Less : STOCK AS ON 01.04.2007		
Residential flats and Commercial offices	10942070.58	14197990.12
	-----	-----
TOTAL INCREASE/DECREASE IN STOCKS	9275857.87	-3255919.54
	-----	-----
SCHEDULE - 12 COST OF CONSTRUCTION ACCOUNT:		
Opening Balance of Projects in progress	323568840.71	50308004.57
Payments against Land	22872721.00	209595047.72
Expenses through Contractors	224712772.74	166294817.61
Materials/Stores consumed	186180671.14	126153342.10
Brokerage & Commission	2980571.00	6674397.35
Advertisement & Publicity	6538051.00	9391219.00
Salary, Wages & Other Benefits	6687497.00	5529381.00
Architects' Fees	5464760.00	9164303.00
Depreciation	608757.00	597115.00

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
Plant & Machinery Repairs	3937001.84	3394010.40
Maintenance of completed projects	1042439.33	2602860.51
Water & Electricity	1849979.00	909848.00
Plan Approval & External Devp.Fees	55382952.00	11558580.10
Other project expenses	7132056.99	40830241.79
	-----	-----
	848959070.75	643003168.15
Less: - Misc Sales	1547581.00	442140.00
- Construction Cost charged to Profit & Loss Account	334026641.63	318992187.44
	-----	-----
Balance carried to Project in Progress Account	500526788.12	323568840.71
	-----	-----
SCHEDULE - 13		
13.1 PAYMENTS TO AND PROVISION FOR EMPLOYEES:		
a. Salaries, Bonus, Gratuity and Allowances	10193062.00	7802317.51
b. Company's Contribution to Provident and Other funds.	1335349.00	1088486.00
c. Employees welfare and other amenities.	3426486.00	3027912.80
	-----	-----
TOTAL PAYMENTS TO AND PROVISION FOR EMPLOYEES	14954897.00	11918716.31
	-----	-----
13.2 ESTABLISHMENT EXPENSES:		
a. Rent	5570886.00	5878167.00
b. Rates and Taxes	456478.00	422159.00
c. Insurance	96937.00	123961.00
d. Remuneration to Directors	2582160.00	2470774.00
e. Auditors Remuneration	380338.00	353556.00
f. Directors Sitting Fees	12000.00	24500.00
g. Postage, Telegram & Telephone	1554218.00	1344593.00
h. Travelling & Conveyance	2983199.80	2963002.33
i. Legal & Professional Charges	2640202.80	1556400.00
j. Printing & Stationery	804885.00	1096709.00
k. Repair & Maintenance	3272794.80	2787725.00
l. Fees	65826.76	561175.00
m. Donations	796904.00	4255105.00
n. Loss on sale of Assets	214308.97	298168.15
o. Misc Debits Written Off	80000.00	321200.00
p. Other establishment expenses	857532.00	866676.13
	-----	-----
TOTAL ESTABLISHMENT EXPENSES	22368671.13	25323870.61
	-----	-----
13.3 SELLING EXPENSES:		
a. Advertisement & Publicity	1011400.96	3338367.00
b. Sales Promotion & Discount	647522.00	1510461.54
	-----	-----
TOTAL SELLING EXPENSES	1658922.96	4848828.54
	-----	-----

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
TOTAL ADMINISTRATIVE & SELLING EXPENSES (1+2+3)	38982491.09	42091415.46
SCHEDULE - 14 FINANCIAL CHARGES:		
a. Bank Interest and Commission	2091340.93	1169262.84
b. Interest on Secured Loans	5942437.00	4454866.82
c. Interest on Public Fixed Deposits & Other Interest	4353268.10	9735619.23
TOTAL FINANCIAL CHARGES	12387046.03	15359748.89

SCHEDULE -15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Accounting

The financial statements are prepared to comply in all material aspects with Indian Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

ii. Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

iii. Depreciation

Depreciation has been provided on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956 on pro-rata basis. Assets costing below Rs. 5000 are written off in the year of purchase

iv. Inventories

Inventories are valued as under:

Building Materials, Stores and Consumables are valued at lower of cost or net realizable value, where cost is determined on first in first out basis.

Land, Unsold Shops, Flats etc., are valued at lower of cost or net realizable value.

Project in Progress is valued at cost and consists of all direct expenditure incurred on projects under execution on which no income has been recognised in accordance with the percentage of completion method of accounting.

Tools, Implements and Wooden Shuttering Materials are written off in the year of purchase.

v. Investments

Long term investments are stated at cost less permanent diminution, if any, in value of such investments.

vi. Revenue Recognition

a. The Company has followed the Percentage of Completion Method of Accounting. As per this method, the revenue in the Profit and Loss Account at the end of the accounting year is recognized in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company subject to actual cost being 30% or more of the total estimated cost. Expenses incurred on repairs and maintenance on completed projects is charged to profit and loss account.

- b. The estimates relating to saleable area, sale value, estimated costs etc., are revised and updated periodically by the management and necessary adjustments are made in the current year's accounts.
- c. Surrender of flats by buyers are valued at cost and accounted for as 'Cost of Construction'. When sold, proceeds are treated as 'Sales'.
- d. Repair, maintenance and other costs incurred after the completion of the project are charged to the cost of construction in the year of incurrence.

vii. Turnover

The Management is consistent with the past practice in treating the value of work done as sales turnover. The value of work done has been arrived at after adding the estimated profits to the expenditure incurred on projects each year, subject to final accounting on the actual completion of the project, and is net of adjustments for losses and/or variations in turnover on final accounting of completed projects or revision of estimates.

viii. Retirement and Other Benefits

i. Provident Fund:

Contribution to Provident Fund is deposited in accordance with the provisions of Employees Provident Fund Act, 1952 and charged to Profit and Loss account.

ii. The Company is having Group Gratuity Scheme with Life Insurance Corporation of India. Provision for gratuity is made based on actuarial valuation in accordance with Revised AS-15. In accordance with transitional provision of revised AS-15, additional liability (net of tax) under new method as at 1st April, 2007 as compared to liability provided under pre-revised AS-15 is adjusted against the opening balance of profit & loss account.

iii. Provision for leave encashment in respect of unavailed leave standing to the credit of employees is made on actuarial basis in accordance with revised AS-15.

ix. Accounting for taxes on income

The accounting treatment followed for taxes on income is to provide for current and deferred tax. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from the difference between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as on Balance Sheet date. The Deferred Tax is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

x. Impairment of Assets

If the carrying amount of the fixed assets exceeds the recoverable amount on the reporting date the carrying amount is reduced to the recoverable amount. The recoverable amount is measured at the highest of the net selling price and the value in use determined by the present value of estimated future cash flow.

xi. Contingent Liabilities

Contingent liability, if any, is disclosed by way of notes on accounts. Provision is made in account in respect of those contingencies which are likely to materialize in to liabilities after the year end till the adoption of accounts by Board of Directors and which have material effect on the position stated in the balance sheet.

2. NOTES TO ACCOUNTS:

1. Previous Year's figures have been regrouped or rearranged wherever necessary to make them comparable.

2. AUDITORS' REMUNERATION:

	Current Year	Previous Year
(i) Audit Fees	2,75,000-00	2,75,000-00
(ii) Tax Audit Fee	25,000-00	25,000-00
(iii) Certification Charges	38,500-00	15000-00
(iv) Service Tax thereon	41,838-00	38,556-00
	-----	-----
TOTAL	3,80,338-00	3,53,556-00

3. DIRECTORS' REMUNERATION:

(i) Salaries	24,00,000-00	22,90,000-00
(ii) Perquisites	1,82,160-00	1,80,774-00
	-----	-----
TOTAL	25,82,160-00	24,70,774-00

PAYMENT TO NON EXECUTIVE DIRECTORS

(i) Sitting Fees	12,000-00	24,500-00
	-----	-----
TOTAL	12,000-00	24,500-00

4. Balance in various accounts included in sundry debtors, creditors and loans and advances are subject to confirmation from respective parties.
5. In the opinion of the management and to the best of their knowledge and belief the aggregate value of current assets including stocks, stores and loans and advances on realization in the ordinary course of business, will not be less than the amount at which these are stated in the Balance Sheet.
6. Determination of revenues in respect of real estate projects under the 'Percentage of Completion method' necessarily involves making estimates by management for projected revenues, projected profits, and costs to completion and foreseeable loss. These estimates being of a technical nature have been relied upon by auditors.
7. Loans and Advances includes payment to parties(including associates) for acquiring land for development of real estate projects, either on collaboration basis or self- development basis, for bulk booking, and for purchase of commercial space.
8. Micro, Small Scale Business Entities

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act has not been given.

9. EMPLOYEE BENEFIT

A. Gratuity

In accordance with the transitional provisions of Revised AS-15, additional liability (Net of tax) under new method as at 1st April 2007 as compared to liability provided in the pre revised AS-15 is adjusted against the opening balance of Profit & Loss account. The Company is having group gratuity scheme with LIC of India.

i) Adjustment made to liability as at 1st April, 2007 is as under:

Description	Amount (Rs. In lacs)
Present value of obligation as at 1st April, 2007 (as per revised AS-15)	35.07
Fair value of planned assets as at 1st April, 2007	(12.54)
Net Liability as per revised AS-15	22.53
Liability recorded under pre revised AS-15	0.00
Additional Liability	22.53
Less: Deferred tax impact	7.66
Net amount adjusted against opening balance of profit & loss account	14.87

ii) Amount recognized in Profit & Loss account is as under:

Description	Amount (Rs. in lacs)
Current service cost	3.10
Interest cost	3.09
Expected return on planned assets	(1.02)
Net actuarial (gain)/loss recognized during the year	(0.12)
Total	5.05

iii) Movement in the liability recognized in Balance Sheet is as under:

Description	Amount (Rs. in lacs)
Present value of obligation at the beginning of the year	35.07
Current service cost	3.10
Interest cost	3.09
Benefit paid	(2.45)
Actuarial (gain) / loss on obligation	(0.12)
Present value of obligation as at the end of year	38.69

iv) Net assets / liability recognized in Balance Sheet as at 31st March, 2008

Description	Amount (Rs. in lacs)
Present value of obligation as at 31st March, 2008	38.69
Fair value of plan assets as at 31st March, 2008	15.52
(Assets)/Liabilities recognized in the Balance Sheet	(23.17)

v) Changes in fair value of plan assets

Description	Amount (Rs. in lacs)
Fair value of plan assets at the beginning of the period	12.54
Expected return on plan assets	1.02
Contribution	4.41
Benefit Paid	(2.45)
Actuarial gain \ (loss) on plan assets	0.00
Fair value of plan assets at the end of the period	15.52

For determination of gratuity liability of the Company the following actuarial assumption were used.

Discount rate	8.00%
Future salary increase	6.00%
Expected rate of return on planned assets	9.15%
Method used	Projected unit credit actuarial method

B. Leave Encashment

Provision for leave encashment in respect of unavailed leaves standing to the credit of employees is made on actuarial basis. The Company does not maintain any fund to pay for leave encashment.

i) Adjustment made to liability as at 1st April, 2007 is as under:

Description	Amount (Rs. in lacs)
Present value of obligation as at 1st April, 2007 (as per revised AS-15)	7.09
Liability recorded under pre revised AS-15	7.09
Adjustment made to liability as at the beginning of the year	Nil

ii) Amount recognized in Profit & Loss account is as under:-

Description	Amount (Rs. in lacs)
Current service cost	0.34
Interest cost	0.57
Benefits Paid	(1.12)
Net actuarial (gain)/loss recognized during the year	(2.76)
Recognized in Profit & Loss account	2.97

iii) Amount recognized in the Balance Sheet as at 31st March, 2008

Description	Amount (Rs. In lacs)
Present value of obligation as at 31st March, 2008	4.12

iv) Movement in the liability recognized in Balance Sheet is as under:

Description	Amount (Rs. in lacs)
Present value of obligation at the beginning of the year	7.09
Interest cost	0.57
Current service cost	0.34
Benefits Paid	(1.12)
Actuarial (gain)/loss on obligation	(2.76)
Present value of obligation at the end of the year	4.12

For determination of liability in respect of leave encashment, the Company has used the following actuarial assumption.

Discount rate	8.00%
Future salary increase	6.00%
Actuarial method used	Projected unit credit actuarial method

C. Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Misc. Provision Act, 1952. This is post employment benefit and is in the nature of defined contribution plan.

10. Particulars in respect of loans and advances to subsidiary companies:

(Amount in Rs.)

S. No.	Name of Company	Balance as at 31st		Maximum outstanding during	
		March, 2008	March, 2007	Year ended March 31, 2008	Year ended March 31, 2007
1	Dua Constructions Private Limited	13134.00	-	13134.00	-
2	Aadesh Constructions Private Limited	-	-	-	-
3	Garv Constructions Private Limited	-	-	-	-
4	Mahal Constructions Private Limited	-	-	-	-
5	Milaap Constructions Private Limited	-	-	-	-
6	Samarpit Constructions Private Limited	-	-	-	-
7	Suniyokit Constructions Private Limited	-	-	-	-
8	Utsav Constructions Private Limited	-	-	-	-
9	Halwasiya Agro Industries Limited	6517795.00	-	32656984.21	-
		6530929.00	-	32670118.21	

11. SEGMENT REPORTING:

The Company has only one segment of real estate development and building construction and accordingly the disclosure requirements as prescribed in the "Accounting Standard (AS)-17 on Segment Reporting" are not applicable.

12. DEFERRED TAX LIABILITY (NET):

The deferred tax liability as per AS-22 - Accounting for Taxes on Income is as under:

(Rs. in Lacs)

	Deferred Tax Asset/ (Liability) as on 01.04.2007	Current Year (Charge)/Credit	Deferred Tax Asset/ (Liability) as on 31.03.2008
DEFERRED TAX LIABILITY			
On account of timing difference between Depreciation as per Income Tax Act, 1961 and Companies Act, 1956.	2158134.00	90282.00	2248416.00
DEFERRED TAX ASSET :			
On initial recognition of liability on account of Gratuity & Leave encashment.	(765789.00)	(10319.00)	(776108.00)
TOTAL	1392345.00	79963.00	1472308.00

The deferred tax charge for the year amounting to Rs. 79963.00 has been debited to profit and loss account.

13. RELATED PARTY DISCLOSURE:

Details of disclosure as required by "Accounting standard (AS) - 18 on Related Party Disclosures" are as under:-

A. Names of related parties and description of relationship:

1. Associates

- S.K Garg Constructions Pvt. Ltd (Previously known as Eldeco Constructions Private Limited)
- Lucknow Cement Crafts Private Limited
- Eldeco Projects Private Limited
- Eldeco Infrastructure & Properties Limited

Surya Seasons Foods Private Limited
 Eldeco Townships & Housing Limited
 Reliable Securities Private Limited
 Eldeco City Private Limited
 S.K.Garg (HUF)

2. Subsidiaries

Dua Constructions Private Limited
 Aadesh Constructions Private Limited
 Garv Constructions Private Limited
 Mahal Constructions Private Limited
 Milaap Constructions Private Limited
 Samarpit Constructions Private Limited
 Suniyojit Constructions Private Limited
 Utsav Constructions Private Limited
 Halwasiya Agro Industries Private Limited

3. Key Management Personnel

Shri Shiv Kumar Garg	Executive Chairman
Shri Pankaj Bajaj	Managing Director
Shri Srikant Jajodia	Whole Time Director
Shri O.P.Bajaj*	Non Executive Director
Shri N.K. Sharma	Non Executive Director
Shri L.N. Sharma	Non Executive Director
Shri J.P.Bhargava	Non Executive Director
Shri Arvind Bajaj	Non Executive Director

*Resigned from Directorship on 29-2-2008

4. Relatives of Key Management Personnel

Asha Bajaj
 W/o Shri O. P. Bajaj, Director

Varija Bajaj
 D/o Shri O. P. Bajaj, Director

B. The following transactions were carried out with the related parties in the ordinary course of business:

Transactions	Key Management Personnel	Associates, JV & Subsidiary	Relatives of Key Management Personnel	Total
Remuneration	24,00,000.00 (22,90,000.00)			24,00,000.00 (22,90,000.00)
Perquisites	182160.00 (180774.00)			182160.00 (180774.00)
Rent Paid			552312.00 (1377883.00)	552312.00 (1377883.00)
Dividend Paid	954321.00 (19300.00)	1000.00 (1000.00)	63400.00 (224348.00)	1017721.00 (244648.00)
Sitting Fees	12000.00 (24500.00)			12000.00 (24500.00)
Interest Paid		NIL (297132.00)		NIL (297132.00)
Loan Repaid		NIL (5177991.00)		NIL (5177991.00)
Advance Against Bulk Booking		8508650.00 (2800000.00)		8508650.00 (2800000.00)
Investment in Shares		29703710.00 (91698600.00)		29703710.00 (91698600.00)
Sale of Investments		NIL (663600.00)		NIL (663600.00)
Purchase of Fixed Assets		16811428.00 NIL		16811428.00 NIL
Profit on Bulk Booking		NIL (4988130.00)		NIL (4988130.00)
Development Fees Received		NIL (4500000.00)		NIL (4500000.00)
Buy Back Of Units	NIL (2800000.00)		NIL (700000.00)	NIL (3500000.00)
Advance against Construction contract	NIL (NIL)	21025343.77 (NIL)	NIL (NIL)	21025343.77 (NIL)
Balances Outstanding as at 31.03.2008				
Creditors/Payable	829001.26	4061315.23	51216.00	4941532.49
Debtors/Receivable		78809912.00		78809912.00

* Figures in brackets denote previous year figures.

14. EARNING PER SHARE:

The calculation of earning per share (EPS) as disclosed in the Balance Sheet -abstract has been made in accordance with the Accounting Standard (AS)-20.

	Year ended March 31, 2008	Year ended March 31, 2007
Profit after taxation and extra ordinary item	88194514.98	42473411.37
Total No. of equity shares outstanding	1966600	1966600
Basic/Diluted earning per share (Face value-Rs.10.00 per share)	44.85	21.60

15. Information pursuant to Part-II of Schedule VI to the Companies Act, 1956.

	Current Year		Previous Year	
	Quantity	Value	Quantity	Value
OPENING STOCK:				
Bricks (Nos)	51213	85525.71	93925	161567.00
Cement (Bags)	3184	640215.00	3427	576194.00
Steel (MT)	35.76	989419.61	44.47	1195542.00
Other Materials		10186630.52		5664504.85
		----- 11901790.84 -----		----- 7597807.85 -----
PURCHASES:				
Bricks (Nos)	19824	32798.00	373591	623738.89
Cement (Bags)	73989	15235880.00	71900	13515526.10
Steel (MT)	2761.62	83286047.54	939.46	20488398.53
Other Materials		88836389.20		95829661.57
		----- 187391114.74 -----		----- 130457325.09 -----
ONSUMPTION:				
Bricks (Nos)	67944	113003.75	416303	699780.18
Cement (Bags)	74419	15327856.00	72143	13451505.10
Steel (MT)	2597.94	75747993.15	948.17	20694520.92
Other Materials		94991818.24		91307535.90
		----- 186180671.14 -----		----- 126153342.10 -----
CLOSING STOCK				
Bricks (Nos)	3093	5319.96	51213	85525.71
Cement (Bags)	2754	548239.00	3184	640215.00
Steel (MT)	199.43	8527474.00	35.76	989419.61
Other Materials		4031201.48		10186630.52
		----- 13112234.44 -----		----- 11901790.84 -----

* Quantities of Materials consumed in construction work through Contractors are not treated as consumption.

* Other Materials include items like Grit, Sand, Sanitary Materials, Electrical Fittings etc.

* In view of the practical difficulties in measuring other building materials and multifarious jobs undertaken in building construction it is not practicable to give quantitative information in respect thereof and in respect of consumption and production.

Other requirements are not applicable.

16. CONTINGENT LIABILITIES:	Current Year (31.03.2008)	Previous Year (31.03.2007)
(i) Outstanding Bank Guarantees	Rs.255.34 lacs	Rs.101.21lacs
(ii) Sales Tax F.Y. 2004-05	Rs.477.00 lacs	Rs.477.00 lacs
(iii) Cases have been filed by some of the buyers for damages, quality differences, etc., which have been disputed by the Company. Pending disposal of these cases, liability, if any, could not be determined and hence provision thereof could not be made.		

17. The Company has an investment of Rs.42, 000.00 (31.3.2007 Rs.42, 000.00) in Lucknow Cement Crafts Private Limited (LCC). There are accumulated losses in LCC. The management of the Company is of the opinion that investment in LCC is long term strategic investment, therefore, provision for diminution in value of investment is not made.

18. Cash and Bank Balances include fixed deposits amounting to Rs.100.00 lacs with City Co-operative Bank Ltd., against which the Company had availed an overdraft facility of Rs.50.00 lacs. The said Bank has discontinued its operations. The Company has however applied for repayment of the Fixed Deposit after adjustment of the balance outstanding in the overdraft account.

19. The schedules referred to in Balance Sheet and Profit & Loss Account form an integral part of the accounts.

As per our Report of even date attached

FOR DOOGAR & ASSOCIATES

Chartered Accountants

(CA. UDIT BANSAL)

Partner

Place: Lucknow

Dated: 12th August, 2008

For & on behalf of the Board

S. K. Garg

(Chairman)

Sonal Srivastava

(Company Secretary)

Pankaj Bajaj

(Managing Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax, appropriations and extra ordinary items	107,469,777.98	58,004,237.37
Adjustment for :		
Profit on sale of Fixed Assets	(33,000.00)	(1,635,230.84)
Loss on sale of Fixed Assets	214,308.97	298,168.15
Depreciation	2,301,218.00	2,146,622.15
Dividend received	(37,964.00)	(82,440.00)
Interest received	(20,295,704.37)	(10,330,302.19)
Interest paid	12,387,046.03	15,359,748.89
Profit on sale of Investment	-	(365,000.00)
	-----	-----
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	102,005,682.61	63,395,803.53
ADJUSTMENTS FOR WORKING CAPITAL CHANGES:		
Trade Payables & Others	45,132,032.61	277,273,824.68
Inventories	(40,840,461.47)	13,765,495.55
Project in Progress	79,310,386.70	(186,494,686.75)
Trade and Other Receivables	(20,579,008.00)	4,418,021.65
Loans and Advances	94,466,556.20	(54,944,326.42)
	-----	-----
CASH GENERATED FROM OPERATING ACTIVITIES:	259,495,188.65	117,414,132.24
Prior year Adjustments	(7,319,463.89)	457,889.67
Direct Taxes Paid	(18,676,672.22)	(21,286,723.63)
	-----	-----
NET CASH FROM OPERATING ACTIVITIES	233,499,052.54	96,585,298.28
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets	312,000.00	5,101,740.00
Purchase of Fixed Assets	(31,594,904.00)	(1,041,662.00)
Purchase of Investments	(34,253,710.00)	(91,500,000.00)
Sale of Investment	-	465,000.00
Interest received	20,295,704.37	10,330,302.19
Dividend received	37,964.00	82,440.00
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(45,202,945.63)	(76,562,179.81)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Long Term Borrowings	(71,182,042.65)	74,353,764.90
Interest & Finance Charges paid	(12,387,046.03)	(15,359,748.89)
Dividend Paid	(1,989,494.00)	(2,057,894.26)
Tax on Dividend	(334,224.00)	(334,224.00)

PARTICULARS	FIGURES AS AT 31.03.2008 IN RUPEES	FIGURES AS AT 31.03.2007 IN RUPEES
NET CASH USED IN FINANCING ACTIVITIES	(85,892,806.68)	56,601,897.75
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	102,403,300.23	76,625,016.22
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	267,335,810.19	190,710,793.97
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	369,739,110.42	267,335,810.19

AUDITORS REPORT

As per our Report of even date attached

For and on Behalf of the Board

For **DOOGAR & ASSOCIATES,**
Chartered Accountants

S. K. GARG
(Executive Chairman)

PANKAJ BAJAJ
(Managing Director)

CA. UDIT BANSAL
(Partner)
M. NO. - 401642

SONAL SRIVASTAVA
(Company Secretary)

Place : Lucknow

Date : 12th August, 2008

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Rs. In lacs)

Sr. No.	Name of the Subsidiary	Financial Year of the Subsidiary Ended on	Shares of the subsidiary held by the Company directly or through its subsidiary companies on March 31, 2008		Net aggregate amount of profit/(loss) of the subsidiary for the financial year of the subsidiary so far as they concern members of the Company:		Net aggregate amount of profits/(losses) for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the Company:	
			Number and face value	Extent of holding (%)	dealt with in the accounts of the Company for the year ended March 31, 2008	not dealt with in the accounts of the Company for the year ended March 31, 2008	dealt with in the accounts of the Company for the year ended March 31, 2008	not dealt with in the accounts of the Company for the year ended March 31, 2008
1	Halwasiya Agro Industries Ltd	March 31, 2008	3,99,400 ordinary shares of Rs 10/- each fully paid up	99.94	-	(0.13)	-	(1.63)
2	Dua Constructions (P) Ltd*	March 31, 2008	9,990 ordinary shares of Rs 10/- each fully paid up	99.99	-	-	-	-
3	Aadesh Constructions (P) Ltd*	March 31, 2008	9,990 ordinary shares of Rs 10/- each fully paid up	99.99	-	-	-	-
4	Garv Constructions (P) Ltd*	March 31, 2008	9,990 ordinary shares of Rs 10/- each fully paid up	99.99	-	-	-	-
5	Mahal Constructions (P) Ltd*	March 31, 2008	9,990 ordinary shares of Rs 10/- each fully paid up	99.99	-	-	-	-
6	Milaap Constructions (P) Ltd*	March 31, 2008	9,990 ordinary shares of Rs 10/- each fully paid up	99.99	-	-	-	-
7	Samarpit Constructions (P) Ltd*	March 31, 2008	9,990 ordinary shares of Rs 10/- each fully paid up	99.99	-	-	-	-
8	Sunyojit Constructions (P) Ltd*	March 31, 2008	9,990 ordinary shares of Rs 10/- each fully paid up	99.99	-	-	-	-
9	Utsav Constructions (P) Ltd*	March 31, 2008	9,990 ordinary shares of Rs 10/- each fully paid up	99.99	-	-	-	-

*These companies were incorporated on 09/10/2007 and there is no Profit or Loss in these companies for the year ended March 31, 2008

FOR AND ON BEHALF OF THE BOARD

S.K. Garg
Chairman

Pankaj Bajaj
Managing Director

Sonal Srivastava
Company Secretary

Lucknow, 12th August, 2008

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the First Annual Report on the business and operations of the Company for the financial year ended on 31st March 2008.

The Company was incorporated on 09th October 2007 with the object of builders, developers, constructions and acquiring land. The company has not commenced any business in the aforesaid financial year, therefore, Profit & Loss Account has not been prepared.

STATUTORY STATEMENTS:

There was no employee in receipt of remuneration in excess of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Amendment) Rules, 1988.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As regards disclosure u/s 217 (i) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 it has been advised that the particulars relating to conservation of energy, as required under the aforesaid rules are not applicable in the case of the Company. The Company is yet to undertake Research & Development activities and Development of Technology in the area of construction activities.

Your Company does not have any Foreign Exchange Earnings or Outgo.

DIRECTORS' RESPONSIBILITY STATEMENT**The Directors of the Company confirm:**

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That 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 at the end of financial year and of the profit of the Company for that period.
3. 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.
4. That the Directors have prepared the annual accounts on a going concern basis.

ACCEPTANCE OF DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

AUDITORS

M/S Amar Tandon & Co., 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.

ACKNOWLEDGEMENT

The Board of Directors wish to put on record their sincere appreciation for the co-operation received from the Company's Bankers and other Government and Non Government Agencies. The Directors also like to put on record their sincere appreciation for the hard work put in by the Officers and other staff members of the Company in making its operation a success.

By Order of the Board

Dua Constructions Private Limited

(Director)

T K Dikshit

(Director)

Alok Bhatnagar

Place: Lucknow

Dated: 25th June 2008

AUDITOR'S REPORT

TO
THE SHAREHOLDERS
DUA CONSTRUCTIONS PRIVATE LIMITED
LUCKNOW.

1. We have audited the attached Balance Sheet of **DUA CONSTRUCTIONS PRIVATE LIMITED**, as at 31st March 2008. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.
2. We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a responsible basis for our opinion.
3. The requirements of the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 are not applicable on the company for the year under audit.
4. Further to our comments in the Annexure referred to above, we report that: -
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet dealt with by this Report are in agreement with the Books of Account;
 - d) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - e) On the basis of written representations received from the Director, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - ii. In the case of cash flow statement for the year ended on that date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

Place: Lucknow

Dated: 25th June 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	Schedule	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds :			
Share capital	1	100,000	-
Reserve and surplus	2	-	-
Loan Funds :			
Secured Loans		-	-
Unsecured Loans		-	-
		100,000	-
APPLICATION OF FUNDS			
Investments		-	-
Current assets, loans and advances			
Cash and bank balances	3	104,888	-
Other Current Assets		-	-
		104,888	-
Less: Current liabilities and provisions			
Current liabilities	4	19,134	-
Net current assets		85,754	-
Miscellaneous Expenditure			
(To the extent not written off/ adjusted)	5	14,246	
Profit and loss account		-	-
Deferred Tax Asset		-	-
		100,000	-
Significant accounting policies and notes to accounts Schedules form an integral parts of accounts As per our report attached	6	-	-

For **Amar Tandon & Company**
Chartered Accountants

For and on behalf of the Board of Directors
DUA Constructions (P) Ltd

Amar Tandon
Proprietor

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SCHEDULE - 1 : SHARE CAPITAL		
Authorized:		
10,000 equity shares of Rs.10 each	100,000	-
	<u>100,000</u>	<u>-</u>
Issued, subscribed and fully paid-up:		
10,000 Equity Shares of Rs.10 each fully paid-up	100,000	-
	<u>100,000</u>	<u>-</u>
SCHEDULE - 2 : RESERVE & SURPLUS		
Profit and Loss Account	-	-
	<u>-</u>	<u>-</u>
SCHEDULE - 3 : CASH & BANK BALANCE		
Cash in hand	-	-
Cash at Bank	-	-
- The Bank of Rajasthan Ltd. c/a no. 3130301120319	104,888	-
	<u>104,888</u>	<u>-</u>
SCHEDULE - 4 : CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
Amar Tandon & Company	5,000	-
Amit Gupta & Company	1,000	-
Other Liabilities		
Eldeco Housing & Industries Ltd	13,134	-
	<u>19,134</u>	<u>-</u>
SCHEDULE - 5 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off/ adjusted)		
Company Incorporation Expenses	9,000	-
Audit Fees	5,000	-
Bank Charges	112	-
Other Expenses	134	-
	<u>14,246</u>	<u>-</u>

SCHEDULE “6” NOTES TO ACCOUNTS

1 The Company was incorporated on 09.10.2007 with the object of builders, developers, constructions and acquiring land.

2 ACCOUNTING POLICIES

- (i) These financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the Companies Act 1956.
- (ii) In preparation of the financial statements, certain assumptions are made which affect the reported amount of assets and liabilities on the date of financial statements and reported amount of expenditure during the period. No revenue has been generated from operations.
- (iii) Company has regularly followed Accounting Standards, which have been made mandatory and has been maintaining accounts on the basis of going concern.
- (iv) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- (v) This being the first year of operation, previous year figures have not been given.
- (vi) Preliminary Expenses have not been written off as this being the first year and would be recognized as and when profits are booked.

3. CAPITAL COMMITMENT - NIL

4. CONTINGENT LIABILITIES - NIL

5. Sundry Creditors are subject to confirmation and reconciliation, if any.

6. Information pursuant to paragraph 4 D of the schedule VI part II of the Companies Act, 1956

- a) Value of imports calculated on C.I.F. basis - NIL
- b) Expenditure in foreign currency - NIL
- c) Value of materials consumed - NIL
- d) Amount remitted in foreign currency on account of dividend - NIL
- e) Earnings in Foreign Exchange - NIL

7. REMUNERATION TO DIRECTOR - NIL

8. Information pursuant to amendment made on 15th May 1995 in Schedule VI of the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile is being annexed to this schedule in standardized form.

For **Amar Tandon & Company**
Chartered Accountants

For & on behalf of the Board of Directors
DUA CONSTRUCTIONS (P) LTD.

(AMAR TANDON)
Proprietor

T. K. DIKSHIT
Director

ALOK BHATNAGAR
Director

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

(FIG IN RS)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) <u>Cash Flow from Operating Activities</u>		
Net Profit Before Tax	0.00	0.00
Depreciation	0.00	0.00
Income of Previous Year Received	0.00	0.00
Misc Expenses Written Off	0.00	0.00
Operating Profit Before Working Capital Changes	0.00	0.00
Adjustments for		
Trade & Other Receivable	0.00	0.00
Payables	19,134.00	0.00
CASH FROM OPERATIONS	19,134.00	0.00
Taxes Paid	0.00	0.00
Miscellaneous Expenses Incurred	14,246.00	0.00
Net Cash from Operating Activities	4,888.00	0.00
(B) <u>Cash flow from Investing Activities</u>		
Fixed Assets Purchased	0.00	0.00
Increase in Investments	0.00	0.00
Increase in Loans & Advances	0.00	0.00
Net Cash Used in Investing Activities	0.00	0.00
(C) <u>Cash Flow from Financing Activities</u>		
Decrease in Investment	0.00	0.00
Decrease in Loan & Advances	0.00	0.00
Increase in Share Capital	100,000.00	0.00
Net Cash used in Financing Activities	100,000.00	0.00
Net Increase/Decrease in Cash or Cash Equivalent	104,888.00	0.00
Opening Balance	0.00	0.00
Closing Balance	104,888.00	0.00

As per our separate report of even date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

For **DUA CONSTRUCTIONS (P) LTD**

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

(T.K.DIKSHIT)
DIRECTOR

(ALOK BHATNAGAR)
DIRECTOR

Place : Lucknow
Date : 25.06.2008

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration details:

Registration No.	U45400UP2007PTC034022	State Code	20
Balance Sheet Date	31-Mar-2008		

II. Capital raised during the period (Amount rupees in thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	100

III. Position of mobilisation and deployment of funds (Amount rupees in thousand)

Total Liabilities	119	Total Assets	119
<u>Sources of Funds</u>		<u>Application of Funds</u>	
Paid-up Capital	100	Net fixed assets	-
Application Money	-	Investments	-
Reserves & Surplus	-	Net current assets	86
Secured Loans	-	Miscellaneous Expenditure	14
Unsecured Loans	-	Profit and loss account	-
		Deferred tax asset	-

IV. Performance of companies (Amount rupees in thousand)

Total Revenue	-	Total Expenditure	0
Loss Before Tax	0		
Loss After Tax	0		
Earnings per Share (in Rs.)	0.00		
Dividend Rate (%)	Nil		

V. Generic names of three principal products / services of company (as per monetary terms)

Item Code No.	Nil
Service Description	Construction

For and on behalf of the Board of Directors
DUA Constructions (P) Ltd

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the First Annual Report on the business and operations of the Company for the financial year ended on 31st March 2008.

The Company was incorporated on 09th October 2007 with the object of builders, developers, constructions and acquiring land. The company has not commenced any business in the aforesaid financial year, therefore, Profit & Loss Account has not been prepared.

STATUTORY STATEMENTS:

There was no employee in receipt of remuneration in excess of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Amendment) Rules, 1988.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As regards disclosure u/s 217 (i) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 it has been advised that the particulars relating to conservation of energy, as required under the aforesaid rules are not applicable in the case of the Company. The Company is yet to undertake Research & Development activities and Development of Technology in the area of construction activities.

Your Company does not have any Foreign Exchange Earnings or Outgo.

DIRECTORS' RESPONSIBILITY STATEMENT**The Directors of the Company confirm:**

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That 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 at the end of financial year and of the profit of the Company for that period.
3. 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.
4. That the Directors have prepared the annual accounts on a going concern basis.

ACCEPTANCE OF DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

AUDITORS

M/S Amar Tandon & Co., 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.

ACKNOWLEDGEMENT

The Board of Directors wish to put on record their sincere appreciation for the co-operation received from the Company's Bankers and other Government and Non Government Agencies. The Directors also like to put on record their sincere appreciation for the hard work put in by the Officers and other staff members of the Company in making its operation a success.

By Order of the Board
For **AADESH Constructions Private Limited**

(Director)
T K Dikshit

(Director)
Alok Bhatnagar

Place: Lucknow

Dated: 25th June, 2008

AUDITOR'S REPORT

TO
THE SHAREHOLDERS
AADESH CONSTRUCTIONS PRIVATE LIMITED
LUCKNOW.

1. We have audited the attached Balance Sheet of **AADESH CONSTRUCTIONS PRIVATE LIMITED**, as at 31st March 2008. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.
2. We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a responsible basis for our opinion.
3. The requirements of the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 are not applicable on the company for the year under audit.
4. Further to our comments in the Annexure referred to above, we report that: -
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet dealt with by this Report are in agreement with the Books of Account;
 - d) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - e) On the basis of written representations received from the Director, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - ii. In the case of cash flow statement for the year ended on that date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

Place: Lucknow

Dated: 25th June, 2008

BALANCE SHEET AS AT 31ST MARCH 2008

Particulars	Schedule	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds :			
Share capital	1	100,000	-
Reserve and surplus	2	-	-
Loan Funds :			
Secured Loans	-	-	-
Unsecured Loans	-	-	-
		100,000	-
APPLICATION OF FUNDS			
Investments	-	-	-
Current assets, loans and advances			
Cash and bank balances	3	92,000	-
Other Current Assets	-	-	-
		92,000	-
Less: Current liabilities and provisions			
Current liabilities	4	6,000	-
Net current assets		86,000	-
Miscellaneous Expenditure			
(To the extent not written off/ adjusted)	5	14,000	-
Profit and loss account	-	-	-
Deferred Tax Asset	-	-	-
		100,000	-
Significant accounting policies and notes to accounts	6	-	-
Schedules form an integral parts of accounts			
As per our report attached			

For **Amar Tandon & Company**
Chartered Accountants

For and on behalf of the Board of Directors
AADESH Constructions (P) Ltd

Amar Tandon
Proprietor

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SCHEDULE - 1 : SHARE CAPITAL		
Authorized:		
10,000 equity shares of Rs.10 each	100,000	-
	-----	-----
	100,000	-
	=====	=====
Issued, subscribed and fully paid-up:		
10,000 Equity Shares of Rs.10 each fully paid-up	100,000	-
	-----	-----
	100,000	-
	=====	=====
SCHEDULE - 2 : RESERVE & SURPLUS		
Profit and Loss Account	-	-
	-----	-----
	-	-
	-----	-----
SCHEDULE - 3 : CASH & BANK BALANCE		
Cash in hand	100	-
Cheques in hand	91,900	-
	-----	-----
	92,000	-
	=====	=====
SCHEDULE - 4 : CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
Amar Tandon & Company	5,000	-
Amit Gupta & Company	1,000	-
	-----	-----
	6,000	-
	=====	=====
SCHEDULE - 5 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off/ adjusted)		
Company Incorporation Expenses	9,000	-
Audit Fees	5,000	-
	-----	-----
	14,000	-
	=====	=====

SCHEDULE “6” NOTES TO ACCOUNTS

1 The Company was incorporated on 09.10.2007 with the object of builders, developers, constructions and acquiring land.

2 ACCOUNTING POLICIES

- (i) These financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principals in India and the Companies Act 1956.
- (ii) In preparation of the financial statements, certain assumptions are made which affect the reported amount of assets and liabilities on the date of financial statements and reported amount of expenditure during the period. No revenue has been generated from operations.
- (iii) Company has regularly followed Accounting Standards, which have been made mandatory and has been maintaining accounts on the basis of going concern.
- (iv) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- (v) This being the first year of operation, previous year figures have not been given.
- (vi) Preliminary Expenses have not been written off as this being the first year and would be recognized as and when profits are booked.

3. CAPITAL COMMITMENT - NIL

4. CONTINGENT LIABILITIES - NIL

5. Sundry Creditors are subject to confirmation and reconciliation, if any.

6. Information pursuant to paragraph 4 D of the schedule VI part II of the Companies Act, 1956

- | | | |
|---|---|-----|
| a) Value of imports calculated on C.I.F basis | - | NIL |
| b) Expenditure in foreign currency | - | NIL |
| c) Value of materials consumed | - | NIL |
| d) Amount remitted in foreign currency on account of dividend | - | NIL |
| e) Earnings in Foreign Exchange | - | NIL |

7. REMUNERATION TO DIRECTOR - NIL

8. Information pursuant to amendment made on 15th May 1995 in Schedule VI of the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile is being annexed to this schedule in standardized form.

For **Amar Tandon & Company**
Chartered Accountants

(AMAR TANDON)
Proprietor

Place:- Lucknow
Dated: 25th June, 2008

For & on behalf of the Board of Directors
AADESH CONSTRUCTIONS (P) LTD.

T. K. DIKSHIT
Director

ALOK BHATNAGAR
Director

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

(FIG IN RS)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) <u>Cash Flow from Operating Activities</u>		
Net Profit Before Tax	0.00	0.00
Depreciation	0.00	0.00
Income of Previous Year Received	0.00	0.00
Misc Expenses Written Off	0.00	0.00
Operating Profit Before Working Capital Changes	0.00	0.00
Adjustments for		
Trade & Other Receivable	0.00	0.00
Payables	6,000.00	0.00
CASH FROM OPERATIONS	6,000.00	0.00
Taxes Paid	0.00	0.00
Miscellaneous Expenses Incurred	14,000.00	0.00
Net Cash from Operating Activities	-8,000.00	0.00
(B) <u>Cash flow from Investing Activities</u>		
Fixed Assets Purchased	0.00	0.00
Increase in Investments	0.00	0.00
Increase in Loans & Advances	0.00	0.00
Net Cash Used in Investing Activities	0.00	0.00
(C) <u>Cash Flow from Financing Activities</u>		
Decrease in Investment	0.00	0.00
Decrease in Loan & Advances	0.00	0.00
Increase in Share Capital	100,000.00	0.00
Net Cash used in Financing Activities	100,000.00	0.00
Net Increase/Decrease in Cash or Cash Equivalent	92,000.00	0.00
Opening Balance	0.00	0.00
Closing Balance	92,000.00	0.00

As per our separate report of even date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

For **AADESH CONSTRUCTIONS (P) LTD**

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

(T.K.DIKSHIT)
DIRECTOR

(ALOK BHATNAGAR)
DIRECTOR

Place : Lucknow
Date : 25.06.2008

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration details:

Registration No.	U45400UP2207PTC034026	State Code	20
Balance Sheet Date	31-Mar-2008		

II. Capital raised during the period (Amount rupees in thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	100

III. Position of mobilisation and deployment of funds (Amount rupees in thousand)

Total Liabilities	106	Total Assets	106
<u>Sources of Funds</u>		<u>Application of Funds</u>	
Paid-up Capital	100	Net fixed assets	-
Application Money	-	Investments	-
Reserves & Surplus	-	Net current assets	86
Secured Loans	-	Miscellaneous Expenditure	14
Unsecured Loans	-	Profit and loss account	-
		Deferred tax asset	-

IV. Performance of companies (Amount rupees in thousand)

Total Revenue	-	Total Expenditure	0
Loss Before Tax	0		
Loss After Tax	0		
Earnings per Share (in Rs.)	0.00		
Dividend Rate (%)	Nil		

V. Generic names of three principal products / services of company (as per monetary terms)

Item Code No.	Nil
Service Description	Construction

For and on behalf of the Board of Directors
AADESH Constructions (P) Ltd

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the First Annual Report on the business and operations of the Company for the financial year ended on 31st March 2008.

The Company was incorporated on 09th October 2007 with the object of builders, developers, constructions and acquiring land. The company has not commenced any business in the aforesaid financial year, therefore, Profit & Loss Account has not been prepared.

STATUTORY STATEMENTS:

There was no employee in receipt of remuneration in excess of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Amendment) Rules, 1988.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As regards disclosure u/s 217 (i) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 it has been advised that the particulars relating to conservation of energy, as required under the aforesaid rules are not applicable in the case of the Company. The Company is yet to undertake Research & Development activities and Development of Technology in the area of construction activities.

Your Company does not have any Foreign Exchange Earnings or Outgo.

DIRECTORS' RESPONSIBILITY STATEMENT**The Directors of the Company confirm:**

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That 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 at the end of financial year and of the profit of the Company for that period.
3. 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.
4. That the Directors have prepared the annual accounts on a going concern basis.

ACCEPTANCE OF DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

AUDITORS

M/S Amar Tandon & Co., 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.

ACKNOWLEDGEMENT

The Board of Directors wish to put on record their sincere appreciation for the co-operation received from the Company's Bankers and other Government and Non Government Agencies. The Directors also like to put on record their sincere appreciation for the hard work put in by the Officers and other staff members of the Company in making its operation a success.

By Order of the Board
For **GARV Constructions Private Limited**

(Director)
T K Dikshit

(Director)
Alok Bhatnagar

Place: Lucknow

Dated: 25th June 2008

AUDITOR'S REPORT

**TO
THE SHAREHOLDERS
GARV CONSTRUCTIONS PRIVATE LIMITED
LUCKNOW.**

- 1.** We have audited the attached Balance Sheet of **GARV CONSTRUCTIONS PRIVATE LIMITED**, as at 31st March 2008. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.
- 2.** We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a responsible basis for our opinion.
- 3.** The requirements of the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 are not applicable on the company for the year under audit.
- 4.** Further to our comments in the Annexure referred to above, we report that: -
 - a)** We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b)** In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c)** The Balance Sheet dealt with by this Report are in agreement with the Books of Account;
 - d)** In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - e)** On the basis of written representations received from the Director, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f)** In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i.** in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - ii.** In the case of cash flow statement for the year ended on that date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

Place: Lucknow

Dated: 25th June, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	Schedule	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds :			
Share capital	1	100,000	-
Reserve and surplus	2	-	-
Loan Funds :			
Secured Loans		-	-
Unsecured Loans		-	-
		<u>100,000</u>	<u>-</u>
APPLICATION OF FUNDS			
Investments		-	-
Current assets, loans and advances			
Cash and bank balances	3	92,000	-
Other Current Assets		-	-
		<u>92,000</u>	<u>-</u>
Less: Current liabilities and provisions			
Current liabilities	4	6,000	-
		<u>86,000</u>	<u>-</u>
Net current assets			
Miscellaneous Expenditure	5	14,000	-
(To the extent not written off/ adjusted)			
Profit and loss account		-	-
Deferred Tax Asset		-	-
		<u>100,000</u>	<u>-</u>
Significant accounting policies and notes to accounts	6	-	-
Schedules form an integral parts of accounts			
As per our report attached			

For Amar Tandon & Company
Chartered Accountants

Amar Tandon
Proprietor

Place: Lucknow
Dated: 25th June, 2008

For and on behalf of the Board of Directors
GARV Constructions (P) Ltd

T. K. Dikshit
Director

Place: Lucknow
Dated: 25th June, 2008

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SCHEDULE - 1 : SHARE CAPITAL		
Authorized:		
10,000 equity shares of Rs.10 each	100,000	-
	-----	-----
	100,000	-
	=====	=====
Issued, subscribed and fully paid-up:		
10,000 Equity Shares of Rs.10 each fully paid-up	100,000	-
	-----	-----
	100,000	-
	=====	=====
SCHEDULE - 2 : RESERVE & SURPLUS		
Profit and Loss Account	-	-
	-----	-----
	-	-
	=====	=====
SCHEDULE - 3 : CASH & BANK BALANCE		
Cash in hand	100	-
Cheques in hand	91,900	-
	-----	-----
	92,000	-
	=====	=====
SCHEDULE - 4 : CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
Amar Tandon & Company	5,000	-
Amit Gupta & Company	1,000	-
	-----	-----
	6,000	-
	=====	=====
SCHEDULE - 5 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off/ adjusted)		
Company Incorporation Expenses	9,000	-
Audit Fees	5,000	-
	-----	-----
	14,000	-
	=====	=====

SCHEDULE “6” NOTES TO ACCOUNTS

1 The Company was incorporated on 09.10.2007 with the object of builders, developers, constructions and acquiring land.

2 ACCOUNTING POLICIES

- (i)** These financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the Companies Act 1956.
- (ii)** In preparation of the financial statements, certain assumptions are made which affect the reported amount of assets and liabilities on the date of financial statements and reported amount of expenditure during the period. No revenue has been generated from operations.
- (iii)** Company has regularly followed Accounting Standards, which have been made mandatory and has been maintaining accounts on the basis of going concern.
- (iv)** Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- (v)** This being the first year of operation, previous year figures have not been given.
- (vi)** Preliminary Expenses have not been written off as this being the first year and would be recognized as and when profits are booked.

3. CAPITAL COMMITMENT - NIL

4. CONTINGENT LIABILITIES - NIL

5. Sundry Creditors are subject to confirmation and reconciliation, if any.

6. Information pursuant to paragraph 4 D of the schedule VI part II of the Companies Act, 1956

- a) Value of imports calculated on C.I.F basis - NIL
- b) Expenditure in foreign currency - NIL
- c) Value of materials consumed - NIL
- d) Amount remitted in foreign currency on account of dividend - NIL
- e) Earnings in Foreign Exchange - NIL

7. REMUNERATION TO DIRECTOR - NIL

8. Information pursuant to amendment made on 15th May 1995 in Schedule VI of the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile is being annexed to this schedule in standardized form.

For **Amar Tandon & Company**
Chartered Accountants

For & on behalf of the Board of Directors
GARV CONSTRUCTIONS (P) LTD.

(AMAR TANDON)
Proprietor

T. K. DIKSHIT
Director

ALOK BHATNAGAR
Director

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

		(FIG IN RS)
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) Cash Flow from Operating Activities		
Net Profit Before Tax	0.00	0.00
Depreciation	0.00	0.00
Income of Previous Year Received	0.00	0.00
Misc Expenses Written Off	0.00	0.00
Operating Profit Before Working Capital Changes	0.00	0.00
Adjustments for		
Trade & Other Receivable	0.00	0.00
Payables	6,000.00	0.00
CASH FROM OPERATIONS	6,000.00	0.00
Taxes Paid	0.00	0.00
Miscellaneous Expenses Incurred	14,000.00	0.00
Net Cash from Operating Activities	-8,000.00	0.00
(B) Cash flow from Investing Activities		
Fixed Assets Purchased	0.00	0.00
Increase in Investments	0.00	0.00
Increase in Loans & Advances	0.00	0.00
Net Cash Used in Investing Activities	0.00	0.00
(C) Cash Flow from Financing Activities		
Decrease in Investment	0.00	0.00
Decrease in Loan & Advances	0.00	0.00
Increase in Share Capital	100,000.00	0.00
Net Cash used in Financing Activities	100,000.00	0.00
Net Increase/Decrease in Cash or Cash Equivalent	92,000.00	0.00
Opening Balance	0.00	0.00
Closing Balance	92,000.00	0.00

As per our separate report of even date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

For **GARV CONSTRUCTIONS (P) LTD**

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

(T.K.DIKSHIT)
DIRECTOR

(ALOK BHATNAGAR)
DIRECTOR

Place : Lucknow
Date : 25.06.2008

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration details:

Registration No.	U45400UP2007PTC034023	State Code	20
Balance Sheet Date	31-Mar-2008		

II. Capital raised during the period (Amount rupees in thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	100

III. Position of mobilisation and deployment of funds (Amount rupees in thousand)

Total Liabilities	106	Total Assets	106
<u>Sources of Funds</u>		<u>Application of Funds</u>	
Paid-up Capital	100	Net fixed assets	-
Application Money	-	Investments	-
Reserves & Surplus	-	Net current assets	86
Secured Loans	-	Miscellaneous Expenditure	14
Unsecured Loans	-	Profit and loss account	-
		Deferred tax asset	-

IV. Performance of companies (Amount rupees in thousand)

Total Revenue	-	Total Expenditure	0
Loss Before Tax	0		
Loss After Tax	0		
Earnings per Share (in Rs.)	0.00		
Dividend Rate (%)	Nil		

V. Generic names of three principal products / services of company (as per monetary terms)

Item Code No.	Nil
Service Description	Construction

For and on behalf of the Board of Directors
GARV Constructions (P) Ltd

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the First Annual Report on the business and operations of the Company for the financial year ended on 31st March 2008.

The Company was incorporated on 09th October 2007 with the object of builders, developers, constructions and acquiring land. The company has not commenced any business in the aforesaid financial year, therefore, Profit & Loss Account has not been prepared.

STATUTORY STATEMENTS:

There was no employee in receipt of remuneration in excess of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Amendment) Rules, 1988.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As regards disclosure u/s 217 (i) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 it has been advised that the particulars relating to conservation of energy, as required under the aforesaid rules are not applicable in the case of the Company. The Company is yet to undertake Research & Development activities and Development of Technology in the area of construction activities.

Your Company does not have any Foreign Exchange Earnings or Outgo.

DIRECTORS' RESPONSIBILITY STATEMENT**The Directors of the Company confirm:**

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That 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 at the end of financial year and of the profit of the Company for that period.
3. 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.
4. That the Directors have prepared the annual accounts on a going concern basis.

ACCEPTANCE OF DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

AUDITORS

M/S Amar Tandon & Co., 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.

ACKNOWLEDGEMENT

The Board of Directors wish to put on record their sincere appreciation for the co-operation received from the Company's Bankers and other Government and Non Government Agencies. The Directors also like to put on record their sincere appreciation for the hard work put in by the Officers and other staff members of the Company in making its operation a success.

By Order of the Board
For **MAHAL Constructions Private Limited**

(Director)
T K Dikshit

(Director)
Alok Bhatnagar

Place: Lucknow

Dated: 25th June 2008

AUDITOR'S REPORT

TO
THE SHAREHOLDERS
MAHAL CONSTRUCTIONS PRIVATE LIMITED
LUCKNOW.

- 1.** We have audited the attached Balance Sheet of **MAHAL CONSTRUCTIONS PRIVATE LIMITED**, as at 31st March 2008. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.
- 2.** We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a responsible basis for our opinion.
- 3.** The requirements of the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 are not applicable on the company for the year under audit.
- 4.** Further to our comments in the Annexure referred to above, we report that: -
 - a)** We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b)** In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c)** The Balance Sheet dealt with by this Report are in agreement with the Books of Account;
 - d)** In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - e)** On the basis of written representations received from the Director, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f)** In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i.** in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - ii.** In the case of cash flow statement for the year ended on that date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

(AMAR TANDON)
PROPRIETOR

Membership No. 72630

Place: Lucknow

Dated: 25th June, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	Schedule	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds :			
Share capital	1	100,000	-
Reserve and surplus	2	-	-
Loan Funds :			
Secured Loans		-	-
Unsecured Loans		-	-
		100,000	-
APPLICATION OF FUNDS			
Investments		-	-
Current assets, loans and advances			
Cash and bank balances	3	92,000	-
Other Current Assets		-	-
		92,000	-
Less: Current liabilities and provisions			
Current liabilities	4	6,000	-
		86,000	-
Net current assets			
Miscellaneous Expenditure			
(To the extent not written off/ adjusted)	5	14,000	
Profit and loss account		-	-
Deferred Tax Asset		-	-
		100,000	-
Significant accounting policies and notes to accounts	6	-	-
Schedules form an integral parts of accounts			

As per our report attached

For **Amar Tandon & Company**
Chartered Accountants

Amar Tandon
Proprietor

Place: Lucknow
Dated: 25th June, 2008

For and on behalf of the Board of Directors
MAHAL Constructions (P) Ltd

T. K. Dikshit **Alok Bhatnagar**
Director **Director**

Place: Lucknow Place: Lucknow
Dated: 25th June, 2008 Dated: 25th June, 2008

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SCHEDULE - 1 : SHARE CAPITAL		
Authorized:		
10,000 equity shares of Rs.10 each	100,000	-
	-----	-----
	100,000	-
	=====	=====
Issued, subscribed and fully paid-up:		
10,000 Equity Shares of Rs.10 each fully paid-up	100,000	-
	-----	-----
	100,000	-
	=====	=====
SCHEDULE - 2 : RESERVE & SURPLUS		
Profit and Loss Account	-	-
	-----	-----
	-	-
	=====	=====
SCHEDULE - 3 : CASH & BANK BALANCE		
Cash in hand	100	-
Cheques in hand	91,900	-
	-----	-----
	92,000	-
	=====	=====
SCHEDULE - 4 : CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
Amar Tandon & Company	5,000	-
Amit Gupta & Company	1,000	-
	-----	-----
	6,000	-
	=====	=====
SCHEDULE - 5 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off/ adjusted)		
Company Incorporation Expenses	9,000	-
Audit Fees	5,000	-
	-----	-----
	14,000	-
	=====	=====

SCHEDULE “6” NOTES TO ACCOUNTS

1 The Company was incorporated on 09.10.2007 with the object of builders, developers, constructions and acquiring land.

2 ACCOUNTING POLICIES

- (i) These financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the Companies Act 1956.
- (ii) In preparation of the financial statements, certain assumptions are made which affect the reported amount of assets and liabilities on the date of financial statements and reported amount of expenditure during the period. No revenue has been generated from operations.
- (iii) Company has regularly followed Accounting Standards, which have been made mandatory and has been maintaining accounts on the basis of going concern.
- (iv) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- (v) This being the first year of operation, previous year figures have not been given.
- (vi) Preliminary Expenses have not been written off as this being the first year and would be recognized as and when profits are booked.

3. CAPITAL COMMITMENT - NIL

4. CONTINGENT LIABILITIES - NIL

5. Sundry Creditors are subject to confirmation and reconciliation, if any.

6. Information pursuant to paragraph 4 D of the schedule VI part II of the Companies Act, 1956

a) Value of imports calculated on C.I.F basis	-	NIL
b) Expenditure in foreign currency	-	NIL
c) Value of materials consumed	-	NIL
d) Amount remitted in foreign currency on account of dividend	-	NIL
e) Earnings in Foreign Exchange	-	NIL

7. REMUNERATION TO DIRECTOR - NIL

8. Information pursuant to amendment made on 15th May 1995 in Schedule VI of the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile is being annexed to this schedule in standardized form.

For **Amar Tandon & Company**
Chartered Accountants

For & on behalf of the Board of Directors
MAHAL CONSTRUCTIONS (P) LTD.

(AMAR TANDON)
Proprietor

T. K. DIKSHIT
Director

ALOK BHATNAGAR
Director

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

(FIG IN RS)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) <u>Cash Flow from Operating Activities</u>		
Net Profit Before Tax	0.00	0.00
Depreciation	0.00	0.00
Income of Previous Year Received	0.00	0.00
Misc Expenses Written Off	0.00	0.00
Operating Profit Before Working Capital Changes	0.00	0.00
Adjustments for		
Trade & Other Receivable	0.00	0.00
Payables	6,000.00	0.00
CASH FROM OPERATIONS	6,000.00	0.00
Taxes Paid	0.00	0.00
Miscellaneous Expenses Incurred	14,000.00	0.00
Net Cash from Operating Activities	-8,000.00	0.00
(B) <u>Cash flow from Investing Activities</u>		
Fixed Assets Purchased	0.00	0.00
Increase in Investments	0.00	0.00
Increase in Loans & Advances	0.00	0.00
Net Cash Used in Investing Activities	0.00	0.00
(C) <u>Cash Flow from Financing Activities</u>		
Decrease in Investment	0.00	0.00
Decrease in Loan & Advances	0.00	0.00
Increase in Share Capital	100,000.00	0.00
Net Cash used in Financing Activities	100,000.00	0.00
Net Increase/Decrease in Cash or Cash Equivalent	92,000.00	0.00
Opening Balance	0.00	0.00
Closing Balance	92,000.00	0.00

As per our separate report of even date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

For **MAHAL CONSTRUCTIONS (P) LTD**

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

(T.K.DIKSHIT) **(ALOK BHATNAGAR)**
DIRECTOR **DIRECTOR**

Place : Lucknow
Date : 25.06.2008

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration details:

Registration No.	U45400UP2007PTC034021	State Code	20
Balance Sheet Date	31-Mar-2008		

II. Capital raised during the period (Amount rupees in thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	100

III. Position of mobilisation and deployment of funds (Amount rupees in thousand)

Total Liabilities	106	Total Assets	106
<u>Sources of Funds</u>		<u>Application of Funds</u>	
Paid-up Capital	100	Net fixed assets	-
Application Money	-	Investments	-
Reserves & Surplus	-	Net current assets	86
Secured Loans	-	Miscellaneous Expenditure	14
Unsecured Loans	-	Profit and loss account	-
		Deferred tax asset	-

IV. Performance of companies (Amount rupees in thousand)

Total Revenue	-	Total Expenditure	0
Loss Before Tax	0		
Loss After Tax	0		
Earnings per Share (in Rs.)	0.00		
Dividend Rate (%)	Nil		

V. Generic names of three principal products / services of company (as per monetary terms)

Item Code No.	Nil
Service Description	Construction

For and on behalf of the Board of Directors

MAHAL Constructions (P) Ltd

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow

Place: Lucknow

Dated: 25th June, 2008

Dated: 25th June, 2008

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the First Annual Report on the business and operations of the Company for the financial year ended on 31st March 2008.

The Company was incorporated on 09th October 2007 with the object of builders, developers, constructions and acquiring land. The company has not commenced any business in the aforesaid financial year, therefore, Profit & Loss Account has not been prepared.

STATUTORY STATEMENTS:

There was no employee in receipt of remuneration in excess of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Amendment) Rules, 1988.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As regards disclosure u/s 217 (i) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 it has been advised that the particulars relating to conservation of energy, as required under the aforesaid rules are not applicable in the case of the Company. The Company is yet to undertake Research & Development activities and Development of Technology in the area of construction activities.

Your Company does not have any Foreign Exchange Earnings or Outgo.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That 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 at the end of financial year and of the profit of the Company for that period.
3. 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.
4. That the Directors have prepared the annual accounts on a going concern basis.

ACCEPTANCE OF DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

AUDITORS

M/S Amar Tandon & Co., 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.

ACKNOWLEDGEMENT

The Board of Directors wish to put on record their sincere appreciation for the co-operation received from the Company's Bankers and other Government and Non Government Agencies. The Directors also like to put on record their sincere appreciation for the hard work put in by the Officers and other staff members of the Company in making its operation a success.

By Order of the Board

For **Milaap Constructions Private Limited**

(Director)

T K Dikshit

(Director)

Alok Bhatnagar

Place: Lucknow

Dated: 25th June 2008

AUDITOR'S REPORT

TO
THE SHAREHOLDERS
MILAAP CONSTRUCTIONS PRIVATE LIMITED
LUCKNOW.

1. We have audited the attached Balance Sheet of **MILAAP CONSTRUCTIONS PRIVATE LIMITED**, as at 31st March 2008. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.
2. We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a responsible basis for our opinion.
3. The requirements of the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 are not applicable on the company for the year under audit.
4. Further to our comments in the Annexure referred to above, we report that: -
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet dealt with by this Report are in agreement with the Books of Account;
 - d) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - e) On the basis of written representations received from the Director, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - ii. In the case of cash flow statement for the year ended on that date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

Place: Lucknow

Dated: 25th June, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	Schedule	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds :			
Share capital	1	100,000	-
Reserve and surplus	2	-	-
Loan Funds :			
Secured Loans		-	-
Unsecured Loans		-	-
		100,000	-
APPLICATION OF FUNDS			
Investments		-	-
Current assets, loans and advances			
Cash and bank balances	3	92,000	-
Other Current Assets		-	-
		92,000	-
Less: Current liabilities and provisions			
Current liabilities	4	6,000	-
Net current assets		86,000	-
Miscellaneous Expenditure			
(To the extent not written off/ adjusted)	5	14,000	
Profit and loss account		-	-
Deferred Tax Asset		-	-
		100,000	-
Significant accounting policies and notes to accounts	6	-	-
Schedules form an integral parts of accounts			
As per our report attached			

For **Amar Tandon & Company**
Chartered Accountants

Amar Tandon
Proprietor

Place: Lucknow
Dated: 25th June, 2008

For and on behalf of the Board of Directors
MILAAP Constructions (P) Ltd

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SCHEDULE - 1 : SHARE CAPITAL		
Authorized:		
10,000 equity shares of Rs.10 each	100,000	-
	-----	-----
	100,000	-
	=====	=====
Issued, subscribed and fully paid-up:		
10,000 Equity Shares of Rs.10 each fully paid-up	100,000	-
	-----	-----
	100,000	-
	=====	=====
SCHEDULE - 2 : RESERVE & SURPLUS		
Profit and Loss Account	-	-
	-----	-----
	-	-
	=====	=====
SCHEDULE - 3 : CASH & BANK BALANCE		
Cash in hand	100	-
Cheques in hand	91,900	-
	-----	-----
	92,000	-
	=====	=====
SCHEDULE - 4 : CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
Amar Tandon & Company	5,000	-
Amit Gupta & Company	1,000	-
	-----	-----
	6,000	-
	=====	=====
SCHEDULE - 5 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off/ adjusted)		
Company Incorporation Expenses	9,000	-
Audit Fees	5,000	-
	-----	-----
	14,000	-
	=====	=====

SCHEDULE “6” NOTES TO ACCOUNTS

- 1 The Company was incorporated on 09.10.2007 with the object of builders, developers, constructions and acquiring land.
- 2 **ACCOUNTING POLICIES**
 - (i) These financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the Companies Act 1956.
 - (ii) In preparation of the financial statements, certain assumptions are made which affect the reported amount of assets and liabilities on the date of financial statements and reported amount of expenditure during the period. No revenue has been generated from operations.
 - (iii) Company has regularly followed Accounting Standards, which have been made mandatory and has been maintaining accounts on the basis of going concern.
 - (iv) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
 - (v) This being the first year of operation, previous year figures have not been given.
 - (vi) Preliminary Expenses have not been written off as this being the first year and would be recognized as and when profits are booked.
3. **CAPITAL COMMITMENT** - **NIL**
4. **CONTINGENT LIABILITIES** - **NIL**
5. Sundry Creditors are subject to confirmation and reconciliation, if any.
6. Information pursuant to paragraph 4 D of the schedule VI part II of the Companies Act, 1956

a) Value of imports calculated on C.I.F basis	-	NIL
b) Expenditure in foreign currency	-	NIL
c) Value of materials consumed	-	NIL
d) Amount remitted in foreign currency on account of dividend	-	NIL
e) Earnings in Foreign Exchange	-	NIL
7. **REMUNERATION TO DIRECTOR** - **NIL**
8. Information pursuant to amendment made on 15th May 1995 in Schedule VI of the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile is being annexed to this schedule in standardized form.

For **Amar Tandon & Company**
Chartered Accountants

For & on behalf of the Board of Directors
MILAAP CONSTRUCTIONS (P) LTD.

(AMAR TANDON)
Proprietor

T. K. DIKSHIT
Director

ALOK BHATNAGAR
Director

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

(FIG IN RS)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) <u>Cash Flow from Operating Activities</u>		
Net Profit Before Tax	0.00	0.00
Depreciation	0.00	0.00
Income of Previous Year Received	0.00	0.00
Misc Expenses Written Off	0.00	0.00
Operating Profit Before Working Capital Changes	0.00	0.00
Adjustments for		
Trade & Other Receivable	0.00	0.00
Payables	6,000.00	0.00
CASH FROM OPERATIONS	6,000.00	0.00
Taxes Paid	0.00	0.00
Miscellaneous Expenses Incurred	14,000.00	0.00
Net Cash from Operating Activities	-8,000.00	0.00
(B) <u>Cash flow from Investing Activities</u>		
Fixed Assets Purchased	0.00	0.00
Increase in Investments	0.00	0.00
Increase in Loans & Advances	0.00	0.00
Net Cash Used in Investing Activities	0.00	0.00
(C) <u>Cash Flow from Financing Activities</u>		
Decrease in Investment	0.00	0.00
Decrease in Loan & Advances	0.00	0.00
Increase in Share Capital	100,000.00	0.00
Net Cash used in Financing Activities	100,000.00	0.00
Net Increase/Decrease in Cash or Cash Equivalent	92,000.00	0.00
Opening Balance	0.00	0.00
Closing Balance	92,000.00	0.00

As per our separate report of even date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

For **MILAAP CONSTRUCTIONS (P) LTD**

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

(T.K.DIKSHIT)
DIRECTOR

(ALOK BHATNAGAR)
DIRECTOR

Place : Lucknow
Date : 11.07.2006

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration details:

Registration No.	U45400UP2007PTC034027	State Code	20
Balance Sheet Date	31-Mar-2008		

II. Capital raised during the period (Amount rupees in thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	100

III. Position of mobilisation and deployment of funds (Amount rupees in thousand)

Total Liabilities	106	Total Assets	106
<u>Sources of Funds</u>		<u>Application of Funds</u>	
Paid-up Capital	100	Net fixed assets	-
Application Money	-	Investments	-
Reserves & Surplus	-	Net current assets	86
Secured Loans	-	Miscellaneous Expenditure	14
Unsecured Loans	-	Profit and loss account	-
		Deferred tax asset	-

IV. Performance of companies (Amount rupees in thousand)

Total Revenue	-	Total Expenditure	0
Loss Before Tax	0		
Loss After Tax	0		
Earnings per Share (in Rs.)	0.00		
Dividend Rate (%)	Nil		

V. Generic names of three principal products / services of company (as per monetary terms)

Item Code No.	Nil
Service Description	Construction

For and on behalf of the Board of Directors
MILAAP Constructions (P) Ltd

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the First Annual Report on the business and operations of the Company for the financial year ended on 31st March 2008.

The Company was incorporated on 09th October 2007 with the object of builders, developers, constructions and acquiring land. The company has not commenced any business in the aforesaid financial year, therefore, Profit & Loss Account has not been prepared.

STATUTORY STATEMENTS:

There was no employee in receipt of remuneration in excess of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Amendment) Rules, 1988.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As regards disclosure u/s 217 (i) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 it has been advised that the particulars relating to conservation of energy, as required under the aforesaid rules are not applicable in the case of the Company. The Company is yet to undertake Research & Development activities and Development of Technology in the area of construction activities.

Your Company does not have any Foreign Exchange Earnings or Outgo.

DIRECTORS' RESPONSIBILITY STATEMENT**The Directors of the Company confirm:**

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That 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 at the end of financial year and of the profit of the Company for that period.
3. 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.
4. That the Directors have prepared the annual accounts on a going concern basis.

ACCEPTANCE OF DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

AUDITORS

M/S Amar Tandon & Co., 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.

ACKNOWLEDGEMENT

The Board of Directors wish to put on record their sincere appreciation for the co-operation received from the Company's Bankers and other Government and Non Government Agencies. The Directors also like to put on record their sincere appreciation for the hard work put in by the Officers and other staff members of the Company in making its operation a success.

By Order of the Board
For **SAMARPIT Constructions Private Limited**

(Director)
T K Dikshit

(Director)
Alok Bhatnagar

Place: Lucknow

Dated: 25th June 2008

AUDITOR'S REPORT

TO
THE SHAREHOLDERS
SAMARPIT CONSTRUCTIONS PRIVATE LIMITED
LUCKNOW.

1. We have audited the attached Balance Sheet of **SAMARPIT CONSTRUCTIONS PRIVATE LIMITED**, as at 31st March 2008. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.
2. We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a responsible basis for our opinion.
3. The requirements of the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 are not applicable on the company for the year under audit.
4. Further to our comments in the Annexure referred to above, we report that: -
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet dealt with by this Report are in agreement with the Books of Account;
 - d) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - e) On the basis of written representations received from the Director, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - ii. In the case of cash flow statement for the year ended on that date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

Place: Lucknow

Dated: 25th June, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	Schedule	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds :			
Share capital	1	100,000	-
Reserve and surplus	2	-	-
Loan Funds :			
Secured Loans		-	-
Unsecured Loans		-	-
		100,000	-
APPLICATION OF FUNDS			
Investments		-	-
Current assets, loans and advances			
Cash and bank balances	3	92,000	-
Other Current Assets		-	-
		92,000	-
Less: Current liabilities and provisions			
Current liabilities	4	6,000	-
		86,000	-
Net current assets			
Miscellaneous Expenditure	5	14,000	
(To the extent not written off/ adjusted)			
Profit and loss account		-	-
Deferred Tax Asset		-	-
		100,000	-
Significant accounting policies and notes to accounts	6	-	-

Schedules form an integral parts of accounts

As per our report attached

For **Amar Tandon & Company**
Chartered Accountants

For and on behalf of the Board of Directors
SAMARPIT Constructions (P) Ltd

Amar Tandon
Proprietor

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SCHEDULE - 1 : SHARE CAPITAL		
Authorized:		
10,000 equity shares of Rs.10 each	100,000	-
	100,000	-
Issued, subscribed and fully paid-up:		
10,000 Equity Shares of Rs.10 each fully paid-up	100,000	-
	100,000	-
SCHEDULE - 2 : RESERVE & SURPLUS		
Profit and Loss Account	-	-
	-	-
SCHEDULE - 3 : CASH & BANK BALANCE		
Cash in hand	100	-
Cheques in hand	91,900	-
	92,000	-
SCHEDULE - 4 : CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
Amar Tandon & Company	5,000	-
Amit Gupta & Company	1,000	-
	6,000	-
SCHEDULE - 5 : MISCELLANEOUS EXPENDITURE (To the extent not written off/ adjusted)		
Company Incorporation Expenses	9,000	-
Audit Fees	5,000	-
	14,000	-

SCHEDULE “6” NOTES TO ACCOUNTS

- 1 The Company was incorporated on 09.10.2007 with the object of builders, developers, constructions and acquiring land.
- 2 **ACCOUNTING POLICIES**
 - (i) These financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the Companies Act 1956.
 - (ii) In preparation of the financial statements, certain assumptions are made which affect the reported amount of assets and liabilities on the date of financial statements and reported amount of expenditure during the period. No revenue has been generated from operations.
 - (iii) Company has regularly followed Accounting Standards, which have been made mandatory and has been maintaining accounts on the basis of going concern.
 - (iv) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
 - (v) This being the first year of operation, previous year figures have not been given.
 - (vi) Preliminary Expenses have not been written off as this being the first year and would be recognized as and when profits are booked.
3. **CAPITAL COMMITMENT - NIL**
4. **CONTINGENT LIABILITIES - NIL**
5. Sundry Creditors are subject to confirmation and reconciliation, if any.
6. Information pursuant to paragraph 4 D of the schedule VI part II of the Companies Act, 1956

a) Value of imports calculated on C.I.F basis	-	NIL
b) Expenditure in foreign currency	-	NIL
c) Value of materials consumed	-	NIL
d) Amount remitted in foreign currency on account of dividend	-	NIL
e) Earnings in Foreign Exchange	-	NIL
7. **REMUNERATION TO DIRECTOR - NIL**
8. Information pursuant to amendment made on 15th May 1995 in Schedule VI of the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile is being annexed to this schedule in standardized form.

For **Amar Tandon & Company**
Chartered Accountants

For & on behalf of the Board of Directors
SAMARPIT CONSTRUCTIONS (P) LTD.

(AMAR TANDON)
Proprietor

T. K. DIKSHIT
Director

ALOK BHATNAGAR
Director

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

(FIG IN RS)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) <u>Cash Flow from Operating Activities</u>		
Net Profit Before Tax	0.00	0.00
Depreciation	0.00	0.00
Income of Previous Year Received	0.00	0.00
Misc Expenses Written Off	0.00	0.00
Operating Profit Before Working Capital Changes	0.00	0.00
Adjustments for		
Trade & Other Receivable	0.00	0.00
Payables	6,000.00	0.00
CASH FROM OPERATIONS	6,000.00	0.00
Taxes Paid	0.00	0.00
Miscellaneous Expenses Incurred	14,000.00	0.00
Net Cash from Operating Activities	-8,000.00	0.00
(B) <u>Cash flow from Investing Activities</u>		
Fixed Assets Purchased	0.00	0.00
Increase in Investments	0.00	0.00
Increase in Loans & Advances	0.00	0.00
Net Cash Used in Investing Activities	0.00	0.00
(C) <u>Cash Flow from Financing Activities</u>		
Decrease in Investment	0.00	0.00
Decrease in Loan & Advances	0.00	0.00
Increase in Share Capital	100,000.00	0.00
Net Cash used in Financing Activities	100,000.00	0.00
Net Increase/Decrease in Cash or Cash Equivalent	92,000.00	0.00
Opening Balance	0.00	0.00
Closing Balance	92,000.00	0.00

As per our separate report of even date.

**For AMAR TANDON & CO.
CHARTERED ACCOUNTANTS**

For **SAMARPIT CONSTRUCTIONS (P) LTD**

**(AMAR TANDON)
PROPRIETOR
Membership No. 72630**

**(T.K.DIKSHIT) (ALOK BHATNAGAR)
DIRECTOR DIRECTOR**

Place : Lucknow
Date : 25.06.2008

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration details:

Registration No.	U45400UP2007PTC034024	State Code	20
Balance Sheet Date	31-Mar-2008		

II. Capital raised during the period (Amount rupees in thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	100

III. Position of mobilisation and deployment of funds (Amount rupees in thousand)

Total Liabilities	106	Total Assets	106
<u>Sources of Funds</u>		<u>Application of Funds</u>	
Paid-up Capital	100	Net fixed assets	-
Application Money	-	Investments	-
Reserves & Surplus	-	Net current assets	86
Secured Loans	-	Miscellaneous Expenditure	14
Unsecured Loans	-	Profit and loss account	-
		Deferred tax asset	-

IV. Performance of companies (Amount rupees in thousand)

Total Revenue	-	Total Expenditure	0
Loss Before Tax	0		
Loss After Tax	0		
Earnings per Share (in Rs.)	0.00		
Dividend Rate (%)	Nil		

V. Generic names of three principal products / services of company (as per monetary terms)

Item Code No.	Nil
Service Description	Construction

For and on behalf of the Board of Directors
SAMARPIT Constructions (P) Ltd

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the First Annual Report on the business and operations of the Company for the financial year ended on 31st March 2008.

The Company was incorporated on 09th October 2007 with the object of builders, developers, constructions and acquiring land. The company has not commenced any business in the aforesaid financial year, therefore, Profit & Loss Account has not been prepared.

STATUTORY STATEMENTS:

There was no employee in receipt of remuneration in excess of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Amendment) Rules, 1988.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As regards disclosure u/s 217 (i) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 it has been advised that the particulars relating to conservation of energy, as required under the aforesaid rules are not applicable in the case of the Company. The Company is yet to undertake Research & Development activities and Development of Technology in the area of construction activities.

Your Company does not have any Foreign Exchange Earnings or Outgo.

DIRECTORS' RESPONSIBILITY STATEMENT**The Directors of the Company confirm:**

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That 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 at the end of financial year and of the profit of the Company for that period.
3. 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.
4. That the Directors have prepared the annual accounts on a going concern basis.

ACCEPTANCE OF DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

AUDITORS

M/S Amar Tandon & Co., 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.

ACKNOWLEDGEMENT

The Board of Directors wish to put on record their sincere appreciation for the co-operation received from the Company's Bankers and other Government and Non Government Agencies. The Directors also like to put on record their sincere appreciation for the hard work put in by the Officers and other staff members of the Company in making its operation a success.

By Order of the Board
For **SUNIYOJIT Constructions Private Limited**

(Director)
T K Dikshit

(Director)
Alok Bhatnagar

Place: Lucknow

Dated: 25th June 2008

AUDITOR'S REPORT

TO
THE SHAREHOLDERS
SUNIYOJIT CONSTRUCTIONS PRIVATE LIMITED
LUCKNOW.

- 1.** We have audited the attached Balance Sheet of **SUNIYOJIT CONSTRUCTIONS PRIVATE LIMITED**, as at 31st March 2008. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.
- 2.** We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a responsible basis for our opinion.
- 3.** The requirements of the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 are not applicable on the company for the year under audit.
- 4.** Further to our comments in the Annexure referred to above, we report that: -
 - a.** We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b.** In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c.** The Balance Sheet dealt with by this Report are in agreement with the Books of Account;
 - d.** In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - e.** On the basis of written representations received from the Director, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f.** In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i.** in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - ii.** In the case of cash flow statement for the year ended on that date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

Place: Lucknow

Dated: 25th June, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	Schedule	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds :			
Share capital	1	100,000	-
Reserve and surplus	2	-	-
Loan Funds :			
Secured Loans		-	-
Unsecured Loans		-	-
		<u>100,000</u>	<u>-</u>
APPLICATION OF FUNDS			
Investments		-	-
Current assets, loans and advances			
Cash and bank balances	3	92,000	-
Other Current Assets		-	-
		<u>92,000</u>	<u>-</u>
Less: Current liabilities and provisions			
Current liabilities	4	6,000	-
		<u>86,000</u>	<u>-</u>
Net current assets			
Miscellaneous Expenditure			
(To the extent not written off/ adjusted)	5	14,000	
Profit and loss account		-	-
Deferred Tax Asset		-	-
		<u>100,000</u>	<u>-</u>
Significant accounting policies and notes to accounts	6	-	-

Schedules form an integral parts of accounts

As per our report attached

For **Amar Tandon & Company**
Chartered Accountants

For and on behalf of the Board of Directors
SUNIYOJIT Constructions (P) Ltd

Amar Tandon
Proprietor

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SCHEDULE - 1 : SHARE CAPITAL		
Authorized:		
10,000 equity shares of Rs.10 each	100,000	-
	100,000	-
Issued, subscribed and fully paid-up:		
10,000 Equity Shares of Rs.10 each fully paid-up	100,000	-
	100,000	-
SCHEDULE - 2 : RESERVE & SURPLUS		
Profit and Loss Account	-	-
	-	-
SCHEDULE - 3 : CASH & BANK BALANCE		
Cash in hand	100	-
Cheques in hand	91,900	-
	92,000	-
SCHEDULE - 4 : CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
Amar Tandon & Company	5,000	-
Amit Gupta & Company	1,000	-
	6,000	-
SCHEDULE - 5 : MISCELLANEOUS EXPENDITURE (To the extent not written off/ adjusted)		
Company Incorporation Expenses	9,000	-
Audit Fees	5,000	-
	14,000	-

SCHEDULE “6” NOTES TO ACCOUNTS

- 1 The Company was incorporated on 09.10.2007 with the object of builders, developers, constructions and acquiring land.
- 2 **ACCOUNTING POLICIES**
 - (i) These financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the Companies Act 1956.
 - (ii) In preparation of the financial statements, certain assumptions are made which affect the reported amount of assets and liabilities on the date of financial statements and reported amount of expenditure during the period. No revenue has been generated from operations.
 - (iii) Company has regularly followed Accounting Standards, which have been made mandatory and has been maintaining accounts on the basis of going concern.
 - (iv) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
 - (v) This being the first year of operation, previous year figures have not been given.
 - (vi) Preliminary Expenses have not been written off as this being the first year and would be recognized as and when profits are booked.
3. **CAPITAL COMMITMENT - NIL**
4. **CONTINGENT LIABILITIES - NIL**
5. Sundry Creditors are subject to confirmation and reconciliation, if any.
6. Information pursuant to paragraph 4 D of the schedule VI part II of the Companies Act, 1956

a) Value of imports calculated on C.I.F basis	-	NIL
b) Expenditure in foreign currency	-	NIL
c) Value of materials consumed	-	NIL
d) Amount remitted in foreign currency on account of dividend	-	NIL
e) Earnings in Foreign Exchange	-	NIL
7. **REMUNERATION TO DIRECTOR - NIL**
8. Information pursuant to amendment made on 15th May 1995 in Schedule VI of the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile is being annexed to this schedule in standardized form.

For **Amar Tandon & Company**
Chartered Accountants

(AMAR TANDON)
Proprietor

Place:- Lucknow
Dated: 25th June, 2008

For & on behalf of the Board of Directors
SUNIYOJIT CONSTRUCTIONS (P) LTD.

T. K. DIKSHIT
Director

Place:- Lucknow
Dated: 25th June, 2008

ALOK BHATNAGAR
Director

Place:- Lucknow
Dated: 25th June, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

(FIG IN RS)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) <u>Cash Flow from Operating Activities</u>		
Net Profit Before Tax	0.00	0.00
Depreciation	0.00	0.00
Income of Previous Year Received	0.00	0.00
Misc Expenses Written Off	0.00	0.00
Operating Profit Before Working Capital Changes	0.00	0.00
Adjustments for		
Trade & Other Receivable	0.00	0.00
Payables	6,000.00	0.00
CASH FROM OPERATIONS	6,000.00	0.00
Taxes Paid	0.00	0.00
Miscellaneous Expenses Incurred	14,000.00	0.00
Net Cash from Operating Activities	-8,000.00	0.00
(B) <u>Cash flow from Investing Activities</u>		
Fixed Assets Purchased	0.00	0.00
Increase in Investments	0.00	0.00
Increase in Loans & Advances	0.00	0.00
Net Cash Used in Investing Activities	0.00	0.00
(C) <u>Cash Flow from Financing Activities</u>		
Decrease in Investment	0.00	0.00
Decrease in Loan & Advances	0.00	0.00
Increase in Share Capital	100,000.00	0.00
Net Cash used in Financing Activities	100,000.00	0.00
Net Increase/Decrease in Cash or Cash Equivalent	92,000.00	0.00
Opening Balance	0.00	0.00
Closing Balance	92,000.00	0.00

As per our separate report of even date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

For **SUNIYOJIT CONSTRUCTIONS (P) LTD**

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

(T.K.DIKSHIT)
DIRECTOR

(ALOK BHATNAGAR)
DIRECTOR

Place : Lucknow
Date : 25.06.2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

(FIG IN RS)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) <u>Cash Flow from Operating Activities</u>		
Net Profit Before Tax	0.00	0.00
Depreciation	0.00	0.00
Income of Previous Year Received	0.00	0.00
Misc Expenses Written Off	0.00	0.00
Operating Profit Before Working Capital Changes	0.00	0.00
Adjustments for		
Trade & Other Receivable	0.00	0.00
Payables	6,000.00	0.00
CASH FROM OPERATIONS	6,000.00	0.00
Taxes Paid	0.00	0.00
Miscellaneous Expenses Incurred	14,000.00	0.00
Net Cash from Operating Activities	-8,000.00	0.00
(B) <u>Cash flow from Investing Activities</u>		
Fixed Assets Purchased	0.00	0.00
Increase in Investments	0.00	0.00
Increase in Loans & Advances	0.00	0.00
Net Cash Used in Investing Activities	0.00	0.00
(C) <u>Cash Flow from Financing Activities</u>		
Decrease in Investment	0.00	0.00
Decrease in Loan & Advances	0.00	0.00
Increase in Share Capital	100,000.00	0.00
Net Cash used in Financing Activities	100,000.00	0.00
Net Increase/Decrease in Cash or Cash Equivalent	92,000.00	0.00
Opening Balance	0.00	0.00
Closing Balance	92,000.00	0.00

As per our separate report of even date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

For **SUNIYOJIT CONSTRUCTIONS (P) LTD**

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

(T.K.DIKSHIT)
DIRECTOR

(ALOK BHATNAGAR)
DIRECTOR

Place : Lucknow
Date : 25.06.2008

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the First Annual Report on the business and operations of the Company for the financial year ended on 31st March 2008.

The Company was incorporated on 09th October 2007 with the object of builders, developers, constructions and acquiring land. The company has not commenced any business in the aforesaid financial year, therefore, Profit & Loss Account has not been prepared.

STATUTORY STATEMENTS:

There was no employee in receipt of remuneration in excess of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Amendment) Rules, 1988.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As regards disclosure u/s 217 (i) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 it has been advised that the particulars relating to conservation of energy, as required under the aforesaid rules are not applicable in the case of the Company. The Company is yet to undertake Research & Development activities and Development of Technology in the area of construction activities.

Your Company does not have any Foreign Exchange Earnings or Outgo.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That 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 at the end of financial year and of the profit of the Company for that period.
3. 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.
4. That the Directors have prepared the annual accounts on a going concern basis.

ACCEPTANCE OF DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

AUDITORS

M/S Amar Tandon & Co., 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.

ACKNOWLEDGEMENT

The Board of Directors wish to put on record their sincere appreciation for the co-operation received from the Company's Bankers and other Government and Non Government Agencies. The Directors also like to put on record their sincere appreciation for the hard work put in by the Officers and other staff members of the Company in making its operation a success.

By Order of the Board

For **Utsav Constructions Private Limited**

(Director)

T K Dikshit

(Director)

Alok Bhatnagar

Place: Lucknow

Dated: 25th June 2008

AUDITOR'S REPORT

TO
THE SHAREHOLDERS
UTSAV CONSTRUCTIONS PRIVATE LIMITED
LUCKNOW.

1. We have audited the attached Balance Sheet of **UTSAV CONSTRUCTIONS PRIVATE LIMITED**, as at 31st March 2008. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.
2. We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a responsible basis for our opinion.
3. The requirements of the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 are not applicable on the company for the year under audit.
4. Further to our comments in the Annexure referred to above, we report that: -
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet dealt with by this Report are in agreement with the Books of Account;
 - d) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - e) On the basis of written representations received from the Director, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - ii. In the case of cash flow statement for the year ended on that date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

(AMAR TANDON)
PROPRIETOR

Membership No. 72630

Place: Lucknow

Dated: 25th June, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	Schedule	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds :			
Share capital	1	100,000	-
Reserve and surplus	2	-	-
Loan Funds :			
Secured Loans		-	-
Unsecured Loans		-	-
		<u>100,000</u>	<u>-</u>
APPLICATION OF FUNDS			
Investments		-	-
Current assets, loans and advances			
Cash and bank balances	3	92,000	-
Other Current Assets		-	-
		<u>92,000</u>	<u>-</u>
Less: Current liabilities and provisions			
Current liabilities	4	6,000	-
		<u>86,000</u>	<u>-</u>
Net current assets			
Miscellaneous Expenditure (To the extent not written off/ adjusted)	5	14,000	-
Profit and loss account		-	-
Deferred Tax Asset		-	-
		<u>100,000</u>	<u>-</u>
Significant accounting policies and notes to accounts	6	-	-

Schedules form an integral parts of accounts

As per our report attached

For **Amar Tandon & Company**
Chartered Accountants

For and on behalf of the Board of Directors
UTSAV Constructions (P) Ltd

Amar Tandon
Proprietor

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

Place: Lucknow
Dated: 25th June, 2008

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SCHEDULE - 1 : SHARE CAPITAL		
Authorized:		
10,000 equity shares of Rs.10 each	100,000	-
	100,000	-
Issued, subscribed and fully paid-up:		
10,000 Equity Shares of Rs.10 each fully paid-up	100,000	-
	100,000	-
SCHEDULE - 2 : RESERVE & SURPLUS		
Profit and Loss Account	-	-
	-	-
SCHEDULE - 3 : CASH & BANK BALANCE		
Cash in hand	100	-
Cheques in hand	91,900	-
	92,000	-
SCHEDULE - 4 : CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
Amar Tandon & Company	5,000	-
Amit Gupta & Company	1,000	-
	6,000	-
SCHEDULE - 5 : MISCELLANEOUS EXPENDITURE (To the extent not written off/ adjusted)		
Company Incorporation Expenses	9,000	-
Audit Fees	5,000	-
	14,000	-

SCHEDULE “6” NOTES TO ACCOUNTS

1 The Company was incorporated on 09.10.2007 with the object of builders, developers, constructions and acquiring land.

2 ACCOUNTING POLICIES

- (i) These financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the Companies Act 1956.
- (ii) In preparation of the financial statements, certain assumptions are made which affect the reported amount of assets and liabilities on the date of financial statements and reported amount of expenditure during the period. No revenue has been generated from operations.
- (iii) Company has regularly followed Accounting Standards, which have been made mandatory and has been maintaining accounts on the basis of going concern.
- (iv) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- (v) This being the first year of operation, previous year figures have not been given.
- (vi) Preliminary Expenses have not been written off as this being the first year and would be recognized as and when profits are booked.

3. CAPITAL COMMITMENT - NIL

4. CONTINGENT LIABILITIES - NIL

5. Sundry Creditors are subject to confirmation and reconciliation, if any.

6. Information pursuant to paragraph 4 D of the schedule VI part II of the Companies Act, 1956

- a) Value of imports calculated on C.I.F basis - NIL
- b) Expenditure in foreign currency - NIL
- c) Value of materials consumed - NIL
- d) Amount remitted in foreign currency on account of dividend - NIL
- e) Earnings in Foreign Exchange - NIL

7. REMUNERATION TO DIRECTOR - NIL

8. Information pursuant to amendment made on 15th May 1995 in Schedule VI of the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile is being annexed to this schedule in standardized form.

For **Amar Tandon & Company**
Chartered Accountants

For & on behalf of the Board of Directors
UTSAV CONSTRUCTIONS (P) LTD.

(AMAR TANDON)
Proprietor

T. K. DIKSHIT
Director

ALOK BHATNAGAR
Director

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

Place:- Lucknow
Dated: 25th June, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

(FIG IN RS)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) Cash Flow from Operating Activities		
Net Profit Before Tax	0.00	0.00
Depreciation	0.00	0.00
Income of Previous Year Received	0.00	0.00
Misc Expenses Written Off	0.00	0.00
Operating Profit Before Working Capital Changes	0.00	0.00
Adjustments for		
Trade & Other Receivable	0.00	0.00
Payables	6,000.00	0.00
CASH FROM OPERATIONS	6,000.00	0.00
Taxes Paid	0.00	0.00
Miscellaneous Expenses Incurred	14,000.00	0.00
Net Cash from Operating Activities	-8,000.00	0.00
(B) Cash flow from Investing Activities		
Fixed Assets Purchased	0.00	0.00
Increase in Investments	0.00	0.00
Increase in Loans & Advances	0.00	0.00
Net Cash Used in Investing Activities	0.00	0.00
(C) Cash Flow from Financing Activities		
Decrease in Investment	0.00	0.00
Decrease in Loan & Advances	0.00	0.00
Increase in Share Capital	100,000.00	0.00
Net Cash used in Financing Activities	100,000.00	0.00
Net Increase/Decrease in Cash or Cash Equivalent	92,000.00	0.00
Opening Balance	0.00	0.00
Closing Balance	92,000.00	0.00

As per our separate report of even date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

For **UTSAV CONSTRUCTIONS (P) LTD**

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

(T.K.DIKSHIT)
DIRECTOR

(ALOK BHATNAGAR)
DIRECTOR

Place : Lucknow
Date : 25.06.2008

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration details:

Registration No.	U45400UP2007PTC034029	State Code	20
Balance Sheet Date	31-Mar-2008		

II. Capital raised during the period (Amount rupees in thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	100

III. Position of mobilisation and deployment of funds (Amount rupees in thousand)

Total Liabilities	106	Total Assets	106
<u>Sources of Funds</u>		<u>Application of Funds</u>	
Paid-up Capital	100	Net fixed assets	-
Application Money	-	Investments	-
Reserves & Surplus	-	Net current assets	86
Secured Loans	-	Miscellaneous Expenditure	14
Unsecured Loans	-	Profit and loss account	-
		Deferred tax asset	-

IV. Performance of companies (Amount rupees in thousand)

Total Revenue	-	Total Expenditure	0
Loss Before Tax	0		
Loss After Tax	0		
Earnings per Share (in Rs.)	0.00		
Dividend Rate (%)	Nil		

V. Generic names of three principal products / services of company (as per monetary terms)

Item Code No.	Nil
Service Description	Construction

For and on behalf of the Board of Directors
UTSAV Constructions (P) Ltd

T. K. Dikshit
Director

Alok Bhatnagar
Director

Place: Lucknow

Place: Lucknow

Dated: 25th June, 2008

Dated: 25th June, 2008

DIRECTOR'S REPORT

**To,
The Members,
The Halwasiya Agro Industries Limited.**

Your Directors have pleasure in presenting their Report and Statement of Accounts for the year ended 31st March 2008.

FINANCIAL RESULTS:

During the year under review the company incurred a loss of Rs.12,802/- which has been carried forward along with the previous balance of Rs.1,63,483/-.

DIVIDEND:

In view of losses your directors are not recommending any dividend for the year under report.

REVIEW OF OPERATIONS:

During the year under review the company became the subsidiary of Eldeco Housing & Industries Limited. The Registered office of the company was shifted from Halwasiya Court, Hazratganj, Lucknow - 226 001 to First Floor, Pragati Kendra, Kapoorthala Complex, Aliganj, Lucknow 226 024 w.e.f. 30.10.2007.

DIRECTORS:

During the year under report Shri Shiv Kumar Garg, Shri Tarunendu Kumar Dikshit & Shri Tushar Kapoor were appointed as a Director of the Company w.e.f. 02.06.2007 and Shri Sudhir S Halwasiya, Smt. Bina Halwasiya and Chawdhry Wahaj Ashraf resigned from directorship w.e.f. 06.06.2007. Shri Shiv Kumar Garg retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditors' Report are self explanatory and, therefore, do not call for any further comments.

AUDITORS

The Auditors M/s Amar Tandon & Co, Chartered Accountants, Lucknow retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DEPOSITS

During the year under report the company has not accepted any deposits from public within the meaning of section 58 A of the Companies Act, 1956

PARTICULARS OF EMPLOYEES

There was no employee in whose regard information under Section 217(2A) of the Companies Act, 1956 has to be given.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 the Board of Directors hereby state:

- a. that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- b. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of profit and loss account for the year under report.
- c. 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.
- d. that the Directors have prepared the Annual Accounts for the year under report on a going concern basis.

SECRETARIAL COMPLIANCE CERTIFICATE

A secretarial compliance certificate given by a practicing company secretary, pursuant to section 383A of the Companies Act, 1956 is being attached herewith.

SECRETARIAL AUDITORS

The Secretarial Auditors M/s Amit Gupta & Associates, Company Secretaries, Lucknow retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Particulars in respect of conservation of energy, technology absorption and foreign exchange

The Provisions relating to the conservation of energy, technology absorption as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars on the report of the Board of directors) Rules, 1988 are not applicable on the company.

The company has no foreign exchange earnings/outgo during the year under report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the assistance and co-operation that your Company received from the customers, members, bankers, staff and all others whose continued support has been a source of strength to the Company.

On behalf of the Board of Directors

Place: Lucknow

Dated: 26th June, 2008

SHIV KUMAR GARG
DIRECTOR

TUSHAR KAPOOR
DIRECTOR

COMPLIANCE CERTIFICATE

Registration No. of the Company : **20-007522**
Nominal Capital : **Rs. 50,00,000**

To,
The Members
Halwasiya Agro Industries Limited
 First Floor, Pragati Kendra, Kapoorthala, Aliganj
 Lucknow – 226 024

We have examined the registers, records, books and papers of Halwasiya Agro Industries Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2008 (financial year). In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and rules made thereunder 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 thereunder.
3. The company being a public limited company has the minimum prescribed paid-up capital
4. The Board of directors duly met eight times respectively on 02.06.2007, 06.06.2007, 10.08.2007, 15.10.2007, 20.10.2007, 22.12.2007, 22.01.2008, 31.03.2008 in respect of which 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 has not closed its register of members or Debenture holders during the year under reference.
6. The annual general meeting for the financial year ended on 31st March, 2007 was held on 29.09.2007 after giving due notice to the members of the company and the resolutions passed were duly recorded in minutes book maintained for the purpose.
7. No extra-ordinary general meeting was held during the year under reference.
8. On the basis of audited accounts for the year ended at 31st March, 2008 and management representation it appears that the company has not advanced any loan to its directors or persons or firms or companies referred to in section 295 of the Act.
9. The company has made necessary entries regarding the contracts falling within the purview of section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The company has not issued duplicate share certificates during the financial year.
13. **The company has:**
 - (i) Delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) not deposited any amount in a separate bank account as no dividend was declared during the year under reference.
 - (iii) was not required to post warrants to any member of the company as no dividend was declared during the year under reference.

- (iv) Was not required to transferred any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a year of seven years to Investor Education and Protection Fund.
- (v) Duly complied with the requirement of section 217 of the Act.
14. The Board of directors of the company is duly constituted. During the year under report Shri Shiv Kumar Garg, Shri Tarunendu Kumar Dikshit & Shri Tushar Kapoor were appointed as a Director of the Company w.e.f. 02.06.2007 and Shri Sudhir S Halwasiya, Smt. Bina Halwasiya and Choudhary Wahaj Ashraf resigned from directorship w.e.f. 06.06.2007.
 15. The company has not appointed any Managing director/whole-time director/Manager during the year under reference.
 16. The company has not appointed any sole-selling agent during the year under reference.
 17. The company was not required to obtain any approvals of the Central Government, Company law Board, regional Director, Registrar of Companies or such other authorities as prescribed under the various provisions of the Act during the year under reference.
 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 thereunder.
 19. The company has not issued shares, debentures and other securities during the year.
 20. The company has not bought any shares during the year under reference.
 21. Since the company has not issued any preference shares so there is no question of redemption of preference shares or debentures during the year under reference.
 22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
 23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the year under reference.
 24. During the year under report the company has not borrowed any amount.
 25. On the basis of audited accounts for the year ended at 31st March, 2008 and management representation, it appears that the company has not made any loans or advances or given guarantee or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 26. The company has not altered any provision of its Memorandum of Association during the year under review.
 27. The company has not altered its Articles of Association during the year under review.
 28. There was no prosecution initiated against or show cause notices received by the company and no fines and penalties or any other punishment was imposed on the company during the year under reference for alleged offences under the Act.
 29. The company has not received any money as security from its employees during the year under reference.
 30. We have been informed by the management that provisions regarding the Employees Provident Fund were not applicable to the company during the financial year.

Place : Lucknow
Date : 26th June, 2008

Signature :
Name : **Amit Gupta**
C.P No. : **4682**

AUDITOR'S REPORT**THE SHAREHOLDERS****HALWASIYA AGRO INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of **HALWASIYA AGRO INDUSTRIES LIMITED**, as at 31st March 2008 and also the Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a responsible basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that: -
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with the Books of Account;
 - d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - e. On the basis of written representations received from the Director, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008 and
 - ii. in the case of Profit and Loss Account, of the Loss for the year ended on that date.
 - iii. In the case of cash flow statement for the year ended on that date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

Place : Lucknow

Dated: 26th June, 2008

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVENDATE

- 1. a** The company has no fixed assets.
- b** This guideline is not applicable since there are no fixed assets.
- c** Based on our scrutiny of records of the company and the information and explanations received by us, we report that there is no sale of fixed assets substantial or otherwise during the year under audit. Hence, the question of reporting whether the sale of any substantial part of fixed assets has affected the going concern of the company does not arise.
- 2** The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3** The Company has neither taken nor granted any loans or advances in the nature of loans to parties covered in the register maintained under section 301 of the Company's Act 1956. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interest of the company, whether reasonable steps for recovery/repayment of overdues of such loans are taken does not arise.
- 4** In our opinion and according to the information and explanation received by us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchase of inventory. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5** Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that there were no transactions during the year that need to be entered in the register maintained under section 301 of the Companies Act 1956.
- 6** Based on our scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's) Rule, 1975.
- 7** In our opinion, the company has an internal audit system commensurate with the size of the company and the nature of its business.
- 8** We have been informed by the management, no cost records have been prescribed under section 209(1) (d) of the Companies Act, 1956 in respect of the business of the company.
- 9** According to records of the company, there are no dues in respect of Sale Tax/Income Tax/Custom Tax/Wealth Tax/Excise Duty/Cess which have not been deposited till date of this Balance Sheet i.e. 31.03.2008
- 10** The accumulated losses of the company are not more than fifty percent of its net worth. The company has incurred Cash loss during the financial year covered by our audit and the immediately preceding financial year.
- 11** According to records of the company, the company has repaid the entire outstanding loan taken from Bank of India during the year under audit. Hence, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture does not arise.
- 12** According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13** In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a Chit Fund nor a Nidhi/Mutual Benefit Society. Hence, in our opinion, the requirements of Clause 4 (xiii) of the Order do not apply to the company.
- 14** As per records of the company and the information and explanations given to us by the management, company is not dealing or trading in shares, securities, and debentures and other investments.
- 15** The company has not given guarantees in connection with loan taken by others from banks or financial institutions.
- 16** According to the records of the company, the company has no term loans outstanding as on 31.03.2008. Hence, comments under the clause are not called for.

- 17** According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has used no funds raised on short-term basis for long-term investment.
- 18** According to the records of the company and the information and explanations provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19** According to the records of the company, the company has not issued any debentures.
- 20** The company has not raised any money by public issue during the period covered by our audit report.
- 21** Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

FOR **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

(**AMAR TANDON**)
PROPRIETOR
Membership No.72630

Place : Lucknow

Date : 26th June, 2008

NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b. Fixed Assets

No fixed assets as on 31.03.2008

c. Depreciation

No fixed assets, hence no provision for deprecation.

d. Investments

No investments as on 31.03.2008

e. Inventories

Raw materials are valued at weighted average cost method.

f. Revenue recognition

No revenue was generated during the year.

g. Expenditure on new projects

Expenditure directly relating to construction activity is to be charged to the concerned project. Indirect expenditure incurred during construction period is charged as part of the indirect construction cost to the extent to which the expenditure is indirectly related to project or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account.

h. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

i. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act 1956

Real Estate	March 31, 2008		March 31, 2007	
	Sq. Mtrs	Rs. Lac	Sq. Mtrs	Rs. Lac
Stock-in-Trade:				
Land	3,888.91	-	3,003.85	-
Opening Stock		468.14		-
Purchase/Adjustments		127.17		468.14
Sale/Adjustments		-		-
Closing Stock		595.31		468.14
	March 31, 2008		March 31, 2007	
	Sq.Mtrs	Rs. Lac	Sq.Mtrs	Rs. Lac
Buildings				
Opening Stock	-	-	-	-
Purchase/Adjustments	-	-	-	-
Sale/Adjustments	-	-	-	-
Closing Stock	-	-	-	-
Foreign Currency Transactions				
	March 31, 2008		March 31, 2007	
	Rs. Lac		Rs. Lac	
Contingencies	NIL		NIL	
Contingent Liabilities and provided for	March 31, 2008		March 31, 2007	
	Rs. Lac		Rs. Lac	
A. Disputed Statutory claims/levies				
B. Claims against the Company not acknowledged as debts Claims by various Suppliers of goods and Services Electricity charges Claims by customers and others	NIL		NIL	

For AMAR TANDON & CO.
Chartered Accountants

For **HALWASIYA AGRO INDUSTRIES LTD**

(AMAR TANDON)
Proprietor
Membership No.72630

S.K. Garg
Director

T.K. Dikshit
Director

Place : Lucknow

BALANCE SHEET AS AT 31.03.2008

Particulars	Schedule	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds :			
Share capital	1	4,000,000	4,000,000
Reserve and surplus	2	3,500,000	3,500,000
Loan Funds :			
Secured Loans	3	-	11,039,018
TOTAL		7,500,000	18,539,018
APPLICATION OF FUNDS			
Investments			
		-	-
Current assets, loans and advances			
Inventories	4	3,314,193	-
Project in progress	5	59,531,395	46,814,170
Cash and bank balances	6	2,219,802	48,718
Loans and advances	7	661,493	2,175,710
		65,726,883	49,038,597
Less: Current liabilities and provisions			
Current liabilities	8	58,438,627	30,698,521
Net current assets			
		7,288,256	18,340,076
Miscellaneous Expenditure			
(To the extent not w/off or adjusted)		35,458	35,458
Profit and loss account		176,285	163,483
Deferred Tax Asset		-	-
TOTAL		7,500,000	18,539,018
Significant accounting policies and notes to accounts	10		

Schedules form an integral parts of accounts
As per our report attached

For **AMAR TANDON & CO.**
Chartered Accountants

For and on behalf of the Board of Directors
HALWASIYA AGRO INDUSTRIES LIMITED

Amar Tandon
Proprietor

S.K. Garg
Director

T. K. Dikshit
Director

Place: Lucknow
Date: 26th June, 2008

Place: Lucknow
Date: 26th June, 2008

Place: Lucknow
Date: 26th June, 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	Schedule	For the Year Ending on 31st March 2008 (Rupees)	For the Year Ending on 31st March 2007 (Rupees)
INCOME			
Sale			
Other Income		-	-
Increase/Decrease in Stocks			
Total		-	-
EXPENDITURE			
Administrative and other expenses	9	12,802	5,618
Preliminary expenditure written off		-	-
Total		12,802	5,618
Profit/ (loss) before tax		(12,802)	(5,618)
Provision for:			
- Current tax		-	-
- Deferred tax		-	-
Profit/ (loss) after tax		(12,802)	(5,618)
Profit/(Loss) brought forward from previous year		(163,483)	(157,865)
Profit/(Loss) carried forward to the Balance Sheet		(176,285)	(163,483)
Basic and diluted earning per share		(0.03)	(0.00)
Significant accounting policies and notes to accounts	10		

Schedules form an integral parts of accounts
As per our report attached

For **AMAR TANDON & CO.**
Chartered Accountants

For and on behalf of the Board of Directors
HALWASIYA AGRO INDUSTRIES LIMITED

Amar Tandon
Proprietor

S.K. Garg
Director

T. K. Dikshit
Director

Place: Lucknow
Date: 26th June, 2008

Place: Lucknow
Date: 26th June, 2008

Place: Lucknow
Date: 26th June, 2008

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SCHEDULE - 1 : SHARE CAPITAL		
Authorized:		
5,00,000 equity shares of Rs.10 each	5,000,000	5,000,000
Total	5,000,000	5,000,000
Issued, subscribed and fully paid-up:		
4,00,000 Equity Shares of Rs.10 each fully paid-up	4,000,000	4,000,000
Total	4,000,000	4,000,000
SCHEDULE - 2 : RESERVE & SURPLUS		
Equity Share Premium	3,500,000	3,500,000
Total	3,500,000	3,500,000
SCHEDULE - 3 : SECURED LOANS		
Bank of India A/c No. 680565200400371	-	11,039,018
Total	-	11,039,018
SCHEDULE - 4 : INVENTORIES		
(As valued and certified by the management)		
Closing Stock of Building Material	3,314,193	-
Total	3,314,193	-
SCHEDULE - 5 : PROJECT IN PROGRESS		
(As valued and certified by the management)		
Land	46,814,170	46,814,170
Land development and other expenses	2,097,892	-
Other Direct Project Expenses	9,789,802	-
Interest on Term Loan	829,531	-
Total	59,531,395	46,814,170
SCHEDULE - 6 : CASH & BANK BALANCE		
Cash in hand	15,427	30,961
Cheques In hand	2,173,710	-
Stamp In Hand	220	-
Balance with scheduled banks:		
- on current account	30,446	17,757
Total	2,219,802	48,718

Particulars	As at 31st March, 2008 (Rupees)	As at 31st March, 2007 (Rupees)
SCHEDULE - 7 : LOANS AND ADVANCES		
<u>Loans and Advances</u>		
(Unsecured, considered good)		
Telephone Security	2,000	2,000
Advance to Contractor	159,493	-
Other Advances	500,000	2,173,710
Total	661,493	2,175,710
SCHEDULE - 8 : CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors	151,306	24,918
Other Liabilities	19,097,795	30,673,603
Advance from customers	39,189,526	-
Provision for Income Tax		
Less Advance Income Tax	-	-
Total	58,438,627	30,698,521
SCHEDULE - 9 : ADMINISTRATIVE AND OTHER EXPENSES		
Bank charges	4,788	-
Audit Fees	6,000	5,618
Other Expenses	2,014	-
Total	12,802	5,618

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

(FIG IN RS)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) <u>Cash Flow from Operating Activities</u>		
Net Profit Before Tax	-12,802.00	-5,618.00
Depreciation	0.00	0.00
Income of Previous Year Received	0.00	0.00
Misc Expenses Written Off	0.00	0.00
Operating Profit Before Working Capital Changes	-12,802.00	-5,618.00
Adjustments for		
Trade & Other Receivable	0.00	0.00
Payables	27,740,106.00	14,256,965.00
CASH FROM OPERATIONS	27,727,304.00	14,251,347.00
Taxes Paid	0.00	0.00
Miscellaneous Expenses Incurred	0.00	0.00
Net Cash from Operating Activities	27,727,304.00	14,251,347.00
(B) <u>Cash flow from Investing Activities</u>		
Fixed Assets Purchased	0.00	0.00
Increase in Project in Progress	16,031,418.00	23,596,656.00
Increase in Investments	0.00	0.00
Increase in Loans & Advances	-1,514,216.00	1,673,709.00
Net Cash Used in Investing Activities	14,517,202.00	25,270,365.00
(C) <u>Cash Flow from Financing Activities</u>		
Decrease in Investment	0.00	0.00
Decrease in Loan & Advances	11,039,018.00	-11,039,018.00
Increase in Share Capital	0.00	0.00
Net Cash used in Financing Activities	11,039,018.00	-11,039,018.00
Net Increase/Decrease in Cash or Cash Equivalent	2,171,084.00	20,000.00
Opening Balance	48,718.00	28,718.00
Closing Balance	2,219,802.00	48,718.00

As per our separate report of even date.

For **AMAR TANDON & CO.**
CHARTERED ACCOUNTANTS

For **HALWASIYA AGRO INDUSTRIES LIMITED**

(AMAR TANDON)
PROPRIETOR
Membership No. 72630

(S.K.GARG)
DIRECTOR

(T.K.DISHIT)
DIRECTOR

Place : Lucknow
Date : 26.06.2008

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration details:

Registration No.	U21015UP1985PLC007522	State Code	20
Balance Sheet Date	31-Mar-2008		

II. Capital raised during the period (Amount rupees in thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	

III. Position of mobilisation and deployment of funds (Amount rupees in thousand)

Total Liabilities	65,939	Total Assets	65,939
<u>Sources of Funds</u>		<u>Application of Funds</u>	
Paid-up Capital	4,000	Net fixed assets	-
Application Money	-	Investments	-
Reserves & Surplus	3,500	Net current assets	7,288
Secured Loans	-	Miscellaneous Expenditure	-
Unsecured Loans	-	Profit and loss account	176
		Deferred tax asset	-

IV. Performance of companies (Amount rupees in thousand)

Total Revenue	-	Total Expenditure	13
Loss Before Tax	(13)		
Loss After Tax	(13)		
Earnings per Share (in Rs.)	(0.03)		
Dividend Rate (%)	Nil		

V. Generic names of three principal products / services of company (as per monetary terms)

Item Code No.	Nil
Service Description	Construction

For and on behalf of the Board of Directors
HALWASIYA AGRO INDUSTRIES LIMITED

S.K. Garg
Director

T. K. Dikshit
Director

Place: Lucknow
Date: 26th June, 2008

Place: Lucknow
Date: 26th June, 2008

NOTES





ELDECO HOUSING AND INDUSTRIES LIMITED

Regd. Office : First Floor, Pargati Kendra, Kapoorthala, Aliganj, Lucknow-226024.

23rd ANNUAL GENERAL MEETING

PROXY FORM

DP ID No.

Client ID No.

No. of shares held.....
(To be filled in by the Shareholders)

I/We.....of.....being
a Member/Members of ELDECO HOUSING AND INDUSTRIES LIMITED hereby appoint Mr./Ms./Mrs./.....
..... of or failing him/her
Mr./Ms./Mrs./of..... as my/our
proxy to attend and vote for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Saturday, the 27th
day of September, 2008 at 3.00 p.m. at Hotel Taj Residency, Lucknow and at any adjournment(s) thereof.

Signed this onday of2008



Signature.....

For office Use

Proxy No.
Date of Receiving
No. of Shares

Note : This form appointing proxy should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. The proxy need not be a member of the Company.



ELDECO HOUSING AND INDUSTRIES LIMITED

Regd. Office : First Floor, Pargati Kendra, Kapoorthala Complex, Aliganj, Lucknow.

23rd ANNUAL GENERAL MEETING

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

DP ID

Client ID

No. of shares held.....
(To be filled in by the Shareholders)

Full Name and address of the member (IN BLOCK LETTERS).....
..... full name of proxy
(IN BLOCK LETTERS).....

I hereby record my presence at the 23rd Annual General Meeting of the Company held on Saturday, the 27th day of September, 2008 at 3.00 p.m. at Hotel Taj Residency, Lucknow.
This slip may please be handed over at the entrance of the meeting hall.

Signature of Member/Proxy

To,
M/s Skyline Financial Services Pvt. Ltd.
Registrar & Share Transfer Agent of
M/s Eldeco Housing & Industries Ltd.
246, 1st Floor, Panth Nagar, East of Kailash,
New Delhi - 65. Ph. : 011-26292682

Place
Date
DP/clinnet ID/Folio No.
(To be filled in by the Shareholders)

Dear Sir,

Re : CHANGE OF ADDRESS

Kindly take on record, my new address as follows for further communication.

Name and address

Thanking you

Signature of Member(s)
Name :