

ANNUAL REPORT 2010-11



→ **BOARD OF DIRECTORS** ←

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

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. : 011-30857575

Stock Exchanges where Company is Listed

The Bombay Stock Exchange Limited

Phiroze Jeejeebhay Towers
Dalal Street, MUMBAI - 400 001

The Uttar Pradesh Stock Exchange Association
Limited

14/113, Padam Towers, Civil Lines,
KANPUR - 208 001

Bankers

Punjab National Bank

HDFC 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

• 98, Allora Enclave, Dayal Bagh, Agra - 282 005

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NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of **Eldeco Housing and Industries Ltd** will be held on Saturday, the 24th day of September, 2011, 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, 2011 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, 2011.
3. To appoint a Director in place of Mr Ranjit Khattar who retires by rotation and, being eligible, offers himself for re appointment.
4. To appoint a Director in place of Mr N.K. Sharma who retires by rotation and, being eligible, offers himself for re appointment.
5. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

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

Special Business

6. To consider and if thought fit, to pass, with or without modification (s), the following resolution as **Special Resolution**:
“Resolved that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, Shri S K Garg was re-appointed as Whole Time Director and designated as Executive Chairman of the Company for a period of five years with effect from 15th May, 2011 at the following remuneration:
(A) Salary: Rs. 2,00,000 (Rupees Two Lac Only) per month w.e.f. 15th May, 2011 till 30th September, 2011 and Rs. 3,00,000 (Three Lac Only) per month w.e.f. 1st October, 2011 till 30th September, 2014.
(B) Perquisites:
 - (i) Gas Electricity, Water and Furnishings:** Expenditure incurred by the Company on providing gas, electricity, water and furnishings, valued as per the Income Tax Rules, 1962.
 - (ii) Medical Reimbursement:** Expenses incurred for self and his family.
 - (iii) Security:** Expenses incurred for provision of security guards at the residence.
 - (iv) Leave Travel Concession:** Leave as per rules of the Company. Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.
 - (v) Club Fees:** Fees of clubs subject to a maximum of two clubs.

For the purpose of calculating the above ceiling, perquisites will be evaluated as per the Income Tax Rules, 1962, wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.

Resolved further that the following perquisites payable to Shri S K Garg will not be included in the aforesaid remuneration:

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;

Resolved further that payment/re-imburement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration and in specific, the Company inter-alia shall make payment/ reimburse for the following:

Car : Provision of Car for use of Company's business purposes. The use of Company's Car for business purposes will not be considered as a perquisite. The Company shall bill the use of car for private purposes.

Telephone: Mobile Phone & provision of telephones at residence will not be considered as a perquisite and the Company shall bill personal long distance calls made.

Entertainment expenses: Reimbursement of entertainment expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time.

Resolved further that the Executive Chairman shall not be entitled to sitting fees for attending meetings of the Board of Directors or any committee(s) thereof.

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

Resolved further that the office of Shri S K Garg as Whole Time Director and designated as Executive Chairman of the Company shall not be liable to retire by rotation subject to and to the extent permitted under the provisions of section 255, 256 and other applicable provisions, if any, of the Companies Act, 1956.

Resolved further that the draft agreement for appointment of the Executive Chairman of the Company, incorporating the aforesaid remuneration package and other terms & conditions, as placed before the Board and initialed by the Chairman for the purpose of identification, be and is hereby approved and Shri Pankaj Bajaj, Director of the company be and is hereby authorized to execute and sign the said agreement on behalf of the Company with Shri S K Garg.

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

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

“**Resolved that** pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and Section 316 and 317 of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, and subject to the approval of the shareholders in the General Meeting, consent of the Board of Directors be and is hereby given for re-appointment of Shri Pankaj Bajaj as Managing Director of the Company, for a period of five years with effect from 15th May, 2011 without any remuneration, by whatever name called.

Resolved further that the office of Shri Pankaj Bajaj as Managing Director of the Company shall not be liable to retire by rotation subject to and to the extent permitted under the provisions of section 255, 256 and other applicable provisions, if any, of the Companies Act, 1956.

Resolved further that the Company shall make payment/ re-imburement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred by Shri Pankaj Bajaj in the course of official duties and in specific, the Company inter-alia shall make payment/ reimburse for the following:

Car: Provision of Car for use of Company’s business purposes. The use of Company’s Car for business purposes will not be considered as a perquisite. The Company shall bill the use of car for private purposes.

Telephone: Mobile Phone & provision of telephones at residence will not be considered as a perquisite and the Company shall bill personal long distance calls made.

Entertainment expenses: Reimbursement of entertainment expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time.

Resolved further that the Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or any committee(s) thereof.

Resolved further that the draft agreement for appointment of Mr. Pankaj Bajaj as Managing Director of the Company, as placed before the Board and initialed by the Chairman for the purpose of identification, be and is hereby approved and Shri S K Garg, Chairman be and is hereby authorized to execute and sign the said agreement on behalf of the Company with Shri. Pankaj Bajaj.

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

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

Neetika Rastogi
Company Secretary

Date : 15th July, 2011
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 KNAHD, GOMTI NAGAR, LUCKNOW 226 010 , NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
- B. Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C.** Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting and to submit the duly filled and signed admission slips.
- D. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday , the 21st day of September 2011 to Saturday, the 24th day of September, 2011 (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. 011-30857575, Fax: 011 30857562.
- G.** The dividend on Equity Shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be payable to those shareholders whose names appear on the Company's Register of Members and the data base of the Company's Registrar and Transfer Agent (M/s Skyline Financial Services Pvt. Ltd., New Delhi) as on 21st September, 2011 after entertaining all valid requests for transfer of shares lodged with the Company on or before 21st September, 2011.
- 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 2002-2003 to the Investors Education and Protection Fund, in the month of March, 2011 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
31.03.2004	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
31.03.2010	10%	30/09/2010	06/11/2017	05/12/2017

- J.** In terms of provisions of Section 205A of the Companies Act, 1956, the amount of dividend for the financial year 2003-04 that still remains unclaimed is required to be transferred to the Investors Education and Protection Fund on or before 23rd January, 2012. Any shareholder who has not encashed the dividend warrants for the financial year 2003-04 and onwards may claim the same immediately. **Please note that the unclaimed dividend once transferred to Investors Education and Protection Fund cannot be claimed by the shareholders.**
- K. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.

- L. Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 6 and 7 is enclosed herewith.
- M.** The information required to be provided under the Listing Agreement entered in to by the Company with the Stock Exchanges regarding the Directors proposed to be reappointed is given in the annexure to the Notice.

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

Date : 15th July, 2011
Place: Lucknow

Neetika Rastogi
Company Secretary

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

Item No. 6 :

Sri S. K. Garg, the promoter and founder of the ELDECO Group has been serving Eldeco Housing & Industries Ltd. as the Executive Chairman. The company has grown from strength to strength under the stewardship of Shri Shiv Kumar Garg. He is a Diploma Holder in Civil and Rural Engg. and AMIE (INDIA) and has also worked as Lecturer in Polytechnic and as consulting engineer. He has wide and rich experience of 50 years in Real Estate & Construction Industry. He is a widely respected part of several committees and sub-committees, organization and working groups of Housing and Construction. He has also been awarded several times during his last tenure as Executive Chairman for his contribution to the industry, including **Life Time Achievement Award in 2008, Indian Leadership Award, Bharatiya Nav Nirman Puraskar, International Achievers Award 2010-2011 in 2011 and Life Time Achievement Award in a ceremony held in British Parliament in London in 2011.**

Tenure of Mr Shiv Kumar Garg as Whole Time Director designated as Executive Chairman expired on 14th May 2011. For the efficient management of the Company's affairs, the Board reappointed Mr Shiv Kumar Garg as Whole Time Director designated as Executive Chairman on the remuneration as given in proposed resolution in the Board meeting held on 13th May, 2011 which is subject to the approval of members. The Remuneration Committee has also approved his remuneration in its meeting held on 13th May, 2011.

In terms of first proviso to sub para (B) of Section II, Part II of Schedule XIII of the Companies Act, 1956, the increased remuneration w.e.f. 1st October, 2011 will be for a period of 3 years. The detailed remuneration has been disclosed in proposed resolution in the Notice calling the ensuing Annual General Meeting.

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

I. GENERAL INFORMATION

(1)	Nature of Industry	ELDECO Housing and Industries Ltd is engaged in the business of Real Estate.
(2)	Date or expected date of commencement of commercial production	The Company is already in existence and is in operation since July 1985
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

(4) Financial Performance of the Company for last 2 years is given below:

Particulars	Financial Year ended	
	31st March 2011 Standalone	31st March 2010 Standalone
Income:		
A - Value of Work Done	4151.02	4806.88
B - Other Income	429.63	417.60
C - Increase/ Decrease in Stocks	(19.49)	14.39
Total	4561.16	5238.87
Expenditure	3688.97	4240.57
Profit before tax	872.19	998.30
Less : Provision for tax		
Current	303.31	213.43
Deferred	(8.06)	18.00
Wealth Tax	0.54	0.57
Profit After Tax	576.40	766.30
Previous Balance in Profit & Loss Account	3745.18	3029.72

Adjustments related to previous year	0.48	2.10
Share of Profit in Associates	-	-
Profit available for appropriation	4322.06	3798.12
Less: Proposed dividend	19.67	19.67
Tax on proposed dividend	3.19	3.27
Transfer to general reserve	30.00	30.00
Balance in Profit & Loss Account	4269.20	3745.18
Earning per share (Rs.)	29.31	38.97
Dividend per share (Rs.)	1.00	1.00

II. INFORMATION ABOUT THE APPOINTEE

(1) Background details	Sri S. K. Garg, the promoter and founder of the ELDECO Group has been serving Eldeco Housing & Industries Ltd. as the Executive Chairman. The company has grown from strength to strength under the stewardship of Shri Shiv Kumar Garg. He is a Diploma Holder in Civil and Rural Engg. and AMIE (INDIA) and has also worked as Lecturer in Polytechnic and as consulting engineer. He has wide and rich experience of 50 years in Real Estate & Construction Industry.
(2) Past remuneration	<p>Monthly remuneration Salary: Rs. 2,00,000 (Rupees Two Lac Only) per month</p> <p>Perquisites:</p> <ul style="list-style-type: none"> i. Gas Electricity, Water and Furnishings: Expenditure incurred by the Company on providing gas, electricity, water and furnishings, valued as per the Income Tax Rules, 1962. ii. Medical Reimbursement: Expenses incurred for self and his family. iii. Security: Expenses incurred for provision of security guards at the residence. iv. Leave Travel Concession: Leave as per rules of the Company. Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company. v. Club Fees: Fees of clubs subject to a maximum of two clubs.
(3) Recognition or awards	Mr Shiv Kumar Garg has a experience of 50 years in Real Estate & Construction Industry.
(4) Job profile and his suitability	Mr Shiv Kumar Garg, being the Executive Chairman of the Company is entrusted with substantial powers in relation to normal business matters. He is having rich experience of 50 years in Real Estate & Construction Industry.
(5) Remuneration proposed	<p>Monthly remuneration of Rs. 2,00,000 (Rupees Two Lac Only) per month w.e.f. 15th May, 2011 till 30th September, 2011 and Rs. 3,00,000 (Three Lac Only) per month w.e.f. 1st October, 2011 till 30th September, 2014.</p> <p>Perquisites:</p> <ul style="list-style-type: none"> i. Gas Electricity, Water and Furnishings: Expenditure incurred by the Company on providing gas, electricity, water and furnishings, valued as per the Income Tax Rules, 1962. ii. Medical Reimbursement: Expenses incurred for self and his family.

	<p>iii. Security: Expenses incurred for provision of security guards at the residence.</p> <p>iv. Leave Travel Concession: Leave as per rules of the Company. Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.</p> <p>v. Club Fees: Fees of clubs subject to a maximum of two clubs.</p> <p>In the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.</p>
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	The appointee is the main promoter of the Company. Save as the managerial remuneration he does not have any other material pecuniary relationship with the Company. He is father in law of Mr Srikant Jajodia

III. OTHER INFORMATION

(1) Reasons for loss or inadequate profits	The Company is in profit. However fixed remuneration is proposed to be paid as minimum remuneration in the event of loss/absence/inadequacy of profits due to unavoidable circumstances.
(2) Steps taken or proposed to be taken for improvement	The Company is taking cost cutting measures and exploring new avenues of business to improve profitability
(3) Expected increase in productivity and profits in measurable terms	The company is expected to have improved sales and profitability figures in the next financial years.

The company has entered into an agreement with Shri S.K. Garg, for the said appointment a copy of which is available for inspection at any time 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. Additional disclosure are also given under appropriate head(s) in the Corporate Governance report annexed to the directors report.

Under the provisions of Section 198, 269, 309 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of members is required for the appointment of Shri S.K. Garg as Whole Time Director designated as Executive Chairman and payment of remuneration to him. The Board, accordingly, recommends the resolution for approval of the Members as a Special Resolution.

None of the Directors of the Company, except Shri S.K. Garg himself & Shri Srikant Jajodia being son- in law of Shri S. K. Garg are concerned or interested in the proposed resolution.

The above intimation may be deemed to be an abstract and memorandum under Section 302 of the Companies Act, 1956.

Item No. 7:

Shri Pankaj Bajaj is Management graduate from IIM (Ahmedabad). He is presently the President (NCR) of Confederation of Real Estate Developers Association of India (CREDAI) and he is also a visiting faculty at Harvard Business School where he discussed on the Case studies relating to ELDECO. He is actively involved in various policy decisions taken by the board from time to time. He has valuable experience in the Housing & Construction Business in a short span of time. He has successfully executed numbers of prestigious housing projects in the National Capital Region.

Tenure of Mr Pankaj Bajaj as Managing Director expired on 14th May 2011. Mr Pankaj Bajaj has been working as Managing Director of the company since more than 5 years. For the efficient management of the Company's affairs, the Board reappointed Mr Pankaj Bajaj as Managing Director, on nil remuneration as given in proposed resolution, in the Board meeting held on 13th May, 2011 which is subject to the approval of members.

The members' approval is required by way of a Ordinary resolution for reappointment of Mr Pankaj Bajaj as Managing Director.

The aforesaid explanatory statement for item no. 7 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Pankaj Bajaj.

In term of the provision of Schedule XIII, additional disclosures are also given under appropriate head(s) in the Corporate Governance report annexed to the directors report.

None of the directors of the Company except Mr Arvind Bajaj and Mr Pankaj Bajaj himself is concerned or interested in the proposed resolution.

By the order of the Board

For Eldeco Housing and Industries Ltd

Date : 15th July, 2011

Place: Lucknow

Neetika Rastogi

Company Secretary

DIRECTORS' REPORT

Dear Members

Your Directors have the pleasure in presenting the 26th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2011.

Financial Highlights

(Rs in lacs)

Particulars	Financial Year ended			
	31 st March 2011 Consolidated	31 st March 2011 Standalone	31 st March 2010 Consolidated	31 st March 2010 Standalone
Income:				
A Value of Work Done	4554.67	4151.02	6038.99	4806.88
B Other Income	554.39	429.63	425.85	417.60
C Increase/ Decrease in Stocks	(19.49)	(19.49)	14.38	14.39
Total	5089.57	4561.16	6479.22	5238.87
Expenditure	4478.94	3688.97	5409.70	4240.57
Profit before tax	610.63	872.19	1069.52	998.30
Less: Provision for tax				
Current	332.13	303.31	246.54	213.43
Deferred	(7.95)	(8.06)	18.06	18.00
Wealth Tax	0.53	0.54	0.57	0.57
Profit After Tax	285.92	576.40	804.35	766.30
Previous Balance in Profit & Loss Account	3803.66	3745.18	3038.80	3029.72
Adjustments related to previous year	0.37	0.48	1.42	2.10
Share of Profit in Associates	2.62	-	12.03	-
Profit available for appropriation	4092.57	4322.06	3856.60	3798.12
Less: Proposed dividend	19.67	19.67	19.67	19.67
Tax on proposed dividend	3.19	3.19	3.27	3.27
Transfer to general reserve	30.00	30.00	30.00	30.00
Balance in Profit & Loss Account	4039.71	4269.20	3803.66	3745.18
Earning per share (Rs.)	14.54	29.31	40.90	38.97
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. 4561.16 lacs as against Rs. 5238.87 lacs in previous year ended 31st March, 2010. Profit before tax was Rs. 872.19 lacs as against Rs.998.30 lacs in the preceding year. Profit after tax for the year under review was Rs. 576.40 lacs as against Rs. 766.30 lacs during the preceding year. The Company has undertaken various projects as well as projects in the format of SPVs and Joint Ventures recently which are under the control and management of the company itself. Company has received remarkable success in these projects and has recorded a very good turnover, however these profits will be reflected in the books of accounts of the Company in the coming years which will enhance the overall profitability of the Company in future. Your Directors are putting in their best efforts to further improve the performance of the Company.

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

Material Changes etc.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company 31st March, 2011 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, 2011. The Dividend, if approved by you at the forth coming 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 2002-2003 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, 2011, the Company held Fixed Deposits of Rs. 485.05 lacs from the Public, Shareholders and Employees, out of which deposits for Rs. 20.35 lacs, due for repayment on or before 31st March, 2011 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*

* Ceased to be subsidiary w.e.f. 31.03.11

In terms of Circular No. 51/12/2007-CL-III dated 8th February, 2011 of Ministry of Corporate Affairs, Government of India a general exemption is given under Section 212(8) of the Companies Act, 1956 that 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, 2011 are not required to be 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. Other requirement of the Circular have been complied with by the company.

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 Ranjit Khattar and Mr N.K Sharma, 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 required to take Compliance Certificate u/s 383A of the Companies Act, 1956 as the company has a Whole Time Company Secretary.

Directors' Responsibility Statement

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

- a. in 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, 2011 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 2011-12.

Acknowledgement

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance, the Company has received from the Bankers and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees; support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

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

Date : 15th July, 2011
Place: Lucknow

S K Garg
Chairman

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, 2011.

(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 69 Yrs	Executive Chairman Agreement of 5 years	24,00,000	AMIE Over 36 Years as Industrialist	Reappointed w.e.f. 15.05.2011	ELDECO Constructions Pvt Ltd.	5,300 0.27%
2.	Shrikant Jajodia 47 years	Whole Time Director Agreement of 3 years	24,06,636	MBA from Boston University Over 21 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

The Management Discussion and Analysis Report contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable.

The Company does not undertake to make any announcement in case any of these forward looking Statements become materially incorrect in future or any update made thereon.

Business Overview

The Company has successfully launched during the year 2010-11 a mega group housing project, Eldeco Saubhagyam at Raibareilly Road comprising 1100 residential apartments. Construction activity has started in full swing and out of eleven towers, units of seven towers have been almost sold out.

Various projects of the company like Eldeco Elegance and Eldeco Emperor are on the verge of completion and the process of physical handover has started. Many occupants have moved in and few are in the process of possession. Eldeco City, a Mega Integrated Township which was launched two years back has garnered highly encouraging and successful results. The Company has sold 650 Villas worth Rs. 220 Cr., out of which 500 Villas are going to be ready as per the Delivery Plan starting from October'11 to end of 2012. Various other township plans within City like Mall, School and Group Housing are expected to start shortly. Company is lined up for the launch of Eldeco City Breeze, the first group housing scheme in the vicinity of our integrated township Eldeco City. This shall provide accommodation choice of 2/3 BHK. Other group housing scheme along with low rise apartments will also be launched soon.

One of the major accomplishment this year has been CRISIL Rating for Eldeco Saubhagyam and Eldeco City. Both the projects have been awarded a five star rating.

Forthcoming Projects Plan:

- Worth Rs. 2,500 Cr. Project at Kanpur is to be launched shortly.
- Land acquisition process is almost accomplished for Sultanpur Road project, a mega township of 300 acres worth more than Rs. 2,000 Crore.
- Company has plan to enter the B- Tier cities & very soon the Company will come up with two projects at Raibareilly and Sultanpur worth Rs. 1000 Cr. each.
- The Company proposes to launch "Eldeco Nirvana" at Bangla Bazar near Eldeco Udyan I, Lucknow shortly. It comprises of Apartments, Independent Villas, Independent Floor, EWS, Commercial Block, Club etc. The construction would be around Ten lakhs sq. ft worth Rs. 260 Cr.
- Looking at the shortage of available accommodation to cater the LIG, the Company has decided the launch of Great Value, an independent accommodation to be launched in seven adjoining areas of Lucknow, namely Kanpur, Hardoi, Sitapur, Faizabad, Deva Road, Sultanpur and Raibareilly. This shall provide affordable housing in the prime corners of Lucknow priced between 5 to 20 Lakhs. This shall provide all amenities of high end product at affordable price thereby providing Great Value to its customers.

Industry Structure & Developments

The Indian Real Estate industry contributes to between 5-10% of the GDP directly and indirectly, and is therefore a vital part of the Indian economy. Due to the economic downturn of 2008-2009, many Indian real estate companies have excess inventory with them, and some have properties acquired at much higher prices than today's market prices.

However, the real estate prices are improving across the country and we expect 2010-2011 to consume a sizeable part of the current inventory, and thereby paving the way for good demand-supply competition in 2011-2012, which will be positive for the sector. By 2013, commercial real estate demand is also likely to reach new highs, adding further upside to real estate sector earnings.

During 2010-11, the Indian real estate and housing sectors received US\$ 1.12 billion in foreign direct investment (FDI), according to the Department of Industrial Policy and Promotion India (DIPP).

The Government has undertaken various initiatives to help the sector grow in the recent past. Some of the major government initiatives include:

- Allowing 100 per cent FDI in townships, housing, built-up infrastructure and construction development projects through the automatic route, subject to guidelines as prescribed by DIPP
- Allowing 100 per cent FDI under the automatic route in development of Special Economic Zones (SEZ), subject to the provisions of Special Economic Zones Act 2005 and the SEZ Policy of the Department of Commerce

In the Union Budget 2011-12, various initiatives for the real estate sector, especially focusing on affordable housing. Some of these initiatives include:

- Raising the limit on housing loans eligible for a 1 per cent subsidy in interest rates
- Widening the scope for housing under "priority-sector lending" for banks, making interest rates cheaper on them
- Earmarking substantial amount to the Urban Development Ministry for spending on extension of Metro networks in Delhi, Bangalore and Chennai

The affordable housing segment is expected to play an important role in the growth of the real estate sector in India in 2011, on the back of increasing demand for such housing, according to the Confederation of Real Estate Developers' Associations of India (CREDAI).

Further, growth in the infrastructure sector is also expected to accelerate real estate activities, in commercial as well as residential segments, during this year.

References: Department of Industrial Policy and Promotion India (DIPP), Urban Land Institute and Media reports

Outlook on Risks & Concerns

India's real estate market is largely unorganised and dominated by a large number of small players (with limited corporate or large/international names on the national scene yet). Key risks synonymous to the real estate industry include the global recessionary trend, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials, such as land, cement, steel and labour, coupled with market fluctuations. ELDECO is adequately equipped to face and mitigate any such adverse situation. The Company does not apprehend any inherent risk in the real estate industry in the long run, with the exception of certain primary concerns that have afflicted the progress of real estate industry in general, like:

- Restrictive legislation and related adverse changes, if any, in governmental policies relating to real estate.
- Limited investment from the organised sector.
- Real estate is one of the most overburdened tax segments in the country.
- Rising inflation.
- High interest rate.
- Volatile global economic environment.

As seen in the recent past, government policies have been supportive, except for a few continuing obstacles like the high incidence of stamp duty, the non-availability of low-cost long-term funds and tenancy laws for the real estate/construction sector. However, the said risks can be averted if the government aligns its real estate policies along a regulatory framework, instead of being restrictive in nature.

Today, one needs to factor in the competition the real estate sector in India faces from several domestic and international players (especially since the opening of routes for Foreign Direct Investment).

Some of these challenges may be enumerated as under:

- Ability to comprehend the end-customer better.
- Stress on experimentation and innovation by introducing bolder and newer products.
- Focus on affordable housing for all.
- Fostering of closer and more meaningful relationships with the customers.
- Differentiation through quality and execution skills.
- Strict adherence to industry standards.
- Putting in place Corporate Governance Arrangements that are robust and durable.
- Focus on operational excellence.
- Leveraging communication, technology and information to manage the company better.

Beyond standard business risks, the Company faces competition from both its old competitors as well as new entrants in the sector. This contingency, however, is more than offset by the Company's robust strengths, pioneering experience in handling projects and themes of all kinds and dimensions, a cutting-edge management approach and its accent on continued innovation.

Although real estate remains its mainstay, the Company has also diversified aggressively into areas like construction and infrastructure.

Outlook on Opportunities

Key growth drivers and optimism for the real estate sector encompass a vibrant economy, better employment prospects, improving salary structures, improving sentiment among potential buyers, potential for increasing urbanisation and favourable demographics. It is expected that India's GDP growth will gain and maintain a high growth momentum moving forward. The economic growth is visible, with hiring plans increasing across various industries, rising salaries and improving economic sentiment. Several service sectors are also witnessing a revival, with the IT/ITES sector, which accounts for about 50-70% of demand in India's property sector, ramping up hiring plans and raising salaries. The pan India residential demand is estimated to be over 7.5 million units by 2013 across all categories, including Economically Weaker Sections (EWS), affordable, mid and luxury segments.

The opportunity matrix across construction & infrastructure segments, into which the Company has recently forayed, also offers an attractive demand proposition.

Corporate Secretarial

The Corporate Secretarial department functions as a facilitator for good Corporate Governance practices in the Company. A dedicated team of well qualified professionals ensure that the Company follows the high governance standards and guidelines laid down by the Board. Corporate Secretarial drives the implementation of robust compliance systems and further assists the Board in ensuring proper and adequate documentation of its meetings and that of its Committees. It plays a pivotal role in managing a large shareholder base in an efficient manner.

Material Developments in Human Resources

Human capital has continued to be the key engine for our growth and aspirations. ELDECO has been constantly reviewing its HR policies and practices to keep abreast with the market changes and has embarked upon several initiatives to focus on creating a positive work environment that provides employees with ample growth and development opportunities as well as ensuring high levels of motivation and engagement. Recognizing that it is our intellectual capital that makes all the difference, our on-going efforts have been towards integrating different assets-skills, knowledge, talents and working styles into forming a responsive and efficient team and an environment that is both inclusive and collaborative.

Internal Controls and their Adequacy

ELDECO has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and to ensure that all transactions are authorised, recorded and reported correctly and adequately. The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Audit Committee of the Board of Directors of the company.

Financial Performance Vis-à-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 st March 2011 Consolidated	31 st March 2011 Standalone	31 st March 2010 Consolidated	31 st March 2010 Standalone
Income:				
A. Value of Work Done	4554.67	4151.02	6038.99	4806.88
B. Other Income	554.39	429.63	425.85	417.60
C. Increase/ Decrease in Stocks	(19.49)	(19.49)	14.38	14.39
Total	5089.57	4561.16	6479.22	5238.87
Expenditure	4478.94	3688.97	5409.70	4240.57
Profit before tax	610.63	872.19	1069.52	998.30
Less: Provision for tax				
Current	332.13	303.31	246.54	213.43
Deferred	(7.95)	(8.06)	18.06	18.00
Wealth Tax	0.53	0.54	0.57	0.57
Profit After Tax	285.92	576.40	804.35	766.30
Previous Balance in Profit & Loss Account	3803.66	3745.18	3038.80	3029.72
Adjustments related to previous year	0.37	0.48	1.42	2.10
Share of Profit in Associates	2.62	-	12.03	-
Profit available for appropriation	4092.57	4322.06	3856.60	3798.12
Less: Proposed dividend	19.67	19.67	19.67	19.67
Tax on proposed dividend	3.19	3.19	3.27	3.27
Transfer to general reserve	30.00	30.00	30.00	30.00
Balance in Profit & Loss Account	4039.71	4269.20	3803.66	3745.18
Earning per share (Rs.)	14.54	29.31	40.90	38.97
Dividend per share (Rs.)	1.00	1.00	1.00	1.00

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 as on 31st March 2011. Mr S K Garg is the Executive Chairman of the Company and Mr Pankaj Bajaj is 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 31st March, 2011:

Name of the Director & Designation	Category	No. of positions held in other Public Companies [#]		
		Board	Committee	
			Membership	Chairmanship
S.K. Garg Executive Chairman	Executive, Promoter	5	-	-
Pankaj Bajaj Managing Director	Executive, Promoter	5	-	-
Shrikant Jajodia Whole Time Director	Executive, Promoter	2	-	-
Arvind Bajaj Director	Non-Executive, Promoter	1	-	-
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	-	-	-

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

Directors' Attendance Record

During the period 01.04.2010 to 31.03.2011, 8 (Eight) meetings of the Board of Directors were held on 14.05.2010, 09.07.2010, 13.08.2010, 21.08.2010, 30.09.2010, 12.11.2010, 14.02.2011 and 30.03.2011. 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 4 (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	8	8	Yes
Pankaj Bajaj	8	7	Yes
Arvind Bajaj	8	6	Yes
Shrikant Jajodia	8	7	Yes
J.P. Bhargava	8	6	Yes
N.K. Sharma	8	6	Yes
Anil Tewari	8	6	Yes
Ranjit Khattar	8	6	Yes
Ashish Jain	8	6	Yes

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

The brief resume, experience and other details pertaining to the Directors seeking appointment / re-appointment in the ensuing Annual General Meeting, to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is furnished below:

Particulars	Mr Ranjit Khattar	Mr N.K Sharma	Shiv Kumar Garg	Pankaj Bajaj
DIN	00726997	00216264	00166035	00024735
Father's Name	Late Shri Amrik Rai Khattar	Late Shri Nihal Singh Sharma	Lt Dr. K. L Garg	Mr O.P.Bajaj
Date of Birth	16.09.1959	28.12.1929	06.02.1942	23.01.1972
Address	R-785, New Rajinder Nagar, New Delhi, India	B-23, Sector 19, Noida, Uttar Pradesh	289, Hem Kanha, Eldeco Greens, Gomti Nagar, Lucknow 226010 Uttar Pradesh	A-2, Greater Kailash Part-I, New Delhi 110 048
Designation	Director	Director	Whole Time Director designated as Executive Chairman	Managing Director
Education	Chartered Accountant	B.E	AMIE	B.Com (Hons) PGDM from IIM, Ahmedabad
Experience	Over 27 yrs experience as Practicing Chartered Accountant	Over 63 years experience	Over 36 years Experience as Industrialist	Over 14 years experience in Housing and Constructions Business
Directorship in other companies *	2	NIL	5	5
Membership in Committees of other companies *	NIL	NIL	NIL	NIL
Shareholding in the Company (No. & %)	NIL	NIL	5300 (0.27)	570700 (29.03)
Relationship with Other Directors	N.A.	N.A.	Father-in-law of Mr Shrikant Jajodia	Brother of Arvind Bajaj

*Only Public Companies included.

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 292 A of the Companies Act and Clause 49 of the listing agreement. The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

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

(b) Composition

The Audit Committee of the Company comprises the following directors:

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

Ms Neetika Rastogi, Company Secretary is the Secretary of the Committee.

(c) Attendance

During the period 01.04.2010 to 31.03.2011, 5 (Five) meetings of the Audit Committee were held on 05.05.2010, 07.08.2010, 14.08.2010, 04.11.2010 and 05.02.2011. 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 4 (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 J P 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 J P Bhargava – Member (Independent Director)

(c) Attendance

During the period 01.04.2010 to 31.03.2011, 1 (One) meeting of the Remuneration Committee was held on 02.08.2010. 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 Remuneration Committee Meeting
Mr Anil Tewari	Chairman (Independent Director)	1
Mr N K Sharma	Member (Independent Director)	1
Mr J P 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 2010-11 except sitting fee for attending Board meetings and committee meetings.

(e) Details of the Executive Directors' Remuneration for the financial year ended 31st March, 2011

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 (29.03)
Arvind Bajaj	Nil	Nil	3,000	3,000	1,92,100 (9.77)
Shrikant Jajodia	24,06,636	Nil	Nil	24,06,636	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

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 01.04.2010 to 31.03.2011, 6 (Six) meetings of the Investor's Grievance Committee were held on 01.06.2010, 05.07.2010, 06.08.2010, 04.10.2010, 07.12.2010 and 16.02.2011. 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 Neetika Rastogi is the Compliance Officer of the Company for this purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.
- (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 2011.

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
30th September, 2010	2009-10	Hotel The Suryaa New Delhi, New Friends Colony, New Delhi-110065	3:00 p.m	Nil
30th September, 2009	2008-09	Hotel Taj Residency	3:00 p.m	1
27th September, 2008	2007-08	Vipin Khand, Gomti Nagar, Lucknow-226010.	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.

No resolution was put through Postal Ballot in the last year and there is no resolution, which is required to be passed by Postal Ballot at present.

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, structures 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

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

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

12. GENERAL SHAREHOLDERS INFORMATION

i). Annual General Meeting

Date & Time	Saturday, September 24, 2011 at 3.00 p.m.
Venue	The Suryaa New Delhi, New Friends Colony, New Delhi 110 065
Date of Book Closure	September 21, 2011 to September 24, 2011
Dividend Payment Date	Latest by 22nd October, 2011.

ii) Financial Calendar

Events	Tentative time frame
Financial Reporting for the first quarter ended 30th June, 2011	By 14th August, 2011
Financial Reporting for the second quarter ending 30th September, 2011	By 14th November, 2011
Financial Reporting for the third quarter ending 31st December, 2011	By 14th February, 2012
Financial Reporting for the fourth quarter ending 31st March, 2012	By 15th May, 2012

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

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

The company has paid the listing fees payable to BSE & UPSE for 2011-12.

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 10	206.80	139.10	74,484.00	October 10	211.90	170.00	55,637.00
May 10	198.80	145.00	95,512.00	November 10	215.00	171.00	31,850.00
June 10	206.00	162.00	240,543.00	December 10	190.90	161.00	41,689.00
July 10	219.00	173.00	126,423.00	January 11	175.80	141.00	9,440.00
August 10	250.00	201.05	113,312.00	February 11	164.00	132.10	16,333.00
September 10	222.00	192.00	26,225.00	March 11	245.00	157.00	290,551.00

Source : www.bseindia.com

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

vi) Registrar and Transfer Agents

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

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

M/s Skyline Financial Services Private Limited,
D-153/A, 1st Floor,
Okhla Industrial Area Phase -1,
New Delhi-110 020
Tel- 011-30857575, Fax: 011 30857562

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 31st March, 2011 is given below:

Category	No. of Shares	%
Promoters		
a) Individuals / Hindu Undivided Family	1124538	57.18
b) Bodies Corporate	10,000	00.51
Total (A)	11,34,538	57.69
Public Shareholding (Non Institution)		
a) Bodies Corporate	156215	7.94
b) Individuals	669131	34.02
c) NRI/OCB's	1696	0.09
d) Clearing Member/ House	5020	0.26
Total (B)	832062	42.31
Total	19,66,600	100.00

ix) Distribution of Shareholding

Distribution of Shareholding of the Company as on 31st March, 2011 is as following:

Range of Shares (in Rs.)	Shareholders' Numbers	% to Total Number	Shares (In Rs.)				%age
			Physical	NSDL	CDSL	Total	
Up to 5,000	2412	91.92	114561	136461	55005	306027	15.56
5,001 - 10,000	122	4.65	36139	53598	9580	99317	5.05
10,001 - 20,000	30	1.14	3000	24408	16385	43793	2.23
20,001 - 30,000	10	0.38	2100	19623	2100	23823	1.21
30,001 - 40,000	6	0.23	0.00	20834	0.00	20834	1.06
40,001 - 50,000	7	0.27	0.00	28163	4487	32650	1.66
50,001 - 1,00,000	20	0.76	49500	67469	19488	136457	6.94
1,00,001 & Above	17	0.65	66400	1211999	25300	1303699	66.29
TOTAL	2624	100	271700	1562555	132345	19666000	100

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 2011 about 86.18% (previous year-84.23%) 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, Senior 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 2011 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 : 15th July 2011

Place: Lucknow

**Sd/
Pankaj Bajaj
Managing Director**

**Sd/
Alok Kumar Bhatnagar
Senior 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, 2011, 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: 15th July, 2011
Place: Delhi

Debabrata Deb Nath
Partner
ACS: 23935; CP: 8612

CONSOLIDATED AUDITORS' REPORT

To
The Board of Directors,
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 2011, 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.332.55 lacs, total liabilities of Rs.329.37 lacs, total losses of Rs. 2.83 Lacs and cash flows amounting to Rs.66.63 lacs as at 31st March 2011, 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.17145 lacs, total revenues (net) of Rs.384 lacs and cash flows amounting to Rs.822 lacs as at 31st March 2011, 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 Companies namely, MAK Sales Private Limited, Omni Farms Private Limited for the year ended 31st March 2011 which includes the Company's share of profit amounting to Rs 2.52 and 0.10 Lacs respectively. 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, 2011 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, 2011;
 - (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: 15.07.2011

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

ELDECO HOUSING AND INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULES	FIGURES AS AT 31.03.2011 IN RUPEES	FIGURES AS AT 31.03.2010 IN RUPEES
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS FUNDS:			
a. Share Capital	1	19,666,000.00	19,666,000.00
b. Reserves and Surplus	2	516,505,752.71	435,793,902.43
TOTAL		536,171,752.71	455,459,902.43
2. MINORITY INTEREST :		23184.49	15,871.07
3. LOAN FUNDS :			
a. Secured Loans	3	16,333,164.35	4,607,279.95
b. Unsecured Loans	4	46,470,000.00	81,667,021.33
TOTAL		62,803,164.35	86,274,301.28
4. DEFERRED TAX LIABILITIES (NET)		2,632,689.33	3,428,075.00
TOTAL		601,630,790.88	545,178,149.78
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS:	5		
a. Gross Block		72,361,067.63	87,091,277.89
b. Less : Depreciation		30,671,562.40	27,084,198.21
c. Net Block		41,689,505.23	60,007,079.68
2. GOODWILL ON CONSOLIDATION:		163,237.00	163,237.00
3. INVESTMENTS:	6	8,614,889.70	6,538,427.33
4. CURRENT ASSETS, LOANS & ADVANCES:	7		
a. Inventories		365,784,328.02	240,565,211.26
b. Sundry Debtors		21,639,664.00	35,385,685.00
c. Projects in Progress		567,895,616.73	309,735,554.59
d. Cash and Bank Balances		656,329,920.37	363,724,047.24
e. Loans and Advances		493,469,747.82	402,805,191.19
TOTAL		2,105,119,276.94	1,352,215,689.28
Less : CURRENT LIABILITIES AND PROVISIONS	8		
a. Current Liabilities		1,460,590,729.01	815,194,914.91
b. Provisions		93,365,389.00	59,175,585.00
TOTAL		1,553,956,118.00	874,370,499.91
NET CURRENT ASSETS :		551,163,158.94	477,845,189.37
5. MISCELLANEOUS EXPENDITURE :		-	624,216.39
TOTAL		601,630,790.87	545,178,149.78

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 : 15/07/2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 31ST MARCH, 2011

PARTICULARS	SCHEDULE	FIGURES AS AT 31.03.2011 IN RUPEES	FIGURES AS AT 31.03.2010 IN RUPEES
INCOME :			
a. Value of Work Done	9	455,467,117.16	603,898,833.76
b. Other Income	10	55,438,502.75	42,584,963.77
c. Increase/decrease in Stocks	11	(1,948,991.44)	1,438,540.81
TOTAL		508,956,628.46	647,922,338.34
EXPENDITURE :			
d. Cost of Construction	12	351,398,224.62	474,747,519.66
e. Administrative and Selling Expenses	13	77,307,349.78	52,262,967.53
f. Financial Charges	14	15,377,938.18	10,877,222.42
g. Depreciation		3,810,316.53	3,082,656.84
TOTAL		447,893,829.11	540,970,366.45
PROFIT BEFORE TAXES :		61,062,799.35	106,951,971.89
h. Less: Provision for Taxation			
i. Current Tax	33,212,710.00		
ii. Deferred Tax	(795,385.67)		
iii. Wealth Tax	53,600.00	32,470,924.33	26,517,395.00
PROFIT AFTER TAX :		28,591,875.03	80,434,576.89
i. Add/(Less): Minority Adjustment		(7,323.42)	(9,472.65)
ii. Balance brought forward from last year		380,366,327.05	303,880,236.19
iii. Add/(Less): Income Tax Adjustments related to Previous Years		51,930.63	151,038.62
iv. Less: Prior Period Expenses			7,353.33 -
v. Add: Share of Profit in Associates		262,122.37	1,203,200.00
i. PROFIT AVAILABLE FOR APPROPRIATION		409,257,578.33	385,659,579.05
APPROPRIATIONS :			
j. Transferred to General Reserve		3,000,000.00	3,000,000.00
k. Proposed Dividend		1,966,600.00	1,966,600.00
l. Tax on Proposed Dividend		319,032.00	326,652.00
BALANCE CARRIED TO BALANCE SHEET :		403,971,946.33	380,366,327.05
Basic and Diluted Earning per Share of face value of Rs.10/- each (Refer Note no.15 of Schedule 15)		14.54	40.90

Significant Accounting Policies and Notes to Accounts 15

AUDITORS REPORT

As per our Report of even date attached

For and on Behalf of the Board

For DOOGAR & ASSOCIATES,

Chartered Accountants
(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 : 15/07/2011

**CONSOLIDATED SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011**

PARTICULARS	FIGURES AS AT 31.03.2011 IN RUPEES	FIGURES AS AT 31.03.2010 IN RUPEES
SCHEDULE - 1 SHARE CAPITAL		
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
SCHEDULE - 2 RESERVES AND SURPLUS		
(i) CAPITAL RESERVE:		
As per last Balance Sheet	133,600.00	133,600.00
(ii) GENERAL RESERVE:		
As per last Balance Sheet	54,393,067.71	51,393,067.71
Add: Transferred from Profit and Loss Account	3,000,000.00	3,000,000.00
	57,393,067.71	54,393,067.71
(iii) SURPLUS AS PER PROFIT AND LOSS ACCOUNT		
	403,971,946.33	380,366,327.05
Add: Adjustment on account of Group Share in Joint Venture Company	55,007,138.67	900,907.67
TOTAL	516,505,752.71	435,793,902.43
SCHEDULE - 3 SECURED LOANS:		
A. IMMOVABLE PROPERTY OVERDRAFT FACILITY :		
PUNJAB NATIONAL BANK, AGRA	11,725,884.40	-
B. OVERDRAFT FACILITY :		
CITY CO-OPERATIVE BANK, LUCKNOW	4,607,279.95	4,607,279.95
TOTAL	16,333,164.35	4,607,279.95

NOTES :

A. 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 Faizullahganj, Mohibullapur Sitapur Road, near Janakipuram flyover, Lucknow bearing khasra no. 58,59,60,61, & 85 measuring 20500.24 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 (excluding land & building and vehicles)

B. 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.353.20 Lacs (Previous Year Rs.230.55 Lacs))	46,470,000.00	29,535,000.00
Convertible Debentures- Share in Joint Venture Company	-	52,132,021.33
TOTAL	46,470,000.00	81,667,021.33

SCHEDULE 5 - FIXED ASSETS:

S. No.	Particulars	<---- GROSS BLOCK ---->				<---- DEPRECIATION ---->				<-- NET BLOCK -->	
		As At 01/04/2010	Additions During The Year	Sales/adj During The Year	As At 31/03/2011	Upto 01/04/2010	For The Period Ended 31/03/2011	Sales/ADJ During The Year	Total Upto 31/03/2011	W.d.v. As At 31/03/2011	W.d.v. As At 31/03/2010
1	Office Premises	40,940,445.94	-	16,811,428.00	24,129,017.94	1,976,231.32	417,327.21	572,827.53	1,820,731.00	22,308,286.94	38,964,214.62
2	Construction Machinery	13,658,994.17	-	-	13,658,994.17	11,449,373.15	655,436.55	-	12,104,809.70	1,554,184.47	2,209,621.02
3	Furniture and Fixture	8,869,324.49	1,124,380.33	188,319.00	9,805,385.82	4,629,470.89	969,585.29	12,423.00	5,586,633.18	4,218,752.64	4,239,853.60
4	Office Equipment	6,070,341.24	710,654.50	18,798.75	6,762,196.99	2,210,812.67	406,549.52	1,996.05	2,615,366.14	4,146,830.85	3,859,528.57
5	Vehicles	12,597,421.38	1,490,894.33	1,704,615.00	12,383,700.71	4,525,993.95	1,309,058.47	184,551.00	5,650,501.42	6,733,199.29	8,071,427.43
6	Computers	3,272,543.00	399,496.33	126,260.00	3,545,779.33	1,936,673.27	565,788.29	106,591.31	2,395,870.25	1,149,909.08	1,335,869.73
7	Computer Software	620,524.00	-	-	620,524.00	291,022.82	100,586.94	-	391,609.76	228,914.24	329,501.18
8	Generator	1,011,683.67	443,785.00	-	1,455,468.67	64,620.14	41,420.81	-	106,040.95	1,349,427.72	947,063.53
9	Capital Work In Progress	50,000.00	-	50,000.00	-	-	-	-	-	-	-
	Total	87,091,277.89	4,169,210.49	18,899,420.75	72,361,067.63	27,084,198.21	4,465,753.08	878,388.89	30,671,562.40	41,689,505.23	59,957,079.68
	Previous Year Figures	74,996,578.43	13,083,729.46	989,030.00	87,091,277.89	24,192,671.07	3,729,941.14	838,414.00	27,084,198.21	60,007,079.68	50,803,907.36

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.347.45 per share)	184,000.00	184,000.00
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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.1220.15 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. including accumulated share of profit	5,994,704.00	5,742,634.00
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1650 Equity Shares of Omni Farms Private Limited of Rs.100/- each fully paid up at a premium of Rs. 999.60 each in Omni Farms Private Limited including accumulated share of profit	1,824,392.37	-
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OTHERS

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
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Share of Investments in Joint Venture Company	333,333.33	333,333.33
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TOTAL

8,614,889.70	6,538,427.33
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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	348,025,957.73	220,857,849.53
Unsold Plots, Shops, Flats etc.,	17,758,370.29	19,707,361.73

TOTAL

365,784,328.02	240,565,211.26
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b. SUNDRY DEBTORS:		
(Unsecured, considered good)		
Exceeding six months	400,806.00	1,329,923.00
Other Debts	21,238,858.00	34,055,762.00
	-----	-----
TOTAL	21,639,664.00	35,385,685.00
	-----	-----
c. PROJECTS IN PROGRESS:		
1) ON WHICH REVENUE IS RECOGNISED		
Cost of land, Materials, Stores Consumed etc., amount paid to contractors, site overheads etc.,	1,745,398,786.23	2,034,939,726.94
Estimated Profits to be Capitalised	387,145,156.39	482,657,232.09
	-----	-----
	2,132,543,942.62	2,517,596,959.03
Less: Advances received	1,726,387,676.66	2,284,566,881.92
	-----	-----
SUB TOTAL	406,156,265.96	233,030,077.11
	-----	-----
2) ON WHICH REVENUE IS NOT RECOGNISED		
Cost of land, Materials, Stores Consumed, amount paid to contractors, direct overheads etc.,	161,739,350.77	166,831,697.48
	-----	-----
Less: Advances received	161,739,350.77	166,831,697.48
	-	90,126,220.00
	-----	-----
SUB TOTAL	161,739,350.77	76,705,477.48
	-----	-----
TOTAL	567,895,616.73	309,735,554.59
	-----	-----
d. CASH AND BANK BALANCES:		
a. CASH ON HAND		
	3,341,948.01	1,315,150.34
b. WITH SCHEDULED BANKS:		
i) IN CURRENT ACCOUNT		
a. Unclaimed/Unpaid Dividend Account	1,017,878.23	905,083.81
b. Other Short Term Deposit Account	58,333,392.46	40,498,790.17
c. Cheques in hand	4,579,546.00	4,285,345.67
ii) IN FIXED DEPOSITS ACCOUNTS*		
	583,066,607.34	310,523,611.16
* (Rs. 769.69 lacs (P.Y. Rs. 705.01 lacs pledged as Margin Money against Bank Guarantees & Rs. 135.55 lacs (P.Y. 236.43 lacs) as Earnest Money to LDA)		
iii) Interest accrued and due on Bank FDR's		
	5,990,548.34	6,196,066.09
	-----	-----
TOTAL	656,329,920.37	363,724,047.24
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e. LOANS AND ADVANCES:

(Unsecured considered good unless otherwise stated)

A. LOANS

Loans to Staff	435,000.00	696,500.00
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B. ADVANCES

i. Advance recoverable in cash or in kind or for value to be received (Refer Note No. 8 of Schedule 15)	378,975,597.90	324,573,025.21
ii. Advance Income Tax/Tax deducted at Source	90,143,077.42	53,520,536.48
iii. Advance Fringe Benefit Tax	-	806,057.00
iv. Advance Sales Tax	7,457,000.00	-
v. Advance Service Tax under Protest	4,730,316.00	7,230,316.00
vi. Other Deposits	11,728,756.50	15,978,756.50
TOTAL	493,469,747.82	402,805,191.19

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	242,112,959.04	266,106,327.16
b. Investor Education & Protection Fund/Unclaimed Dividend (Not Due)	1,017,429.00	904,619.00
c. Unclaimed Matured Deposits	2,035,000.00	1,375,000.00
d. Advances from customers	1,152,912,674.19	493,549,892.92
e. Security Deposits/Retention Money	50,968,445.25	45,334,005.68
f. Due to Directors	801,504.26	1,080,865.26
g. Book Overdraft Syndicate Bank, Lucknow	207,461.09	
h. Other Liabilities	6,470,561.36	4,409,410.39
i. Interest Accrued on Public Deposits but not due	4,064,694.81	2,434,794.50
TOTAL	1,460,590,729.01	815,194,914.91

B. PROVISIONS:

a. Provision for Income Tax	84,906,098.00	51,693,388.00
b. Provision for Fringe Benefit Tax	-	823,300.00
c. Proposed Dividend	1,966,600.00	1,966,600.00
d. Tax on Proposed Dividend	319,032.00	326,652.00
e. Provision for Wealth Tax	227,700.00	174,100.00
f. Provision for Leave Encashment	1,353,320.00	1,024,365.00
g. Provision for Gratuity	4,592,639.00	3,167,180.00
TOTAL	93,365,389.00	59,175,585.00

CONSOLIDATED SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	FIGURES AS AT 31.03.2011 IN RUPEES	FIGURES AS AT 31.03.2010 IN RUPEES
SCHEDULE - 9 SALES & VALUE OF WORK DONE :		
Income from Real Estate Projects	409,051,183.95	587,565,428.76
Other Operating Real Estate Income	11,949,800.21	-
Income from Construction Contracts	34,466,133.00	16,333,405.00
TOTAL VALUE OF WORK DONE	455,467,117.16	603,898,833.76
SCHEDULE - 10 OTHER INCOME:		
Interest on Bank FDR (Gross) (Tax Deducted at Source Rs. 1879338.42 Previous Year Rs. 3354479.85)	27,449,370.14	29,296,141.85
Transfer Charges Received	1,665,382.33	1,684,721.00
Rent Received	9,114,446.28	6,649,624.00
Misc. Receipts	1,294,428.67	917,454.52
Collection Charges	1,427,063.00	-
Interest From Customers/parties	5,004,161.11	298,450.00
Profit on Sale of Asset	1,817,330.14	19,384.00
Dividend Receipts (Trade Investments)	29,928.00	131,380.00
Liabilities no longer required written back	7,636,393.08	3,587,808.40
TOTAL OTHER INCOME	55,438,502.75	42,584,963.77
SCHEDULE - 11 INCREASE/DECREASE IN STOCKS:		
STOCK AS ON 31.03.2011		
Residential flats and Commercial offices	17,758,370.29	19,707,361.73
Less : STOCK AS ON 01.04.2010		
Residential flats and Commercial offices	19,707,361.73	18,268,820.92
TOTAL INCREASE/DECREASE IN STOCKS	(1,948,991.44)	1,438,540.81
SCHEDULE - 12 COST OF CONSTRUCTION ACCOUNT:		
Opening Balance of Projects in progress	133,321,107.66	222,169,369.26
Payments against Land	-	19,946,634.29
Expenses through Contractors	168,054,836.24	123,421,522.88
Materials/Stores consumed	139,329,704.17	146,280,829.78
Brokerage & Commission	3,318,565.00	2,343,680.00
Advertisement & Publicity	5,505,335.00	4,513,907.66
Salary, Wages & Other Benefits	9,383,895.00	9,212,630.00
Architects' Fees	6,915,157.00	4,258,275.67
Depreciation	655,436.55	647,284.30
Plant & Machinery Repairs	5,323,220.75	1,889,428.00
Maintenance of completed projects	1,417,315.05	1,255,008.10
Water & Electricity	3,354,088.00	1,093,597.00
Plan Approval & External Devp. Fees	5,594,065.00	85,701,237.00
Other project expenses	31,957,785.97	20,979,626.20
	514,130,511.39	643,713,030.14
Less: - Misc Sales	992,936.00	2,133,813.00
Construction Cost charged to Profit & Loss Account	351,398,224.62	474,747,519.66
Balance carried to Project in Progress Account	161,739,350.77	166,831,697.48

13.1 PAYMENTS TO AND PROVISION FOR EMPLOYEES:

a. Salaries, Bonus, Gratuity and Allowances	19,168,586.33	15,327,132.00
b. Company's Contribution to Provident and Other funds.	3,208,718.33	1,340,820.00
c. Employees welfare and other amenities.	2,385,813.00	896,921.00

TOTAL PAYMENTS TO AND PROVISION FOR EMPLOYEES	24,763,117.67	17,564,873.00
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13.2 ESTABLISHMENT EXPENSES:

a. Rent	13,520,501.00	12,515,980.00
b. Rates and Taxes	33,956.00	82,892.00
c. Insurance	112,213.33	86,592.00
d. Remuneration to Directors	4,806,636.00	5,009,590.00
e. Auditors Remuneration	648,689.00	352,960.00
f. Directors Sitting Fees	22,500.00	18,500.00
g. Postage, Telegram & Telephone	1,500,281.08	1,488,793.83
h. Travelling & Conveyance	3,084,695.53	3,130,198.17
i. Legal & Professional Charges	3,684,620.94	2,204,543.44
j. Printing & Stationery	1,316,129.67	879,553.33
k. Repair & Maintenance	4,343,982.17	3,539,288.09
l. Fees	87,997.00	95,710.00
m. Donations	4,957,700.00	53,800.00
n. Misc Debits Written Off	379,872.97	332,476.65
o. Loss on sale of Assets	185,359.00	-
p. Other Establishment expenses	2,923,118.22	1,837,307.02

TOTAL ESTABLISHMENT EXPENSES	41,608,251.91	31,628,184.53
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13.3 SELLING EXPENSES:

a. Advertisement & Publicity	3,119,983.08	1,790,166.00
b. Sales Promotion & Discount	7,815,997.12	1,279,744.00

TOTAL SELLING EXPENSES	10,935,980.20	3,069,910.00
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TOTAL ADMINISTRATIVE & SELLING EXPENSES (1+2+3)	77,307,349.78	52,262,967.53
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SCHEDULE -14 FINANCIAL CHARGES:

a. Bank Charges and Commission	1,516,821.32	4,007,807.08
b. Interest on Secured Loans	597,963.58	457,912.88
c. Interest on Public Fixed Deposits & Other Interest	13,263,153.28	6,411,502.46

TOTAL FINANCIAL CHARGES	15,377,938.18	10,877,222.42
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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 2011 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. Foreign Currency Transactions.

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognized as income or expense in the year in which they arise.

xiv. 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	5,36,459	4,95,000
Tax Audit Fee	25,000	30,000
Certification Charges	45,000	45,000
Service Tax thereon	42,230	65,513
Total	6,48,689	6,35,513

Note : Audit Fees of Rs. 282533/- for the F.Y. 2009-10 has been shown in miscellaneous expenditure.

3. DIRECTORS' REMUNERATION:

	Current Year	Previous Year
Salaries	48,00,000	48,00,000
Perquisites	6,636	2,09,590
Total	48,06,636	50,09,590

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 st		Maximum outstanding during	
		March, 2011	March, 2010	Year ended March 31, 2011	Year ended March 31, 2010
1	Eldeco Infrastructure & Properties Limited	22273130	37273130	37273130	43474121
2	MAK Sales Private Limited	56069495	42590124	56069495	42590124
3	Omni Farms Private Limited	33438427	NIL	38163944	NIL

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 31.03.2011 Amount (Rs)	Previous Year as at 31.03.2010 Amount (Rs)
Present value of obligation at the beginning of the year	45,69,928	54,42,447
Current service cost	5,51,949	3,77,663
Interest cost	3,75,986	4,34,203
Benefit paid	0	0
Actuarial (gain) / loss on obligation	6,16,758	(16,84,385)
Present value of obligation as at the end of year	61,14,621	45,69,928

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

Description	Amount (Rs)	Amount (Rs)
Current service cost	5,51,949	3,77,663
Interest cost	3,75,986	4,34,203
Expected return on planned assets	(1,19,234)	(1,09,893)
Net actuarial (gain)/loss recognized during the year	6,16,758	(16,84,384)
Expenses to be recognized in the statement of profit and loss accounts	14,25,459	(9,82,411)

iii) Net assets / liability recognized in Balance Sheet as at 31st March, 2011

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31st March, 2011	61,14,621	45,69,928
Fair value of plan assets as at 31st March, 2011	15,21,983	14,02,749
(Assets)/Liabilities recognized in the Balance Sheet	45,92,639	31,67,179

iv) Changes in fair value of plan assets

Description	Amount (Rs)	Amount (Rs)
Fair value of plan assets at the beginning of the period	14,02,749	12,92,856
Expected return on plan assets	1,19,234	1,09,893
Contribution	NIL	NIL
Benefit Paid	NIL	NIL
Actuarial gain\ (loss) on plan assets	NIL	NIL
Fair value of plan assets at the end of the period	15,21,983	14,02,749

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

Discount rate	8.25%	8%
Future salary increase	5%	5%
Expected rate of return on planned assets	8.5%	8.15%
Method used	Projected unit credit actuarial method	

B. Leave Encashment

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

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

Description	Amount (Rs)	Amount (Rs)
Current service cost	2,02,217	1,14,978
Interest cost	84,279	83,229
Expected return on plan asset	0.00	0.00
Net actuarial (gain)/loss recognized during the year	1,38,992	16,010
Recognized in Profit & Loss account	4,25,488	2,14,217

ii) Amount recognized in the Balance Sheet as at 31st March, 2011

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31st March, 2011	13,53,320	10,24,365

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	10,24,365	10,43,224
Interest cost	84,279	83,229
Current service cost	2,02,217	1,14,978
Benefits Paid	(96,533)	(2,33,076)
Actuarial (gain)/loss on obligation	1,38,991	16,010
Present value of obligation at the end of the year	13,53,320	10,24,365

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

Discount rate	8.25%	8%
Future salary increase	5%	5%
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. Principle 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, 2011	Year ended March 31, 2010
		(% of share holding)	
1	Aadesh Constructions Private Limited	99.90	99.90
2	Garv Constructions Private Limited	99.90	99.90
3	Mahal Constructions Private Limited	99.90	99.90
4	Milaap Constructions Private Limited	99.90	99.90
5	Samarpit Constructions Private Limited	99.90	99.90
6	Suniyojit Constructions Private Limited	99.90	99.90
7	Halwasiya Agro Industries Limited	99.85	99.85
8	Prayatna Constructions Private Limited	99.99	99.99
9	Sushobhit Constructions Private Limited	99.99	99.99
10	Primacy Constructions Private Limited	99.99	99.99
11	Prasiddhi Constructions Private Limited	99.99	99.99
12	Perpetual Constructions Private Limited	99.99	99.99
13	Khwahish Constructions Private Limited	99.99	99.99
14	Fixity Constructions Private Limited	99.99	99.99
15	Facility Constructions Private Limited	99.99	99.99
16	Deepjyoti Constructions Private Limited	99.99	99.99
17	Conviction Constructions Private Limited	99.99	99.99
18	Bliss Constructions Private Limited	99.99	99.99
19	Advantage Constructions Private Limited*	--	99.99

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

***Note:** Ceased to be subsidiary w.e.f 31.03.2011.

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, 2011	Year ended March 31, 2010
		(% 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:

	Deferred Tax Asset/ (Liability) as on 01.04.2010	Current Year (Charge)/Credit	Deferred Tax Asset/ (Liability) as on 31.03.2011
Deferred Tax Liability/Asset:			
On account of timing difference between (i) Depreciation as per Income Tax Act, 1961 and Companies Act, 1956 and expenses allowed on payment basis.	(3428075.00)	(1225645)	(4653720.33)
(ii) Provision for Leave Encashment	NIL	2021031	2021031
Net	(3428075)	(795385)	(2632689)

14. EARNING PER SHARE:

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

	Year ended March 31, 2011	Year ended March 31, 2010
Profit after taxation and extra ordinary item	28591875.03	80434576.89
Total No. of equity shares outstanding	1966600	1966600
Basic/Diluted earning per share (Face value-Rs.10.00 per share)	14.54	40.90

15. 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. Associates

1. M.A.K.Sales Private Limited
2. Omni Farms Private Limited

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

- 1 S.K Garg Constructions Pvt. Ltd
- 2 Lucknow Cement Crafts Private Limited
- 3 Ecodel Projects Private Limited
- 4 Eldeco Infrastructure & Properties Limited
- 5 Surya Season Foods Private Limited
- 6 Eldeco Townships & Housing Limited
- 7 S.K.Garg (HUF)
- 8 Pankaj Bajaj (HUF)
- 9 Dr K.L.Garg Memorial Charitable Trust

3 Key Management Personnel

1	Shri Shiv Kumar Garg	Executive Chairman
2	Shri Pankaj Bajaj	Managing Director
3	Shri Srikant Jajodia	Whole Time Director
4	Shri Arvind Bajaj	Non Executive Director

4 Relatives of Key Management Personnel

1	Asha Bajaj	Mother of Mr. Pankaj Bajaj
2	Varija Bajaj	Sister of Mr. Pankaj Bajaj
3	O.P.Bajaj	Father of Mr. Pankaj Bajaj
4	Rashi Bajaj	Wife of Mr. Arvind Bajaj
5	Vimla Garg	Wife of Mr. S.K.Garg
6	Brijendra Gupta	Son in Law of Mr. S.K.Garg
7	Rajeev Bansal	Son in Law of Mr. S.K.Garg
8	Manoj Singhal	Son in Law of Mr. S.K.Garg
9	A.K.Garg	Brother of Mr. S.K.Garg
10	Nirmal Garg	Sister In law of Mr. S.K.Garg
11	Pushpa Gupta	Sister of Mr. S.K.Garg

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

Transactions	Key Management Personnel	Associates & Subsidiary	Companies in which key managerial personnel or their relatives exercises significant influence	Relatives of Key Management Personnel	Total
Remuneration	4,800,000.00 (4,800,000.00)	- -	- -	- -	4,800,000.00 (4,800,000.00)
Perquisites	6,636.00 (209,590.00)	- -	- -	- -	6,636.00 (209,590.00)
Rent Paid	- -	- -	- -	7,104,867.00 (7,183,476.00)	7,104,867.00 (7,183,476.00)
Dividend Paid	768,100.00 (768,100.00)	- -	11,000.00 (11,000.00)	351,200.00 (350,800.00)	1,130,300.00 (1,129,900.00)
Sitting Fees	3,000.00 (3,000.00)	- -	- -	- -	3,000.00 (3,000.00)
Advance Paid Against Bulk Booking/ Projects	-	33,438,427.35 (NIL)	2,500,000.00 (NIL)	-	35,938,427.35 (NIL)
Advance Received Back Against Bulk Booking	-	-	10,000,000.00 (48,543,092.00)	-	10,000,000.00 (48,543,092.00)
Advance Received against Sale of Fixed Asset	-	-	1,000,000.00 (17,015,000.00)	(17,015,000.00)	1,000,000.00
Sale of Investments	- -	- -	99,990.00 (NIL)	- -	99,990.00 (NIL)
Advance Paid Against Commercial Space	-	60,360,081.00 (63,003,079.00)	-	(63,003,079.00)	60,360,081.00
Project Management Fees received	-	1,949,800.00 (527,644.00)	- -	- -	1,949,800.00 (527,644.00)

Collection Charges Received	-	1,633,895.00	-	-	1,633,895.00
	-	(527,644.00)			(527,644.00)
Fixed Deposits	1,305,000.00				1,305,000.00
	(600,000.00)				(600,000.00)
Interest Paid on Fixed Deposits	135,869.68				135,869.68
	(120,769.60)				(120,769.60)
Donation Paid			3,000,000.00	-	3,000,000.00
			(NIL)	-	(NIL)
Balances Outstanding as at 31.03.2011					
Creditors/Payable	2,106,504.26	-	2,846,091.00	133,768.00	5,086,363.26
	(2,180,865.00)	-	(17,565,000.00)	(12,299.00)	(19,758,164.00)
Debtors/Receivable	-	194,585,043.35	22,373,120.00	-	216,958,163.35
	-	(43,750,000.00)	(37,998,005.00)	-	(81,748,005.00)
Total Investment	-	7,819,096.00	42,000.00	-	7,861,096.00
	-	(5,742,634.00)	(42,000.00)	-	(5,784,634.00)

* Figures in brackets denote previous year figures.

16. CONTINGENT LIABILITIES:

	Current Year (31.03.2011) (Rs.)	Previous Year (31.03.2010) (Rs.)
(i) Outstanding Bank Guarantees	8,96,44,250	10,40,35,750
(ii) Sales Tax (Addl Comm. Appeal) For the F/Y 2004-2005	11,77,958	11,77,598
F/Y 2005-2006	996,576	9,96,576
F/Y 2006-2007	9,88,184	9,88,184
F/Y 2007-2008	14,58,830	NIL
(iii) Income Tax Cases pending with CIT (A), Agra for A/Y 2006-2007 & 2007-08	20,45,570	20,45,570

(iv) Cases have been filed by some of the buyers, 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 (31.03.2010 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 and are 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) 31.03.2011	Amount (Rs) 31.03.2010
Reserve & Surplus	55007138.67	900907.67
Unsecured Loan	NIL	52132021.33
Fixed Assets (including CWIP)	781423.00	199666.67
Investments	333333.33	333333.33
Inventories	NIL	109724.58
Project in Progress	123475602.08	33510589.82
Cash & Bank Balances	294008723.67	19435517.76
Loans & Advances	152895414.44	144268940.20
Current Liabilities & Provisions(including DTL)	443527204.00	33466802.11
Other Income	12283525.21	750456.32
Administrative Expenses	10340844.30	331644.90
Depreciation	47240.00	1447.67
Provision for Tax	609656.38	64421.33
Profit after Tax	1278431.58	352942.42

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

Particulars	Amount (Rs) 31.03.2011	Amount (Rs) 31.03.2010
Contract revenue recognized as revenue for the year ended	34466133	16333405
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) for all the contract in progress	36741453	29849464
The amount of customer advances outstanding for contracts in progress	54589701	54544170
The amount of retentions due from customers for contracts in progress.	8191	NIL
Gross amount due from customers including work in progress for contracts in progress.	11205192	29849464
Gross amount due to customers including work in progress for contracts in progress.	419788	419788

20. 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.
21. The schedules referred to in Balance Sheet and Profit & Loss Account form an integral part of the accounts.

As per our Report of even date attached

FOR DOOGAR & ASSOCIATES
Chartered Accountants

For & on behalf of the Board

(CA. UDIT BANSAL)
Partner

S. K. Garg
(Chairman & Executive Director)

Pankaj Bajaj
(Managing Director)

Place: Lucknow
Dated: 15/07/2011

Neetika Rastogi
(Company Secretary)

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

	Current Year		Previous Year	
	Quantity	Value	Quantity	Value
OPENING STOCK				
Bricks(Nos.)	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
PURCHASES				
Bricks(Nos.)	0	0	25000	98750
Cement(Bags)	55509.00	13548770	101119	24507294
Steel (MT)	648.76	24256883.40	6143.24	30332730.99
Other Materials	0.00	109609206.47	2011.61	73451356.23
		147414859.87		128390131.02
CONSUMPTION				
Bricks(Nos.)	5000	10472	99479	100455
Cement(Bags)	58452.00	14278923	115501	23886279
Steel (MT)	419.22	17552685.74	2971.65	37498079.01
Other Materials	0.00	107487623.79	2011.61	78199189.33
		139329704.17		139684001.98
CLOSING STOCK				
Bricks(Nos.)	0	0	5000	10472
Cement(Bags)	1766.50	428720.96	4709.50	1158873.60
Steel (MT)	280.28	10813108.00	50.74	4108910.34
Other Materials		12623671.16		10502088.48
		23865500.12		15780344.42

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

For and on Behalf of the Board

As per our report of even date attached

For **DOOGAR & ASSOCIATES**

Chartered Accountants

S. K. GARG

(Chairman & Executive Director)

PANKAJ BAJAJ

(Managing Director)

CA UDIT BANSAL

(Partner)

NEETIKA RASTOGI

(Company Secretary)

Place: Lucknow

Dated: 15/07/2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	FIGURES AS AT 31.03.2011 IN RUPEES	FIGURES AS AT 31.03.2010 IN RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax, appropriations and extra ordinary items	61,062,799.35	106,951,971.89
Adjustment for :		
Profit on sale of Fixed Assets	(1,817,330.14)	(19,384.00)
Loss on sale of Fixed Assets	185,359.00	-
Depreciation	4,465,753.08	3,729,941.14
Dividend received	(29,928.00)	(131,380.00)
Interest received	(27,449,370.14)	(29,296,141.85)
Minority Interest	(7,323.42)	(9,472.65)
Interest paid	15,377,938.18	10,877,222.42
Pre-operative exp of Subsidiaries	624,216.39	(167,695.40)
Share of Profit in Associates	262,122.37	1,203,200.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	52,674,236.68	93,138,261.55
ADJUSTMENTS FOR WORKING CAPITAL CHANGES:		
Trade Payables & Others	646,260,098.10	82,254,939.69
Inventories	(125,219,116.76)	(18,705,783.73)
Project in Progress	(258,160,062.14)	(126,226,562.89)
Trade and Other Receivables	13,746,021.00	(13,743,546.00)
Loans and Advances	(54,848,072.69)	(139,362,959.48)
CASH GENERATED FROM OPERATING ACTIVITIES:	274,453,104.18	(122,645,650.86)
Prior year Adjustments	44,577.30	151,038.62
Reserves on Consolidation	-	900,907.67
Direct Taxes Paid	(35,870,083.94)	(25,243,260.73)
NET CASH FROM OPERATING ACTIVITIES	238,627,597.54	(146,836,965.30)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets	19,603,003.00	170,000.00
Purchase of Fixed Assets	(4,119,210.49)	(13,083,729.46)
Purchase of Investments	(2,258,322.37)	112,277,562.67
Sale of Investment	181,860.00	-
Interest received	27,449,370.14	29,296,141.85
Dividend received	29,928.00	131,380.00
Increase in minority Interest	7,313.42	9,472.65
NET CASH USED IN INVESTING ACTIVITIES	40,893,941.70	128,800,827.71
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Long Term Borrowings	(23,471,136.93)	22,744,721.20
Interest & Finance Charges paid	(15,377,938.18)	(10,877,222.42)
Dividend Paid	(1,853,790.00)	(1,928,614.00)
Tax on Dividend	(319,032.00)	(326,652.00)
Add: Adjustment on account of Group Share in Joint Venture Company	54,106,231.00	-

NET CASH USED IN FINANCING ACTIVITIES	13,084,333.89	9,612,232.78
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	292,605,873.13	(8,423,904.81)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	363,724,047.24	372,147,952.05
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	656,329,920.37	363,724,047.24

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: 15/07/2011

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 2011**, 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011;
 - (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
Dated: 15/07/2011

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

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 3 of our Report of even date on the accounts of Eldeco Housing & Industries Limited for the year ended 31st March, 2011)

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.
Sales Tax Act (2007-2008)	Sales Tax	14,58,830	Additional Commissioner Grade 2 (Appeal) III

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 to bank for adjustment of the outstanding against FDRs. (Refer Note No.21 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: 15/07/2011

(CA UDIT BANSAL)
Partner
M. No. 401642

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULES	FIGURES AS AT 31.03.2011 IN RUPEES	FIGURES AS AT 31.03.2010 IN RUPEES
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS FUNDS:			
a. Share Capital	1	19,666,000.00	19,666,000.00
b. Reserves and Surplus	2	484,447,360.05	429,045,106.11
TOTAL		504,113,360.05	448,711,106.11
2. LOAN FUNDS :			
a. Secured Loans	3	16,333,164.35	4,607,279.95
b. Unsecured Loans	4	46,470,000.00	29,535,000.00
TOTAL		62,803,164.35	34,142,279.95
3. DEFERRED TAX LIABILITIES (NET)		2,616,304.00	3,422,243.00
TOTAL		569,532,828.41	486,275,629.06
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS:	5		
a. Gross Block		71,064,171.97	86,868,611.22
b. Less : Depreciation		30,549,448.24	27,074,080.55
c. Net Block		40,514,723.73	59,794,530.67
2. INVESTMENTS:	6	87,283,830.00	127,398,110.00
3. CURRENT ASSETS, LOANS & ADVANCES:	7		
a. Inventories		225,114,481.98	215,287,896.03
b. Sundry Debtors		21,639,664.00	35,385,685.00
c. Projects in Progress		433,977,537.05	299,776,408.58
d. Cash and Bank Balances		352,863,791.95	318,336,648.46
e. Loans and Advances		497,535,415.92	346,229,952.62
TOTAL		1,531,130,890.90	1,215,016,590.69
Less : CURRENT LIABILITIES AND PROVISIONS	8		
a. Current Liabilities		1,001,769,703.60	860,295,405.30
b. Provisions		87,626,912.62	55,638,197.00
TOTAL		1,089,396,616.22	915,933,602.30
NET CURRENT ASSETS :		441,734,274.68	299,082,988.39
TOTAL		569,532,828.41	486,275,629.06
Significant Accounting Policies and Notes to Accounts	15		

AUDITORS REPORT

As per our Report of even date attached

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

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

For and on Behalf of the Board

S. K. GARG
(Chairman & Executive Director)

PANKAJ BAJAJ
(Managing Director)

NEETIKA RASTOGI
(Company Secretary)

PLACE : Lucknow
DATED : 15/07/2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR 31ST MARCH, 2011

PARTICULARS	SCHEDULE	FIGURES AS AT 31.03.2011 IN RUPEES	FIGURES AS AT 31.03.2010 IN RUPEES
INCOME :			
a. Value of Work Done	9	415,101,745.67	480,688,460.57
b. Other Income	10	42,963,229.54	41,759,712.93
c. Increase/decrease in Stocks	11	(1,948,991.44)	1,438,540.81
TOTAL		456,115,983.77	523,886,714.31
EXPENDITURE :			
d. Cost of Construction	12	283,326,511.05	358,339,330.79
e. Administrative and Selling Expenses	13	66,747,945.38	51,844,707.63
f. Financial Charges	14	15,117,904.03	10,800,489.18
g. Depreciation		3,704,954.36	3,072,539.18
TOTAL		368,897,314.82	424,057,066.78
PROFIT BEFORE TAXES :		87,218,668.95	99,829,647.53
h. Less: Provision for Taxation			
i. Current Tax	30,331,000.00		
ii. Deferred Tax	(805,939.00)		
iii. Wealth Tax	53,600.00	29,578,661.00	23,200,175.00
PROFIT AFTER TAX :		57,640,007.94	76,629,472.53
i. Balance brought forward from last year		374,518,438.40	302,972,395.61
ii. Add/(Less): Income Tax Adjustments related to Previous Years		47,878.00	209,822.26
i. PROFIT AVAILABLE FOR APPROPRIATION		432,206,324.34	379,811,690.40
APPROPRIATIONS :			
j. Transferred to General Reserve		3,000,000.00	3,000,000.00
k. Proposed Dividend		1,966,600.00	1,966,600.00
l. Tax on Proposed Dividend		319,032.00	326,652.00
BALANCE CARRIED TO BALANCE SHEET :		426,920,692.34	374,518,438.40
Basic and Diluted Earning per Share of face value of Rs.10/- each (Refer Note no.13 of Schedule 15)		29.31	38.97
Significant Accounting Policies and Notes to Accounts	15		

AUDITORS REPORT

As per our Report of even date attached

For and on Behalf of the Board

For **DOOGAR & ASSOCIATES,**

Chartered Accountants

(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 : 15/07/2011

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011**

PARTICULARS	FIGURES AS AT 31.03.2011 IN RUPEES	FIGURES AS AT 31.03.2010 IN RUPEES
SCHEDULE -1 SHARE CAPITAL		
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
SCHEDULE -2 RESERVES AND SURPLUS		
(i) CAPITAL RESERVE:		
As per last Balance Sheet	133,600.00	133,600.00
(ii) GENERAL RESERVE:		
As per last Balance Sheet	54,393,067.71	51,393,067.71
Add: Transferred from Profit and Loss Account	3,000,000.00	3,000,000.00
	57,393,067.71	54,393,067.71
(iii) SURPLUS AS PER PROFIT AND LOSS ACCOUNT	426,920,692.34	374,518,438.40
TOTAL	484,447,360.05	429,045,106.11
SCHEDULE -3 SECURED LOANS:		
A. IMMOVABLE PROPERTY OVERDRAFT FACILITY :		
PUNJAB NATIONAL BANK, AGRA	11,725,884.40	-
B. OVERDRAFT FACILITY :		
CITY CO-OPERATIVE BANK, LUCKNOW	4,607,279.95	4,607,279.95
TOTAL	16,333,164.35	4,607,279.95
NOTES :-		
A. 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 Faizullahganj, Mohibullapur Sitapur Road, near Janakipuram flyover, Lucknow bearing khasra no. 58,59,60,61, & 85 measuring 20500.24 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 (excluding land & building and vehicles)		
B. 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.353.20 Lacs(Previous Year Rs.230.55 Lacs))	46,470,000.00	29,535,000.00
TOTAL	46,470,000.00	29,535,000.00

SCHEDULE 5 - FIXED ASSETS:

S. No.	Particulars	<---- GROSS BLOCK ---->				<---- DEPRECIATION ---->				<-- NET BLOCK -->	
		As At 01/04/2010	Additions During The Year	Sales/ADJ During The Year	As At 31/03/2011	Upto 01/04/2010	For The Period Ended 31/03/2011	Sales/ADJ During The Year	Total Upto 31/03/2011	W.D. V. as at 31/03/2011	W.D. V. as at 31/03/2010
1	Office Premises	40,940,445.94	-	16,811,428.00	24,129,017.94	1,976,231.32	417,327.21	572,827.53	1,820,731.00	22,308,286.94	38,964,214.62
2	Construction Machinery	13,658,994.17	-	-	13,658,994.17	11,449,373.15	648,802.22	-	12,098,175.37	1,560,818.80	2,209,621.02
3	Furniture and Fixture	8,869,324.49	959,401.00	188,319.00	9,640,406.49	4,629,470.89	962,381.62	12,423.00	5,579,429.51	4,060,976.98	4,239,853.60
4	Office Equipment	6,070,341.24	561,769.50	18,798.75	6,613,311.99	2,210,812.67	398,727.19	1,996.05	2,607,543.81	4,005,768.18	3,859,528.57
5	Vehicles	12,597,421.38	1,124,503.00	1,704,615.00	12,017,309.38	4,525,993.95	1,228,958.97	184,551.00	5,570,401.92	6,446,907.46	8,071,427.43
6	Computers	3,239,543.00	399,308.00	126,260.00	3,512,591.00	1,927,918.94	555,551.62	106,591.31	2,376,879.25	1,135,711.75	1,311,624.06
7	Computer Software	620,524.00	-	-	620,524.00	291,022.82	100,586.94	-	391,609.76	228,914.24	329,501.18
8	Generator	872,017.00	-	-	872,017.00	63,256.81	41,420.81	-	104,677.62	767,339.38	808,760.19
	Total	86,868,611.22	3,044,981.50	18,849,420.75	71,064,171.97	27,074,080.55	4,353,756.58	878,388.89	30,549,448.24	40,514,723.73	59,794,530.67
	Previous Year Figures	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

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.347.45 per share)	184,000.00	184,000.00
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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.1220.15 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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1650 Equity Shares of Omni Farms Private Limited of Rs.100/- each fully paid up at a premium of Rs. 999.60 each in Omni Farms Private Limited	1,814,340.00	-
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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
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 Prasadhi 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
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 Fivity 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
OTHERS		
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

**IN JOINT VENTURE COMPANY
UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost**

3554094 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Eldeco City (P) Ltd.	71,081,880.00	84,682,880.00
2822763 10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each fully paid in Eldeco City (P) Ltd.	-	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
4547 Equity Shares of Eldeco City Private Limited of Rs.10/- each fully paid up at a premium of Rs.39.99/- each in Eldeco City Private Limited	181,860.00	-
TOTAL	87,283,830.00	127,398,110.00

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	207,356,111.69	195,580,534.30
Unsold Plots, Shops, Flats etc.,	17,758,370.29	19,707,361.73
TOTAL	225,114,481.98	215,287,896.03

b. SUNDRY DEBTORS:

(Unsecured, considered good)

Exceeding six months	400,806.00	1,329,923.00
Other Debts	21,238,858.00	34,055,762.00
TOTAL	21,639,664.00	35,385,685.00

c. PROJECTS IN PROGRESS:

1) ON WHICH REVENUE IS RECOGNISED

Cost of land, Materials, Stores Consumed etc., amount paid to contractors, site overheads etc.,	1,560,792,684.86	1,918,436,290.81
Estimated Profits to be Capitalised	369,872,342.08	473,079,116.03
	1,930,665,026.94	2,391,515,406.84
Less: Advances received	1,658,426,840.66	2,225,060,105.92
SUB TOTAL	272,238,186.28	166,455,300.92

2) ON WHICH REVENUE IS NOT RECOGNISED

Cost of land, Materials, Stores Consumed, amount paid to contractors, direct overheads etc.,	161,739,350.77	133,321,107.66
	161,739,350.77	133,321,107.66
Less: Advances received	-	-
	161,739,350.77	133,321,107.66
SUB TOTAL	161,739,350.77	133,321,107.66
	161,739,350.77	133,321,107.66
TOTAL	433,977,537.05	299,776,408.58
	433,977,537.05	299,776,408.58

d. CASH AND BANK BALANCES:

a. CASH ON HAND	1,633,446.34	1,104,379.34
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b. WITH SCHEDULED BANKS:

i) IN CURRENT ACCOUNT

a. Unclaimed/Unpaid Dividend Account	1,017,878.23	905,083.81
b. Other Short Term Deposit Account	24,781,533.95	31,590,518.99
c. Cheques in hand	2,536,231.00	4,233,144.00

ii) IN FIXED DEPOSITS ACCOUNTS*	316,904,154.09	274,797,423.10
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* (Rs. 769.69 lacs (P.Y. Rs. 705.01 lacs pledged as Margin Money against Bank Guarantees & Rs. 135.55 lacs (P.Y. 236.43 lacs) as Earnest Money to LDA)

iii) Interest accrued and due on Bank FDR's	5,990,548.34	5,706,099.22
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TOTAL	352,863,791.95	318,336,648.46
	352,863,791.95	318,336,648.46

e. LOANS AND ADVANCES:
(Unsecured considered good unless otherwise stated)

A. LOANS

Loans to Staff	435,000.00	696,500.00
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B. ADVANCES

i. Advance recoverable in cash or in kind or for value to be received (Refer Note No. 8 of Schedule 15)	212,903,490.46	167,093,982.88
ii. Advances to Subsidiary Companies (Refer Note No. 9 of Schedule 15)	174,254,311.00	104,446,411.00
iii. Advance Income Tax/Tax deducted at Source	86,026,541.96	49,977,929.24
iv. Advance Fringe Benefit Tax	-	806,057.00
v. Advance Sales Tax	7,457,000.00	-
vi. Advance Service Tax under Protest	4,730,316.00	7,230,316.00
vii. Other Deposits	11,728,756.50	15,978,756.50

TOTAL	497,535,415.92	346,229,952.62
	497,535,415.92	346,229,952.62

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 -	215,933,359.38	259,947,253.34
b. Investor Education & Protection Fund/Unclaimed Dividend (Not Due) 1,017,429.00		904,619.00
c. Unclaimed Matured Deposits	2,035,000.00	1,375,000.00
d. Advances from customers	722,935,310.29	545,273,861.59
e. Security Deposits/Retention Money	48,304,383.41	44,971,067.22
f. Due to Directors	801,504.26	1,080,865.26
g. Book Overdraft Syndicate Bank, Lucknow	207,461.09	-
h. Other Liabilities	6,470,561.36	4,307,944.39
i. Interest Accrued on Public Deposits but not due	4,064,694.81	2,434,794.50
TOTAL	1,001,769,703.60	860,295,405.30

B. PROVISIONS:

a. Provision for Income Tax	78,487,000.00	48,156,000.00
b. Provision for Fringe Benefit Tax	-	823,300.00
c. Proposed Dividend	1,966,600.00	1,966,600.00
d. Tax on Proposed Dividend	319,032.00	326,652.00
e. Provision for Wealth Tax	227,700.00	174,100.00
f. Provision for Leave Encashment	1,353,320.00	1,024,365.00
g. Provision for Gratuity	4,592,639.00	3,167,180.00
h. Provision for loss of Subsidiary Company	680,621.62	-
TOTAL	87,626,912.62	55,638,197.00

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS A/C
FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	FIGURES AS AT 31.03.2011 IN RUPEES	FIGURES AS AT 31.03.2010 IN RUPEES
SCHEDULE - 9 SALES & VALUE OF WORK DONE :		
Income from Real Estate Projects	333,253,820.46	461,483,876.57
Other Operating Real Estate Income	47,381,792.21	2,871,179.00
Income from Construction Contracts	34,466,133.00	16,333,405.00
	-----	-----
TOTAL VALUE OF WORK DONE	415,101,745.67	480,688,460.57
	-----	-----
SCHEDULE - 10 OTHER INCOME :		
Interest on Bank FDR (Gross) (Tax Deducted at Source Rs. 1879338.42 Previous Year Rs. 3354479.85)	17,850,638.04	28,516,133.34
Transfer Charges Received	657,000.00	1,684,721.00
Rent Received	9,114,446.28	6,649,624.00
Misc. Receipts	1,076,014.00	344,568.19
Collection Charges	1,427,063.00	527,644.00
Interest From Customers/parties	3,354,417.00	298,450.00
Profit on Sale of Asset	1,817,330.14	19,384.00
Dividend Receipts (Trade Investments)	29,928.00	131,380.00
Liabilities no longer required written back	7,636,393.08	3,587,808.40
	-----	-----
TOTAL OTHER INCOME	42,963,229.54	41,759,712.93
	-----	-----
SCHEDULE - 11 INCREASE/DECREASE IN STOCKS:		
STOCK AS ON 31.03.2011		
Residential flats and Commercial offices	17,758,370.29	19,707,361.73
Less : STOCK AS ON 01.04.2010		
Residential flats and Commercial offices	19,707,361.73	18,268,820.92
	-----	-----
TOTAL INCREASE/DECREASE IN STOCKS	(1,948,991.44)	1,438,540.81
	-----	-----
SCHEDULE - 12 COST OF CONSTRUCTION ACCOUNT:		
Opening Balance of Projects in Progress	133,321,107.66	115,570,077.19
Payments against Land	-	19,946,634.29
Expenses through Contractors	126,871,859.29	107,625,526.38
Materials/Stores consumed	114,787,454.88	124,586,236.33
Brokerage & Commission	3,203,565.00	958,680.00
Advertisement & Publicity	5,505,335.00	3,810,611.00
Salary, Wages & Other Benefits	9,383,895.00	9,036,860.00
Architects' Fees	6,308,507.00	3,729,693.00
Depreciation	648,802.22	647,284.30
Plant & Machinery Repairs	5,323,220.75	1,889,428.00
Maintenance of completed projects	1,417,315.05	1,255,008.10
Water & Electricity	3,354,088.00	1,093,597.00

	5,594,065.00	81,862,397.00
Plan Approval & External Devp. Fees		
Other project expenses	30,301,996.97	21,686,971.86
	-----	-----
	446,021,211.82	493,699,004.45
Less: - Misc Sales	955,350.00	2,038,566.00
Construction Cost charged to Profit & Loss Account	283,326,511.05	358,339,330.79
Balance carried to Project in Progress Account	-----	-----
	161,739,350.77	133,321,107.66
	-----	-----
13.1 PAYMENTS TO AND PROVISION FOR EMPLOYEES:		
	17,987,999.00	15,280,257.00
a. Salaries, Bonus, Gratuity and Allowances		
	3,155,538.00	1,340,820.00
b. Company's Contribution to Provident and Other funds.		
	2,385,813.00	896,921.00
c. Employees welfare and other amenities.	-----	-----
TOTAL PAYMENTS TO AND PROVISION FOR EMPLOYEES	23,529,350.00	17,517,998.00
	-----	-----
13.2 ESTABLISHMENT EXPENSES:		
	13,520,501.00	12,515,980.00
a. Rent		
	33,956.00	82,892.00
b. Rates and Taxes		
	84,812.00	85,992.00
c. Insurance		
	4,806,636.00	5,009,590.00
d. Remuneration to Directors		
	380,535.00	380,535.00
e. Auditors Remuneration		
	22,500.00	18,500.00
f. Directors Sitting Fees		
	1,500,281.08	1,485,035.83
g. Postage, Telegram & Telephone		
	3,054,995.20	3,112,735.50
h. Travelling & Conveyance		
	3,592,610.94	1,964,926.44
i. Legal & Professional Charges		
	1,060,808.00	816,916.00
j. Printing & Stationery		
	4,343,982.17	3,539,288.09
k. Repair & Maintenance		
	87,997.00	95,710.00
l. Fees		
	4,957,700.00	53,800.00
m. Donations		
	-	332,476.65
n. Misc Debits Written Off		
	185,359.00	-
o. Loss on sale of Assets		
	2,556,652.62	1,762,422.12
p. Other Establishment expenses		
	680,621.62	-
q. Provision for losses in subsidiary	-----	-----
TOTAL ESTABLISHMENT EXPENSES	40,869,947.63	31,256,799.63
	-----	-----
13.3 SELLING EXPENSES:		
	1,998,454.75	1,790,166.00
a. Advertisement & Publicity		
	350,193.00	1,279,744.00
b. Sales Promotion & Discount	-----	-----
TOTAL SELLING EXPENSES	2,348,647.75	3,069,910.00
	-----	-----
TOTAL ADMINISTRATIVE & SELLING EXPENSES (1+2+3)	66,747,945.38	51,844,707.63
	-----	-----
SCHEDULE - 14 FINANCIAL CHARGES:		
	1,501,332.50	3,931,073.84
a. Bank Charges and Commission		
	438,201.58	457,912.88
b. Interest on Secured Loans		
	13,178,369.95	6,411,502.46
c. Interest on Public Fixed Deposits & Other Interest	-----	-----
TOTAL FINANCIAL CHARGES	15,117,904.03	10,800,489.18
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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	45,000
Service Tax thereon	35,535	35,535
Total	3,80,535	3,80,535

3. DIRECTORS' REMUNERATION:

	Current Year	Previous Year
Salaries	48,00,000	48,00,000
Perquisites	6,636	2,09,590
Total	48,06,636	50,09,590

- 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 st		Maximum outstanding during	
		March, 2011	March, 2010	Year ended March 31, 2011	Year ended March 31, 2010
1	Eldeco Infrastructure & Properties Limited	22273130	37273130	37273130	43474121
2	M.A.K.Sales Private Limited	56069495	42590124	56069495	42590124
3	Omni Farms Private Limited	33438427	NIL	38163944	NIL

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

(Amount in Rs.)

S.No.	Name of Company	Balance as at 31 st		Maximum outstanding during	
		March, 2011	March, 2010	Year ended March 31, 2011	Year ended March 31, 2010
1	Bliss Constructions Private Limited	11612190	8100000	11612190	8100000
2	Prasiddhi Constructions Private Limited	24680000	38150000	38150000	38150000
3	Halwasiya Agro Industries Limited	105077121	58196411	113531181	63258013
4	Aadesh Construction Private Limited	6450000	Nil	6450000	Nil
5	Mahal Constructions Private Limited	26435000	Nil	26435000	Nil

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 31.03.2011 Amount (Rs.)	Previous Year as at 31.03.2010 Amount (Rs.)
Present value of obligation at the beginning of the year	45,69,928	54,42,447
Current service cost	5,51,949	3,77,663
Interest cost	3,75,986	4,34,203
Benefit paid	0	0
Actuarial (gain) / loss on obligation	6,16,758	(16,84,385)
Present value of obligation as at the end of year	61,14,621	45,69,928

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

Description	Amount (Rs)	Amount (Rs)
Current service cost	5,51,949	3,77,663
Interest cost	3,75,986	4,34,203
Expected return on planned assets	(1,19,234)	(1,09,893)
Net actuarial (gain)/loss recognized during the year	6,16,758	(16,84,384)
Expenses to be recognized in the statement of profit and loss accounts	14,25,459	(9,82,411)

iii) Net assets / liability recognized in Balance Sheet as at 31st March, 2011

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31st March, 2011	61,14,621	45,69,928
Fair value of plan assets as at 31st March, 2011	15,21,983	14,02,749
(Assets)/Liabilities recognized in the Balance Sheet	45,92,639	31,67,179

iv) Changes in fair value of plan assets

Description	Amount (Rs)	Amount (Rs)
Fair value of plan assets at the beginning of the period	14,02,749	12,92,856
Expected return on plan assets	1,19,234	1,09,893
Contribution	NIL	NIL
Benefit Paid	NIL	NIL
Actuarial gain\ (loss) on plan assets	NIL	NIL
Fair value of plan assets at the end of the period	15,21,983	14,02,749

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

Discount rate	8.25%	8%
Future salary increase	5%	5%
Expected rate of return on planned assets	8.5%	8.15%
Method used	Projected unit credit actuarial method	

B. Leave Encashment

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

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

Description	Amount (Rs)	Amount (Rs)
Current service cost	2,02,217	1,14,978
Interest cost	84,279	83,229
Expected return on plan asset	0.00	0.00
Net actuarial (gain)/loss recognized during the year	1,38,992	16,010
Recognized in Profit & Loss account	4,25,488	2,14,217

ii) Amount recognized in the Balance Sheet as at 31st March, 2011

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31st March, 2011	13,53,320	10,24,365

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	10,24,365	10,43,224
Interest cost	84,279	83,229
Current service cost	2,02,217	1,14,978
Benefits Paid	(96,533)	(2,33,076)
Actuarial (gain)/loss on obligation	1,38,991	16,010
Present value of obligation at the end of the year	13,53,320	10,24,365

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

Discount rate	8.25%	8%
Future salary increase	5%	5%
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.

13 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, 2011	Year ended March 31, 2010
Profit after taxation and extra ordinary item	57640007.94	76629472.53
Total No. of equity shares outstanding	1966600	1966600
Basic/Diluted earning per share (Face value-Rs.10.00 per share)	29.31	38.97

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. Associates

- 1 M.A.K.Sales Private Limited
- 2 Omni Farms Private Limited

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

- 1 S.K Garg Constructions Pvt. Ltd
- 2 Lucknow Cement Crafts Private Limited
- 3 Ecodel Projects Private Limited
- 4 Eldeco Infrastructure & Properties Limited
- 5 Surya Season Foods Private Limited
- 6 Eldeco Townships & Housing Limited
- 7 S.K.Garg (HUF)
- 8 Pankaj Bajaj (HUF)
- 9 Dr K.L.Garg Memorial Charitable Trust

3. Subsidiaries

- 1 Aadesh Constructions Private Limited
 - 2 Garv Constructions Private Limited
 - 3 Mahal Constructions Private Limited
 - 4 Milaap Constructions Private Limited
 - 5 Samarpit Constructions Private Limited
 - 6 Suniyojit Constructions Private Limited
 - 7 Halwasiya Agro Industries Limited
 - 8 Prayatna Constructions Private Limited
 - 9 Sushobhit Constructions Private Limited
 - 10 Primacy Constructions Private Limited
 - 11 Prasiddhi Constructions Private Limited
 - 12 Perpetual Constructions Private Limited
 - 13 Khwahish Constructions Private Limited
 - 14 Fixity Constructions Private Limited
 - 15 Facility Constructions Private Limited
 - 16 Deepjyoti Constructions Private Limited
 - 17 Conviction Constructions Private Limited
 - 18 Bliss Constructions Private Limited
 - 19 Advantage Constructions Private Limited*
- *Note: Ceased to be subsidiary w.e.f 31.03.2011

4. Joint Venture Company

- 1 Eldeco City Private Limited

5. Key Management Personnel

- | | | |
|---|----------------------|------------------------|
| 1 | Shri Shiv Kumar Garg | Executive Chairman |
| 2 | Shri Pankaj Bajaj | Managing Director |
| 3 | Shri Srikant Jajodia | Whole Time Director |
| 4 | Shri Arvind Bajaj | Non Executive Director |

6. Relatives of Key Management Personnel

- | | | |
|----|-----------------|-------------------------------|
| 1 | Asha Bajaj | Mother of Mr. Pankaj Bajaj |
| 2 | Varija Bajaj | Sister of Mr. Pankaj Bajaj |
| 3 | O.P.Bajaj | Father of Mr. Pankaj Bajaj |
| 4 | Rashi Bajaj | Wife of Mr. Arvind Bajaj |
| 5 | Vimla Garg | Wife of Mr. S.K.Garg |
| 6 | Brijendra Gupta | Son in Law of Mr. S.K.Garg |
| 7 | Rajeev Bansal | Son in Law of Mr. S.K.Garg |
| 8 | Manoj Singhal | Son in Law of Mr. S.K.Garg |
| 9 | A.K.Garg | Brother of Mr. S.K.Garg |
| 10 | Nirmal Garg | Sister In law of Mr. S.K.Garg |
| 11 | Pushpa Gupta | Sister of Mr. S.K.Garg |

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	4,800,000.00 (4,800,000.00)	-	-	-	-	4,800,000.00 (4,800,000.00)
Perquisites	6,636.00 (209,590.00)	-	-	-	-	6,636.00 (209,590.00)
Rent Paid	-	-	-	-	7,104,867.00 (7,183,476.00)	7,104,867.00 (7,183,476.00)
Dividend Paid	768,100.00 (768,100.00)	-	-	11,000.00 (11,000.00)	351,200.00 (350,800.00)	1,130,300.00 (1,129,900.00)
Sitting Fees	3,000.00 (3,000.00)	-	-	-	-	3,000.00 (3,000.00)
Advance Paid Against Bulk Booking / Projects	-	33,438,427.35 (NIL)	-	2,500,000.00 (NIL)	-	35,938,427.35 (NIL)
Advance Received Back Against Bulk Booking	-	-	-	10,000,000.00 (48,543,092.00)	-	10,000,000.00 (48,543,092.00)
Advance Received against	-	-	-	1,000,000.00	-	1,000,000.00
Sale of Fixed Asset	-	-	-	(17,015,000.00)	-	(17,015,000.00)
Sale of Investments	-	-	-	99,990.00 (NIL)	-	99,990.00 (NIL)
Buy Back of Equity Shares	-	-	41,828,630.00 (NIL)	-	-	41,828,630.00 (NIL)
Buy Back of Preference Shares	-	-	28,227,630.00 (NIL)	-	-	28,227,630.00 (NIL)
Advance paid Against Land	-	22,927,190.00 (46,250,000.00)	-	-	-	22,927,190.00 (46,250,000.00)
Advance Paid Against Commercial Space	-	60,360,081.00 (63,003,079.00)	-	-	-	60,360,081.00 (63,003,079.00)
Sale of Fixed Assets	-	-	1,124,503.00 (NIL)	-	-	1,124,503.00 (NIL)
Investment in Debentures	-	-	NIL (181,860.00)	-	-	NIL (181,860.00)
Conversion of Debenture in to shares	-	-	181,860.00 (NIL)	-	-	181,860.00 (NIL)
Project Management Fees received	-	1,949,800.00 (527,644.00)	35,431,992.21 (2,871,179.00)	-	-	37,381,792.21 (3,398,823.00)
Collection Charges Received	-	1,633,895.00 (527,644.00)	-	-	-	1,633,895.00 (527,644.00)
Donation Paid	-	-	-	3,000,000.00 (NIL)	-	3,000,000.00 (NIL)
Fixed Deposits	1,305,000.00 (600,000.00)	-	-	-	-	1,305,000.00 (600,000.00)
Interest Paid on Fixed Deposits	135,869.68 (120,769.60)	-	-	-	-	135,869.68 (120,769.60)
Balances Outstanding as at 31.03.2011						
Creditors/Payable	2,106,504.26 (2,180,865.00)	-	-	2,846,091.00 (17,565,000.00)	133,768.00 (12,299.00)	5,086,363.26 (19,758,164.00)
Debtors/Receivable	-	263,762,233.35 (148,196,411.00)	1,124,503.00 (368,470.00)	22,373,120.00 (37,998,005.00)	-	287,259,856.35 (186,562,886.00)
Investment	-	15,557,630.00 (13,843,280.00)	71,263,740.00 (113,092,370.00)	42,000.00 (42,000.00)	-	86,863,370.00 (126,977,650.00)

*Figures in brackets denote previous year figures.

15. DEFERRED TAX LIABILITY (NET)

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

	Deferred Tax Asset/ (Liability) as on 01.04.2010	Current Year (Charge)/Credit	Deferred Tax Asset/(Liability) as on 31.03.2011
Deferred Tax Liability/Asset:			
On account of timing difference between			
(i) Depreciation as per Income Tax Act, 1961 and Companies Act, 1956.	(3422243.00)	(1215092)	(4637335)
(ii) Provision for leave Encashment	NIL	2021031	2021031
Net	(3422243)	(805939)	(2616304)

16. CONTINGENT LIABILITIES:

	Current Year (31.03.2011) (Rs.)	Previous Year (31.03.2011) (Rs.)
(i) Outstanding Bank Guarantees	8,96,44,250	10,40,35,750
(ii) Sales Tax (Addl Comm. Appeal)		
For the F/Y 2004-2005	11,77,958	11,77,598
F/Y 2005-2006	9,96,576	9,96,576
F/Y 2006-2007	9,88,184	9,88,184
F/Y 2007-2008	14,58,830	NIL
(iii) Income Tax Cases pending with CIT(A), Agra for A/Y 2006-2007 & 2007-08	20,45,570	20,45,570
(iv) Cases have been filed by some of the buyers, 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 (31.03.2010 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 in to 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 and are 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) 31.03.2011	Amount (Rs) 31.03.2010
Reserve & Surplus	55007138.67	900907.67
Unsecured Loan	NIL	52132021.33
Fixed Assets (including CWIP)	781423.00	199666.67
Investments	333333.33	333333.33
Inventories	NIL	109724.58
Project in Progress	123475602.08	33510589.82
Cash & Bank Balances	294008723.67	19435517.76
Loans & Advances	152895414.44	144268940.20
Current Liabilities & Provisions (including DTL)	443527204.00	33466802.11
Other Income	12283525.21	750456.32
Administrative Expenses	10340844.30	331644.90
Depreciation	47240.00	1447.67
Provision for Tax	609656.38	64421.33
Profit after Tax	1278431.58	352942.42

19. The Warrants issued by the Eldeco City Private Limited to the Company, has been converted in to class-D shares on 24th April 2010 @ 39.99 per share at premium, prior to the expiry of warrant term of 5 Years from the date of issue.
20. Disclosure in accordance with Accounting Standard-7 (Revised), in respect of construction contracts entered:

Particulars	Amount (Rs) 31.03.2011	Amount (Rs) 31.03.2010
Contract revenue recognized as revenue for the year ended	34466133	16333405
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) for all the contract in progress	36741453	29849464
The amount of customer advances outstanding for contracts in progress	54589701	54544170
The amount of retentions due from customers for contracts in progress.	8191	NIL
Gross amount due from customers including work in progress for contracts in progress.	11205192	29849464
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

For & on behalf of the Board

(CA. UDIT BANSAL)
Partner

S. K. Garg
(Chairman & Executive Director)

Pankaj Bajaj
(Managing Director)

Place: Lucknow
Dated: 15/07/2011

Neetika Rastogi
(Company Secretary)

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

	Current Year		Previous Year	
	Quantity	Value	Quantity	Value
OPENING STOCK				
Bricks(Nos.)	5000	10472.00	5814	12177.00
Cement(Bags)	3983.50	955593.60	1799	420220.00
Steel (MT)	29.2422	3511282.69	234.687	7743344.50
Other Materials		10502088.48		15249921.58
		----- 14979436.77		----- 23425663.08
PURCHASES				
Bricks(Nos.)	0	0.00	25000	98750.00
Cement(Bags)	46609.00	11554920.00	84994	20591843.80
Steel (MT)	629.02	23583126.40	5973.80	25346333.99
Other Materials		88386981.87		66850058.23
		----- 123525028.27		----- 112886986.02
CONSUMPTION				
Bricks(Nos.)	5000	10472.00	99479	100455.00
Cement(Bags)	49459.00	12226274.60	99531	20056470.20
Steel (MT)	378.12	16285309.09	2723.71	29578395.80
Other Materials		86265399.19		71597891.33
		----- 114787454.88		----- 121333212.33
CLOSING STOCK				
Bricks(Nos.)	0	0.00	5000	10472.00
Cement(Bags)	1133.50	284239.00	3983.5	955593.60
Steel (MT)	280.15	10809100.00	29.24	3511282.69
Other Materials		12623671.16		10502088.48
		----- 23717010.16		----- 14979436.77

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

Dated: 15/07/2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	FIGURES AS AT 31.03.2011 IN RUPEES	FIGURES AS AT 31.03.2010 IN RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax, appropriations and extra ordinary items	87,218,668.95	99,829,647.53
Adjustment for :		
Profit on sale of Fixed Assets	(1,817,330.14)	(19,384.00)
Loss on sale of Fixed Assets	185,359.00	-
Depreciation	4,353,756.58	3,719,823.48
Dividend received	(29,928.00)	(131,380.00)
Interest received	(17,850,638.04)	(28,516,133.34)
Interest paid	15,117,904.03	10,800,489.18
	-----	-----
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	87,177,792.38	85,683,062.85
ADJUSTMENTS FOR WORKING CAPITAL CHANGES:		
Trade Payables & Others	143,019,203.92	99,036,663.08
Inventories	(9,826,585.95)	2,922,981.50
Project in Progress	(134,201,128.47)	(110,940,296.88)
Trade and Other Receivables	13,746,021.00	(13,743,546.00)
Loans and Advances	(116,062,907.58)	(66,571,616.15)
	-----	-----
CASH GENERATED FROM OPERATING ACTIVITIES:	(16,147,604.70)	(3,612,751.60)
Prior year Adjustments	47,878.00	209,822.26
Direct Taxes Paid	(35,296,155.72)	(21,930,653.49)
	-----	-----
NET CASH FROM OPERATING ACTIVITIES	(51,395,882.42)	(25,333,582.83)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets	19,603,003.00	170,000.00
Purchase of Fixed Assets	(3,044,981.50)	(12,861,062.79)
Purchase of Investments	39,932,420.00	(181,860.00)
Sale of Investment	181,860.00	-
Interest received	17,850,638.04	28,516,133.34
Dividend received	29,928.00	131,380.00
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	74,552,867.54	15,774,590.55
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Long Term Borrowings	28,660,884.40	(29,387,300.13)
Interest & Finance Charges Paid	(15,117,904.03)	(10,800,489.18)
Dividend Paid	(1,853,790.00)	(1,928,614.00)
Tax on Dividend	(319,032.00)	(326,652.00)
	-----	-----
NET CASH USED IN FINANCING ACTIVITIES	11,370,158.37	(42,443,055.31)

NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	34,527,143.49	(52,002,047.59)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	318,336,648.46	370,338,696.05
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	352,863,791.95	318,336,648.46

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: 15/07/2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION DETAILS

State Code	:	20
Registration No	:	7062
Balance Sheet date	:	31.03.2011

Capital raised during the year

Public Issue	:	Nil
Bonus Issue	:	Nil
Rights Issue	:	Nil
Private Placement	:	Nil

POSITION OF MOBILISATION AND

DEPLOYMENT OF FUNDS:

Total Liabilities	:	₹ 569,532,828
Total Assets	:	₹ 569,532,828

SOURCES OF FUNDS:

Paid up Capital	:	₹ 19,666,000
Reserves and Surplus	:	₹ 484,447,360
Secured Loans	:	₹ 16,333,164
Unsecured Loans	:	₹ 46,470,000
Deferred Tax Liability (Net)	:	₹ 2,616,304

APPLICATION OF FUNDS:

Net Fixed Assets	:	₹ 40,514,724
Investments	:	₹ 87,283,830
Net Current Assets	:	₹ 441,734,275

Performance of Company:

Turnover	:	₹ 458,064,975
Total Expenditure	:	₹ 368,897,315
Profit before Tax	:	₹ 87,218,669
Profit after Tax	:	₹ 57,640,008
Earnings Per Share (Year end)	:	₹ 29.31
Dividend Rate %	:	₹ 10.00%

Generic Names of Three Principal Products/ Services of

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

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/ (Loss)	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	-	-	(56,185.00)	-	-	-	-
2	Samarpit Constructions (P) Ltd	100,000.00	-	108,750.00	8,750.00	-	-	(56,645.00)	-	-	-	-
3	Aadesh Constructions (P) Ltd	100,000.00	-	6,558,750.00	6,458,750.00	-	-	(56,185.00)	-	-	-	-
4	Halwasiya Agro Industries Ltd	4,000,000.00	14,684,215.89	35,083,033.30	16,398,817.41	-	75,906,611.49	7,379,224.75	7,379,224.75	2,282,107.00	5,097,117.75	-
5	Primacy Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	(44,662.00)	-	-	-	-
6	Prayatna Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	(44,662.00)	-	-	-	-
7	Prasiddhi Constructions (P) Ltd	100,000.00	26,000.05	28,978,760.05	28,852,760.00	-	82,500.00	1,779.13	1,779.13	500.00	1,279.13	-
8	Perpetual Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	(44,202.00)	-	-	-	-
9	Deepjyoti Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	(44,202.00)	-	-	-	-
10	Sushobhit Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	(44,729.00)	-	-	-	-
11	Fixity Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	(44,202.00)	-	-	-	-
12	Facility Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	(43,202.00)	-	-	-	-
13	Bliss Constructions (P) Ltd	100,000.00	-	11,833,955.00	11,733,955.00	-	-	-	-	-	-	-
14	Conviction Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	(44,269.00)	-	-	-	-
15	Khwahish Constructions (P) Ltd	100,000.00	-	109,265.00	9,265.00	-	-	(44,269.00)	-	-	-	-
16	Sunijoyit Constructions (P) Ltd	100,000.00	-	108,750.00	8,750.00	-	-	(56,645.00)	-	-	-	-
17	Garv Constructions (P) Ltd	100,000.00	-	108,750.00	8,750.00	-	-	(56,885.00)	-	-	-	-
18	Mahal Constructions (P) Ltd	100,000.00	-	26,543,750.00	26,443,750.00	-	-	-	-	-	-	-

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

26th 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 26th Annual General Meeting of the Company to be held on Saturday, the 24th
day of September, 2011 at 3.00 p.m. at Hotel The Suryaa New Delhi, New Delhi and at any adjournment(s) thereof.

Signed this onday of2011



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

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Corp. Office : 2nd Floor, Corporate Chamber-I, Vibhuti Khand, Gomti Nagar, Lucknow-226 010

26th 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 26th Annual General Meeting of the Company to be held on Saturday, the 24th day of September, 2011 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. : 011-30857575

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

Dear Sir,

Re : CHANGE OF ADDRESS

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

Name and address

Thanking you

Signature of Member(s)
Name :



AN ISO 9001:2008 CERTIFIED COMPANY

Registered Office : 201-212, 2nd Floor, Splendor Forum, Jasola District Centre, New Delhi-110025.

Corporate Office : 2nd Floor, Eldeco Corporate Chamber-1, (opp. Mandi Parishad), Vibhuti Khand, Gombi Nagar, Lucknow-226 010. Tel: 0522-4039999 Fax: 0522-4039900 Website: www.eldecogroup.com

Kanpur : Virendra Smriti Complex, 15/54-B, Civil Lines, Kanpur. Tel: 0512-2304513, 2303063, Fax : 0512-2303063

New Delhi : A-1/153, 1st Floor, Safdarjung Enclave, New Delhi-110029 Tel: 011-41654401, 02, 03, 04

Agra : 98, Allora Enclave, Dayal Bagh, Agra-282005. Tel: 0562-2801902, 9927094527