

## BOARD OF DIRECTORS

Shri S. K. Garg	Chairman	Shri L. N. Sharma*	Director
Shri Pankaj Bajaj	Managing Director	Shri Arvind Bajaj	Director
Shri Srikant Jajodia	Whole Time Director	Shri Anil Tewari	Director
Shri J. P. Bhargava	Director	Shri Ashish Jain	Director
Shri N. K. Sharma	Director	Shri Ranjit Khattar	Director
*Resigned w.e.f. 30 June, 2009.			

Company Secretary

Ms. Neetika Rastogi

Statutory Auditor

M/s Doogar & Associates

Chartered Accountants

13, Community Centre, East of Kailash

NEW DELHI - 110065

Registrar And Share Transfer Agent

M/s Skyline Financial Services Pvt. Ltd.

D-153/A, Ist Floor, Okhla Industrial Area,

New Delhi - 20. Ph. : 011-26292682

Stock Exchanges where Company is Listed

The Bombay Stock Exchange Limited

Phiroze Jeejeebhay Towers

Dalal Street, MUMBAI - 400 001

The Uttar Pradesh Stock Exchange Association

Limited

14/113, Padam Towers, Civil Lines,

KANPUR - 208 001

Bankers

Punjab National Bank

HDFC Limited

Registered Office

201-212, 2nd Floor, Splendor Forum, District Centre

Jasola, New Delhi-110 025

Corporate Office

2nd Floor, Corporate Chamber-I, Vibhuti Khand, Gomti

Nagar, Lucknow-226 010

Divisions

• A-1/153, First Floor, Safdarjung Enclave

New Delhi - 110 029

• 15/54-B, Civil Lines, Virendra Smriti Complex,

Kanpur - 208 001

• 28/2, Ist Floor, Sanjay Place, Agra-282 002

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## NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of Eldeco Housing and Industries Ltd will be held on Thursday, the 30th day of September, 2010, at 3.00 p.m. at hotel The Suryaa New Delhi, New Friends Colony, New Delhi- 110 065 to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 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, 2010.
3. To appoint a Director in place of Mr Anil Tewari who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Ashish Jain who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

The present Statutory Auditors M/s Doogar and Associates, Chartered Accountants, New Delhi, are holding the office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

Neetika Rastogi  
Company Secretary

Date : 21<sup>st</sup> August, 2010  
Place : Lucknow

## NOTES

- A. APPOINTMENT OF PROXY: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY SO AS TO REACH THE CORPORATE OFFICE OF THE COMPANY AT 2ND FLOOR, ELDECO CORPORATE CHAMBER-I, VIBHUTI KHAND, GOMTI NAGAR, LUCKNOW 226 010 , NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
- B. Corporate Members: Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting and to submit the duly filled and signed admission slips.
- D. Queries at the AGM: Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its corporate 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 27th day of September, 2010 to Thursday, the 30th day of September, 2010 (both days inclusive) for the purpose of the Annual General Meeting and payment of dividend, if any.
- F. Members are requested to notify any change in their address/ mandate/ bank details immediately to the Registrar and Share Transfer Agent of the Company - M/s Skyline Financial Services Pvt Ltd.,D-153/A, Okhla Industrial Area, Phase-I, New Delhi-110 020; Phone No. 011-2629 2682.
- G. The dividend on Equity Shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be payable to those shareholders whose names appear on the Company's Register of Members and the database of the Company's Registrar and Transfer Agent (M/s Skyline Financial Services Pvt. Ltd., New Delhi) as on 27th September, 2010 after entertaining all valid requests for transfer of shares lodged with the Company on or before 27th September, 2010.
- 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 2001-2002 to the Investors Education and Protection Fund, in the month of February, 2010 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
31/03/2003	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
31/03/2008	10%	27/09/2008	03/11/2015	02/12/2015
31/03/2009	10%	30/09/2009	06/11/2016	05/12/2016

- J. In terms of provisions of Section 205A of the Companies Act, 1956, the amount of dividend for the financial year 2002-03 that still remains unclaimed is required to be transferred to the Investors Education and Protection Fund on or before 6th March, 2011. Any shareholder who has not encashed the dividend warrants for the financial year 2002-03 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.

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

Neetika Rastogi  
Company Secretary

Date : 21<sup>st</sup> August, 2010  
Place: Lucknow

## DIRECTORS' REPORT

Dear Members

Your Directors have the pleasure in presenting the 25th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2010.

Financial Highlights

(Rs in lacs)

Particulars	Financial Year ended			
	31 <sup>st</sup> March 2010 Consolidated	31 <sup>st</sup> March 2010 Standalone	31 <sup>st</sup> March 2009 Consolidated	31 <sup>st</sup> March 2009 Standalone
Income:				
A. Value of Work Done	6038.99	4778.17	10278.62	10278.62
B. Other Income	437.88	446.31	387.78	378.72
C. Increase/ Decrease in Stocks	14.39	14.39	(19.49)	(19.49)
Total	6491.26	5238.87	10646.91	10637.85
Expenditure	5409.70	4240.57	9696.44	9696.31
Profit before tax	1081.55	998.30	950.47	941.54
Less: Provision for tax				
Current	246.54	213.43	268.13	268.13
Deferred	18.06	18.00	1.50	1.50
Wealth Tax	0.57	0.57	0.85	1.09
Fringe Benefit Tax	0.00	0.00	4.36	4.36
Profit After Tax	816.38	766.29	675.63	666.46
Previous Balance in Profit & Loss Account	3038.80	3029.72	2447.29	2447.38
Adjustments related to previous year	(1.51)	(2.10)	31.11	31.11
Profit available for appropriation	3856.60	3798.12	3091.81	3082.73
Less: Proposed dividend	19.67	19.67	19.67	19.67
Tax on proposed dividend	3.27	3.27	3.34	3.34
Transfer to general reserve	30.00	30.00	30.00	30.00
Balance in Profit & Loss Account	3803.66	3745.18	3038.80	3029.72
Earning per share (Rs.)	41.51	38.97	34.36	33.89
Dividend per share (Rs.)	1.00	1.00	1.00	1.00

### Year in Retrospect

During the year under review, total income of the Company was Rs. 5224.48 lacs as against Rs. 10657.34 lacs in previous year ended 31st March, 2009. Profit before tax was Rs. 998.30 lacs as against Rs. 941.54 lacs in the preceding year. Profit after tax for the year under review was Rs. 766.29 lacs as against Rs. 666.46 during the preceding year. Your Directors are putting in their best efforts to further improve the performance of the Company.

The detailed Management Discussion & Analysis Report is attached hereto with the Directors' 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, 2010 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, 2010. 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

Un-claimed/un-paid dividend for the financial year 2001-2002 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, 2009, the Company held Fixed Deposits of Rs. 309.10 lacs from the Public, Shareholders and Employees, out of which deposits for Rs. 13.75 lacs, due for repayment on or before 31st March, 2010 were not claimed by depositors as on that date.

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

1. Conservation of Energy: Your Company is conscious about energy consumption and environmental issues related with it. It is continuously making sincere efforts towards conservation of energy and optimizing its usage in all aspects of operations.
2. Technology Absorption: The Company is taking advantage of the latest developments and advancements in the Construction Industry. The Company is using indigenous technology which is well established in the Country and no foreign technology/ know how was purchased. The Company has not incurred any R & D expenditure during the year.
3. Export Activities: There was no export activity in the Company during the year under review. The company is not planning any export in the near future, as well.
4. Foreign Exchange Earnings and Outgo: There was no Foreign Exchange Earning and Outgo during the year under review.

## Particulars of Employees

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 – A.

## Subsidiary Companies and Consolidated Financial Statements

As on date there are following subsidiaries of the Company:

- a. Aadesh Constructions Private Limited
- b. Garv Constructions Private Limited
- c. Mahal Constructions Private Limited
- d. Milaap Constructions Private Limited
- e. Samarpit Constructions Private Limited
- f. Suniyojit Constructions Private Limited
- g. Halwasiya Agro Industries Limited
- h. Prayatna Constructions Private Limited
- i. Sushobhit Constructions Private Limited
- j. Primacy Constructions Private Limited
- k. Prasiddhi Constructions Private Limited
- l. Perpetual Constructions Private Limited
- m. Khwahish Constructions Private Limited
- n. Fixity Constructions Private Limited
- o. Facility Constructions Private Limited
- p. Deepjyoti Constructions Private Limited
- q. Conviction Constructions Private Limited
- r. Bliss Constructions Private Limited
- s. Advantage Constructions Private Limited

In terms of approval granted by the Ministry of Corporate Affairs, Government of India vide letter No. 47/467/2010-CL-III dated 21.05.2010, under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiaries of the Company as of March 31, 2010 have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any Member of Company interested in obtaining the same.

## Corporate Governance

The Company had complied with the provisions of Clause 49 of the Listing Agreement relating to the Corporate Governance. 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

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

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

## Auditors

M/s Doogar and Associates, Chartered Accountants, Statutory Auditors of the Company 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 and Notification issued by Ministry of Corporate Affairs, the company is not require to take Compliance Certificate u/s 383A of the Companies Act, 1956 as the company has a Whole Time Company Secretary.

## Directors' Responsibility Statement

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in 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, 2010 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 2010-11.

## 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 for 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 : 21<sup>st</sup> August, 2010

Place: Lucknow

## ANNEXURE 'A' to the Directors' 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, 2010.

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

Sl. No.	Name and Age	Designation and Nature	Remuneration received (Rs.p.a.)	Qualification and Experience	Date of Joining	Particulars of last employment	Shareholding in the Company
1.	S.K. Garg  68 Yrs.	Executive Chairman  Agreement of 5 years	24,00,000	AMIE  Over 35 Years as Industrialist	Reappointed on 15.05.2006	ELDECO Constructins Pvt. Ltd.	5,300 0.27%
2.	Shrikant Jajodia  46 Yrs.	Whole Time Director  Agreement of 3 years	26,09,590	MBA from Boston University  Over 20 Years of Experience in Real Estate Business	Reappointed on 01.12.2009	All India Sales Manager in Allied Domeq (MNC)	Nil

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 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 real estate sector in the country is one of great importance. According to the report of the Technical Group on Estimation of Housing Shortage, an estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12) provides a big investment opportunity.

India leads the pack of top real estate investment markets in Asia for 2010, according to a study by PricewaterhouseCoopers (PwC) and Urban Land Institute, a global non-profit education and research institute, released in December 2009. The report, which provides an outlook on Asia-Pacific real estate investment and development trends, points out that India, in particular Mumbai and Delhi, are good real estate investment destinations. Residential properties are viewed as more promising than other sectors. While, Mumbai, Delhi and Bengaluru top the pack in the hotel 'buy' prospects as well.

The study is based on the opinions of over 270 international real estate professionals, including investors, developers, property company representatives, lenders, brokers and consultants.

According to the data released by the Department of Industrial Policy and Promotion (DIPP), housing and real estate sector including cineplex, multiplex, integrated townships and commercial complexes etc, attracted a cumulative foreign direct investment (FDI) worth US\$ 8.4 billion from April 2000 to April 2010 wherein the sector witnessed FDI amounting US\$ 2.8 billion in the fiscal year 2009-10.

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 successfully launched during the year a mega group housing project, Eldeco Eternia at Sitapur Road, Lucknow comprising 400 residential apartments. Construction activity has started and the response from the public is overwhelming. All NOC's and approvals have been received from the appropriate authorities and the License has been granted for a mega township of 300 acres on Sultanpur Road under Uttar Pradesh Government Integrated Township Policy.

The various projects of the Company like Eldeco Elegence (6 Towers), Eldeco Corporate II, Eldeco Emperor, Eldeco Express Plaza, Eldeco Eden Park are on the verge of completion.

In the coming year Company proposes to launch new project named as "Eldeco Ananda" at Vrindavan Colony at Raibareilly Road comprising of 1100 apartments, Commercial Block, Club, Swimming Pool facility etc. Another project which will be launched by our Company is "Eldeco Nirvana" at Bangla Bazar near Udyan I, Lucknow. It comprises of apartments, Independent Villas, Independent Floor, EWS, Commercial Block, Club etc.

#### 3. Opportunities and Threats

##### 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.
- **Multicultural Country “Vastu Shastra” :** Indian public have different taste as India itself is a multicultural country where Vastu Shastra is very much obeyed and followed. People in India are very religious and while making choice they are particular of directions, colors etc. This varies according to different religion and region both which ultimately allows the engineers to think and create different which should be innovative related.

## 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.
- **Fragmented Land Holding :** In India, land ownership is usually fragmented with multiple owners resulting in low availability of large contiguous land parcels with a single owner and reduced availability of land with clear title.
- **Dependence on outside agencies :** The company is dependant on various sub-contractors and specialist agencies to construct and develop its projects. A lack of efficiency on their part has a substantial bearing on the Company as well.
- **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 colors seem to be getting brighter and better each day.

The year 2010 began on a positive note for commercial real estate sector, with take-up improving across the majority of markets. The average deal size has increased, with several IT/ITES occupiers taking large amounts of space.

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 simplified 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 cost 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 and standalone financial vis-à-vis operational performance of the company is as under:

Particulars	Financial Year ended (Rs. in Lacs)			
	31 <sup>st</sup> March 2010 Consolidated	31 <sup>st</sup> March 2010 Standalone	31 <sup>st</sup> March 2009 Consolidated	31 <sup>st</sup> March 2009 Standalone
Income:				
A. Value of Work Done	6038.99	4778.17	10278.62	10278.62
B. Other Income	437.88	446.31	387.78	378.72
C. Increase/ Decrease in Stocks	14.39	14.39	(19.49)	(19.49)
Total	6491.26	5238.87	10646.91	10637.85
Expenditure	5409.70	4240.57	9696.44	9696.31
Profit before tax	1081.55	998.30	950.47	941.54
Less: Provision for tax				
Current	246.54	213.43	268.13	268.13
Deferred	18.06	18.00	1.50	1.50
Wealth Tax	0.57	0.57	0.85	1.09
Fringe Benefit Tax	0.00	0.00	4.36	4.36
Profit After Tax	816.38	766.29	675.63	666.46
Previous Balance in Profit & Loss Account	3038.80	3029.72	2447.29	2447.38
Adjustments related to previous year	(1.51)	(2.10)	31.11	31.11
Profit available for appropriation	3856.60	3798.12	3091.81	3082.73
Less: Proposed dividend	19.67	19.67	19.67	19.67
Tax on proposed dividend	3.27	3.27	3.34	3.34
Transfer to general reserve	30.00	30.00	30.00	30.00
Balance in Profit & Loss Account	3803.66	3745.18	3038.80	3029.72
Earning per share (Rs.)	41.51	38.97	34.36	33.89
Dividend per share (Rs.)	1.00	1.00	1.00	1.00

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

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

The Company maintains an optimum combination of Executive, Non-Executive and Independent Directors. The Board consists of total Nine (9) directors on 31st March 2010. Mr S K Garg is the Executive Chairman of the Company and Mr Pankaj Bajaj is the Managing Director and Mr Shrikant Jajodia is the Whole Time Director of the Company.

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.

Following is the list of Directors and other details as on 31<sup>st</sup> March, 2010:

Name of the Director & Designation	Category	No. of positions held in other Public Companies <sup>#</sup>		
		Board	Committee	
			Membership	Chairmanship
S.K. Garg Executive Chairman	Executive, Promoter	6	-	-
Pankaj Bajaj Managing Director	Executive, Promoter	5	-	-
Arvind Bajaj Director	Non-Executive, Promoter	1	-	-
Srikant Jajodia Whole Time Director	Executive, Promoter	2	-	-
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	2	-	-
Ashish Jain Director	Non-Executive, Independent	-	-	-

<sup>#</sup>excludes Directorships in associations, private, foreign and Section 25 companies.

### Directors' Attendance Record

During the period 01.04.2009 to 31.03.2010, 10 (ten) meetings of the Board of Directors were held on 08.04.2009, 22.05.2009, 03.06.2009, 30.06.2009, 31.07.2009, 30.09.2009, 31.10.2009, 03.12.2009, 30.01.2010, 13.03.2010. 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	10	10	Yes
Pankaj Bajaj	10	8	Yes
Arvind Bajaj	10	6	Yes
Srikant Jajodia	10	7	Yes
L.N. Sharma*	10	1	No
J.P. Bhargava	10	6	Yes
N.K. Sharma	10	6	Yes
Anil Tewari	10	6	Yes
Ranjit Khattar	10	6	No
Ashish Jain	10	6	No

#resigned from the Board of Directors w.e.f. 30<sup>th</sup> June, 2009.

### 3. DISCLOSURE REGARDING APPOINTMENT & RE-APPOINTMENT OF DIRECTORS IN THE ENSUING AGM

Mr Anil Tewari and Mr Ashish Jain, Directors who shall be retiring in this AGM, being eligible have offered themselves for re-appointment. Brief particulars of these gentlemen are as follow :

Particulars	Mr. Anil Tewari	Mr. Ashish Jain
DIN	02132374	00483052
Father's Name	Late Ramakant Tewari	Shri Brij Mohan Jain
Date of Birth	28/06/1951	20/09/1971
Address	68, Vishnu Puri, Aliganj, Lucknow, Uttar Pradesh	10/6 Underhill Lane, Civil Lines, Delhi
Designation	Director	Director
Education	M.A., LL.B	Mechanical Engineer and MBA
Experience	Over 30 yrs experience in Banking Sector	Over Ten years experience in Management
Companies in which holds Directorship*	NIL	NIL
Companies in which holds membership of committees*	NIL	NIL
Shareholding in the Company (No. & %)	NIL	NIL

\*Only included Public Companies.

### 4. AUDIT COMMITTEE

#### (a) Terms of Reference

In terms of the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement the company has constituted its Audit Committee. The terms of reference of the Audit Committee, as defined by the Board of Directors is to comply with the requirements of section 292A 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.  
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 was the Secretary of the Committee till 15th January 2010. Afterwards Ms Neetika Rastogi was appointed as Company Secretary of the company as well as Secretary of the Committee.

**(c) Attendance**

During the period 01.04.2009 to 31.03.2010, 5 (Five) meetings of the Audit Committee were held on 14.04.2009, 20.06.2009, 15.07.2009, 22.10.2009 and 20.01.2010. The Committee was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Meetings held. The intervening period between the Audit Committee Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement.

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr Anil Tewari	Chairman (Independent Director)	5
Mr S K Garg	Member (Promoter Director)	5
Mr JP Bhargava	Member (Independent Director)	5

**5. REMUNERATION COMMITTEE**

**(a) Terms of Reference**

In terms of the provisions of Companies Act, 1956 the company has constituted its Remuneration Committee. 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 01.04.2009 to 31.03.2010, 1 (One) meeting of the Remuneration Committee was held on 21.07.2009. The Committee was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Meeting held.

Name of the Director	Category	Attendance at the Remuneration Committee Meeting
Mr Anil Tewari	Chairman (Independent Director)	1
Mr N K Sharma	Member (Independent Director)	1
Mr JP Bhargava	Member (Independent Director)	1

## (d) Remuneration Policy of the Company

The Executive Chairman 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 2009-10 except sitting fee for attending Board meetings and committee meetings.

## (e) Details of the Executive Directors' Remuneration for the financial year ended 31<sup>st</sup> March, 2010

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	24,00,000	Nil	Nil	24,00,000	5,300 (0.27)
Pankaj Bajaj	Nil	Nil	Nil	Nil	5,70,700 (29.02)
Arvind Bajaj	Nil	Nil	3,000	3,000	1,92,100 (9.77)
Srikant Jajodia	26,09,590	Nil	Nil	26,09,590	Nil
L.N. Sharma <sup>#</sup>	Nil	Nil	500	500	Nil
J.P. Bhargava	Nil	Nil	3000	3000	Nil
N.K. Sharma	Nil	Nil	3000	3000	Nil
Anil Tewari	Nil	Nil	3000	3000	Nil
Ranjit Khattar	Nil	Nil	3000	3000	Nil
Ashish Jain	Nil	Nil	3000	3000	Nil

<sup>#</sup>resigned from the Board of Directors w.e.f. 30<sup>th</sup> June, 2009.

## 6. INVESTORS' GRIEVANCE COMMITTEE

### (a) 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.

### (b) Composition:

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

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

### (c) Attendance

During the period 01.04.2009 to 31.03.2010, 6 (Six) meetings of the Investor's Grievance Committee were held on 02.04.2009, 29.05.2009, 21.08.2009, 23.10.2009, 15.01.2010 and 06.03.2010. The Committee was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Meeting held.

Name of the Director	Category	Attendance at the Investors Grievance Committee Meeting
Mr Anil Tewari	Chairman (Independent Director)	6
Mr S K Garg	Member (Promoter Director)	6
Mr J P Bhargava	Member (Independent Director)	6

- (d) Ms Sonal Srivastava was the Compliance Officer of the Company for the purpose of Clause 47 of the Listing Agreement to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc. till 15.01.2010. With effect from 16.01.2010 Ms Neetika Rastogi is the Compliance Officer for the same purpose.
- (e) During the year, the company did not receive any complaints from the shareholders. There was no pending complaint from any shareholder as on 31st March 2010.

## 7. GENERAL BODY MEETINGS

### A. Particulars of past three Annual General Meetings of the Company:

Date	Year	Venue	Time	No. (s) of Special Resolution (s) Passed
30 <sup>th</sup> September, 2009	2008-09	Hotel Taj Residency Vipin Khand, Gomti Nagar, Lucknow- 226010.	3:00 p.m.	1
27 <sup>th</sup> September, 2008	2007-08		3:00 p.m.	Nil
29 <sup>th</sup> October, 2007	2006-07		3:00 p.m.	Nil

Special Resolution passed during the last three Annual General Meeting.

Date	Year	Business passed
30th September, 2009	2008-09	Re-appointment of Mr. Shrikant Jajodia as Whole Time Director of the Company for 3 years w.e.f. 1st December 2009

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.

- B (1) Special Resolution passed through Postal Ballot: The following Special resolutions were passed through Postal Ballot in the last year vide Notice dated 3rd June 2009 :

For Shifting of Registered Office from State of Uttar Pradesh to the National Capital Territory of Delhi.

### (2) Details of voting :

Sr. No.	Particulars	Item No. 1	
		No. of Ballots	Voting Rights
1.	Total Postal Ballot Forms received within the prescribed time	62	633875
2.	Less : Invalid Postal Ballot Forms	2	700
3.	Valid Postal Ballot Forms	60	633175
4.	Postal Ballot Forms against Resolution(s)	1	1000
5.	Postal Ballot Forms in favour of the Resolution(s)	59	632175

### (3) Person conducted the Postal Ballot process

Mr Rohit Jain, Chartered Accountant in Whole Time Practice, was appointed as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. The Result for the aforesaid Postal Ballot was declared on 8th July 2009. There is no resolution, which is required to be passed by Postal Ballot at present.

### (4) Proceedings of postal ballot

The Postal Ballot Notice issued pursuant to Section 192A of the Companies Act, 1956, for passing the following Resolution by postal ballot, was dispatched to the members of the Company on 4th June 2009.

The Board of Directors at its meeting held on 22nd May 2009 has appointed Mr Rohit Jain, Chartered Accountant in Whole Time Practice, as Scrutinizer to receive and scrutinize the completed ballot forms received from the Members and for conducting the Postal Ballot process in a fair and transparent manner. The Postal Ballot Forms and the self addressed postage prepaid envelopes were also sent for use of Members. The shareholders were requested to return the postal ballot forms duly completed along with the assent (for) or dissent (against), so as to reach the scrutinizer on or before the close of working hours on 6th July 2009.

After due scrutiny of all the postal ballot forms received by Mr Rohit Jain up to the close of working hours of 6th July 2009 (being last date fixed for return of the Postal Ballot forms duly filled in by the members), Mr Rohit Jain has submitted his report.

The Chairman after receiving the Scrutinizer's report announced that the following Special Resolutions for matters as mentioned above was approved by the shareholders of the Company with requisite majority and directed that the proceedings should be recorded in the minute book recording the proceedings of general meetings of the members.

## 8. 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.

## 9. 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. 14 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, strictures 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-ID of Clause 49 of the listing agreement in due course of time.

## 10. 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 MD:

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](http://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/-  
Pankaj Bajaj  
Managing Director

## 11. 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 | Financial Express (English) & Jan Satta (Hindi) |
| - Any website where displayed           | Yes   |
- [www.eldecogroup.com](http://www.eldecogroup.com)
- (c) The Management Discussion and Analysis forms a part of the Annual Report.

## 12. GENERAL SHAREHOLDERS INFORMATION

### i) Annual General Meeting

Date & Time	Thursday, September 30, 2010 at 3:00 pm
Venue	The Suryaa New Delhi, New Friends Colony, New Delhi-110 065
Date of Book Closure	September 27, 2010 to September 30, 2010
Dividend Payment Date	Latest by 30 <sup>th</sup> October, 2010.

### ii) Financial Calendar

Events	Tentative time frame
Financial Reporting for the first quarter ended 30 <sup>th</sup> June, 2010	13 <sup>st</sup> August, 2010 (actual)
Financial Reporting for the second quarter ending 30 <sup>th</sup> September, 2010	By 14 <sup>th</sup> November, 2010
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2010	By 14 <sup>th</sup> February, 2011
Financial Reporting for the fourth quarter ending 31 <sup>st</sup> March, 2011	By 15 <sup>th</sup> May, 2011

### 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 - 400 001

Tel No.: 022-22721234, 22721233

Fax No.: 022-22722082 / 22723132

e-mail: corp.relations@bseindia.com

Website: [www.bseindia.com](http://www.bseindia.com)

U.P. Stock Exchange Association Limited (UPSE)

Padam Towers,

14/113, Civil Lines,

Kanpur- 208 001.

Tel No.: 0512-2338074 / 2338115

Fax No.: 0512-2338175 / 2338220

e-mail: upse@vsnl.in, upstockexchange@gmail.com

Website: [www.upse-india.com](http://www.upse-india.com)

The company has paid the listing fees payable to BSE & UPSE for 2010-11.

### 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
April 2009	77.00	45.10	23,943	October 2009	167.80	135.00	31,197
May 2009	119.00	66.00	70,698	November 2009	144.50	120.00	34,526
June 2009	149.10	103.00	74,563	December 2009	141.80	117.00	29,205
July 2009	129.40	87.30	40,872	January 2010	179.85	135.10	82,467
August 2009	169.45	108.00	1,18,060	February 2010	160.00	130.60	56,008
September 2009	160.00	134.50	30,934	March 2010	167.00	123.50	75,042

Source : [www.bseindia.com](http://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,  
D-153/A, 1st Floor,  
Okhla Industrial Area Phase -1,  
New Delhi-110 020  
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 Secretarial 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 31<sup>st</sup> March, 2010 is given below:-

Category	No. of Shares	%
<b>Promoters</b>		
a) Individuals / Hindu Undivided Family	11,27,500	57.33
b) Bodies Corporate	10,000	00.51
<b>Total (A)</b>	<b>11,37,500</b>	<b>57.84</b>
<b>Public Shareholding (Non Institution)</b>		
a) Bodies Corporate	85,651	4.36
b) Individuals	7,40,277	37.64
c) NRI/OCB's	2,053	0.10
d) Clearing Member/ House	1,119	0.06
<b>Total (B)</b>	<b>8,29,100</b>	<b>42.16</b>
	<b>19,66,600</b>	<b>100.00</b>

ix) Distribution of Shareholding

Shareholding Pattern of the Company as on 31st March, 2010 is given below :

Range of Shares (in Rs.)	Shareholders' Numbers	% to Total Number	Shares (In Rs.)				%age
			Physical	NSDL	CDSL	Total	
Up to - 5,000	2459	91.79	1244590	1428290	587580	3260460	16.58
5,001 -10,000	133	4.96	403390	535730	151830	1090950	5.55
10,001 - 20,000	35	1.31	30000	364310	116020	510330	2.59
20,001 -30,000	12	0.45	21000	169890	93190	284080	1.45
30,001 -40,000	6	0.22	0	168560	33570	202130	1.03
40,001 -50,000	2	0.07	0	87300	0	87300	0.44
50,001 -1,00,000	15	0.56	420000	475420	204010	1099430	5.59
1,00,001 & Above	17	0.64	983000	12148320	0	13131320	66.77
<b>TOTAL</b>	<b>2679</b>	<b>100</b>	<b>3101980</b>	<b>15377820</b>	<b>1186200</b>	<b>19666000</b>	<b>100</b>

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 2010 about 84.23% (previous year-78.83%) 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 its Corporate Office:

Eldeco Corporate Chamber-I  
IInd Floor, Vibhuti Khand  
Gomti Nagar, Lucknow  
Phone: 0522-4039999  
Fax No. 0522-4039900  
e-mail: shareholdercomplaint@eldecohousing.co.in

### 13. 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.

## CEO/CFO Certification

We, Pankaj Bajaj, Managing Director and Alok Kumar Bhatnagar, AGM(Accounts), responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2010 and that to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 21<sup>st</sup> August 2010  
Place: Lucknow

Sd/  
Pankaj Bajaj  
Managing Director

Sd/  
Alok Kumar Bhatnagar  
AGM (Accounts)

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, 2010, 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

Date: 21<sup>st</sup> August 2010  
Place: Delhi

Debabrata Deb Nath  
Partner  
ACS : 23935; CP : 8612

## 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 (the "Company"), its subsidiaries, associate & joint venture (collectively referred to as "Group") as at 31st March 2010, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted 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 consolidated 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 six subsidiaries (Aadesh Constructions Private Limited, Garv Constructions Private Limited, Mahal Constructions Private Limited, Milaap Constructions Private Limited, Samarpit Constructions Private Limited, Suniyojit Constructions Private Limited) of Eldeco Housing & Industries Limited whose financial statements reflect total assets of Rs.6.53 lacs, total liabilities of Rs.0.53 lacs, total revenues of Rs. NIL and cash flows amounting to Rs.3.92 lacs as at 31st March 2010, 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 M/s Amar Tandon & Co, Chartered Accountants, whose report have been furnished to us, and in 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 M/s Amar Tandon & Co, Chartered Accountants
4. The financial statements of one joint venture company namely Eldeco City Private Limited whose financial statements reflect total assets of Rs.5021.45 lacs, total liabilities of Rs.1569.41 lacs, total revenues (net) of Rs.10.59 lacs and cash flows amounting to Rs.583.06 lacs as at 31st March 2010, have not been audited and have been certified by the management and have been furnished to us, and our report, in so far as it relates to the amounts included in respect of said joint venture company is based solely on these certified financial statements.
5. The Consolidated Accounts include the unaudited financial statements of Associate Company namely, MAK Sales Private Limited for the year ended 31st March 2010 which includes the Company's share of profit amounting to Rs 12.03 Lacs. The financial statements have been certified by the management and have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the said associate company are based solely on these certified unaudited financial statements. Since the financial statements of associated companies for the year ended March 31, 2010 were not audited, any adjustment to their balances could have consequential effects on the attached consolidated financial statements.
6. We report that the Consolidated Financial Statements have been prepared by Company's management in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', Accounting Standard (AS) 23, 'Accounting for Investment in Associates in Consolidated Financial Statements' and Accounting Standard (AS) 27, 'Financial Reporting of interests in Joint Ventures' as notified by the Companies (Accounting Standards) Rules 2006 and on the basis of the separate audited financial statements of subsidiaries and certified unaudited financial statements of associate and joint venture included in the consolidated financial statements.
7. Based on our audit and on consideration of the reports of the other auditors on separate financial statements and the certified unaudited financial statements of the associate company and joint venture referred to in paragraph 5 & 6 above, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements read with the significant accounting policies and other notes thereon, give 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 Group as at 31st March, 2010;
  - (b) in the case of the Consolidated Profit and Loss Account, of the Profit of the 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 Group for the year ended on that date.

FOR DOOGAR & ASSOCIATES  
Chartered Accountants  
(Firm Reg. No-000561N)

Place: Lucknow  
Dated: 21<sup>th</sup> August, 2010

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

# El deco Housing and Industries Limited

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULES	FIGURES AS AT	
		31.03.2010 IN RUPEES	31.03.2009 IN RUPEES
<b>I. SOURCES OF FUNDS :</b>			
<b>1. SHAREHOLDERS FUNDS:</b>			
a. Share Capital	1	19666000.00	19666000.00
b. Reserves and Surplus	2	435793902.43	355406903.90
		-----	-----
<b>TOTAL</b>		<b>455459902.43</b>	<b>375072903.90</b>
		-----	-----
<b>2. MINORITY INTEREST :</b>			
		15871.07	6398.42
<b>3. LOAN FUNDS :</b>			
a. Secured Loans	3	4607279.95	50149580.08
b. Unsecured Loans	4	81667021.33	13380000.00
		-----	-----
<b>TOTAL</b>		<b>86274301.28</b>	<b>63529580.08</b>
		-----	-----
<b>4. DEFERRED TAX LIABILITIES (NET)</b>			
		3428075.00	1622068.00
		-----	-----
<b>TOTAL</b>		<b>545178149.78</b>	<b>440230950.40</b>
		-----	-----
<b>II. APPLICATION OF FUNDS:</b>			
<b>1. FIXED ASSETS:</b>			
	5		
a. Gross Block		87091277.89	74996578.43
b. Less : Depreciation		27084198.21	24192671.07
		-----	-----
c. Net Block		60007079.68	50803907.36
		-----	-----
<b>2. GOODWILL ON CONSOLIDATION:</b>			
		163237.00	163237.00
<b>3. INVESTMENTS:</b>			
	6	6538427.33	118815990.00
<b>4. CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
	7		
a. Inventories		240565211.26	221859427.53
b. Sundry Debtors		35385685.00	21642139.00
c. Projects in Progress		309735554.59	183508991.70
d. Cash and Bank Balances		363724047.24	372147952.05
e. Loans and Advances		402805191.19	271303670.98
		-----	-----
<b>TOTAL</b>		<b>1352215689.28</b>	<b>1070462181.26</b>
		-----	-----

# El deco Housing and Industries Limited

Less : CURRENT LIABILITIES AND PROVISIONS	8		
a. Current Liabilities		815194914.91	731004109.22
b. Provisions		59175585.00	69466777.00
		-----	-----
TOTAL		874370499.91	800470886.22
		-----	-----
NET CURRENT ASSETS :		477845189.37	269991295.04
		-----	-----
MISCELLANEOUS EXPENDITURE :		624216.40	456521.00
		-----	-----
TOTAL		545178149.78	440230950.40
		-----	-----

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

(Firm Reg. No. 000561N)

S. K. GARG  
(Chairman & Executive Director)

PANKAJ BAJAJ  
(Managing Director)

CA. UDIT BANSAL

(Partner)

M. NO. - 401642

NEETIKA RASTOGI

(Company Secretary)

PLACE : Lucknow

DATED : 21st August, 2010

# El deco Housing and Industries Limited

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 31ST MARCH, 2010

PARTICULARS	SCHEDULE	FIGURES AS AT 31.03.2010 IN RUPEES	FIGURES AS AT 31.03.2009 IN RUPEES
<b>INCOME :</b>			
a. Value of Work Done	9	603898833.76	1027862008.69
b. Other Income	10	43788163.77	38778079.44
c. Increase/decrease in Stocks	11	1438540.81	(1,949,107.53)
TOTAL		----- 649125538.34	----- 1064690980.60
<b>EXPENDITURE :</b>			
d. Cost of Construction	12	474747519.66	904662404.48
e. Administrative and Selling Expenses	13	52262967.53	47038128.41
f. Financial Charges	14	10877222.42	15353442.24
g. Depreciation		3082656.84	2589765.00
TOTAL		----- 540970366.45	----- 969643740.13
<b>PROFIT BEFORE TAXES :</b>		108155171.89	95047240.47
h. Less: Provision for Taxation			
i. Current Tax		24,654,388.00	
ii. Deferred Tax		1,806,007.00	
iii. Wealth Tax		57,000.00	
iv. Fringe Benefit Tax		0.00	
		-----	
<b>PROFIT AFTER TAX :</b>		81637776.89	67562980.47
i. Add/(Less): Minority Adjustment		(9,472.65)	56.38
ii. Balance brought forward from last year		303880236.19	244728991.40
iii. Add/(Less): Income Tax Adjustments related to Previous Years		151038.62	(3,110,968.06)
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		385659579.05	309181060.19
<b>APPROPRIATIONS :</b>			
k. Transferred to General Reserve		3000000.00	3000000.00
l. Proposed Dividend		1966600.00	1966600.00
m. Tax on Proposed Dividend		326652.00	334224.00

BALANCE CARRIED TO BALANCE SHEET :	380366327.05	303880236.19
Basic and Diluted Earning per Share of face value of Rs.10/- each (Refer Note no.15 of Schedule 15)	41.51	34.36

Significant Accounting Policies and Notes to Accounts 15

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AUDITORS REPORT For and on Behalf of the Board  
As per our Report of even date attached

For DOOGAR & ASSOCIATES,  
Chartered Accountants  
(Firm Reg. No. 000561N)

S. K. GARG  
(Chairman & Executive Director)

PANKAJ BAJAJ  
(Managing Director)

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

NEETIKA RASTOGI  
(Company Secretary)

PLACE : Lucknow  
DATED : 21st August, 2010

# El deco Housing and Industries Limited

## CONSOLIDATED SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	FIGURES AS AT 31.03.2010 IN RUPEES	FIGURES AS AT 31.03.2009 IN RUPEES
<b>SCHEDULE -1 SHARE CAPITAL</b>		
AUTHORISED		
10000000 (Previous Year 10000000) Equity Shares of Rs. 10/- each	100000000.00	100000000.00
ISSUED, SUBSCRIBED AND PAID UP		
1966600 (Previous Year 1966600) Equity Shares of Rs. 10/- each fully paid up.	19666000.00	19666000.00
TOTAL	19666000.00	19666000.00
<b>SCHEDULE -2 RESERVES AND SURPLUS</b>		
(i) CAPITAL RESERVE:		
As per last Balance Sheet	133600.00	133600.00
(ii) GENERAL RESERVE:		
As per last Balance Sheet	51393067.71	48393067.71
Add: Transferred from Profit and Loss Account	3000000.00	3000000.00
	54393067.71	51393067.71
(iii) SURPLUS AS PER PROFIT AND LOSS ACCOUNT	380366327.05	303880236.19
Add: Reserves on Consolidation	900907.67	0.00
TOTAL	435793902.43	355406903.90
<b>SCHEDULE -3 SECURED LOANS:</b>		
A. TERM LOAN :		
HDFC LIMITED, LUCKNOW	0.00	15000000.00
B. IMMOVABLE PROPERTY OVERDRAFT FACILITY :		
PUNJAB NATIONAL BANK, AGRA	0.00	30542300.13
C. OVERDRAFT FACILITY :		
CITY CO-OPERATIVE BANK, LUCKNOW	4607279.95	4607279.95
TOTAL	4607279.95	50149580.08

**NOTES :**

**A. TERM LOAN FROM HDFC LTD., LUCKNOW**

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 Land with construction of site office and surrounded by boundary wall and gate at Falzullahganj, Mohbullapur Sitapur Road, near Jankipuram flyover, Lucknow bearing khasra no. 58, 59, 60, 61, 83, 84 & 85 measuring 30655.94 sq. mts
- ii. Further Secured by personal guarantee of Shri S.K.Garg (Chairman) & Shri Pankaj Bajaj (Managing Director).
- iii. Further Secured by First Charge on Block Assets of the Company.

**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

**SCHEDULE -4 UNSECURED LOANS :**

Fixed Deposits (Repayable within one year Rs.230.55 Lacs ( Previous Year Rs.87.35 Lacs))	29535000.00	13380000.00
Convertible Debentures (Refer Note No.18 of Schedule 15)	52132021.33	0.00
<b>TOTAL</b>	<b>81667021.33</b>	<b>13380000.00</b>

SCHEDULE 5 - FIXED ASSETS:

S. No.	Particulars	< ---- GROSS BLOCK ---->				< ---- DEPRECIATION ---->				< -- NET BLOCK -->	
		As At 01/04/2009	Additions During The Year	Sales/adj During The Year	As At 31/03/2010	Upto 01/04/2009	For The Period Ended 31/03/2010	Sales/adj During The Year	Total Upto 31/03/2010	W.d.v. As At 31/03/2010	W.d.v. As At 31/03/2009
1	Office Premises	32848191.55	8092254.39	0.00	40940445.94	1420236.61	555,994.71	0.00	1976231.32	38964214.62	31427954.94
2	Construction Machinery	13604994.17	54000.00	0.00	13658994.17	10802088.85	647,284.30	0.00	11449373.15	2209621.02	2802905.32
3	Furniture and Fixture	6578617.09	2290707.40	0.00	8869324.49	4191163.63	438,307.26	0.00	4629470.89	4239853.60	2387453.46
4	Office Equipment	4725289.24	1345052.00	0.00	6070341.24	1954472.43	256,340.24	0.00	2210812.67	3859528.57	2770816.81
5	Vehicles	13586451.38	0.00	989030.00	12597421.38	4091199.92	1,273,208.03	838414.00	4525993.95	8071427.43	9495251.46
6	Computers	2210494.00	1062049.00	0.00	3272543.00	1521237.75	415,435.52	0.00	1936673.27	1335869.73	689256.25
7	Computer Software	570524.00	50000.00	0.00	620524.00	190435.88	100,586.94	0.00	291022.82	329501.18	380088.12
8	Generator	872017.00	139666.67	0.00	1011683.67	21836.00	42,784.14	0.00	64620.14	947063.53	850181.00
9	Capital work in progress	0.00	50000.00	0.00	50000.00	0.00	0.00	0.00	0.00	50000.00	0.00
	Total	74996578.43	13083729.46	989030.00	87091277.89	24192671.07	3729941.14	838414.00	27084198.21	60007079.68	50803907.36
	Previous Year Figures	64945295.43	10506104.00	454821.00	74996578.43	21430420.07	3217071.00	454,820.00	24192671.07	50803907.36	43514875.36

# El deco Housing and Industries Limited

**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.292.95 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. 1013.45 per share)	111060.00	111060.00
---	-----------	-----------

**UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost**

5000 Equity Shares of Rs.25/- fully paid up in Indian Mercantile Co-operative Bank Limited	125000.00	125000.00
---	-----------	-----------

**IN ASSOCIATE COMPANY**

**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. including accumulated share of loss/ profit	5742634.00	4539434.00
---	------------	------------

**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
---	----------	----------

4234144 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Eldeco City (P) Ltd. including accumulated share of profit 2822763 10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each fully paid in Eldeco City (P) Ltd. (Refer Note No.20 of Schedule 15)	0.00	113814096.00
--	------	--------------

Share of investments of joint venture company (Refer Note No.18 of Schedule 15)	333333.33	0.00
--	-----------	------

**TOTAL**

	6538427.33	118815990.00
	6538427.33	118815990.00

**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	220857849.53	203590606.61
Unsold Plots, Shops, Flats etc.,	19707361.73	18268820.92

**TOTAL**

	240565211.26	221859427.53
	240565211.26	221859427.53

b. SUNDRY DEBTORS: (Unsecured, considered good)		
Exceeding six months	1329923.00	766249.00
Other Debts	34055762.00	20875890.00
	-----	-----
TOTAL	35385685.00	21642139.00
	-----	-----
c. PROJECTS IN PROGRESS:		
1) ON WHICH REVENUE IS RECOGNISED		
Cost of land, Materials, Stores Consumed etc., amount paid to contractors, site overheads etc.,	2034939726.94	2808675467.13
Estimated Profits to be Capitalised	482657232.09	840633571.50
	-----	-----
Less: Advances received	2517596959.03	3649309038.63
	-----	-----
SUB TOTAL	2284566881.92	3576606211.12
	-----	-----
	233030077.11	72702827.51
2) ON WHICH REVENUE IS NOT RECOGNISED		
Cost of land, Materials, Stores Consumed, amount paid to contractors, direct overheads etc.,	166831697.48	200369177.19
Less: Advances received	166831697.48	200369177.19
	-----	-----
SUB TOTAL	90126220.00	89563013.00
	-----	-----
TOTAL	76705477.48	110806164.19
	-----	-----
	309735554.59	183508991.70
	-----	-----
d. CASH AND BANK BALANCES:		
a. CASH ON HAND	1315150.34	2218121.34
b. WITH SCHEDULED BANKS:		
i) IN CURRENT ACCOUNT		
a. Unclaimed/Unpaid Dividend Account	905083.81	867422.27
b. Other Short Term Deposit Account	40498790.17	30646349.50
c. Cheques in hand	4285345.67	7542825.00
ii) IN FIXED DEPOSITS ACCOUNTS*		
	310523611.16	319433504.69
*(Rs. 705.01 lacs (P.Y. Rs. 672.85 lacs) pledged as Margin Money against Bank Guarantees & Rs. 236.43 lacs (P.Y. 94.57 lacs) as Earnest Money to LDA)		
iii) Interest accrued and due on Fixed Deposits	6196066.09	11439729.25
	-----	-----
TOTAL	363724047.24	372147952.05
	-----	-----
e. LOANS AND ADVANCES: (Unsecured considered good unless otherwise stated)		
A. LOANS		
Loans to Staff	696500.00	360000.00

## B. ADVANCES

i. Advance recoverable in cash or in kind or for value to be received (Refer Note No. 8 of Schedule 15)	324573025.21	184544565.73
ii. Advance Income Tax/Tax deducted at Source	53520536.48	61381975.75
iii. Advance Fringe Benefit Tax	806057.00	806057.00
iv. Advance Service Tax under Protest	7230316.00	7230316.00
v. Other Deposits	15978756.50	16980756.50
TOTAL	402805191.19	271303670.98

## SCHEDULE -8 CURRENT LIABILITIES AND PROVISIONS:

### A. CURRENT LIABILITIES:

a. Sundry Creditors		
i. Due to micro and small and medium enterprises (Refer Note No.11 of Schedule 15)	0.00	0.00
ii. Other Sundry Creditors	266106327.16	199654706.52
b. Investor Education & Protection Fund/Unclaimed Dividend (Not Due)	904619.00	866633.00
c. Unclaimed Matured Deposits	1375000.00	1055000.00
d. Advances from customers	493549892.92	466810978.28
e. Security Deposits/Retention Money	45334005.68	43915780.99
f. Due to Directors (maximum outstanding Rs. 1119679.26 Previous Year Rs.1119679.26)	1080865.26	829001.26
g. Other Liabilities	4409410.39	16207602.17
h. Interest Accrued on FDRs but not due	2434794.50	1664407.00
TOTAL	815194914.91	731004109.22

### B. PROVISIONS:

a. Provision for Income Tax	51693388.00	60910000.00
b. Provision for Fringe Benefit Tax	823300.00	823300.00
c. Proposed Dividend	1966600.00	1966600.00
d. Tax on Proposed Dividend	326652.00	334224.00
e. Provision for Wealth Tax	174100.00	93500.00
f. Provision for Leave Encashment	1024365.00	1189562.00
g. Provision for Gratuity	3167180.00	4149591.00
TOTAL	59175585.00	69466777.00

# El deco Housing and Industries Limited

## CONSOLIDATED SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH. 2010

PARTICULARS	FIGURES AS AT 31.03.2010 IN RUPEES	FIGURES AS AT 31.03.2009 IN RUPEES
<b>SCHEDULE - 9 SALES &amp; VALUE OF WORK DONE :</b>		
Income from Real Estate Projects	587565428.76	975436782.69
Income from Construction Contracts	16333405.00	52425226.00
<b>TOTAL VALUE OF WORK DONE</b>	<b>603898833.76</b>	<b>1027862008.69</b>
<b>SCHEDULE -10 OTHER INCOME :</b>		
Interest on Bank FDR (Gross) (Tax Deducted at Source Rs. 3594399.77 Previous Year Rs. 5065179.11)	29296141.85	23994438.63
Transfer Charges Received	1684721.00	2125183.00
Rent Received	6649624.00	9153913.00
Misc. Receipts	917454.52	1874867.49
Interest From Customers/parties	298450.00	334388.00
Profit on Sale of Asset	19384.00	108999.00
Profit on share of Associate	1203200.00	903586.00
Dividend Receipts (Trade Investments)	131380.00	78422.00
Liabilities no longer required written back	3587808.40	204282.32
<b>TOTAL OTHER INCOME</b>	<b>43788163.77</b>	<b>38778079.44</b>
<b>SCHEDULE -11 INCREASE/DECREASE IN STOCKS :</b>		
STOCK AS ON 31.03.2010		
Residential flats and Commercial offices	19707361.73	18268820.92
Less : STOCK AS ON 01.04.2009		
Residential flats and Commercial offices	18268820.92	20217928.45
<b>TOTAL INCREASE/DECREASE IN STOCKS</b>	<b>1438540.81</b>	<b>(1,949,107.53)</b>
<b>SCHEDULE -12 COST OF CONSTRUCTION ACCOUNT :</b>		
Opening Balance of Projects in progress	222169369.26	500526788.12
Payments against Land	19946634.29	159017919.28
Expenses through Contractors	123421522.88	130480299.02
Materials/Stores consumed	146280829.78	193785410.62
Brokerage & Commission	2343680.00	4602267.00
Advertisement & Publicity	4513907.66	3242172.00
Salary, Wages & Other Benefits	9212630.00	9336804.00
Architects' Fees	4258275.67	7692502.00
Depreciation	647284.30	627306.00
Plant & Machinery Repairs	1889428.00	1404883.87
Maintenance of completed projects	1255008.10	1743702.16
Water & Electricity	1093597.00	553448.50
Plan Approval & External Devp. Fees	85701237.00	5000000.00
Other project expenses	20979626.20	3039560.60

# El deco Housing and Industries Limited

	643713030.14	1021053063.17
Less: - Misc Sales	2133813.00	820581.50
Construction Cost charged to Profit & Loss Account	474747519.66	904662404.48
	166831697.48	115570077.19
13.1	PAYMENTS TO AND PROVISION FOR EMPLOYEES:	
a.	Salaries, Bonus, Gratuity and Allowances 15327132.00	16992124.00
b.	Company's Contribution to Provident and Other funds. 1340820.00	2932696.00
c.	Employees welfare and other ammenities. 1106511.00	1465905.00
	TOTAL PAYMENTS TO AND PROVISION FOR EMPLOYEES 17774463.00	21390725.00
13.2	ESTABLISHMENT EXPENSES:	
a.	Rent 12515980.00	5944272.00
b.	Rates and Taxes 82892.00	431827.00
c.	Insurance 86592.00	58872.00
d.	Remuneration to Directors 4800000.00	4015916.00
e.	Auditors Remuneration 352960.00	487443.00
f.	Directors Sitting Fees 18500.00	21000.00
g.	Postage, Telegram & Telephone 1488793.83	1476387.09
h.	Travelling & Conveyance 3130198.17	3559108.34
i.	Legal & Professional Charges 2204543.44	1527517.49
j.	Printing & Stationery 879553.33	780213.60
k.	Repair & Maintenance 3539288.09	3536312.00
l.	Fees 95710.00	158596.00
m.	Donations 53800.00	79200.00
n.	Misc Debits Written Off 332476.65	58619.75
o.	Other Establishment expenses 1837307.02	939107.14
p.	Loss on share of Investment in Associates 0.00	10566.00
	TOTAL ESTABLISHMENT EXPENSES 31418594.53	23084957.41
13.3	SELLING EXPENSES:	
a.	Advertisement & Publicity 1790166.00	1437070.00
b.	Sales Promotion & Discount 1279744.00	1125376.00
	TOTAL SELLING EXPENSES 3069910.00	2562446.00
	TOTAL ADMINISTRATIVE & SELLING EXPENSES (1+ 2+ 3) 52262967.53	47038128.41
SCHEDULE-14	FINANCIAL CHARGES:	
a.	Bank Interest and Commission 4007807.08	1771231.38
b.	Interest on Secured Loans 457912.88	4703677.00
c.	Interest on Public Fixed Deposits & Other Interest 6411502.46	8878533.86
	TOTAL FINANCIAL CHARGES 10877222.42	15353442.24

## SCHEDULE -15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### i. Basis of Preparation of Financial Statements

The financial statements are prepared to comply in all material aspects with Indian Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of power conferred under Section 642(1)(a) 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. Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### iii. Principles of Consolidation

The consolidated financial statements relate to Eldeco Housing & Industries Limited (the Parent) its subsidiaries, jointly controlled entities and associates (collectively referred to as 'the Group') as on 31st March 2010 and for the period ended on that date. 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.

The consolidated financial statements have been prepared using uniform accounting policies for like 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.

The financial statements of the Company and its subsidiaries have been combined on line to 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 parent company's investments in associates are accounted under the equity method of accounting where it is able to exercise significant influence over the operating and financial policies of the investee. The Company's share of profit/loss in associates is included in the profit and loss account. Where the cost of the investment is higher/lower than the share of equity in the associates at the time of acquisition the resulting difference is disclosed as goodwill/capital reserve in the investment schedule.

The Company's interest in Jointly Controlled Entities are consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealized gain/losses, using the 'proportionate consolidation' method.

#### iv. 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.

#### v. 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

#### vi. 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.

vii. Investments

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

viii. Revenue Recognition

A. Real Estate Projects

- a. The Company follows 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 in which cost is incurred.
- B. Interest due on delayed payments by customers is accounted on receipt basis due to uncertainty of recovery of the same.

C. Income from Construction Contracts

- a. Revenue from construction contracts is recognized on the "Percentage of Completion Method" of accounting.
- b. Income from Construction contracts is recognized by reference to the stage of completion of the contract activity as certified by the client.
- c. Revenue on account of contract variations, claims and incentives are recognized upon determination or settlement of the contract.

ix. 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.

x. 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. The net present value of the Company's obligation towards Gratuity to Employees is funded as actuarially determined as at the Balance Sheet date based on the Projected Unit Credit Method. Actuarial gain and loss are recognized in the 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 projected credit unit method.

xi. 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.

## xii. 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.

## xiii. 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
Audit Fees	4,95,000	3,71,000
Tax Audit Fee	30,000	25,000
Certification Charges	45,000	1,35,500
Service Tax thereon	65,513	52,123
<b>Total</b>	<b>6,35,513</b>	<b>5,83,623</b>

### 3. DIRECTORS' REMUNERATION:

	Current Year	Previous Year
Salaries	48,00,000	38,00,000
Perquisites	2,09,590	2,15,916
<b>Total</b>	<b>50,09,590</b>	<b>40,15,916</b>

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. Advance recoverable in cash or in kind include advances due from companies in which directors is a director or member.

(Amount in Rs.)

S.No.	Name of Company	Balance as at 31 <sup>st</sup>		Maximum outstanding during	
		March, 2010	March, 2009	Year ended March 31, 2010	Year ended March 31, 2009
1	Eldeco Townships & Housing Limited	NIL	42342101	42342101	42342101
2	Eldeco Infrastructure & Properties Limited	37273130	43474121	43474121	43474121
3	MAK Sales Private Limited	43750000	16450000	43750000	16450000

## 9. EMPLOYEE BENEFIT

The Details of the Company's post retirement benefit plans for its employees are given below which is certified by the actuary and relied upon by the auditors.

### A. Gratuity

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

Description	Current Year as at 31.03.2010 Amount (Rs)	Previous Year as at 31.03.2009 Amount (Rs)
Present value of obligation at the beginning of the year	54,42,447	38,69,433
Current service cost	3,77,663	4,45,615
Interest cost	4,34,203	2,70,118
Benefit paid	0	(3,77,308)
Actuarial (gain) / loss on obligation	(16,84,385)	12,34,589
Present value of obligation as at the end of year	45,69,929	54,42,447

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

Description	Amount (Rs)	Amount (Rs)
Current service cost	3,77,663	4,45,615
Interest cost	4,34,203	2,70,118
Expected return on planned assets	(1,09,893)	(1,17,931)
Net actuarial (gain)/loss recognized during the year	(16,84,384)	12,34,589
Expenses to be recognized in the statement of profit and loss accounts	(9,82,411)	18,32,391

iii) Net assets / liability recognized in Balance Sheet as at 31st March, 2010

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31st March, 2010	45,69,929	54,42,447
Fair value of plan assets as at 31st March, 2010	14,02,749	12,92,856
(Assets)/Liabilities recognized in the Balance Sheet	31,67,180	41,49,591

iv) Changes in fair value of plan assets

Description	Amount (Rs)	Amount (Rs)
Fair value of plan assets at the beginning of the period	12,92,856	15,52,233
Expected return on plan assets	1,09,893	1,17,931
Contribution	NIL	NIL
Benefit Paid	NIL	(3,77,308)
Actuarial gain\ (loss) on plan assets	NIL	0.00
Fair value of plan assets at the end of the period	14,02,749	12,92,856

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

Discount rate	8%	7.00%
Future salary increase	5%	5.00%
Expected rate of return on planned assets	8.15%	8.29%
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) Amount recognized in Profit & Loss account is as under:-

Description	Amount (Rs)	Amount (Rs)
Current service cost	1,14,978	1,32,012
Interest cost	83,229	28,765
Expected return on plan asset	0.00	0.00
Net actuarial (gain)/loss recognized during the year	16,010	7,40,045
Recognized in Profit & Loss account	2,14,217	9,00,822

ii) Amount recognized in the Balance Sheet as at 31st March, 2010

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31st March, 2010	10,24,365	10,43,224

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

Description	Amount (Rs)	Amount (Rs)
Present value of obligation at the beginning of the year	10,43,224	4,12,052
Interest cost	83,229	28,765
Current service cost	1,14,978	1,32,012
Benefits Paid	(2,33,076)	(2,69,650)
Actuarial (gain)/loss on obligation	16,010	7,40,045
Present value of obligation at the end of the year	10,24,365	10,43,224

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

Discount rate	8%	7.00%
Future salary increase	5%	5.00%
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. 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, 2010	Year ended March 31, 2009
		(% of share holding)	
1	Aadesh Constructions Private Limited	99.99	99.99
2	Garv Constructions Private Limited	99.99	99.99
3	Mahal Constructions Private Limited	99.99	99.99
4	Milap Constructions Private Limited	99.99	99.99
5	Sampit Constructions Private Limited	99.99	99.99
6	Suniyojit Constructions Private Limited	99.99	99.99
7	Halwasiya Agro Industries Private Limited	99.85	99.85
8	Prayatna Constructions Private Limited	99.90	99.90
9	Sushobhit Constructions Private Limited	99.90	99.90
10	Primacy Constructions Private Limited	99.90	99.90
11	Prasiddhi Constructions Private Limited	99.90	99.90
12	Perpetual Constructions Private Limited	99.90	99.90
13	Khwahish Constructions Private Limited	99.90	99.90
14	Fixity Constructions Private Limited	99.90	99.90
15	Facility Constructions Private Limited	99.90	99.90
16	Deepjyoti Constructions Private Limited	99.90	99.90
17	Conviction Constructions Private Limited	99.90	99.90
18	Bliss Constructions Private Limited	99.90	99.90
19	Advantage Constructions Private Limited	99.90	99.90

Note: All the above mentioned subsidiaries are incorporated in India only

The financial statements of the following Joint Venture Entity have been consolidated as per the Accounting Standard 27 on 'Financial Reporting of interests in Joint Ventures'.

#### Joint Venture Entity

S.No.	Name of Joint Venture Entity	Year ended March 31, 2010	Year ended March 31, 2009
		(% of ownership interest)	
1	Eldeco City Private Limited (India)	33.33	33.33

#### 11. 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.

#### 12. 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.

## 13. DEFERRED TAX LIABILITY (NET)

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

(Amount in Rs)

	Deferred Tax Asset/ (Liability) as on 01.04.2009	Current Year (Charge)/Credit	Deferred Tax Asset/ (Liability) as on 31.03.2010
Deferred Tax Liability/Asset: On account of timing difference between Depreciation as per Income Tax Act, 1961 and Companies Act, 1956. and expenses allowed on payment basis.	(1622068.00)	(1806007.00)	(3428075.00)

## 14. RELATED PARTY DISCLOSURES:

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. Associate

M.A.K.Sales Private Limited

#### 2. Entities over which key managerial personnel or their relatives exercises significant influence

S.K Garg Constructions Pvt. Ltd (Previously known as Eldeco Constructions Private Limited)

Lucknow Cement Crafts Private Limited

Ecodel Projects Private Limited

Eldeco Infrastructure & Properties Limited

Surya Season Foods Private Limited

Eldeco Townships & Housing Limited

S.K.Garg (HUF)

#### 3. Key Management Personnel

Shri Shiv Kumar Garg

Executive Chairman

Shri Pankaj Bajaj

Managing Director

Shri Srikant Jajodia

Whole Time Director

Shri Arvind Bajaj

Non Executive Director

#### 4. Relatives of Key Management Personnel

Asha Bajaj

mother of Shri Pankaj Bajaj, Managing Director

Varija Bajaj

sister of Shri Pankaj Bajaj, Managing Director

O.P.Bajaj

Father of Shri Pankaj Bajaj, Managing Director

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

Transactions	Key Management Personnel	Associates	Companies in which key managerial personnel or their relatives exercises significant influence	Relatives of Key Management Personnel	Total
Remuneration	4800000 (3800000)				4800000 (3800000)
Perquisites	209590 (215916)				209590 (215916)
Rent Paid				7183476 (466980)	7183476 (466980)
Dividend Paid	76810 (762800)		1100 (11000)	27440 (90200)	105350 (864000)
Sitting Fees	3000 (6000)				3000.00 (6000)
Advance Given Against Bulk Booking / Projects		27300000 (4837524)	NIL (20014799)		27300000 (24852323)
Advance Received Back			48543092 (NIL)		48543092 (NIL)
Advance Received Against Bulk Booking			17565000 (NIL)		17565000 (NIL)
Collection Charges Received		527644 (503658)			527644 (503658)
Balances Outstanding as at 31.03.2010					
Creditors/Payable	1080865 (1118679)		17565000 (NIL)	12299 (12299)	18658164 (1130978)
Debtors/Receivable		43750000 (16450000)	37998005 (86565272)	NIL (NIL)	81748005 (103015272)
Total Investments		5742634 (4539434)		42000 (42000)	5784634 (4581434)

\* Figures in brackets denote previous year figures.

## 15. 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, 2010	Year ended March 31, 2009
Profit after taxation and extra ordinary item	81637776.89	67562980.47
Total No. of equity shares outstanding	1966600	1966600
Basic/Diluted earning per share (Face value-Rs. 10.00 per share)	41.51	34.36

## 16. CONTINGENT LIABILITIES:

	Current Year (31.03.2010) (Rs.)	Previous Year (31.03.2009) (Rs.)
(i) Outstanding Bank Guarantees	10,40,35,750	6,72,85,000
(ii) Sales Tax Cases pending with Addl. Commissioner Appeals, Agra		
For the F/Y 2004-2005	11,77,958	NIL
F/Y 2005-2006	9,96,576	NIL
F/Y 2006-2007	9,88,184	NIL
(iii) Income Tax Cases pending with CIT(A), Agra for A. Y. 2006-07 & 2007-08	20,45,570	6,96,903
(iv) Earnest Money	2,41,43,034	1,09,56,629
(v) 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 (31.03.2009 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. Interest in Joint Venture

The Company entered into a 33.33:66.67 Joint Venture in Eldeco City Private Limited (incorporated in India) with M/s Xander Investment Holding IV Limited (Mauritius) for development of the Real Estate Project in India. For the purposes of Company's share in assets, liabilities, income & expenses, proportionate consolidation method has been adopted.

The Company's share of each of the assets, liabilities, income & expenses (each after elimination of the effect of transactions between the Company and the Joint Venture) related to its interests in this joint venture based on un-audited results are given here under:

Particulars	Amount (Rs)
	31.03.2010
Reserve & Surplus	1253850.10
Unsecured Loan	52132021.33
Fixed Assets (including CWIP)	199666.67
Investments	333333.33
Inventories	109724.58
Project in Progress	33510589.82
Cash & Bank Balances	19435517.76
Loans & Advances	144268940.20
Current Liabilities & Provisions	33466802.11
Other Income	750456.32
Administrative Expenses	331644.90
Depreciation	1447.67
Provision for Tax	64421.33
Profit after Tax	352942.42

19. Disclosure in accordance with Accounting Standard-7 (Revised), in respect of construction contracts entered:

Particulars	Amount (Rs)	Amount (Rs)
	31.03.2010	31.03.2009
Contract revenue recognized as revenue for the year ended	16333405	52425226
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) for all the contract in progress	29849464	52425226
The amount of customer advances outstanding for contracts in progress	54544170	42044170
The amount of retentions due from customers for contracts in progress.	NIL	NIL
Gross amount due from customers including work in progress for contracts in progress.	29849464	NIL
Gross amount due to customers including work in progress for contracts in progress.	419788	419788

20. During the year Eldeco City Private Limited (the said company) become the joint venture entity of the company by virtue of substantial control over the affairs of the said company.
21. 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.
22. 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: 21<sup>st</sup> August 2010

For & on behalf of the Board

S. K. Garg  
(Chairman & Executive  
Director)

Neetika Rastogi  
(Company Secretary)

Pankaj Bajaj  
(Managing Director)

# El deco Housing and Industries Limited

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

	Current Year		Previous Year	
	Quantity	Value	Quantity	Value
<b>OPENING STOCK</b>				
Bricks(Nos.)	5814	12177	3093	5320
Cement (Bags)	2370.00	537858.44	3666.00	730092.00
Steel (MT)	334.69	11274258.36	296.17	11659815.00
Other Materials		15249921.58		4031201.48
		27074215.38		16426428.44
<b>PURCHASES</b>				
Bricks(Nos.)	25000	98750	102200	408208
Cement (Bags)	101119	24507294	104447	21364492
Steel (MT)	6143.23	30332730.99	3047.05	114881571.00
Other Materials	2011.61	73451356.23	945.42	125746922.87
		128390131.02		262401193.87
<b>CONSUMPTION</b>				
Bricks(Nos.)	25814	100455	99479	401351
Cement (Bags)	98780	23886279	105743	21556726
Steel (MT)	6427.17	37498079.01	3008.53	115267127.64
Other Materials	2011.61	78199189.33	945.42	96872954.90
		139684001.98		234098159.06
<b>CLOSING STOCK</b>				
Bricks(Nos.)	5000	10472	5814	12177
Cement (Bags)	4709.50	1158873.60	2370.00	537858.44
Steel (MT)	50.74	4108910.34	334.69	11274258.36
Other Materials		10502088.48		15249921.58
		15780344.42		27074215.38

Note: Quantities of Materials consumed in construction work through Contractors are not treated as consumption. Other Materials include items like Grit, Sand, sanitary materials, electric 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.

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)

NEETIKA RASTOGI  
(Company Secretary)

Place: Lucknow

Date: 21st August 2010

# El deco Housing and Industries Limited

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	FIGURES AS AT 31.03.2010 IN RUPEES	FIGURES AS AT 31.03.2009 IN RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax, appropriations and extra ordinary items	108,155,171.89	95,047,240.47
Adjustment for :		
Profit on sale of Fixed Assets	(19,384.00)	(108,999.00)
Depreciation	3,729,941.14	3,217,071.00
Dividend received	(131,380.00)	(78,422.00)
Interest received	(29,296,141.85)	(23,994,438.63)
Minority Adjustment	(9,472.65)	-
Interest paid	10,877,222.42	15,353,442.24
Pre operative Exp of Subsidiaries	(167,695.40)	(308,817.00)
Goodwill on Consolidation	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>93,138,261.56</b>	<b>89,127,077.08</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES:</b>		
Trade Payables & Others	82,254,939.69	(13,595,211.60)
Inventories	(18,705,783.73)	(16,692,374.11)
Project in Progress	(126,226,562.89)	8,935,174.24
Trade and Other Receivables	(13,743,546.00)	385,775.00
Loans and Advances	(139,362,959.48)	(41,687,271.14)
<b>CASH GENERATED FROM OPERATING ACTIVITIES:</b>	<b>(122,645,650.86)</b>	<b>26,473,169.47</b>
Prior year Adjustments	151,038.62	(3,110,968.06)
Reserves on Consolidation	900,907.67	-
Direct Taxes Paid	(25,243,260.73)	(16,162,037.95)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(146,836,965.30)</b>	<b>7,200,163.46</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of Fixed Assets	170,000.00	109,000.00
Purchase of Fixed Assets	(13,083,729.46)	(10,506,104.00)
Purchase of Investments	112,277,562.67	(893,020.00)
Sale of Investment	-	-
Interest received	29,296,141.85	23,994,438.63
Dividend received	131,380.00	78,422.00
Increase in minority Interest	9,472.65	(80.00)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>128,800,827.71</b>	<b>12,782,656.63</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of Long Term Borrowings	22,744,721.20	(3,008,732.22)
Interest & Finance Charges paid	(10,877,222.42)	(15,353,442.24)
Dividend Paid	(1,928,614.00)	(1,846,271.00)
Tax on Dividend	(326,652.00)	(334,224.00)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>9,612,232.78</b>	<b>(20,542,669.46)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(8,423,904.81)</b>	<b>(559,849.37)</b>

CASH AND CASH EQUIVALENTS ( OPENING BALANCE)	372,147,952.05	372,707,801.42
CASH AND CASH EQUIVALENTS ( CLOSING BALANCE)	363,724,047.24	372,147,952.05

Note : The above Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on 'Cash Flow Statements'.

AUDITORS REPORT  
As per our Report of even date attached

For and on Behalf of the Board

For DOOGAR & ASSOCIATES,  
Chartered Accountants  
(Firm Reg. No. 000561N)

S. K. GARG  
(Chairman & Executive Director)

PANKAJ BAJAJ  
(Managing Director)

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

NEETIKA RASTOGI  
(Company Secretary)

Place : Lucknow  
Dated : 21<sup>st</sup> August 2010

## AUDITORS' REPORT TO THE SHAREHOLDERS

To  
The Members of,  
ELDECO HOUSING AND INDUSTRIES LIMITED,

1. We have audited the attached Balance Sheet of Eldeco Housing and Industries Limited as at 31st March 2010, 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 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. 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 representations received from the Directors as at 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
    - (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  
(Firm Reg No-000561N)

Place: Lucknow (CA. UDIT BANSAL)  
Dated: 21<sup>st</sup> August 2010 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, 2010)

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. As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 in respect of the activities of the Company.
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 became 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 along with the forum where dispute is pending:

Name of the Statute	Nature of the dues	Amount (in Rs)	Forum where dispute is pending
Income Tax (2009-2010)	TDS	10770.00	CIT (A)-III, Lucknow.
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.19 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 way of public issue 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  
(Firm Reg. No-000561N)

Place: Lucknow  
Dated: 21<sup>st</sup> August 2010

(CA UDIT BANSAL)  
Partner  
M. No. 401642

# El deco Housing and Industries Limited

## BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULES	FIGURES AS AT 31.03.2010 IN RUPEES	FIGURES AS AT 31.03.2009 IN RUPEES
<b>I. SOURCES OF FUNDS :</b>			
<b>1. SHAREHOLDERS FUNDS:</b>			
a. Share Capital	1	19,666,000.00	19,666,000.00
b. Reserves and Surplus	2	429,045,106.11	354,499,063.32
TOTAL		448,711,106.11	374,165,063.32
<b>2. LOAN FUNDS :</b>			
a. Secured Loans	3	4,607,279.95	50,149,580.08
b. Unsecured Loans	4	29,535,000.00	13,380,000.00
TOTAL		34,142,279.95	63,529,580.08
<b>3. DEFERRED TAX LIABILITIES (NET)</b>			
TOTAL		3,422,243.00	1,622,068.00
TOTAL		486,275,629.06	439,316,711.40
<b>II. APPLICATION OF FUNDS:</b>			
<b>1. FIXED ASSETS:</b>			
a. Gross Block	5	86,868,611.22	74,996,578.43
b. Less : Depreciation		27,074,080.55	24,192,671.07
c. Net Block		59,794,530.67	50,803,907.36
<b>2. INVESTMENTS:</b>			
TOTAL	6	127,398,110.00	127,216,250.00
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
a. Inventories	7	215,287,896.03	218,210,877.53
b. Sundry Debtors		35,385,685.00	21,642,139.00
c. Projects in Progress		209,650,188.58	98,709,891.70
d. Cash and Bank Balances		318,336,648.46	370,338,696.05
e. Loans and Advances		346,229,952.62	291,062,382.98
TOTAL		1,124,890,370.69	999,963,987.26
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>			
a. Current Liabilities	8	770,169,185.30	669,137,872.22
b. Provisions		55,638,197.00	69,529,561.00
TOTAL		825,807,382.30	738,667,433.22
<b>NET CURRENT ASSETS :</b>		299,082,988.39	261,296,554.04
<b>TOTAL</b>		486,275,629.06	439,316,711.40

AUDITORS REPORT

As per our Report of even date attached

For and on Behalf of the Board

For DOOGAR & ASSOCIATES,

Chartered Accountants

(Firm Reg. No. 000561N)

S. K. GARG

(Chairman & Executive Director)

PANKAJ BAJAJ

(Managing Director)

CA. UDIT BANSAL

(Partner)

M. NO. - 401642

NEETIKA RASTOGI

(Company Secretary)

PLACE : Lucknow

DATED : 21st August, 2010

# El deco Housing and Industries Limited

## PROFIT AND LOSS ACCOUNT FOR THE YEAR 31ST MARCH , 2010

PARTICULARS	SCHEDULE	FIGURES AS AT 31.03.2010 IN RUPEES	FIGURES AS AT 31.03.2009 IN RUPEES
<b>INCOME :</b>			
a. Value of Work Done	9	477,817,281.57	1,027,862,008.69
b. Other Income	10	44,630,891.93	37,872,114.44
c. Increase/decrease in Stocks	11	1,438,540.81	(1,949,107.53)
TOTAL		523,886,714.31	1,063,785,015.60
<b>EXPENDITURE :</b>			
d. Cost of Construction	12	358,339,330.79	904,662,404.48
e. Administrative and Selling Expenses	13	51,844,707.63	47,028,189.41
f. Financial Charges	14	10,800,489.18	15,350,383.24
g. Depreciation		3,072,539.18	2,589,765.00
TOTAL		424,057,066.78	969,630,742.13
<b>PROFIT BEFORE TAXES :</b>		99,829,647.53	94,154,273.47
<b>Less: Provision for Taxation</b>			
i. Current Tax	21,343,000.00		
ii. Deferred Tax	1,800,175.00		
iii. Wealth Tax	57,000.00		
iv. Fringe Benefit Tax	-	23,200,175.00	27,507,860.00
<b>PROFIT AFTER TAX :</b>		76,629,472.53	66,646,413.47
i. Balance brought forward from last year		302,972,395.61	244,737,774.20
ii. Add/(Less):Income Tax Adjustments related to Previous Years		209,822.26	(3,110,968.06)
j. PROFIT AVAILABLE FOR APPROPRIATION		379,811,690.40	308,273,219.61
<b>APPROPRIATIONS :</b>			
k. Transferred to General Reserve		3,000,000.00	3,000,000.00
l. Proposed Dividend		1,966,600.00	1,966,600.00
m. Tax on Proposed Dividend		326,652.00	334,224.00
<b>BALANCE CARRIED TO BALANCE SHEET :</b>		374,518,438.40	302,972,395.61
Basic and Diluted Earning per Share of face value of Rs.10/- each (Refer Note no.15 of Schedule 15)		38.97	33.89

Significant Accounting Policies and Notes to Accounts

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AUDITORS REPORT

As per our Report of even date attached

For and on Behalf of the Board

For DOOGAR & ASSOCIATES,

Chartered Accountants

(Firm Reg. No. 000561N)

S. K. GARG

(Chairman & Executive Director)

PANKAJ BAJAJ

(Managing Director)

CA. UDIT BANSAL

(Partner)

M. NO. - 401642

NEETIKA RASTOGI

(Company Secretary)

PLACE : Lucknow

DATED : 21st August,2010

# El deco Housing and Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	FIGURES AS AT 31.03.2010 IN RUPEES	FIGURES AS AT 31.03.2009 IN RUPEES
<b>SCHEDULE - 1 SHARE CAPITAL</b>		
AUTHORISED		
10000000 (Previous Year 10000000) Equity Shares of Rs. 10/- each	100,000,000.00	100,000,000.00
ISSUED, SUBSCRIBED AND PAID UP		
1966600 (Previous Year 1966600) Equity Shares of Rs. 10/- each fully paid up.	19,666,000.00	19,666,000.00
TOTAL	19,666,000.00	19,666,000.00
<b>SCHEDULE - 2 RESERVES AND SURPLUS</b>		
(i) CAPITAL RESERVE: As per last Balance Sheet	133,600.00	133,600.00
(ii) GENERAL RESERVE: As per last Balance Sheet Add: Transferred from Profit and Loss Account	51,393,067.71 3,000,000.00	48,393,067.71 3,000,000.00
(iii) SURPLUS AS PER PROFIT AND LOSS ACCOUNT	54,393,067.71 374,518,438.40	51,393,067.71 302,972,395.61
TOTAL	429,045,106.11	354,499,063.32
<b>SCHEDULE - 3 SECURED LOANS:</b>		
A. TERM LOAN: HDFC LIMITED, LUCKNOW	-	15,000,000.00
B. IMMOVABLE PROPERTY OVERDRAFT FACILITY: PUNJAB NATIONAL BANK, AGRA	-	30,542,300.13
C. OVERDRAFT FACILITY: CITY CO-OPERATIVE BANK, LUCKNOW	4,607,279.95	4,607,279.95
TOTAL	4,607,279.95	50,149,580.08

### NOTES :

- A. TERM LOAN FROM HDFC LTD., LUCKNOW  
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 Ravikhhand, Lucknow.
  - 4 Mortgage of extension of vacant land admeasuring 1,34,865 sq. ft. area at Udyan at Ravikhhand, 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 Land with construction of site office and surrounded by boundary wall and gate at Falzullahganj, Mohbullapur Sitapur Road, near Jankipuram flyover, Lucknow bearing khasra no. 58,59,60,61, 83, 84 & 85 measuring 30655.94 sq. mts
  - ii. Further Secured by personal guarantee of Shri S.K. Garg (Chairman) & Shri Pankaj Bajaj (Managing Director).
  - iii. Further Secured by First Charge on Block Assets of the Company.

**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

**SCHEDULE - 4 UNSECURED LOANS:**

Fixed Deposits	29,535,000.00	13,380,000.00
(Repayable within one year Rs.230.55 Lacs (Previous Year Rs.87.35 Lacs))		
	-----	-----
TOTAL	29,535,000.00	13,380,000.00
	-----	-----

SCHEDULE 5 - FIXED ASSETS:

S. No.	Particulars	<---- GROSS BLOCK ---->				<---- DEPRECIATION ---->				<-- NET BLOCK -->	
		As At 01/04/2009	Additions During The Year	Sales/adj During The Year	As At 31/03/2010	Upto 01/04/2009	For The Period Ended 31/03/2010	Sales/adj During The Year	Total Upto 31/03/2010	W.D.V. as at 31/03/2010	W.D.V. as at 31/03/2009
1	Office Premises	32,848,191.55	8,092,254.39	-	40,940,445.94	1,420,236.61	555,994.71	-	1,976,231.32	38,964,214.62	31,427,954.94
2	Construction Machinery	13,604,994.17	54,000.00	-	13,658,994.17	10,802,088.85	647,284.30	-	11,449,373.15	2,209,621.02	2,802,905.32
3	Furniture and Fixture	6,578,617.09	2,290,707.40	-	8,869,324.49	4,191,163.63	438,307.26	-	4,629,470.89	4,239,853.60	2,387,453.46
4	Office Equipment	4,725,289.24	1,345,052.00	-	6,070,341.24	1,954,472.43	256,340.24	-	2,210,812.67	3,859,528.57	2,770,816.81
5	Vehicles	13,586,451.38	-	989,030.00	12,597,421.38	4,091,199.92	1,273,208.03	838,414.00	4,525,993.95	8,071,427.43	9,495,251.46
6	Computers	2,210,494.00	1,029,049.00	-	3,239,543.00	1,521,237.75	406,681.19	-	1,927,918.94	1,311,624.06	689,256.25
7	Computer Software	570,524.00	50,000.00	-	620,524.00	190,435.88	100,586.94	-	291,022.82	329,501.18	380,088.12
8	Generator	872,017.00	-	-	872,017.00	21,836.00	41,420.81	-	63,256.81	808,760.19	850,181.00
	Total	74,996,578.43	12,861,062.79	989,030.00	86,868,611.22	24,192,671.07	3,719,823.48	838,414.00	27,074,080.55	59,794,530.67	50,803,907.36
	Previous Year Figures	64,945,295.43	10,506,104.00	454,821.00	74,996,578.43	21,430,420.07	3,217,071.00	454,820.00	24,192,671.07	50,803,907.36	43,514,875.36

**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
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**QUOTED (TRADE INVESTMENT)**

11500 Equity Shares of Rs. 10.00 each in Union Bank of India Ltd., fully paid up (M.V. Rs.292.95 per share)	184,000.00	184,000.00
---	------------	------------

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. 1013.45 per share)	111,060.00	111,060.00
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**UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost**

5000 Equity Shares of Rs.25/- fully paid up in Indian Mercantile Co-operative Bank Limited	125,000.00	125,000.00
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**IN ASSOCIATE COMPANY**

**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.	4,550,000.00	4,550,000.00
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**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.	7,494,000.00	7,494,000.00
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9990 Equity Shares of Rs 10/- each fully paid up in Aadesh Constructions Pvt. Ltd.	99,900.00	99,900.00
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9990 Equity Shares of Rs 10/- each fully paid up in Garv Constructions Pvt. Ltd.	99,900.00	99,900.00
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9990 Equity Shares of Rs 10/- each fully paid up in Mahal Constructions Pvt. Ltd.	99,900.00	99,900.00
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9990 Equity Shares of Rs 10/- each fully paid up in Milaap Constructions Pvt. Ltd.	99,900.00	99,900.00
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9990 Equity Shares of Rs 10/- each fully paid up in Samarpit Constructions Pvt. Ltd.	99,900.00	99,900.00
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9990 Equity Shares of Rs 10/- each fully paid up in Suniyojit Constructions Pvt. Ltd.	99,900.00	99,900.00
9999 Equity Shares of Rs. 10/- each fully paid up in Primacy Constructions Pvt Ltd	99,990.00	99,990.00
9999 Equity Shares of Rs. 10/- each fully paid up in Prayatna Constructions Pvt Ltd	99,990.00	99,990.00
9999 Equity Shares of Rs. 10/- each fully paid up in Prasiddhi Constructions Pvt Ltd	99,990.00	99,990.00
9999 Equity Shares of Rs. 10/- each fully paid up in Prepetual Constructions Pvt Ltd	99,990.00	99,990.00
9999 Equity Shares of Rs. 10/- each fully paid up in Advantage Constructions Pvt Ltd	99,990.00	99,990.00
9999 Equity Shares of Rs. 10/- each fully paid up in Deepjyoti Constructions Pvt Ltd	99,990.00	99,990.00
9999 Equity Shares of Rs. 10/- each fully paid up in Sushobhit Constructions Pvt Ltd	99,990.00	99,990.00
9999 Equity Shares of Rs. 10/- each fully paid up in Fixity Constructions Pvt Ltd	99,990.00	99,990.00
9999 Equity Shares of Rs. 10/- each fully paid up in Facility Constructions Pvt Ltd	99,990.00	99,990.00
9999 Equity Shares of Rs. 10/- each fully paid up in Bliss Constructions Pvt Ltd	99,990.00	99,990.00
9999 Equity Shares of Rs. 10/- each fully paid up in Conviction Constructions Pvt Ltd	99,990.00	99,990.00
9999 Equity Shares of Rs. 10/- each fully paid up in Khwahish Constructions Pvt Ltd	99,990.00	99,990.00
<b>OTHERS</b>		
UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost		
420 Equity Shares of Rs 100/- each fully paid up in Lucknow Cement Craft Pvt. Ltd.	42,000.00	42,000.00
<b>IN JOINT VENTURE COMPANY</b>		
UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost		
4234144 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Eldeco City (P) Ltd.	84,682,880.00	84,682,880.00

# El deco Housing and Industries Limited

2822763 10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each fully paid in Eldeco City (P) Ltd.	28,227,630.00	28,227,630.00
18186 Warrants of Eldeco City Private Limited of Rs. 10/- each (Refer Note no.19 of Schedule 15)	181,860.00	-
TOTAL	127,398,110.00	127,216,250.00

## 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	195,580,534.30	199,942,056.61
Unsold Plots, Shops, Flats etc.,	19,707,361.73	18,268,820.92

TOTAL	215,287,896.03	218,210,877.53
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#### b. SUNDRY DEBTORS:

(Unsecured, considered good)

Exceeding six months	1,329,923.00	766,249.00
Other Debts	34,055,762.00	20,875,890.00

TOTAL	35,385,685.00	21,642,139.00
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#### c. PROJECTS IN PROGRESS:

##### 1) ON WHICH REVENUE IS RECOGNISED

Cost of land, Materials, Stores Consumed etc., amount paid to contractors, site overheads etc.,	1,918,436,290.81	2,516,318,877.32
Estimated Profits to be Capitalised	473,079,116.03	730,322,894.31
	2,391,515,406.84	3,246,641,771.63
Less: Advances received	2,225,060,105.92	3,173,938,944.12

SUB TOTAL	166,455,300.92	72,702,827.51
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##### 2) ON WHICH REVENUE IS NOT RECOGNISED

Cost of land, Materials, Stores Consumed, amount paid to contractors, direct overheads etc.,	133,321,107.66	115,570,077.19
	133,321,107.66	115,570,077.19
Less: Advances received	90,126,220.00	89,563,013.00

SUB TOTAL	43,194,887.66	26,007,064.19
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TOTAL	209,650,188.58	98,709,891.70
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d. CASH AND BANK BALANCES:		
a. CASH ON HAND	1,104,379.34	2,061,372.34
b. WITH SCHEDULED BANKS:		
i) IN CURRENT ACCOUNT		
a. Unclaimed/Unpaid Dividend Account	905,083.81	867,422.27
b. Other Short Term Deposit Account	31,590,518.99	29,953,842.50
c. Cheques in hand	4,233,144.00	6,582,825.00
ii) IN FIXED DEPOSITS ACCOUNTS*	274,797,423.10	319,433,504.69
*(Rs. 705.01 lacs (P.Y. Rs. 672.85 lacs pledged as Margin Money against Bank Guarantees & Rs. 236.43 lacs (P.Y. 94.57 lacs) as Earnest Money to LDA)		
iii) Interest accrued and due on Fixed Deposits	5,706,099.22	11,439,729.25
TOTAL	318,336,648.46	370,338,696.05
e. LOANS AND ADVANCES: (Unsecured considered good unless otherwise stated)		
A. LOANS		
Loans to Staff	696,500.00	364,000.00
B. ADVANCES		
i. Advance recoverable in cash or in kind or for value to be received (Refer Note No. 8 of Schedule 15)	167,093,982.88	181,807,945.73
ii. Advances to Subsidiary Companies (Refer Note No. 9 of Schedule 15)	104,446,411.00	22,493,332.00
iii. Advance Income Tax/Tax deducted at Source	49,977,929.24	61,381,975.75
iv. Advance Fringe Benefit Tax	806,057.00	806,057.00
v. Advance Service Tax under Protest	7,230,316.00	7,230,316.00
vi. Other Deposits	15,978,756.50	16,978,756.50
TOTAL	346,229,952.62	291,062,382.98

## SCHEDULE - 8 CURRENT LIABILITIES AND PROVISIONS:

A. CURRENT LIABILITIES:		
a. Sundry Creditors		
i. Due to micro and small and medium enterprises (Refer Note No. 11 of Schedule 15)	-	-
ii. Other Sundry Creditors	259,947,253.34	198,334,174.52
b. Investor Education & Protection Fund/Unclaimed Dividend (Not Due)		
	904,619.00	866,633.00
c. Unclaimed Matured Deposits		
	1,375,000.00	1,055,000.00
d. Advances from customers		
	455,147,641.59	418,684,552.28
e. Security Deposits/Retention Money		
	44,971,067.22	43,915,780.99

f. Due to Directors (maximum outstanding Rs. 1119679.26 Previous Year Rs.1119679.26)	1,080,865.26	1,119,679.26
g. Other Liabilities	4,307,944.39	3,497,645.17
h. Interest Accrued on FDRs but not due	2,434,794.50	1,664,407.00
	770,169,185.30	669,137,872.22
TOTAL	770,169,185.30	669,137,872.22

**B. PROVISIONS:**

a. Provision for Income Tax	48,156,000.00	60,914,000.00
b. Provision for Fringe Benefit Tax	823,300.00	823,300.00
c. Proposed Dividend	1,966,600.00	1,966,600.00
d. Tax on Proposed Dividend	326,652.00	334,224.00
e. Provision for Wealth Tax	174,100.00	117,100.00
f. Provision for Leave Encashment	1,024,365.00	1,189,562.00
g. Provision for Gratuity	3,167,180.00	4,149,591.00
h. Provision for loss of Subsidiary Company	-	35,184.00
	55,638,197.00	69,529,561.00
TOTAL	55,638,197.00	69,529,561.00

# El deco Housing and Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	FIGURES AS AT 31.03.2010 IN RUPEES	FIGURES AS AT 31.03.2009 IN RUPEES
<b>SCHEDULE - 9 SALES &amp; VALUE OF WORK DONE :</b>		
Income from Real Estate Projects	461,483,876.57	975,436,782.69
Income from Construction Contracts	16,333,405.00	52,425,226.00
<b>TOTAL VALUE OF WORK DONE</b>	<b>477,817,281.57</b>	<b>1,027,862,008.69</b>
<b>SCHEDULE - 10 OTHER INCOME:</b>		
Interest on Bank FDR (Gross) (Tax Deducted at Source Rs.3354479.85 Previous Year Rs. 5065179.11)	28,516,133.34	23,994,438.63
Transfer Charges Received	1,684,721.00	2,125,183.00
Rent Received	6,649,624.00	9,153,913.00
Misc. Receipts	872,212.19	1,872,488.49
Interest From Customers/parties	298,450.00	334,388.00
Profit on Sale of Asset	19,384.00	108,999.00
Project Management Fees	2,871,179.00	-
Dividend Receipts (Trade Investments)	131,380.00	78,422.00
Liabilities no longer required written back	3,587,808.40	204,282.32
<b>TOTAL OTHER INCOME</b>	<b>44,630,891.93</b>	<b>37,872,114.44</b>
<b>SCHEDULE - 11 INCREASE/DECREASE IN STOCKS:</b>		
STOCK AS ON 31.03.2010		
Residential flats and Commercial offices	19,707,361.73	18,268,820.92
Less : STOCK AS ON 01.04.2009		
Residential flats and Commercial offices	18,268,820.92	20,217,928.45
<b>TOTAL INCREASE/DECREASE IN STOCKS</b>	<b>1,438,540.81</b>	<b>(1,949,107.53)</b>
<b>SCHEDULE - 12 COST OF CONSTRUCTION ACCOUNT:</b>		
Opening Balance of Projects in progress	115,570,077.19	500,526,788.12
Payments against Land	19,946,634.29	159,017,919.28
Expenses through Contractors	107,625,526.38	130,480,299.02
Materials/Stores consumed	124,586,236.33	193,785,410.62
Brokerage & Commission	958,680.00	4,602,267.00
Advertisement & Publicity	3,810,611.00	3,242,172.00
Salary, Wages & Other Benefits	9,036,860.00	9,336,804.00
Architects' Fees	3,729,693.00	7,692,502.00
Depreciation	647,284.30	627,306.00
Plant & Machinery Repairs	1,889,428.00	1,404,883.87
Maintenance of completed projects	1,255,008.10	1,743,702.16
Water & Electricity	1,093,597.00	553,448.50
Plan Approval & External Devp.Fees	81,862,397.00	5,000,000.00

# El deco Housing and Industries Limited

Other project expenses	21,686,971.86	3,039,560.60
	-----	-----
	493,699,004.45	1,021,053,063.17
Less: - Misc Sales	2,038,566.00	820,581.50
Construction Cost charged to Profit & Loss Account	358,339,330.79	904,662,404.48
	-----	-----
Balance carried to Project in Progress Account	133,321,107.66	115,570,077.19
	-----	-----
<b>13.1 PAYMENTS TO AND PROVISION FOR EMPLOYEES:</b>		
a. Salaries, Bonus, Gratuity and Allowances	15,280,257.00	16,992,124.00
b. Company's Contribution to Provident and Other funds.	1,340,820.00	2,932,696.00
c. Employees welfare and other ammenities.	1,106,511.00	1,465,905.00
	-----	-----
<b>TOTAL PAYMENTS TO AND PROVISION FOR EMPLOYEES</b>	<b>17,727,588.00</b>	<b>21,390,725.00</b>
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<b>13.2 ESTABLISHMENT EXPENSES:</b>		
a. Rent	12,515,980.00	6,160,188.00
b. Rates and Taxes	82,892.00	431,827.00
c. Insurance	85,992.00	58,872.00
d. Remuneration to Directors	4,800,000.00	3,800,000.00
e. Auditors Remuneration	330,900.00	330,900.00
f. Directors Sitting Fees	18,500.00	21,000.00
g. Postage, Telegram & Telephone	1,485,035.83	1,476,387.09
h. Travelling & Conveyance	3,112,735.50	3,559,108.34
i. Legal & Professional Charges	2,014,561.44	1,651,098.49
j. Printing & Stationery	816,916.00	780,213.60
k. Repair & Maintenance	3,539,288.09	3,536,312.00
l. Fees	95,710.00	158,596.00
m. Donations	53,800.00	79,200.00
n. Misc Debits Written Off	332,476.65	58,619.75
o. Other Establishment expenses	1,762,422.12	937,512.14
p. Provision for losses in subsidiary	-	35,184.00
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<b>TOTAL ESTABLISHMENT EXPENSES</b>	<b>31,047,209.63</b>	<b>23,075,018.41</b>
	-----	-----
<b>13.3 SELLING EXPENSES:</b>		
a. Advertisement & Publicity	1,790,166.00	1,437,070.00
b. Sales Promotion & Discount	1,279,744.00	1,125,376.00
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<b>TOTAL SELLING EXPENSES</b>	<b>3,069,910.00</b>	<b>2,562,446.00</b>
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<b>TOTAL ADMINISTRATIVE &amp; SELLING EXPENSES (1+ 2+ 3)</b>	<b>51,844,707.63</b>	<b>47,028,189.41</b>
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<b>SCHEDULE - 14 FINANCIAL CHARGES:</b>		
a. Bank Interest and Commission	3,931,073.84	1,768,172.38
b. Interest on Secured Loans	457,912.88	4,703,677.00
c. Interest on Public Fixed Deposits & Other Interest	6,411,502.46	8,878,533.86
	-----	-----
<b>TOTAL FINANCIAL CHARGES</b>	<b>10,800,489.18</b>	<b>15,350,383.24</b>
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## 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 issued by the Central Government in exercise of power conferred under Section 642(1) (a) 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. Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### 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. Real Estate Projects

a. The Company follows 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 in which cost is incurred.

- B. Interest due on delayed payments by customers is accounted on receipt basis due to uncertainty of recovery of the same.
- C. Income from Construction Contracts
  - a Revenue from construction contracts is recognized on the "Percentage of Completion Method" of accounting.
  - b Income from Construction contracts is recognized by reference to the stage of completion of the contract activity as certified by the client.
  - c Revenue on account of contract variations, claims and incentives are recognized upon determination or settlement of the contract.

## 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. The net present value of the Company's obligation towards Gratuity to Employees is funded as actuarially determined as at the Balance Sheet date based on the Projected Unit Credit Method. Actuarial gain and loss are recognized in the 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 projected credit unit method.

## 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
Audit Fees	2,75,000	2,75,000
Tax Audit Fee	25,000	25,000
Certification Charges	45,000	1,35,500
Service Tax thereon	34,505	45,943
<b>Total</b>	<b>3,79,505</b>	<b>4,81,443</b>

## 3. DIRECTORS' REMUNERATION:

	Current Year	Previous Year
Salaries	48,00,000	38,00,000
Perquisites	2,09,590	2,15,916
<b>Total</b>	<b>50,09,590</b>	<b>40,15,916</b>

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. Advance recoverable in cash or in kind include advances due from companies in which directors is a director or member.

(Amount in Rs.)

S.No.	Name of Company	Balance as at 31 <sup>st</sup>		Maximum outstanding during	
		March, 2010	March, 2009	Year ended March 31, 2010	Year ended March 31, 2009
1	Eldeco Townships & Housing Limited	NIL	42342101	42342101	42342101
2	Eldeco Infrastructure & Properties Limited	37273130	43474121	43474121	43474121
3	MAK Sales Private Limited	43750000	16450000	43750000	16450000

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

(Amount in Rs.)

S.No.	Name of Company	Balance as at 31 <sup>st</sup>		Maximum outstanding during	
		March, 2010	March, 2009	Year ended March 31, 2010	Year ended March 31, 2009
1	Bliss Constructions Private Limited	8100000	NIL	8100000	NIL
2	Prasiddhi Constructions Private Limited	38150000	NIL	38150000	NIL
3	Halwasiya Agro Industries Limited	58196411	22493332	63258013	27651255

## 10. EMPLOYEE BENEFIT

The Details of the Company's post retirement benefit plans for its employees are given below which is certified by the actuary and relied upon by the auditors.

### A. Gratuity

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

Description	Current Year as at 31.03.2010 Amount (Rs.)	Previous Year as at 31.03.2009 Amount (Rs.)
Present value of obligation at the beginning of the year	54,42,447	38,69,433
Current service cost	3,77,663	4,45,615
Interest cost	4,34,203	2,70,118
Benefit paid	0	(3,77,308)
Actuarial (gain) / loss on obligation	(16,84,385)	12,34,589
Present value of obligation as at the end of year	45,69,929	54,42,447

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

Description	Amount (Rs)	Amount (Rs)
Current service cost	3,77,663	4,45,615
Interest cost	4,34,203	2,70,118
Expected return on planned assets	(1,09,893)	(1,17,931)
Net actuarial (gain)/loss recognized during the year	(16,84,384)	12,34,589
Expenses to be recognized in the statement of profit and loss accounts	(9,82,411)	18,32,391

iii) Net assets / liability recognized in Balance Sheet as at 31st March, 2010

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31st March, 2010	45,69,929	54,42,447
Fair value of plan assets as at 31st March, 2010	14,02,749	12,92,856
(Assets)/Liabilities recognized in the Balance Sheet	31,67,180	41,49,591

iv) Changes in fair value of plan assets

Description	Amount (Rs)	Amount (Rs)
Fair value of plan assets at the beginning of the period	12,92,856	15,52,233
Expected return on plan assets	1,09,893	1,17,931
Contribution	NIL	NIL
Benefit Paid	NIL	(3,77,308)
Actuarial gain/ (loss) on plan assets	NIL	0.00
Fair value of plan assets at the end of the period	14,02,749	12,92,856

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

Discount rate	8%	7.00%
Future salary increase	5%	5.00%
Expected rate of return on planned assets	8.15%	8.29%
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) Amount recognized in Profit & Loss account is as under:

Description	Amount (Rs)	Amount (Rs)
Current service cost	1,14,978	1,32,012
Interest cost	83,229	28,765
Expected return on plan asset	0.00	0.00
Net actuarial (gain)/loss recognized during the year	16,010	7,40,045
Recognized in Profit & Loss account	2,14,217	9,00,822

ii) Amount recognized in the Balance Sheet as at 31st March, 2010

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31st March, 2010	10,24,365	10,43,224

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

Description	Amount (Rs)	Amount (Rs)
Present value of obligation at the beginning of the year	10,43,224	4,12,052
Interest cost	83,229	28,765
Current service cost	1,14,978	1,32,012
Benefits Paid	(2,33,076)	(2,69,650)
Actuarial (gain)/loss on obligation	16,010	7,40,045
Present value of obligation at the end of the year	10,24,365	10,43,224

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

Discount rate	8%	7.00%
Future salary increase	5%	5.00%
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.

### 11. 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.

### 12. 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.



Shri Srikant Jajodia

Shri Arvind Bajaj

6. Relatives of Key Management Personnel

Whole Time Director

Non Executive Director

Asha Bajaj

Mother of Shri Pankaj Bajaj, Managing Director

Varija Bajaj

Sister of Shri Pankaj Bajaj, Managing Director

O.P.Bajaj

Father of Shri Pankaj Bajaj, Managing Director

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

Transactions	Key Management Personnel	Associates/ Subsidiaries	Joint Venture Company	Companies in which key managerial personnel or their relatives exercises significant influence	Relatives of Key Management Personnel	Total
Remuneration	4800000 (3800000)					4800000 (3800000)
Perquisites	209590 (215916)					209590 (215916)
Rent Paid					7183476 (466980)	7183476 (466980)
Dividend Paid	76810 (762800)			1100 (11000)	27440 (90200)	105350 (864000)
Sitting Fees	3000 (6000)					3000 (6000)
Advance Given Against Bulk Booking / Projects		35703079 (20813061)		NIL (20014799)		35703079 (40827860)
Advance Received Back				48543092 (NIL)		48543092 (NIL)
Advance Received Against Bulk Booking				17565000 (NIL)		17565000 (NIL)
Investment in Shares		NIL (1199880)				NIL (1199880)
Sale of Investments		NIL (199800)				NIL (199800)
Advance Against Land		73550000 (NIL)				73550000 (NIL)
Investment in Debentures			181860 (NIL)			181860 (NIL)
Project Management Fees /Collection Fees received		527644 (503658)	2871179 (NIL)			3398823 (503658)
Balances Outstanding as at 31.03.2010						
Creditors/Payable	1080865 (1118679)			17565000 (NIL)	12299 (12299)	18658164 (1130978)
Debtors/Receivable	NIL (NIL)	148196411 (39443332)	368470 (NIL)	37998005 (86565272)		186562886 (126008604)
Total Investments		13843280 (13843280)	113092370 (112910510)	42000 (42000)		126977650 (126795790)

\*Figures in brackets denote previous year figures.

## 15. 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, 2010	Year ended March 31, 2009
Profit after taxation and extra ordinary item	76629472.53	66646413.47
Total No. of equity shares outstanding	1966600	1966600
Basic/Diluted earning per share (Face value-Rs. 10.00 per share)	38.97	33.89

## 16. CONTINGENT LIABILITIES:

	Current Year (31.03.2010) (Rs.)	Previous Year (31.03.2009) (Rs.)
(i) Outstanding Bank Guarantees	10,40,35,750	6,72,85,000
(ii) Sales Tax Cases pending with Addl. Commissioner Appeals, Agra For the F/Y 2004-2005	11,77,958	NIL
F/Y 2005-2006	9,96,576	NIL
F/Y 2006-2007	9,88,184	NIL
(iii) Income Tax Cases pending with CIT(A), Agra for A. Y. 2006-07 & 2007-08	20,45,570	6,96,903
(iv) Earnest Money	2,41,43,034	1,09,56,629
(v) 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 (31.03.2009 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. Interest in Joint Venture

The Company entered into a 66.67:33.33 (being company share is 33.33%) Joint Venture in Eldeco City Private Limited (incorporated in India) with M/s Xander Investment Holding IV Limited (Mauritius) for development of the Real Estate Project in India. For the purposes of Company's share in assets, liabilities, income & expenses, proportionate consolidation method has been adopted. The Company's interest in the Joint Venture is reported as Long term Investment (Schedule 6) of the Balance Sheet and stated at cost.

The Company's share of each of the assets, liabilities, income & expenses (each after elimination of, the effect of transactions between the Company and the Joint Venture) related to its interests in this joint venture based on un-audited results are given here under:

Particulars	Amount (Rs) 31.03.2010
Reserve & Surplus	1253850.10
Unsecured Loan	52132021.33
Fixed Assets (including CWIP)	199666.67
Investments	333333.33
Inventories	109724.58
Project in Progress	33510589.82
Cash & Bank Balances	19435517.76
Loans & Advances	144268940.20
Current Liabilities & Provisions	33466802.11
Other Income	750456.32
Administrative Expenses	331644.90
Depreciation	1447.67
Provision for Tax	64421.33
Profit after Tax	352942.42

19. The Warrants issued by the Eldeco City Private Limited to the Company, shall not carry any Coupon or Interest rate and shall be converted into class-D shares prior to the expiry of warrant term of 5 Years from the date of issue. The warrants are non transferable and non redeemable.
20. Disclosure in accordance with Accounting Standard-7 (Revised), in respect of construction contracts entered:

Particulars	Amount (Rs)	Amount (Rs)
	31.03.2010	31.03.2009
Contract revenue recognized as revenue for the year ended	16333405	52425226
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) for all the contract in progress	29849464	52425226
The amount of customer advances outstanding for contracts in progress	54544170	42044170
The amount of retentions due from customers for contracts in progress.	NIL	NIL
Gross amount due from customers including work in progress for contracts in progress.	29849464	NIL
Gross amount due to customers including work in progress for contracts in progress.	419788	419788

21. 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.
22. 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: 21st August 2010

For & on behalf of the Board

S. K. Garg  
(Chairman & Executive  
Director)

Neetika Rastogi  
(Company Secretary)

Pankaj Bajaj  
(Managing Director)

# El deco Housing and Industries Limited

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

	Current Year		Previous Year	
	Quantity	Value	Quantity	Value
<b>OPENING STOCK</b>				
Bricks(Nos.)	5814	12177.00	3093	5319.96
Cement(Bags)	1799	420220.00	2754	548239.00
Steel (MT)	234.687	7743344.50	199.43	8527474.00
Other Materials		15249921.58		4031201.48
		----- 23425663.08		----- 13112234.44
<b>PURCHASES</b>				
Bricks(Nos.)	25000	98750.00	102200	408208.00
Cement(Bags)	84994	20591843.80	98576	20148899.00
Steel (MT)	5973.80	25346333.99	2758.97	104426355.00
Other Materials		66850058.23		122081602.87
		----- 112886986.02		----- 247065064.87
<b>CONSUMPTION</b>				
Bricks(Nos.)	25814	100455.00	99479	401350.96
Cement(Bags)	82810	20056470.20	99531	20276918.00
Steel (MT)	6179.24	29578395.80	2723.71	105210484.50
Other Materials		71597891.33		93207634.90
		----- 121333212.33		----- 219096388.36
<b>CLOSING STOCK</b>				
Bricks(Nos.)	5000	10472.00	5814	12177.00
Cement(Bags)	3983.5	955593.60	1799	420220.00
Steel (MT)	29.24	3511282.69	234.69	7743344.50
Other Materials		10502088.48		15249921.58
		----- 14979436.77		----- 23425663.08

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

Other Materials include items like Grit, Sand, sanitary materials, electric 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.

**AUDITORS REPORT**

As per our report of even date attached

For DOOGAR & ASSOCIATES

Chartered Accountants

For and on Behalf of the Board

S. K. GARG

(Chairman & Executive Director)

PANKAJ BAJAJ

(Managing Director)

**CA UDIT BANSAL**

(Partner)

NEETIKA RASTOGI

(Company Secretary)

Place: Lucknow

Date: 21st August 2010

# El deco Housing and Industries Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	FIGURES AS AT 31.03.2010 IN RUPEES	FIGURES AS AT 31.03.2009 IN RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax, appropriations and extra ordinary items	99,829,647.53	94,154,273.47
Adjustment for :		
Profit on sale of Fixed Assets	(19,384.00)	(108,999.00)
Depreciation	3,719,823.48	3,217,071.00
Dividend received	(131,380.00)	(78,422.00)
Interest received	(28,516,133.34)	(23,994,438.63)
Interest paid	10,800,489.18	15,350,383.24
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>85,683,062.86</b>	<b>88,539,868.08</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES:</b>		
Trade Payables & Others	99,036,663.08	(23,433,832.60)
Inventories	2,922,981.50	(16,358,017.11)
Project in Progress	(110,940,296.88)	34,202,879.24
Trade and Other Receivables	(13,743,546.00)	385,775.00
Loans and Advances	(66,571,616.15)	(55,576,547.14)
<b>CASH GENERATED FROM OPERATING ACTIVITIES:</b>	<b>(3,612,751.60)</b>	<b>27,760,125.47</b>
Prior year Adjustments	209,822.26	(3,110,968.06)
Direct Taxes Paid	(21,930,653.49)	(16,185,637.95)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(25,333,582.83)</b>	<b>8,463,519.46</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of Fixed Assets	170,000.00	109,000.00
Purchase of Fixed Assets	(12,861,062.79)	(10,506,104.00)
Purchase of Investments	(181,860.00)	(1,199,880.00)
Sale of Investment	-	199,800.00
Interest received	28,516,133.34	23,994,438.63
Dividend received	131,380.00	78,422.00
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>15,774,590.55</b>	<b>12,675,676.63</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of Long Term Borrowings	(29,387,300.13)	(3,008,732.22)
Interest & Finance Charges paid	(10,800,489.18)	(15,350,383.24)
Dividend Paid	(1,928,614.00)	(1,846,271.00)
Tax on Dividend	(326,652.00)	(334,224.00)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(42,443,055.31)</b>	<b>(20,539,610.46)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(52,002,047.59)</b>	<b>599,585.63</b>
CASH AND CASH EQUIVALENTS ( OPENING BALANCE)	370,338,696.05	369,739,110.42
CASH AND CASH EQUIVALENTS ( CLOSING BALANCE)	318,336,648.46	370,338,696.05

Note: The above Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on 'Cash Flow Statements'.

AUDITORS REPORT  
As per our Report of even date attached

For and on Behalf of the Board

For DOOGAR & ASSOCIATES,  
Chartered Accountants  
(Firm Reg. No. 000561N)

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

PANKAJ BAJAJ  
(Managing Director)

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

NEETIKA RASTOGI  
(Company Secretary)

Place : New Delhi  
Dated: 21<sup>st</sup> August 2010

# El deco Housing and Industries Limited

## BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE:

### REGISTRATION DETAILS

State Code	:	55
Registration No.	:	L45202DL1985PLC197611
Balance Sheet Date	:	31.03.2010

### CAPITAL RAISED DURING THE YEAR

Public Issue	:	NIL
Bonus Issue	:	NIL
Rights Issue	:	NIL
Private Placement	:	NIL

### POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

#### DEPLOYMENT OF FUNDS

Total Liabilities	:	Rs. 1,312,083,011.36
Total Assets	:	Rs. 1,312,083,011.36

#### SOURCES OF FUNDS

Paid up Capital	:	Rs. 19,666,000.00
Reserves and Surplus	:	Rs. 429,045,106.11
Secured Loans	:	Rs. 4,607,279.95
Unsecured Loans	:	Rs. 29,535,000.00
Deferred Tax Liability (Net)	:	Rs. 3,422,243.00

#### APPLICATION OF FUNDS

Net Fixed Assets	:	Rs. 59,794,530.67
Investments	:	Rs. 127,398,110.00
Net Current Assets	:	Rs. 299,082,988.39

#### PERFORMANCE OF COMPANY

Turnover	:	Rs. 477,817,281.57
Total Expenditure	:	Rs. 424,057,066.78
Profit Before Tax	:	Rs. 99,829,647.53
Profit After Tax	:	Rs. 76,629,472.53
Earnings per share (Year End)	:	Rs. 38.97
Dividend Rate %	:	10%

#### Generic Names of Three Principal Products/Services of Company

Item Code No. (ITC Code)	:	NA
Product Description	:	Real Estate Development & Construction of Single/ Multi Stories Commercial and Residential Complexes

(figures in Rs.)

## FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Sl. No.	Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investment (Except in the subsidiaries)	Turnover/Total Income	Profit/Total Income	Profit Before Tax	Provision for Tax (net of write back)	Profit After Tax	Proposed Dividend
1	Milaap Constructions (P) Ltd	100,000.00	-	108,750.00	8,750.00	-	-	-	-	-	-	-
2	Samarjit Constructions (P) Ltd	100,000.00	-	108,750.00	8,750.00	-	-	-	-	-	-	-
3	Aadesh Constructions (P) Ltd	100,000.00	-	108,750.00	8,750.00	-	-	-	-	-	-	-
4	Halwasiya Agro Industries Ltd	4,000,000.00	9,587,098.14	23,619,539.60	10,032,441.46	-	126,081,552.19	9,540,363.78	9,540,363.78	3,241,744.00	6,298,619.78	-
5	Primacy Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	-	-	-	-	-
6	Prayatna Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	-	-	-	-	-
7	Prasiddhi Constructions (P) Ltd	100,000.00	24,720.92	42,460,980.92	42,336,280.00	-	74,794.52	35,775.92	35,775.92	11,055.00	24,720.92	-
8	Perpetual Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	-	-	-	-	-
9	Advantage Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	-	-	-	-	-
10	Deepjyoti Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	-	-	-	-	-
11	Sushobhit Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	-	-	-	-	-
12	Fixity Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	-	-	-	-	-
13	Facility Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	-	-	-	-	-
14	Bliss Constructions (P) Ltd	100,000.00	-	8,896,765.00	8,796,765.00	-	-	-	-	-	-	-
15	Conviction Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	-	-	-	-	-
16	Khwahish Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	-	-	-	-	-
17	Suniyojit Constructions (P) Ltd	100,000.00	-	108,750.00	8,750.00	-	-	-	-	-	-	-
18	Garv Constructions (P) Ltd	100,000.00	-	108,750.00	8,750.00	-	-	-	-	-	-	-
19	Mahal Constructions (P) Ltd	100,000.00	-	108,750.00	8,750.00	-	-	-	-	-	-	-

# NOTES





# ELDECO HOUSING AND INDUSTRIES LIMITED

Regd. Office : 201-212, 2nd Floor, Splendor Forum, District Centre Jasola, New Delhi-110 025  
Corp. Office : 2nd Floor, Corporate Chamber-I, Vibhuti Khand, Gomti Nagar, Lucknow-226 010

## 25th 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 25th Annual General Meeting of the Company to be held on Thursday, the 30th  
day of September, 2010 at 3.00 p.m. at Hotel The Suryaa New Delhi, New Delhi and at any adjournment(s) thereof.

Signed this on .....day of .....2010



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 : 201-212, 2nd Floor, Splendor Forum, District Centre Jasola, New Delhi-110 025  
Corp. Office : 2nd Floor, Corporate Chamber-I, Vibhuti Khand, Gomti Nagar, Lucknow-226 010

## 25th 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 25th Annual General Meeting of the Company to be held on Thursday, the 30th day of September, 2010 at  
3.00 p.m. at Hotel The Suryaa New Delhi, New Delhi.  
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.  
D-153/A, 1st Floor, Okhla Industrial Area,  
New Delhi - 20. Ph. : 011-26292682

Place .....  
Date .....  
DP/clinet 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 :