

ANNUAL REPORT | 2013-14



Eldeco Saubhagyam



Eldeco City



Eldeco Eterna



● BOARD OF DIRECTORS ●

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

Company Secretary

Ms Shruti Gupta

Chief Financial Officer

Mr. Sushil Dutt Mishra

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-153A, 1st Floor, Okhla Industrial Area

Phase-I, New Delhi – 110 020.

Ph. : 011-26812682-83

Stock Exchanges where Company is Listed

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai – 400 001

U.P. Stock Exchange Limited

Padam Towers, 14/113, Civil Lines

Kanpur – 208 001

Bankers

State Bank of India

Punjab National Bank

ICICI Bank

Registered Office

Shop No. 16, Second Floor,

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

Haryana-121007

Corporate Office

2nd Floor, Eldeco Corporate Chamber – I

Vibhuti Khand, Gomti Nagar

Lucknow – 226 010

Divisions

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

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NOTICE

Notice is hereby given that the **29th Annual General Meeting** of the Members of **M/s Eldeco Housing and Industries Limited** will be held on Friday, 26th September, 2014 at 3:00 P.M. at Hotel Express Sarovar Portico, Sector-39, Surajkund, Faridabad-121010, Haryana to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and Profit and Loss Account for the year ended on that date along with the reports of Auditors and Directors thereon; and
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr Shiv Kumar Garg (DIN:00166035) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Doogar & Associates, Chartered Accountants (Firm Registration No.000561N), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 32nd AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

5. To appoint Shri Ashish Jain (DIN: 00483052) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Ashish Jain (DIN: 00483052), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for 5 (five) consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”
6. To appoint Shri Ranjit Khattar (DIN:00726997) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Ranjit Khattar (DIN:00726997), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for 5 (five) consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”
7. To appoint Shri Rahul Aggarwal (DIN: 01588598) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**Resolved that** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Rahul Aggarwal (DIN: 01588598), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for 5 (five) consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”

8. To appoint Shri Anil Tiwari (DIN: 02132374) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**Resolved that** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Anil Tiwari (DIN: 02132374), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for 5 (five) consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”

9. To consider, and if thought fit, to pass the following resolutions, with or without modification(s) as a **Special Resolution:**

“**Resolved that** pursuant to the provisions of section 196, 197, 198 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) & provisions of the Articles of Association of the Company and other applicable provisions, the consent of the Members be and is hereby given for payment of remuneration of Shri Shiv Kumar Garg, Whole Time Director designated as Executive Chairman of the Company w.e.f. 1st October, 2014 on the terms and conditions as mentioned below and with the liberty to the Board of Directors to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in the Schedule V of the Companies Act, 2013.

(A) Remuneration: Rs. 3,00,000 (Rupees Three Lac Only) per month w.e.f. 1st October, 2014 till 30th September, 2015

(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 Shri Pankaj Bajaj, Managing Director, Shri Anil Tiwari, Director and Shri Ashish Jain, Director of the Company, be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution.”

Regd.Office:
Shop No.16, Second Floor
Eldeco Station 1, Site No.1
Sector-12, Faridabad-121007
Haryana

By order of the Board
For Eldeco Housing and Industries Ltd

Date:13th August, 2014
Place: Lucknow

Shruti Gupta
Company Secretary

NOTES

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item no. 5 to 8 of the notice set out above is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 29TH ANNUAL GENERAL MEETING.
3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. Every member entitled to vote at the meeting, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.
5. The Share Transfer Books and Register of Members of the Company will remain closed from 20th day of September 2014 to 26th day of September, 2014 (both days inclusive).
6. A. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent (RTA) of the Company M/s Skyline Financial Services Pvt Ltd., D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110 020; Phone No. 011-26812682-83:-
 - i) their email id, in case the same have not been sent earlier, for the purpose of receiving the communication electronically,
 - ii) any change in their address/e-mail id/bank details, share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.
- B. Members holding shares in dematerialized form are requested to notify to their Depository Participant:
 - i) **their email id.**
 - ii) all changes with respect to their address, email id and bank details.
- C. Kindly note that as per SEBI Circular CIR/MRD/DP/10/2013 dated March 21, 2013 it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/update your correct bank account details with the Company/RTA/Depository Participant, as the case may be.
7. The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferee of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.
8. The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
9. In accordance with Section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended

March 31, 2014 has been sent to all the members whose email address(es) are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 the hard copies of Annual Report have been sent to all other members who have not registered their email address(es). Members holding shares in dematerialized form are requested to register their email address with their Depository Participant only. The Notice of the 29th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.eldecogroup.com for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.

10. The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip duly completed and signed, for admission to the meeting hall. However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same or download the same from Company's website www.eldecogroup.com.
11. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready for replying at the meeting.
12. **Transfer of unclaimed dividend:** The Company has transferred the unclaimed dividend for the financial year 2005-06 to the Investors Education and Protection Fund, in the month of January, 2014 in terms of the provisions of Section 205A of the Companies Act, 1956.
13. **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 |
|----------------------|------|---------------------|------------------------|--------------------------------|
| 31.03.2007 | 10% | 29/09/2007 | 05/11/2014 | 04/12/2014 |
| 31.03.2008 | 10% | 27/09/2008 | 03/11/2015 | 02/12/2015 |
| 31.03.2009 | 10% | 30/09/2009 | 06/11/2016 | 05/12/2016 |
| 31.03.2010 | 10% | 30/09/2010 | 06/11/2017 | 05/12/2017 |
| 31.03.2011 | 10% | 24/09/2011 | 31/10/2018 | 30/11/2018 |
| 31.03.2012 | 10% | 28/09/2012 | 02/11/2019 | 01/12/2019 |
| 31.03.2013 | 80% | 27/09/2013 | 03/11/2020 | 02/12/2020 |

14. In terms of provisions of Section 205A of the Companies Act, 1956, the amount of dividend for the financial year 2006-07 that still remains unclaimed is required to be transferred to the Investors Education and Protection Fund on or before 4th December, 2014. Any shareholder who has not encashed the dividend warrants for the financial year 2006-07 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.**
15. As a measure of economy, copies of Annual Report will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their own copies of the Annual Report to the meeting.
16. The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchanges regarding the Directors proposed to be reappointed are provided in the Report on Corporate Governance forming part of the Annual Report.
17. Details under Clause 49 of the Listing agreement with the Stock exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, is separately annexed hereto. The Directors seeking appointment/reappointment have furnished the declaration under Rule 14 of the Companies (Appointment and

Qualification of Directors) Rules, 2014 as required under Section 164(2) of the Companies Act, 2013.

18. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of Annual General Meeting. The Register of Directors and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which directors are interested shall be open for inspection at the meeting to any person having right to attend the meeting.

19. Voting through electronic means:

- i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a member may exercise his right to vote by electronic means (e-voting) in respect of the resolutions contained in this notice.
- ii) The Company is providing e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of Central Depository Services (India) Limited as the Authorised Agency to provide e-voting facilities.
- iii) The Board of Directors have appointed M/s Kumar Gaurav Agarwal & Co., Chartered Accountants, New Delhi, as the **Scrutinizer**, for conducting the e-voting process in a fair and transparent manner.
- iv) Members are requested to carefully read the instructions for e-voting before casting their vote.
- v) The cut-off date (i.e. the record date) for the purpose of e-voting is 14th August, 2014.
 - a) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being 14th August, 2014.
 - b) The Scrutinizer shall after the conclusion of e-voting period and before the closing of working hours on 25th September, 2014 unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - c) The Scrutinizer’s decision on the validity of the vote shall be final and binding.
 - d) The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
 - e) The result declared along with the Scrutinizer’s report shall be placed on the website of the Company (www.eldecogroup.com) within 2 (two) days of passing of the resolutions at the AGM and communicated to the Stock Exchanges where the Company shares are listed.

INSTRUCTIONS FOR E-VOTING:

(i) The voting period begins:

| | |
|---------------------------------|---|
| Commencement of e-voting | From 09:00 a.m. (IST) on 20th September, 2014 |
| End of e-voting | Upto 06:00 p.m. (IST) on 22nd September, 2014 |

During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the Folio number / Client ID in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio/ Client ID 1 then enter RA00000001 in the PAN field. |
| DOB | <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Number of Shares in the Dividend Bank details field as mentioned in instruction (v). |

(viii) After entering these details appropriately, click on **“SUBMIT”** tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Eldeco Housing and Industries Limited.

(xii) On the voting page, you will see **“RESOLUTION DESCRIPTION”** and against the same the option **“YES/NO”** for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the **“RESOLUTIONS FILE LINK”** if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on **“SUBMIT”**. A confirmation box will be displayed. If you wish to confirm your vote, click on **“OK”**, else to change your vote, click on **“CANCEL”** and accordingly modify your vote.
- (xv) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on **“Click here to print”** option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on **Forgot Password &** enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves as Corporates and Custodians respectively.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5 to 8

As per section 149(5) of the Companies Act, 2013 the Company is required to appoint Independent Directors under section 149(4) within a period of one year from 01.04.2014 i.e. the date of commencement of the said section and Rules made there under. Since the Company had already appointed Shri Ashish Jain, Shri Ranjit Khattar, Shri Rahul Aggarwal and Shri Anil Tiwari as Non-Executive Independent Directors subject to retirement by rotation in the past, in terms of Companies Act, 1956 and the Listing Agreement with the stock exchanges, and who are liable to retire by rotation in the ensuing annual general meeting, the Board of Directors in their meeting held on 13th August, 2014 after consideration has recommended to reappoint the above said Directors as Non-Executive Independent Directors within the meaning of Section 149 and 152 [including section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019.

The Company has received declarations from Shri Ashish Jain, Shri Ranjit Khattar, Shri Rahul Aggarwal and Shri Anil Tiwari that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and also under Clause 49 of the Listing Agreement with the stock exchanges. They have further confirmed that they are not disqualified from being appointed as Director under Section 164 of the said Act. The Board of Directors are of the opinion that Shri Ashish Jain, Shri Ranjit Khattar, Shri Rahul Aggarwal and Shri Anil Tiwari are persons of integrity and possess relevant expertise and experience and are eligible and fulfil the conditions specified by the Companies Act, 2013 for the position of an independent director of the Company. The Board considers that their association as Directors will be beneficial to and in the interest of the Company. The brief resume of the said Directors, the nature of their expertise in specific functional areas, names of Companies in which they have held directorships, committee memberships/ chairmanships, their shareholding etc., are separately annexed hereto. The Board of Directors recommend the ordinary resolutions for your approval. The said independent directors are not related to any of the directors or key managerial personnel (including relatives of directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors and key managerial personnel of the Company (including relatives of directors or key managerial personnel) other than the respective Non-Executive Independent Director himself, is concerned or interested, financially or otherwise, in these resolutions.

Item No. 9:

Shri Shiv Kumar Garg was appointed as Whole Time Director cum Executive Chairman by the Board of Directors on 13th May, 2011 for a period of 5 years commencing from 15th May, 2011 till 14th May, 2016 and confirmed by the shareholders in the Annual General meeting held on 24th September, 2011. His remuneration was approved by the members in their meeting held on 24th September, 2011 for a period upto 30th September, 2014. The remuneration of Shri Shiv Kumar Garg has to be renewed with fresh approval of members. The remuneration mentioned in the resolution is approved by the Nomination and Remuneration Committee and Board Meeting in its meeting held on 13th August, 2014.

The detailed remuneration has been disclosed in proposed resolution in the Notice calling the ensuing Annual General Meeting.

The information required under Schedule V of the Companies Act, 2013 are as under:

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:

(Rs. In Lacs)

| Particulars | Financial Year | |
|---|----------------------------|----------------------------|
| | 31st March 2014 Standalone | 31st March 2013 Standalone |
| Revenue: | | |
| 1 Revenue from operations | 4741.05 | 4665.59 |
| 2 Other Income | 365.19 | 1090.08 |
| Total Revenue | 5106.24 | 5755.67 |
| Expenses: | | |
| 1) Expenditure | 6474.07 | 4967.84 |
| 2) Changes in Inventories of Finished Stock & Project in Progress | (2628.11) | (505.72) |
| Total Expenses | 3845.96 | 4462.12 |
| Profit before tax | 1260.28 | 1293.55 |
| Tax Expenses: | | |
| i Current Tax | 447.71 | 351.49 |
| ii Tax related to previous years | - | - |
| iii Deferred Tax | (7.15) | (3.15) |
| | 440.56 | 348.34 |
| Profit After Tax | 819.73 | 945.21 |
| Previous Balance in Profit & Loss Account | 5404.69 | 4843.55 |
| Minority Interest | - | - |
| Shares of Profits of Associates (Net) | - | - |
| Profit available for appropriation | 6224.42 | 5788.76 |
| Less: Proposed dividend | 39.33 | 157.33 |
| Tax on proposed dividend | 6.68 | 26.74 |
| Transfer to general reserve | 100.00 | 200.00 |
| Balance in Profit & Loss Account | 6078.41 | 5404.69 |
| Earning per share (Rs.) | 41.68 | 48.06 |
| Dividend per Share (Rs.) | 2.00 | 8.00 |

II. INFORMATION ABOUT THE APPOINTEE

| | |
|-------------------------------------|---|
| (1) Background details | Shri 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 53 years in Real Estate & Construction Industry. |
| (2) Past remuneration | <p>Monthly remuneration : Rs. 3,00,000 (Rupees Three Lacs only) per month w.e.f. 1st October, 2011 till 30th September, 2014</p> <p>Perquisites:</p> <p>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.</p> <p>ii. Medical Reimbursement: Expenses incurred for self and his family.</p> <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> |
| (3) Recognition or awards | <p>Shri Shiv Kumar Garg has an experience of 53 years in Real Estate & Construction Industry. He has been awarded several times, including:</p> <p>Life Time Achievement Award in 2008, Indian Leadership Award, International Achievers Award 2010-2011 in 2011 & Life Time Achievement Award in a ceremony held in British Parliament in London in 2011.</p> |
| (4) Job profile and his suitability | Shri 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 53 years in Real Estate & Construction Industry. |
| (5) Remuneration proposed | <p>Monthly remuneration of Rs. 3,00,000 (Rupees Three Lacs Only) per month w.e.f. 1st October, 2014 till 30th September, 2015.</p> <p>Perquisites:</p> <p>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.</p> <p>ii. Medical Reimbursement: Expenses incurred for self and his family.</p> <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> |

| | | |
|-----|---|---|
| | | In the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration. |
| (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 Shri 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. |

Additional disclosure are also given under appropriate head(s) in the Corporate Governance report annexed to the Directors' Report.

Under the provisions of the Companies Act, 2013, consent of members is required for payment of remuneration to Shri Shiv Kumar Garg as Whole Time Director cum Executive Chairman. 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.

Regd.Office:
Shop No.16, Second Floor
Eldeco Station 1, Site No.1
Sector-12, Faridabad-121007
Haryana

By order of the Board
For Eldeco Housing and Industries Ltd

Date: 13th August, 2014
Place: Lucknow

Shruti Gupta
Company Secretary

DIRECTORS' REPORT**Dear Members**

Your Directors have the pleasure in presenting the 29th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2014.

Financial Highlights**(Rs. in Lacs)**

| Particulars | Financial Year ended | | | |
|---|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| | 31st March 2014 Consolidated | 31st March 2014 Standalone | 31st March 2013 Consolidated | 31st March 2013 Standalone |
| Revenue: | | | | |
| 1) Revenue from operations | 6925.71 | 4741.05 | 9607.55 | 4665.59 |
| 2) Other Income | 463.15 | 365.19 | 787.81 | 1090.08 |
| Total Revenue | 7388.86 | 5106.24 | 10395.36 | 5755.67 |
| Expenses: | | | | |
| 1) Expenditure | 8431.01 | 6474.07 | 10101.22 | 4967.84 |
| 2) Changes in Inventories of Finished Stock & Project in Progress | (3003.83) | (2628.11) | (1369.90) | (505.72) |
| Total Expenses | 5427.18 | 3845.96 | 8731.32 | 4462.12 |
| Profit before tax | 1961.68 | 1260.28 | 1664.04 | 1293.55 |
| Tax Expenses: | | | | |
| i Current Tax | 684.61 | 447.71 | 701.88 | 351.49 |
| ii Tax related to previous years | (1.06) | - | 2.98 | - |
| iii Deferred Tax | (6.77) | (7.15) | (3.06) | (3.15) |
| | 676.78 | 440.56 | 701.80 | 348.34 |
| Profit After Tax | 1284.90 | 819.73 | 962.24 | 945.21 |
| Previous Balance in Profit & Loss Account | 5038.72 | 5404.69 | 4471.97 | 4843.55 |
| Minority Interest | (0.01) | - | 0.02 | - |
| Shares of Profits of Associates (Net) | 166.86 | - | (11.43) | - |
| Profit available for appropriation | 6490.47 | 6224.42 | 5422.79 | 5788.76 |
| Less: Proposed dividend | 39.33 | 39.33 | 157.33 | 157.33 |
| Tax on proposed dividend | 6.68 | 6.68 | 26.74 | 26.74 |
| Transfer to general reserve | 100.00 | 100.00 | 200.00 | 200.00 |
| Balance in Profit & Loss Account | 6344.46 | 6078.41 | 5038.72 | 5404.69 |
| Earning per share (Rs.) | 72.96 | 41.68 | 48.35 | 48.06 |
| Dividend per Share (Rs.) | 2.00 | 2.00 | 8.00 | 8.00 |

Year in Retrospect

During the year under review, total income of the Company was Rs. 5106.24 Lacs as against Rs.5755.67 Lacs in previous year ended 31st March, 2013. Profit before tax was Rs. 1260.28 Lacs as against Rs. 1293.55 Lacs in the previous year. Profit after tax for the year under review was Rs. 819.73 Lacs as against Rs. 945.21 lacs during the previous year. Your Directors are putting in their best efforts to further improve the performance of the Company.

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

Material changes etc.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company 31st March, 2014 and the date of this Report.

Dividend

Your Directors have recommended a dividend of Rs. 2.00 per equity share (last year Rs. 8.00 per equity share) for the financial year ended March 31, 2014, amounting to Rs.39.33 Lac (exclusive of Dividend tax of Rs. 6.68 Lac). The dividend will be paid to members whose names appear in the Register of Members as on 20th September 2014; in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

Transfer to Investors Education and Protection Fund

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 27, 2013 (date of last Annual General Meeting) on the Company's website (www.eldecogroup.com), as also on the Ministry of Corporate Affairs website.

Public Deposits

As at 31st March, 2014, the Company held Fixed Deposits of Rs. 70.60 lacs from the Public, Shareholders and Employees, out of which deposits for Rs. 5.30 lacs, due for repayment on or before 31st March, 2014 were not claimed by depositors as on that date.

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

- 1. Conservation of Energy:** Your Company is conscious about energy consumption and environmental issues related with it. It is continuously making sincere efforts towards conservation of energy and optimizing its usage in all aspects of operations.
- 2. Technology Absorption:** The Company is taking advantage of the latest developments and advancements in the Construction Industry. The Company is using indigenous technology which is well established in the Country and no foreign technology/ know how was purchased. The Company has not incurred any R & D expenditure during the year.

- 3. Export Activities:** There was no export activity in the Company during the year under review. The company is not planning any export in the near future, as well.
- 4. Foreign Exchange Earnings and Outgo:** There was no Foreign Exchange Earning and Outgo during the year under review.

Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules, 2011, and hence no particulars are required to be disclosed in this Report.

Subsidiary Companies and Consolidated Financial Statements

As on date there are following subsidiaries of the Company:

1. Aadesh Constructions Private Limited
2. Bliss Constructions Private Limited
3. Carnation Realtors Private Limited
4. Deepjyoti Constructions Private Limited
5. Facility Constructions Private Limited
6. Fixity Constructions Private Limited
7. Garv Constructions Private Limited
8. Halwasiya Agro Industries Limited
9. Iris Realtors Private Limited
10. Khwahish Constructions Private Limited
11. Mahal Constructions Private Limited
12. Milaap Constructions Private Limited
13. Neo Realtors Private Limited
14. Neptune Infracon Private Limited
15. Numerous Constructions Private Limited
16. Perpetual Constructions Private Limited
17. Prasiddhi Constructions Private Limited
18. Primacy Constructions Private Limited
19. Samarpit Constructions Private Limited
20. Shivaye Constructions Private Limited
21. Suniyojit Constructions Private Limited
22. Sushobhit Constructions Private Limited
23. Swarg Constructions Private Limited
24. Swarnim Nirman Private Limited
25. Villa Constructions Private Limited

In accordance with the General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the

subsidiary companies are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same.

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

Corporate Governance

The Company has complied with the provisions of Clause 49 of the Listing Agreement relating to the Corporate Governance. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. A Certificate from M/s R & D Company Secretaries confirming compliance of conditions of Corporate Governance as stipulated under Clause 49, is also annexed to the Report on Corporate Governance.

Directors

Pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting. Consequently, Mr Shiv Kumar Garg, Director, will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

Further as per Section 149(5) of the Companies Act, 2013 the Company is required to appoint Independent Directors under Section 149(4) within a period of one year from 1.4.2014 i.e. the date of commencement of the said Section and Rules made thereunder. Since the Company had already appointed Mr Rahul Aggarwal, Mr Anil Tiwari, Mr Ashish Jain and Mr Ranjit Khattar as Non-Executive Independent Directors subject to retirement by rotation in the past, in terms of Companies Act, 1956 and the Listing Agreement, the Board of Directors in their meeting held on August 13, 2014 after consideration has recommended to reappoint all the aforesaid Directors as Non-Executive Independent Directors within the meaning of Section 149 and 152 [including Section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years. Your Directors recommend their appointment /re-appointment 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, will retire at the conclusion of the ensuing Annual General Meeting and being eligible; offer themselves for re-appointment as Statutory Auditors for the financial year 2014-15. Pursuant to Section 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate dated 13th August, 2014 from the Auditors to the effect, inter-alia, that their re-appointment, if made, would be within the limits laid down by the Act, shall be as per the terms provided under the Act, that they are not disqualified for such re-appointment under the provisions of applicable laws and also that there is no proceeding against them or any of their partners pending with respect to professional matter of conduct.

Auditors' Report

The observations of the Auditors, together with the notes to accounts referred to in the Auditors' Report, are self-explanatory and do not call for any further explanation from the Directors.

Secretarial Compliance Certificate

In terms of the provisions of Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 and Notification issued by Ministry of Corporate Affairs, the company is not required to take Compliance Certificate u/s 383A of the Companies Act, 1956 as the company has a Whole Time Company Secretary.

Directors' Responsibility Statement

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

- a. in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. The Directors have prepared the Annual Accounts on a going concern basis.

Listing

The Equity shares of the Company are presently listed at BSE Ltd, Mumbai and U.P. Stock Exchange Ltd, Kanpur. The Company has already paid listing fees to these Stock Exchanges for the financial year 2014-2015.

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
Eldeco Housing and Industries Ltd

Date: 13th August, 2014
Place: Lucknow

S K Garg
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Cautionary Statement

Certain Statements found in the Management Discussion and Analysis may constitute "Forward Looking Statements" within the meaning of applicable securities laws and regulations. These forward looking statements involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause our actual results, performance or achievements to be different from any future results, performance and achievements expressed or implied by these statements.

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

Eldeco City, the integrated township in 113 Acres at I.I.M Road in partnership with a reputed FDI entity, is fast taking shape. Possessions in Sector A are in process and many families have moved in. The Company has allotted approximately 780 villas in the township. Most of the units of Sector A are ready and offer of possession for 385 units has already been released, out of which possession of 169 units is already done. The complex has been widely appreciated by every visitor for its ambience, low-rise open layout and the infrastructure. Work of Sector B is going on a fast pace and we should be in a position to offer possession of further 300 units in a year's time. **Eldeco City Breeze**, a group housing project located within Eldeco City, comprises of approximately 2 Lacs sq. ft of built up area. 60% of the units at Eldeco City Breeze have been booked and the construction is progressing as per schedule.

Construction at **Eldeco Saubhagyam**, a group housing project consisting of approximately 11.50 lac sq. ft built up area at Shaheed Path, Raibareilly Road, is going on in full swing. The structure work of 6 towers is at advance stage of completion with finishing work going on in 4 towers. The structure of the club and central basement is completed. In terms of Sales, majority of the units have been sold out. Possessions should start in the second half of 2015.

The structure of **Eldeco Eternia**, a premium group housing of more than 3.50 Lacs sq. ft of built up area at Sitapur Road is completed and finishing work of the building is in progress. Integrated with Eldeco Eternia is the proposed high end block- **Eldeco Merville**. Eldeco Merville consists of 2 towers out of which one tower was launched in the year 2013-2014. Out of total 48 units launched, more than 55% of the units are sold.

Last year **Eldeco Elegance**, a high end apartment complex in Gomti Nagar was completed. This project has received much acclaim in the local market. We are in discussion with the representative group of allottees at Eldeco Elegance for formation of RWA and initiating the process of handover of the common services.

Construction at **Eldeco Elegante**, a commercial project consisting of approx 49000 sqft built up area at Vibhuti Khand, Gomti Nagar, Lucknow, is going on in full swing. In terms of sales, more than 55% of the units have been sold out.

In the year 2013-14, the commercial office market space remained sluggish due to macro economic factors. The Company's State-of-the-art Office complexes, **Eldeco Corporate Chamber-2 & Eldeco Corporate Tower** being operational and are already an address of some esteemed organizations. We will endeavor to lease or sell out the remaining spaces in these projects during 2014-15.

Eldeco Samridhi, the project comprising of plots and villas spread in approx 8 acres, was launched in 2013-14, which got a steady response from the market. **Eldeco Shaurya**, a mini township project spread in approx 37 acres situated at Bijnore road, Lucknow consisting of Plotted development & Group Housing, was launched in 2013-14, which got an enormous response from the market. Out of 180 plots and 46 villas launched by the company more than 90% of the units were sold out.

Five star CRISIL Rating for Eldeco Saubhagyam and Eldeco City was renewed this year.

Forthcoming Projects Plan:

- Land acquisition is under process for Sultanpur Road Township project, a township of 200 acres.
- Eldeco Shaurya, a mini township project which has been launched on Bijnore road, Lucknow. The Company proposes to launch Group Housing in the project after the receipt of approvals. The Company also proposes marginal expansion of the township by tying up adjacent lands.
- The Company proposes to launch "Eldeco Towne - II" in partnership with a reputed FDI entity at Sitapur Hardoi Bypass, near IIM, Lucknow after the receipt of approvals. It comprises of apartments, Independent Villas, Independent Floor, EWS, Commercial Block, Club etc.

Industry Structure & Developments

The Indian real estate sector has come a long way and is today one of the fastest growing markets in the world. It comprises four sub-sectors - housing, retail, hospitality, and commercial. While housing contributes to five-six percent of India's gross domestic product (GDP), the remaining three sub-sectors are also increasing at a fast pace. The total realty market in the country is expected to touch US\$ 180 billion by 2020.

Real estate in India is being recognised as an infrastructure service that is driving the economic growth engine of the country. Growing infrastructure requirement in diverse sectors such as tourism, education, healthcare, etc., are offering several investment opportunities for both domestic as well as foreign investors. Total investment by private equity (PE) funds in the real estate sector from January-March 2014 was approximately Rs 28 billion (US\$ 465.19 million). This is a substantial increase of 28 per cent compared to the previous quarter and close to 2.5 times the investments during January-March 2013.

The role of the Government of India has been instrumental in the development of the sector. With the government trying to introduce developer and buyer friendly policies, the outlook for the real estate sector in 2014 does look promising. The Government of India has allowed FDI up to 100 per cent in development projects for townships and settlements. Hundred per cent FDI is also permitted in the hotel and tourism sector through the automatic route.

A committee on Streamlining Approval Procedure for Real Estate Projects (SAPREP) was constituted by the Ministry of Housing & Urban Poverty Alleviation (MHUPA) to streamline the process of seeking clearances for real estate projects.

Market Size/ Growth Prospects

The market size of the Indian real estate sector stood at US\$ 55.6 billion in 2010-11 and is expected to touch US\$ 180 billion by 2020. In fact, the demand is expected to grow at a compound annual growth rate (CAGR) of 19 per cent in the period 2010-2014, with Tier I metropolitan cities expected to account for about 40 per cent of this growth.

The number of new launches in the residential segment during the first quarter of 2014 has increased by 43 per cent at 55,000 units across eight major cities. Bengaluru recorded the largest number of units launched at an increase of 22 per cent at 16,838 units, followed by Mumbai and Chennai, according to a report by Cushman & Wakefield.

Investments

New supply of retail space in shopping malls in India's top seven cities is expected to more than double to 11.7 million sq ft in 2014. This will take up the mall stock across India's metropolitan cities to 87.7 million sq ft by the end of the year, according to a report by Jones Lang LaSalle, a global real estate consultancy giant.

The construction development sector, including townships, housing, built-up infrastructure and construction-development projects garnered total foreign direct investment (FDI) worth US\$ 23,131.64 million in the period April 2000-February 2014. Construction (infrastructure) activities during the period received FDI worth US\$ 2,462.60 million, according to the Department of Industrial Policy and Promotion (DIPP).

References: <http://www.ibef.org>

Opportunities and Threats

In the face of rapid urbanization, the basic infrastructure of the cities is unable to cope up the rising demand which has resulted in shortage in the residential sector alone. Housing activities have both forward and backward linkages which not only contribute to capital formation, generation of employment, and income opportunities but also to economic growth. Estimates show that every rupee invested in housing and construction adds 78 paise to the GDP. The demand for better lifestyle has enhanced consumption levels and rapid growth in several areas like township development with state of art facilities, commercial space and mall construction. The Company with its wide portfolio is expected to benefit from improvement in lifestyle and higher aspiration levels. With enhanced banking facilities and easy availability of consumer credit especially home loans there seems to be a seemingly unending prospect of future growth and unprecedented revenues. A number of incentives/ initiatives are being taken for promoting affordable housing such as allowing external commercial borrowing (ECB) for low cost affordable housing projects

A major policy concern for India is the widening gap between demand and supply of housing units and inadequate housing finance solutions. Nearly 30 per cent of the country's population lives in cities and urban areas and this figure is projected to reach 50 per cent in 2030. The present urban housing shortage is 18.78 million units of which 95.6 per cent is in economically weaker sections (EWS) / low income group (LIG) segments and requires huge financial investment. Further, stringent government regulations regarding environment and forest cover and various safety regulations could bring in new complexities and cost increase for the industry, impacting the Company's business.

Outlook on Risks & Concerns

The Indian construction and real estate sector continues to be a favoured destination for global investors. Several large global investors, including a number of sovereign funds, have taken the first move by partnering with successful local investors and developers for investing in the Indian real estate market. This is expected to result in high transaction activity, especially in income yielding commercial office assets during 2014. The residential asset class looks to have great potential for growth. "With housing requirements growing across cities and funds investing in the asset class primarily in the form of NCDs providing fixed returns, investments in the right project have the potential to yield healthy returns," said Mr Sanjay Dutt, Executive Managing Director - South Asia, Cushman & Wakefield. Further, demand for space from sectors such as education and healthcare has opened up ample opportunities in the real estate sector.

ELDECO derive all income from business in India. Consequently, ELDECO performance, the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in and affecting India.

Internal Control System and their Adequacy

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

Some significant features of the internal control systems are:

- ✓ Preparation and monitoring of annual budgets for all operating and service functions;
- ✓ A well-established multi-disciplinary Internal Audit team, which reviews and reports to management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks.
- ✓ Audit Committee of the Board of Directors, comprising independent directors, regularly reviews the audit plans,

significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any;

- ✓ Anti-fraud programmes.

The Board takes responsibility for the total process of risk management in the organisation. The Audit Committee reviews reports covering operational, financial and other business risk areas. The business risk is managed through cross functional involvement and communication across businesses. The results of the risk assessment and residual risks are presented to the senior management.

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 resource continues to be the backbone of ELDECO business. The Company lays strong emphasis on attracting and retaining the best talent. Personal developmental initiatives including training, both technical and managerial, are regularly conducted to enhance human potential. ELDECO had 67 employees on roll.

The Company's objective going forward would be to nurture and harness core management teams and explore outsourcing which will enable us to enhance management bandwidth and focus.

Financial Performance Vis-à-vis Operational Performance

In a challenging environment, the Company has been able to grow its revenues and profits. Whilst the Company's profit after tax is Rs. 819.73 Lacs against Rs. 945.21 Lacs in the previous year, the margins were under pressure mainly due to the rising input costs. The following table sets forth the breakup of the Company's expenses as part of the net revenue.

| Particulars | Financial Year ended | | | |
|---|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| | 31st March 2014 Consolidated | 31st March 2014 Standalone | 31st March 2013 Consolidated | 31st March 2013 Standalone |
| Revenue: | | | | |
| 1) Revenue from operations | 6925.71 | 4741.05 | 9607.55 | 4665.59 |
| 2) Other Income | 463.15 | 365.19 | 787.81 | 1090.08 |
| Total Revenue | 7388.86 | 5106.24 | 10395.36 | 5755.67 |
| Expenses: | | | | |
| 1) Expenditure | 8431.01 | 6474.07 | 10101.22 | 4967.84 |
| 2) Changes in Inventories of Finished Stock & Project in Progress | (3003.83) | (2628.11) | (1369.90) | (505.72) |
| Total Expenses | 5427.18 | 3845.96 | 8731.32 | 4462.12 |
| Profit before tax | 1961.68 | 1260.28 | 1664.04 | 1293.55 |

| | | | | |
|---|----------------|---------------|---------------|---------------|
| Tax Expenses: | | | | |
| i) Current Tax | 684.61 | 447.71 | 701.88 | 351.49 |
| ii) Tax related to previous years | (1.06) | - | 2.98 | - |
| iii) Deferred Tax | (6.77) | (7.15) | (3.06) | (3.15) |
| Profit After Tax | 1284.90 | 819.73 | 962.24 | 945.21 |
| Previous Balance in Profit & Loss Account | 5038.72 | 5404.69 | 4471.97 | 4843.55 |
| Minority Interest | (0.01) | - | 0.02 | - |
| Shares of Profits of Associates (Net) | 166.86 | - | (11.43) | - |
| Profit available for appropriation | 6490.47 | 6224.42 | 5422.79 | 5788.76 |
| Less: Proposed dividend | 39.33 | 39.33 | 157.33 | 157.33 |
| Tax on proposed dividend | 6.68 | 6.68 | 26.74 | 26.74 |
| Transfer to general reserve | 100.00 | 100.00 | 200.00 | 200.00 |
| Balance in Profit & Loss Account | 6344.46 | 6078.41 | 5038.72 | 5404.69 |
| Earning per share (Rs.) | 72.96 | 41.68 | 48.35 | 48.06 |
| Dividend per Share (Rs.) | 2.00 | 2.00 | 8.00 | 8.00 |
| | | | | |

REPORT ON CORPORATE GOVERNANCE

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled so as to fulfill its goal and objectives in a manner that adds to the value of the company and benefit to all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the Board of Directors, management, and shareholders to customers, suppliers, financiers, employees and society at large. Strong and improved Corporate Governance practices are indispensable in today's competitive world and complex economy.

ELDECO looks at Corporate Governance requirements as an integral part of business strategy which contributes to business growth in ethical perspective. Besides complying with the prescribed corporate practices as per Clause 49 of the Listing Agreement, the Company has voluntarily adopted various practices of governance in terms of highest ethical and responsible standard of business, globally benchmarked.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports ELDECO compliance with Clause 49 of Listing Agreement highlighting the additional initiatives taken in line with international best practices.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

ELDECO's philosophy is to view Corporate Governance from the viewpoint of business strategy rather than mere compliance norms. Strong governance practices of the Company have been rewarded in terms of improved share valuations, stakeholder's confidence, market capitalization, high credit ratings etc. This has helped ELDECO to pay uninterrupted dividends to its shareholders.

The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide the management with the strategic direction catering to exigency of long term shareholders value. It's initiatives towards adhering to highest standards of governance include self governance, professionalization of the Board, fair and transparent processes and reporting systems and going beyond the mandated Corporate Governance Code requirements of SEBI. Being a value driven organization the Company envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations including everyone it works with, the community it is in touch with and the environment it has an impact on.

2. BOARD OF DIRECTORS

The Company maintains an optimum combination of Executive, Non-Executive and Independent Directors. The Board consists of total Eight (8) directors as on 31st March 2014. Mr. S K Garg is the Executive Chairman of the Company and Mr Pankaj Bajaj is the Managing 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, 2014:

| Name of the Director & Designation | Category | No. of positions held in other Public Companies ¹ | | |
|---|---------------------------|--|------------|--------------|
| | | Board | Committee | |
| | | | Membership | Chairmanship |
| S.K. Garg Executive Chairman | Executive Promoter | 4 | - | - |
| Pankaj Bajaj Managing Director | Executive Promoter | 1 | 1 | - |
| Shrikant Jajodia ² Director | Non-Executive Promoter | 2 | - | - |
| Arvind Bajaj Director | Non-Executive Promoter | 1 | - | - |
| Anil Tiwari Director | Non-Executive Independent | - | - | - |
| Ranjit Khattar Director | Non-Executive Independent | 1 | - | - |
| Ashish Jain Director | Non-Executive Independent | - | - | - |
| Rahul Aggarwal ³ Director | Non-Executive Independent | - | - | - |

¹excludes directorships in Associations, Private, Foreign and Section 25 companies

²Change in designation from Whole Time Director to Director w.e.f. 1st October, 2013

³Appointed w.e.f. 2nd August, 2013.

Directors' Attendance Record

During the period 01.04.2013 to 31.03.2014, 5 (five) meetings of the Board of Directors were held on 08.04.2013, 30.05.2013, 02.08.2013, 13.11.2013 and 05.02.2014. The Board was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Board Meetings held. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in Clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during this period are as under:

| Name of the Director | No. of Board Meeting | Attendance at the Board Meeting | Whether attended Last AGM |
|--------------------------------|----------------------|---------------------------------|---------------------------|
| S.K. Garg | 5 | 5 | Yes |
| Pankaj Bajaj | 5 | 5 | Yes |
| Shrikant Jajodia | 5 | 3 | Yes |
| Arvind Bajaj | 5 | 0 | No |
| Anil Tiwari | 5 | 5 | Yes |
| Ranjit Khattar | 5 | 0 | Yes |
| Ashish Jain | 5 | 1 | Yes |
| J.P. Bhargava ¹ | 2 | 2 | NA |
| Mr Rahul Aggarwal ² | 3 | 0 | Yes |

¹Mr. J.P.Bhargava ceased to be a Director w.e.f. 10th June, 2013 due to his sudden demise.

²Appointed w.e.f. 2nd August, 2013

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

Brief particulars of Directors who are appointed/re-appointed in this AGM are as follows:

| Particulars | Mr Anil Tiwari | Mr Ashish Jain | Mr Ranjit Khattar |
|--|---|---|---|
| | (1) | (2) | (3) |
| DIN | 02132374 | 00483052 | 00726997 |
| Father's Name | Late Shri Rama Kant Tewari | Mr. Brij Mohan Jain | Late A.R. Khattar |
| Date of Birth | 28/06/1951 | 20/09/1971 | 16/09/1959 |
| Address | 68, Vishnu Puri, Aliganj, Lucknow- 226024 Uttar Pradesh | 10 Underhill Lane, Civil Lines, Delhi-110 054 | R-785, New Rajinder Nagar, New Delhi- 110 060 |
| Designation | Director | Director | Director |
| Education | M.A.,LL.B | Mechanical Engineer and MBA | Chartered Accountant |
| Experience | Over 31 years' experience in Banking Sector | Over 14 years' experience in Management | Over 31yrs experience as Practicing Chartered Accountant |
| Companies in which holds Directorship* | Nil | Nil | 1 |
| Companies in which holds membership of committees* | Nil | Nil | Nil |
| Shareholding in the Company (No. & %) | Nil | Nil | Nil |

| Particulars | Mr Rahul Aggarwal | Mr Shiv Kumar Garg |
|---------------|--|---|
| | (4) | (5) |
| DIN | 01588598 | 00166035 |
| Father's Name | Mr. Naresh Kumar Gupta | Late Dr. K.L. Garg |
| Date of Birth | 26/02/1970 | 06/02/1942 |
| Address | R-64, Greater Kailash-I New Delhi 110 048 | 289, Hemkanha, Eldeco Greens, Gomti Nagar Lucknow-226 010 Uttar Pradesh |
| Designation | Director | Executive Chairman |
| Education | B Pharm., PGDM | AMIE |

| | | |
|--|---|---|
| Experience | 20 years of experience in Private Equity, Manufacturing , Business Development and Company Management | Over 39 years Experience as Industrialist |
| Companies in which holds Directorship* | Nil | 4 |
| Companies in which holds membership of committees* | Nil | Nil |
| Shareholding in the Company (No. & %) | Nil | Nil |

* Only Public Companies included.

4. COMMITTEES OF BOARD OF DIRECTORS

ELDECO has four Board level Committees:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Corporate Social Responsibility Committee

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for members of various Committees. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

I. AUDIT COMMITTEE

Composition

As on 31st March, 2014, the Audit Committee of the Company comprises the following directors:

1. Mr Anil Tiwari - Chairman (Independent Director)
2. Mr Ranjit Khattar- Member (Independent Director)
3. Mr. S K Garg - Member (Executive Promoter)

Ms Shruti Gupta, Company Secretary is the Secretary of the Committee.

Meetings & Attendance

During the financial year 2013-14 the Audit Committee held 4 (four) meetings on 30.05.2013, 01.08.2013, 06.11.2013 and 27.01.2014. The intervening period between the Audit Committee Meetings was well within the maximum time gap of four months as prescribed in Clause 49 of the Listing Agreement. Details of attendance of members in the Audit Committee meeting during this period are as under:

| Name of the Director | Category | No of Audit Committee Meeting | Attendance at the Audit Committee Meeting |
|--------------------------------|----------------------------------|-------------------------------|---|
| Mr. Anil Tiwari | Chairman Independent Director | 4 | 4 |
| Mr. S K Garg | Member Executive Promoter | 4 | 4 |
| Mr. J P Bhargava ¹ | Member Independent Director | 1 | 1 |
| Mr Ranjit Khattar ² | Member Independent Director | 3 | 3 |

¹Mr. J.P.Bhargava ceased to be Director w.e.f 10th June, 2013 due to his sudden demise.

²Mr Ranjit Khattar was inducted as Member of Audit Committee w.e.f. 27th July, 2013.

Role and Power of Audit Committee

All members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the Annual General Meeting (AGM) held on September 27, 2013 to answer shareholders` queries. 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 the 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/Vigil 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).

II. NOMINATION AND REMUNERATION COMMITTEE

(formerly known as Remuneration Committee)

Composition

As on 31st March, 2014, the Nomination and Remuneration Committee consists of three Directors, all of them being non-executive and independent directors.

1. Mr Anil Tiwari - Chairman (Independent Director)
2. Mr Ranjit Khattar - Member (Independent Director)
3. Mr Ashish Jain - Member (Independent Director)

Ms Shruti Gupta, Company Secretary is the Secretary of the Committee.

Meetings & Attendance

During the period 01.04.2013 to 31.03.2014, 1 (One) meeting of the Nomination and Remuneration Committee was held on 07.10.2013. 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 | No. of Nomination and Remuneration Committee meeting | Attendance at the Nomination and Remuneration Committee Meeting |
|----------------------|---------------------------------|--|---|
| Mr Anil Tiwari | Chairman (Independent Director) | 1 | 1 |
| Mr Ranjit Khattar | Member (Independent Director) | 1 | 1 |
| Mr Ashish Jain | Member (Independent Director) | 1 | 1 |

The Nomination and 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 Nomination and Remuneration Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary.

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 2013-14 except sitting fee for attending Board meetings.

Details of the Directors' Remuneration for the financial year ended 31st March, 2014

| 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 | 36,00,000 | Nil | Nil | 36,00,000 | Nil |
| Pankaj Bajaj | Nil | Nil | Nil | Nil | 570700 (29.02) |
| Shrikant Jajodia | 18,49,063 | Nil | Nil | 18,49,063 | Nil |
| Arvind Bajaj | Nil | Nil | Nil | Nil | 1,92,100 (9.77) |
| J.P. Bhargava ¹ | Nil | Nil | 3500 | 3500 | Nil |
| Anil Tiwari | Nil | Nil | 12500 | 12500 | Nil |
| Ranjit Khattar | Nil | Nil | Nil | Nil | Nil |
| Ashish Jain | Nil | Nil | 500 | 500 | Nil |
| Rahul Aggarwal ² | Nil | Nil | Nil | Nil | Nil |

¹ Mr. J.P. Bhargava ceased to be a Director w.e.f. 10th June, 2013 due to his sudden demise.

² Appointed w.e.f. 2nd August, 2013

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

(formerly known as Investors' Grievance Committee)

Composition

As on 31st March, 2014, the Stakeholders Relationship Committee consists of three Directors, the Chairman being non-executive:

1. Mr. Anil Tiwari - Chairman (Independent Director)
2. Mr. Ashish Jain- Member (Independent Director)
3. Mr. S K Garg - Member (Executive Promoter)

Ms Shruti Gupta, Company Secretary is the Secretary of the Committee.

Attendance

During the period 01.04.2013 to 31.03.2014, 10 (Ten) meetings of the Stakeholders Relationship Committee were held on 04.06.2013, 03.08.2013, 30.09.2013, 12.10.2013, 20.11.2013, 09.12.2013, 23.12.2014, 11.01.2014, 19.02.2014 and 12.03.2014. 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 | No of Stakeholders Relationship Committee Meeting | Attendance at the Stakeholders Relationship Committee Meeting |
|------------------------------|---------------------------------|---|---|
| Mr Anil Tiwari | Chairman (Independent Director) | 10 | 10 |
| Mr S K Garg | Member (Executive Promoter) | 10 | 10 |
| Mr J P Bhargava ¹ | Member (Independent Director) | 1 | 0 |
| Mr Ashish Jain ² | Member (Independent Director) | 9 | 9 |

¹Mr J.P.Bhargava ceased to be director w.e.f 10th June, 2013 due to his sudden demise.

²Mr Ashish Jain was inducted as Member of Stakeholders Relationship Committee w.e.f. 2nd August, 2013.

The Committee was constituted 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.

During the year, the Company received 4(Four) complaint from the shareholders. The Complaints were resolved. There were 2 pending complaints from the shareholders as on 31st March, 2014 which were subsequently resolved.

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

Composition

Subsequent to the end of the financial year 2013-14, the Board of Directors of the company, in their meeting held on 30th May, 2014, constituted a Corporate Social Responsibility Committee consisting of three Directors, the Chairman being non-executive:

1. Mr Anil Tiwari - Chairman (Independent Director)
2. Mr Pankaj Bajaj- Member (Managing Director)
3. Mr S K Garg - Member (Executive Chairman)

Ms Shruti Gupta, Company Secretary is the Secretary of the Committee.

The role of Corporate Social Responsibility (CSR) Committee is as under:-

- (a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in line with the provisions of the Companies Act, 2013.
- (b) Recommend the amount of expenditure to be incurred on CSR activities, and
- (c) Monitor the CSR Policy of the company from time to time.

5. GENERAL BODY MEETINGS

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

| Date | Year | Venue | Time | No.(s)of Special Resolution passed |
|----------------------|---------|--|-----------|------------------------------------|
| 27th September, 2013 | 2012-13 | Hotel Express Sarovar Portico, Sector-39, Surajkund, Faridabad-121010, Haryana | 3.00 p.m. | Nil |
| 28th September, 2012 | 2011-12 | Hotel Express Sarovar Portico, Sector-39, Surajkund, Faridabad-121010, Haryana | 2:30 p.m | 1 |
| 24th September, 2011 | 2010-11 | Hotel The Suryaa New Delhi, New Friends Colony, New Delhi-110065 | 3.00 p.m. | 1 |

Special Resolution passed during the last three Annual General Meetings.

| Date | Year | Business passed |
|----------------------------------|---------|---|
| 28 th September, 2012 | 2011-12 | ➤ Re-appointment of Mr. Shrikant Jajodia as Whole Time Director of the Company for 3 years w.e.f. 1 st December 2012 |
| 24 th September, 2011 | 2010-11 | ➤ Re-appointment of Mr. S.K. Garg as Whole Time Director and designated as Executive Chairman for 5 years w.e.f. 15th May, 2011 |

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.

6. SUBSIDIARY COMPANIES

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any material non-listed Indian subsidiary company [Under Clause 49 of the Listing Agreement, a "material non-listed Indian subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. Paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year] 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.

7. DISCLOSURES

(a) Related Party Transactions

There are no materially significant related party transactions with its Promoters, the Directors, Key Managerial Personnel, 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. 37 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, Structures

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.

8. 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

9. 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:** The Company's quarterly results are published in 'Financial Express' (English) and 'Jansatta' (Hindi), and are displayed on its website (www.eldecogroup.com)
- c) **Website:** The Company's website is www.eldecogroup.com
- d) **Annual Report:** The Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website (www.eldecogroup.com).
- e) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

10. GENERAL SHAREHOLDERS INFORMATION**i) Annual General Meeting**

| | |
|------------------------------|--|
| Date & Time | Friday, 26 th September, 2014 at 3:00 pm |
| Venue | Hotel Express Sarovar Portico, Sector-39, Surajkund, Faridabad, Haryana-121010 |
| Date of Book Closure | 20 th September, 2014 - 26 th September, 2014 (both dates inclusive) |
| Dividend Payment Date | Latest by 25 th October, 2014 |

ii) Financial Calendar

| Events | Tentative time frame |
|--|---|
| Financial Reporting for the first quarter ended 30 th June, 2014 | On or before 14 th August, 2014 |
| Financial Reporting for the second quarter ending 30 th September, 2014 | On or before 14 th November, 2014 |
| Financial Reporting for the third quarter ending 31 st December, 2014 | On or before 14 th February, 2014 |
| Financial Reporting for the fourth quarter ending 31 st March, 2015 | On or before 30 th May, 2015 (Audited) |

iii) Listing on Stock Exchanges

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

BSE Ltd (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 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 2014-15.

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 13 | 218.50 | 156.50 | 401 | October 13 | 168.00 | 142.70 | 449 |
| May 13 | 185.55 | 161.55 | 379 | November 13 | 205.00 | 150.00 | 3,657 |
| June 13 | 169.60 | 143.00 | 1,792 | December 13 | 207.95 | 179.65 | 16,635 |
| July 13 | 219.00 | 145.00 | 10,268 | January 14 | 186.00 | 143.00 | 65,088 |
| August 13 | 204.30 | 165.00 | 5,837 | February 14 | 178.50 | 155.00 | 11,284 |
| September 13 | 180.50 | 160.00 | 640 | March 14 | 180.40 | 140.05 | 47,039 |

Source: www.bseindia.com

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

vi) Registrar and Transfer Agents

M/s 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 15 days from the date of lodgment, 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 15 days.

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

M/s Skyline Financial Services Private Limited,

D-153/A, 1st Floor,
Okhla Industrial Area Phase -1,
New Delhi-110 020
Tel- 011-26292682-83
E-Mail: info@skylinerta.com
parveen@skylinerta.com

vii) Reconciliation of Share Capital

A qualified practicing Company Secretary carried out a Reconciliation of Share Capital 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, 2014 is given below:-

| Category | No. of Shares | % |
|---|---------------|-------|
| Promoters | | |
| a) Individuals / Hindu Undivided Family | 1143500 | 58.15 |
| b) Bodies Corporate | 10000 | 0.51 |

| | | |
|--|----------------|--------------|
| Total (A) | 1153500 | 58.65 |
| Public Shareholding (Non Institution) | | |
| a) Bodies Corporate | 173266 | 8.81 |
| b) Individuals/HUF | 605314 | 30.77 |
| c) NRI/OCB's | 34378 | 1.75 |
| d) Clearing Member/ House | 142 | 0.01 |
| Total (B) | 813100 | 41.35 |

ix) Distribution of Shareholding

Distribution of Shareholding of the Company as on 31st March, 2014 is as following:

| Range of Shares | Shareholders' Numbers | % to Total Number | No. of Shares held | | | | % to total Capital |
|------------------|-----------------------|-------------------|--------------------|----------------|---------------|----------------|--------------------|
| | | | Physical | NSDL | CDSL | Total | |
| Up to 5,000 | 2198 | 98.21 | 139000 | 222902 | 73551 | 435453 | 22.14 |
| 5,001 -10,000 | 17 | 0.76 | 14500 | 90733 | 22565 | 127798 | 6.5 |
| 10,001 - 20,000 | 14 | 0.63 | 19000 | 113150 | 61016 | 193166 | 9.82 |
| 20,001 -30,000 | 3 | 0.13 | 0 | 50818 | 25300 | 76118 | 3.87 |
| 30,001 -40,000 | 1 | 0.04 | 0 | 39265 | 0 | 39265 | 2.00 |
| 40,001 -50,000 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| 50,001-1,00,000 | 2 | 0.09 | 0 | 63400 | 84400 | 147800 | 7.52 |
| 1,00,001 & Above | 3 | 0.13 | 0 | 947000 | 0 | 947000 | 48.15 |
| TOTAL | 2238 | 100.00 | 172500 | 1527268 | 266832 | 1966600 | 100.00 |

x) Dematerialization of Shares

The shares of the Company are in dematerialized segment and are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March 2014 about 91.23% (previous year 90.03%) 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:

IInd Floor, Eldeco Corporate Chamber- I,
Vibhuti Khand, Gomti Nagar,
Lucknow-226 010
Phone: 0522-4039999
Fax No. 0522-4039900
E-mail: shareholdercomplaint@eldecohousing.co.in

CEO/CFO Certification

We, Pankaj Bajaj, Managing Director and Sushil Dutt Mishra, Chief Financial Officer, responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 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.

Sd/-

Sd/-

Date : 13.08.2014
Place: Lucknow

Pankaj Bajaj
Managing Director

Sushil Dutt Mishra
Chief Financial Officer

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
M/s 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, 2014, 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 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: 10.08.2014
Place: Delhi**

**Debabrata Deb Nath
Partner
ACS: 23935; CP: 8612**

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eldeco Housing & Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Eldeco Housing & Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of

India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place: Lucknow
Dated: 30th May, 2014

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

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the accounts of Eldeco Housing & Industries Limited for the year ended 31st March, 2014)

1. (a) The Company has maintained proper records showing 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 systems commensurate with the size of the company and nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods 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 system.
5. (a) In our opinion 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 entered in to the register required to be maintained in pursuance of section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year have generally 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 of the Company & nature of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to companies (cost accounting records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima-facie, the prescribed records have been maintained, however we have not made a detailed examination of such records to ascertain whether they are accurate or complete.
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 Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise duty, Customs Duty, Cess which have not been deposited on account of any dispute, except the followings

| Name of the Statute | Nature of the dues/Period to which it relates | Amount (in Rs) | Forum where dispute is pending |
|---------------------|---|----------------|---|
| Income Tax Act | Income Tax/ A.Y. 2009-10 | 2,15,355 | ITAT, Agra |
| Trade Tax Act | Vat/ F.Y.2009-10 | 8,27,649 | Addl. Commissioner Appeals – II – Trade Tax, Agra |

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 of Rs. 106.29 Lacs. The aforesaid Bank has closed down its operations. The Company has however applied for adjustment of the outstanding against FDRs.

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, term loan raised have been applied for the purpose for which they were received.
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. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to Parties and Companies /firms/parties 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)

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

Place: Lucknow
 Dated: 30th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in Rupees unless otherwise stated)

| PARTICULARS | NOTE | As At 31st March, 2014 | As At 31st March, 2013 |
|------------------------------------|------|-------------------------|-------------------------|
| I. EQUITY AND LIABILITIES : | | | |
| 1 SHAREHOLDERS' FUNDS: | | | |
| a. Share Capital | 2 | 19,666,000.00 | 19,666,000.00 |
| b. Reserves and Surplus | 3 | 699,367,183.44 | 621,995,780.47 |
| 2 NON CURRENT LIABILITIES | | | |
| a. Long Term Borrowings | 4 | 21,317,898.00 | 35,902,358.00 |
| b. Deffered Tax Liabilities(Net) | 5 | 1,203,322.00 | 1,919,246.92 |
| c. Other Long Term Liabilities | 6 | 9,757,036.84 | 6,545,295.77 |
| d. Long Term Provisions | 7 | 10,659,647.00 | 9,654,190.00 |
| 3 CURRENT LIABILITIES | | | |
| a. Short Term Borrowings | 8 | 32,261,649.96 | 34,331,920.11 |
| b. Trade Payables | 9 | 122,886,012.03 | 181,466,872.56 |
| c. Other Current Liabilities | 10 | 998,756,707.96 | 849,642,754.09 |
| d. Short Term Provisions | 11 | 25,870,076.36 | 23,346,259.95 |
| TOTAL | | 1,941,745,533.59 | 1,784,470,677.87 |
| II. ASSETS: | | | |
| 1 Non-Current Assets | | | |
| a. Fixed Assets | 12 | | |
| (i) Tangible Assets | | 40,827,008.22 | 43,874,103.14 |
| (ii) Intangible Assets | | 1,144,827.54 | 1,451,243.13 |
| b. Non Current Investments | 13 | 79,658,972.00 | 80,027,560.00 |
| c. Long Term Loans & Advances | 14 | 21,075,908.27 | 21,135,874.22 |
| d. Other Non-Current Assets | 15 | 31,507,912.00 | 52,248,164.32 |
| 2 Current Assets | | | |
| a. Inventories | 16 | 799,970,360.65 | 499,709,597.27 |
| b. Trade Receivables | 17 | 201,769,820.94 | 158,834,074.92 |
| c. Cash and Bank Balances | 18 | 114,720,176.51 | 185,403,456.93 |
| d. Short Term Loans & Advances | 19 | 599,876,444.81 | 662,758,827.71 |
| e. Other Current Assets | 20 | 51,194,102.65 | 79,027,776.23 |
| TOTAL | | 1,941,745,533.59 | 1,784,470,677.87 |

Notes to Balance Sheet and Statement of Profit & Loss 1-42

In terms of our report 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

SHRUTI GUPTA
(Company Secretary)

Place : Lucknow
Dated : 30th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Rupees unless otherwise stated)

| PARTICULARS | NOTE | Year Ended 31st March,2014 | Year Ended 31st March,2013 |
|--|------|-------------------------------|-------------------------------|
| I REVENUE | | | |
| 1 Revenue from Operations | 21 | 474,105,214.40 | 466,559,465.86 |
| 2 Other Income | 22 | 36,519,362.42 | 109,007,904.72 |
| Total Revenue | | 510,624,576.82 | 575,567,370.58 |
| II EXPENSES | | | |
| 1 Cost of Material Consumed, Construction & Other related project cost | 23 | 482,897,952.33 | 355,661,123.92 |
| 2 Changes in Inventories of Finished Stock & Project in Progress | 24 | (262,811,016.51) | (61,423,185.10) |
| 3 Employee Benefit Expenses | 25 | 54,764,472.00 | 59,640,986.00 |
| 4 Finance Cost | 26 | 34,279,921.34 | 21,370,735.72 |
| 5 Depreciation | | 4,038,429.28 | 3,943,756.59 |
| 6 Other Expenses | 27 | 71,426,693.33 | 67,019,345.70 |
| Total Expenses | | 384,596,451.77 | 446,212,762.83 |
| III PROFIT BEFORE TAX | | 126,028,125.05 | 129,354,607.75 |
| IV Tax Expense | | | |
| i. Current Tax | | 44,771,000.00 | 35,149,000.00 |
| ii. Deferred Tax | | (715,924.92) | (314,871.59) |
| V PROFIT AFTER TAX | | 81,973,049.97 | 94,520,479.34 |
| VI EARNINGS PER EQUITY SHARE | | | |
| (Nominal value of share Rs. 10/- each) | 28 | | |
| Basic & Diluted Earnings Per Share (in Rs) | | 41.68 | 48.06 |
| Notes to Balance Sheet and Statement of Profit & Loss | 1-42 | | |

In terms of our report 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

SHRUTI GUPTA
(Company Secretary)

Place : Lucknow
Dated : 30th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Rupees)

| Particulars | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|--|------------------------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before tax and extraordinary items | 126,028,125.05 | 129,354,607.75 |
| Adjustment for : | | |
| Profit on sale of Fixed Assets | (169,326.87) | - |
| Loss on sale of fixed asset | 39,801.11 | - |
| Depreciation | 4,701,481.28 | 4,606,808.59 |
| Dividend received | (145,078.00) | (146,868.00) |
| Interest received | (11,800,644.53) | (25,629,084.33) |
| Interest paid | 34,279,921.34 | 21,370,735.72 \ |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 152,934,279.38 | 129,556,199.73 |
| ADJUSTMENTS FOR WORKING CAPITAL CHANGES: | | |
| Inventories | (300,260,763.38) | (43,039,451.16) |
| Trade and other receivables | (42,935,746.02) | (109,850,461.75) |
| Other current & non current assets | 180,660,283.29 | (111,540,348.01) |
| Trade payables | (58,580,860.53) | (7,339,710.89) |
| Other current & non current liabilities | 152,289,255.28 | 177,783,070.58 |
| CASH GENERATED FROM OPERATING ACTIVITIES: | 84,106,448.02 | 35,569,298.50 |
| Direct Taxes Paid | (44,055,075.09) | (34,834,128.42) |
| NET CASH FROM OPERATING ACTIVITIES | 40,051,372.93 | 735,170.08 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Sale of Fixed Assets | 280,625.00 | - |
| Purchase of Fixed Assets | (1,499,070.00) | (2,182,506.00) |
| Purchase of Investments | (31,402.00) | - |
| Sale of Investment | 399,990.00 | 8,354,980.00 |
| Interest received | 11,800,644.53 | 25,629,084.34 |
| Dividend received | 145,078.00 | 146,868.00 |
| NET CASH USED IN INVESTING ACTIVITIES | 11,095,865.53 | 31,948,426.34 |

C. CASH FLOW FROM FINANCING ACTIVITIES:

| | | |
|--|------------------------|------------------------|
| Interest & Finance Charges paid | (34,279,921.34) | (21,370,735.72) |
| Dividend Paid | (15,732,800.00) | (1,966,600.00) |
| Tax on Dividend | (2,673,789.00) | (319,032.00) |
| NET CASH USED IN FINANCING ACTIVITIES | (52,686,510.34) | (23,656,367.72) |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | (1,539,271.88) | 9,027,228.70 |
| CASH AND CASH EQUIVALENTS (OPENING BALANCE) | 46,631,773.46 | 37,604,544.76 |
| CASH AND CASH EQUIVALENTS (CLOSING BALANCE) | 45,092,501.58 | 46,631,773.46 |

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'.

Previous year's figures have been restated, wherever necessary, to conform to this year's classification.

In terms of our report 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**

**SHRUTI GUPTA
(Company Secretary)**

Place : Lucknow
Dated : 30th May, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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 the accrual basis of accounting. 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. Intangible assets

Intangible assets comprises of computer software are stated at cost of acquisition less accumulated depreciation on straight line method.

vi. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

vii. Inventories

Inventories are valued as under:

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

Land is valued at cost. Cost includes cost of acquisition and all related costs.

Project in Progress is valued at cost and consists of all direct expenditure incurred on projects under execution. Cost includes cost of land, materials, construction, services, borrowing costs and other directly attributable to the construction/development of the projects.

Completed real estate project for sale and trading stock are valued at lower of cost or net realizable value.

viii. Investments

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

ix. Revenue Recognition

A. Real Estate Projects

The Company follows the Percentage of Completion Method (POC) of Accounting. As per this method, the revenue in the Statement of Profit and Loss 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.

The stage of completion under the POC method is measured on the basis of percentage that actual costs incurred on real estate projects including land, construction and development cost bears to the total estimated cost of the project. The estimates of the projected revenues, projected profits, projected costs, cost to completion and the foreseeable loss are reviewed periodically by the management and any effect of changes in estimates is recognized in the period in which such changes are determined.

Effective from 1st April 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised) 2012" (referred to as "Guidance Note"), all projects commencing on or after the said date or projects where revenue is recognized for the first time on or after the said date, Revenue from real estate projects has been recognized on Percentage of Completion method provided the following conditions are met:

- (i) All critical approvals necessary for commencement of the project have been obtained.

- (ii) The expenditure incurred on construction and development is not less than 25% of the total estimated construction and development cost.
- (iii) At least 25% of the saleable project area is secured by way of contracts or agreements with buyers.
- (iv) At least 10% of the total revenue as per the agreement of sale or any other legally enforceable document are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the respective contracts.

Unbilled revenue disclosed under other assets represents revenue recognized based on percentage of completion method over and above amount due as per payment plan agreed with the customers. Amount received from customers which exceeds the cost and recognized profits to date on projects in progress, is disclosed as advance received from customers under other current liabilities. Any billed amount against which revenue is recognized but amount not collected is disclosed under trade receivable.

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

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.

Interest due on delayed payments by customers is accounted on receipts basis due to uncertainty of recovery of the same.

Revenue from sale of completed real estate projects, land, development rights and sale/transfer of rights in agreements are recognised in the financial year in which agreements of such sales are executed and there is no uncertainty about ultimate collections.

B. 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.

C. Revenue from Trading activities of completed projects is accounted for on accrual basis.

x. Retirement and Other Benefits

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the employee has rendered services.

- ii) Post employment benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable towards contributions. The present value is determined using market yields of government bonds, at the balance sheet date, as the discounting rate.

- iii) Other long term employee benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. Estimated liability on account of long term benefits is discounted to the present value using the market yield on government bonds as on the date of balance sheet.

- iv) Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit & Loss.

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 realized in future.

xii. Earnings Per Share

Earning per shares (EPS) are computed on the basis of net profit after tax. The number of shares used in computing basic EPS is weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential diluted equity shares.

xiii. Provisions, Contingent Liabilities and Contingent Assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not; require an out flow of resources. Where there is a possible obligation of a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. 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.

xiv. Cash & Cash Equivalents

For the purpose of Cash Flow Statement cash and cash equivalents include cash in hand, demand deposits with bank, other short term highly liquid investments within original maturities of 3 months or less.

(Amount in Rupees)

| 2-Share Capital | As At 31st March 2014 | | As At 31st March 2013 | |
|---|-----------------------|----------------|-----------------------|----------------|
| | Number | Amount | Number | Amount |
| Authorised | | | | |
| Equity Shares of Rs 10/- each | 10,000,000 | 100,000,000.00 | 10,000,000 | 100,000,000.00 |
| Issued, Subscribed & Fully Paid up | | | | |
| Equity Shares of Rs 10/- each | 1,966,600 | 19,666,000.00 | 1,966,600 | 19,666,000.00 |
| Total Issued, Subscribed & Fully Paid up | 1,966,600 | 19,666,000.00 | 1,966,600 | 19,666,000.00 |

2.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

| Particulars | As At 31st March 2014 | | As At 31st March 2013 | |
|---|-----------------------|---------------|-----------------------|---------------|
| | Number | Amount | Number | Amount |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 1,966,600 | 19,666,000.00 | 1,966,600 | 19,666,000.00 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 1,966,600 | 19,666,000.00 | 1,966,600 | 19,666,000.00 |

2.2 Terms/ Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs.10 per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. The Dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.3 Details of Shareholders holding more than 5% shares in Equity Capital of the Company.#

| Name of Shareholder | As At 31st March 2014 | | As At 31st March 2013 | |
|----------------------|-----------------------|--------------|-----------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| 1. Pankaj Bajaj | 570,700 | 29.02 | 570,700 | 29.02 |
| 2. Arvind Bajaj | 192,100 | 9.77 | 192,100 | 9.77 |
| 3. Om Prakash Bajaj* | 184,200 | 9.37 | 184,200 | 9.37 |

#The aforesaid disclosure is based upon percentages computed separately for class of shares outstanding as at the balance sheet date. As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal & beneficial ownership of shares.

(Amount in Rupees)

| 3-Reserves & Surplus | As At 31st March, 2014 | As At 31st March, 2013 |
|---------------------------|------------------------|------------------------|
| a. Capital Reserve | | |
| As Per Last Balance Sheet | 133,600.00 | 133,600.00 |
| b. General Reserve | | |
| As Per Last Balance Sheet | 81,393,067.71 | 61,393,067.71 |

| | | |
|--|-----------------------|-----------------------|
| Add: Transfer from surplus in the Statement of Profit & Loss | 10,000,000.00 | 20,000,000.00 |
| Closing Balance | 91,393,067.71 | 81,393,067.71 |
| c. Surplus in the Statement of Profit & Loss | | |
| As Per Last Balance Sheet | 540,469,112.76 | 484,355,222.42 |
| Add: Profit for the Year | 81,973,049.97 | 94,520,479.34 |
| Less: Appropriations: | | |
| Transfer to General Reserve | 10,000,000.00 | 20,000,000.00 |
| Proposed Dividend on Equity Shares [Rs.2 per share(Previous Year Rs.8 per share)] | 3,933,200.00 | 15,732,800.00 |
| Tax on Dividend | 668,447.00 | 2,673,789.00 |
| Closing Balance | 607,840,515.73 | 540,469,112.76 |
| Total | 699,367,183.44 | 621,995,780.47 |

(Amount in Rupees)

| 4-Long Term Borrowings | As At 31st March 2014 | | As At 31st March 2013 | |
|---|-----------------------|--------------------|-----------------------|--------------------|
| | Non Current | Current Maturities | Non Current | Current Maturities |
| Secured Loans | | | | |
| Term Loan From Bank | 21,317,898.00 | 14,088,498.00 | 29,427,358.00 | 18,750,000.00 |
| Less: Amount disclosed under the head 'Other Current Liabilities (Refer Note no.10) | - | 14,088,498.00 | - | 18,750,000.00 |
| Unsecured Loans | | | | |
| Public Deposits | - | 6,330,000.00 | 6,475,000.00 | 25,455,000.00 |
| Less: Amount disclosed under the head 'Other Current Liabilities (Refer Note no.10) | - | 6,330,000.00 | - | 25,455,000.00 |
| Total | 21,317,898.00 | - | 35,902,358.00 | - |

| Maturity Profile of Long Term Borrowing: | | MATURITY PROFILE | | |
|--|---------------|------------------|--------------|---------------|
| Public Deposit | | | | |
| Particulars | Up To 1 Year | | Total | |
| Rate of Interest (%) | (10.75-11.00) | | | |
| Public Deposit | 6,330,000.00 | | 6,330,000.00 | |
| Term Loan From Bank | | | | |
| Particulars | Up To 1 Year | 1-2 Years | 2-3 Year | Total |
| Term Loan (ROI 16%) | 14,088,498.00 | 16,515,535.00 | 4,802,363.00 | 35,406,396.00 |

Nature of Security of Term Loan :

Term Loan from bank are secured by Equitable Mortgage of Commercial Property of Plot No TC/G-10/10 Group Housing Scheme, Vibhuti Khand, Gomti Nagar, Lucknow and further secured by personal guarantee of Director.

(Amount in Rupees)

| 5-Deferred Tax Liability (Net) | Deferred tax Liability/ (Asset) As At 31st March 2013 | Current year charge/ (Credit) | Deferred tax Liability/ (Asset) As At 31st March 2014 |
|---|---|----------------------------------|---|
| a. Difference in depreciation for accounting and income tax purpose | 4,894,377.00 | (67,841.00) | 4,826,536.00 |
| b. Provision For Leave Encashment & Gratuity | (2,975,130.08) | (648,083.92) | (3,623,214.00) |
| Total | 1,919,246.92 | (715,924.92) | 1,203,322.00 |

(Amount in Rupees)

| 6-Other Long Term Liabilities | As At 31st March 2014 | As At 31st March 2013 |
|-------------------------------|--------------------------|--------------------------|
| Security Deposit Received | 9,757,036.84 | 6,545,295.77 |
| Total | 9,757,036.84 | 6,545,295.77 |

(Amount in Rupees)

| 7-Long Term Provisions | As At 31st March 2014 | As At 31st March 2013 |
|--|--------------------------|--------------------------|
| Provision For Employee benefits | | |
| Provision For Gratuity | 7,839,125.00 | 7,595,190.00 |
| Provision For Leave Encashment | 2,820,522.00 | 2,059,000.00 |
| Total | 10,659,647.00 | 9,654,190.00 |

(Amount in Rupees)

| 8-Short Term Borrowings | As At 31st March 2014 | As At 31st March 2013 |
|---------------------------------|--------------------------|--------------------------|
| Secured | | |
| (a) Working Capital Loan | | |
| From Banks* | 32,261,649.96 | 34,331,920.11 |
| Total | 32,261,649.96 | 34,331,920.11 |

Nature of Security of Working Capital Loans :

- (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 15141.54 sq. mts. Land having khasra no. 703,704 & 851 ka Haiwat Mau Mawajya, Pargana Bijnor, Ward Ibrahimpur, Raibareilly Road, Lucknow.
- (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)
- (iv) In overdraft account secured against lien on bank Fixed Deposits and personal guarantee of Directors.

*Includes overdraft facility of Rs 46.07 Lacs from City Cooperative Bank Limited, against fixed deposit of Rs 106.29 Lacs. The said Bank has discontinued its operations, however the company has applied for repayment of fixed deposit after adjustment of the balance outstanding in the overdraft account.

(Amount in Rupees)

| 9-Trade Payables | As At 31st March 2014 | As At 31st March 2013 |
|--|----------------------------------|----------------------------------|
| Due to Micro Small and Medium Enterprises* | - | - |
| Due to Others for supplies/services | 122,886,012.03 | 181,466,872.56 |
| Total | 122,886,012.03 | 181,466,872.56 |

* The Company has not received informations 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 the Act has not been given.

(Amount in Rupees)

| 10-Other Current Liabilities | As At 31st March 2014 | As At 31st March 2013 |
|---|----------------------------------|----------------------------------|
| Current maturities of long-term debt (Refer Note No.4) | 20,418,498.00 | 44,205,000.00 |
| Interest accrued but not due on borrowings | 1,343,880.67 | 4,325,437.40 |
| Interest accrued and due on borrowings | - | 664,273.00 |
| Advance from Customers | 959,511,707.95 | 770,868,109.14 |
| Investor Education & Protection Fund* | | |
| (i) Unclaimed dividend | 1,840,890.00 | 1,179,220.00 |
| (ii) Unclaimed matured deposits (includes interest thereon) | 626,331.00 | 2,914,433.26 |
| Book Overdraft | 1,114,508.94 | 9,739,107.15 |
| Security Deposits/Retention Money | 8,177,581.14 | 9,729,198.88 |
| Due to Directors | 167,510.26 | 167,510.26 |
| Other payables | | |
| (i) Employee Related Liabilities | 826,630.00 | 992,962.00 |
| (ii) Statutory Liabilities | 4,729,170.00 | 4,857,503.00 |
| Total | 998,756,707.96 | 849,642,754.09 |

* Appropriate amounts shall be transferred to Investor Education & Protection Fund if and when due.

(Amount in Rupees)

| 11-Short Term Provisions | As At 31st March 2014 | As At 31st March 2013 |
|---|----------------------------------|----------------------------------|
| Others | | |
| Proposed Dividend | 3,933,200.00 | 15,732,800.00 |
| Tax on Proposed Dividend | 668,447.00 | 2,673,789.00 |
| Provision for Income Tax (Net of Advance Tax) | 21,268,429.36 | 4,939,670.95 |
| Total | 25,870,076.36 | 23,346,259.95 |

(Amount in Rupees)

| 12-Fixed Assets Particulars | <--- GROSS BLOCK ---> | | | | <- DEPRECIATION -> | | | | <-- NET BLOCK --> | |
|--------------------------------|-----------------------|---------------------|---------------------------|----------------------|----------------------|---------------------|---------------------------|----------------------|----------------------------|----------------------------|
| | As At 1/4/2013 | Additions | Deletions/ Adjustments | As At 31/03/2014 | As At 1/4/2013 | For the Period | Deletions/ Adjustments | As At 31/03/2014 | W.D.V. As At 31/03/2014 | W.D.V. As At 31/03/2013 |
| Tangible Assets | | | | | | | | | | |
| 1 Office Premises | 24,902,451.72 | - | - | 24,902,451.72 | 2,619,978.49 | 405,909.96 | - | 3,025,888.45 | 21,876,563.27 | 22,282,473.23 |
| 2 Plant & Machinery | 26,122,308.76 | 67,717.00 | - | 26,190,025.76 | 17,190,234.16 | 1,249,354.25 | - | 18,439,588.41 | 7,750,437.35 | 8,932,074.60 |
| 3 Furniture & Fixtures | 15,486,129.32 | 55,455.00 | - | 15,541,584.32 | 7,636,057.20 | 980,541.27 | - | 8,616,598.47 | 6,924,985.85 | 7,850,072.12 |
| 4 Vehicles | 11,219,046.36 | 1,083,900.00 | 792,820.00 | 11,510,126.36 | 6,903,760.70 | 1,045,256.97 | 687,146.87 | 7,261,870.80 | 4,248,255.56 | 4,315,285.66 |
| 5 Computers | 4,149,776.00 | 246,450.00 | 133,760.00 | 4,262,466.00 | 3,655,578.46 | 668,455.24 | 88,333.89 | 4,235,699.81 | 26,766.19 | 494,197.54 |
| Sub-Total(A) | 81,879,712.16 | 1,453,522.00 | 926,580.00 | 82,406,654.16 | 38,005,609.01 | 4,349,517.69 | 775,480.76 | 41,579,645.94 | 40,827,008.22 | 43,874,103.14 |
| Previous Year Figures | 81,217,786.16 | 661,926.00 | - | 81,879,712.16 | 33,608,640.06 | 4,396,968.96 | - | 38,005,609.01 | 43,874,103.14 | 47,609,146.10 |
| Intangible Assets | | | | | | | | | | |
| 1 Computer Software | 2,153,804.00 | 45,548.00 | - | 2,199,352.00 | 702,560.87 | 351,963.59 | - | 1,054,524.46 | 1,144,827.54 | 1,451,243.13 |
| Sub-Total(B) | 2,153,804.00 | 45,548.00 | - | 2,199,352.00 | 702,560.87 | 351,963.59 | - | 1,054,524.46 | 1,144,827.54 | 1,451,243.13 |
| Previous Year Figures | 633,224.00 | 1,520,580.00 | - | 2,153,804.00 | 492,721.24 | 209,839.63 | - | 702,560.87 | 1,451,243.13 | 140,502.76 |
| Total(A+B) | 84,033,516.16 | 1,499,070.00 | 926,580.00 | 84,606,006.16 | 38,708,169.88 | 4,701,481.28 | 775,480.76 | 42,634,170.40 | 41,971,835.76 | 45,325,346.27 |
| Previous Year Figures | 81,851,010.16 | 2,182,506.00 | - | 84,033,516.16 | 34,101,361.30 | 4,606,808.59 | - | 38,708,169.88 | 45,325,346.27 | 47,749,648.86 |

(Amount in Rupees)

| 13-Non Current Investments | As At 31st March 2014 | As At 31st March 2013 |
|---|--------------------------|--------------------------|
| Trade, Unquoted, at Cost | | |
| (a) Investment in Equity instruments | | |
| In Subsidiary Companies | | |
| 350000 (350000) Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Halwasiya Agro Industries Ltd. | 7,525,002.00 | 7,494,000.00 |
| 49400 (49,400) Equity Shares of Rs 10/- each fully paid up in Halwasiya Agro Industries Ltd. | | |
| 600 (NIL) Equity Shares of Rs 10/- each fully paid up at a premium of Rs.41.67/- in Halwasiya Agro Industries Ltd. | | |
| 9990 (9990) Equity Shares of Rs 10/- each fully paid up in Aadesh Constructions Pvt. Ltd. | 99,900.00 | 99,900.00 |
| 9999 (9999) Equity Shares of Rs. 10/- each fully paid up in Bliss Constructions Pvt Ltd | 99,990.00 | 99,990.00 |
| 9990 (9990) Equity Shares of Rs 10/- each fully paid up in Carnation Realtors Private Limited | 99,900.00 | 99,900.00 |
| 9999 (9999) Equity Shares of Rs. 10/- each fully paid up in Deepjyoti Constructions Pvt Ltd | 99,990.00 | 99,990.00 |
| 9999 (9999) Equity Shares of Rs. 10/- each fully paid up in Facility Constructions Pvt Ltd | 99,990.00 | 99,990.00 |
| 9999 (9999) Equity Shares of Rs. 10/- each fully paid up in Fixity Constructions Pvt Ltd | 99,990.00 | 99,990.00 |
| 9990 (9990) Equity Shares of Rs 10/- each fully paid up in Garv Constructions Pvt. Ltd. | 99,900.00 | 99,900.00 |
| 9990 (9990) Equity Shares of Rs 10/- each fully paid up in Iris Realtors Private Limited | 99,900.00 | 99,900.00 |
| 9999 (9999) Equity Shares of Rs. 10/- each fully paid up in Khwahish Constructions Pvt Ltd | 99,990.00 | 99,990.00 |
| 9990 (9990) Equity Shares of Rs 10/- each fully paid up in Mahal Constructions Pvt. Ltd. | 99,900.00 | 99,900.00 |
| 9990 (9990) Equity Shares of Rs 10/- each fully paid up in Milaap Constructions Pvt. Ltd. | 99,900.00 | 99,900.00 |
| 9990 (9990) Equity Shares of Rs 10/- each fully paid up in Neo Realtors Private Limited | 99,900.00 | 99,900.00 |
| 9990 (9990) Equity Shares of Rs 10/- each fully paid up in Neptune Infracon Private Limited | 99,900.00 | 99,900.00 |
| 9990 (9990) Equity Shares of Rs 10/- each fully paid up in Numerous Constructions Pvt Ltd | 99,900.00 | 99,900.00 |
| 9999 (9999) Equity Shares of Rs. 10/- each fully paid up in Prepetual Constructions Pvt Ltd | 99,990.00 | 99,990.00 |
| 9999 (9999) Equity Shares of Rs. 10/- each fully paid up in Primacy Constructions Pvt Ltd | 99,990.00 | 99,990.00 |
| NIL (9999) Equity Shares of Rs. 10/- each fully paid up in Prayatna Constructions Pvt Ltd | - | 99,990.00 |

| | | |
|--|---------------|---------------|
| 9999 (9999) Equity Shares of Rs. 10/- each fully paid up in Prasiddhi Constructions Pvt Ltd | 99,990.00 | 99,990.00 |
| 10000 (9990) Equity Shares of Rs 10/- each fully paid up in Samarpit Constructions Pvt. Ltd. | 100,000.00 | 99,900.00 |
| 10000 (9990) Equity Shares of Rs 10/- each fully paid up in Suniyojit Constructions Pvt. Ltd. | 100,000.00 | 99,900.00 |
| 9999 (9999) Equity Shares of Rs. 10/- each fully paid up in Sushobhit Constructions Pvt Ltd | 99,990.00 | 99,990.00 |
| 10000 (9990) Equity Shares of Rs 10/- each fully paid up in Shivaye Constructions Pvt Ltd | 100,000.00 | 99,900.00 |
| 10000 (9990) Equity Shares of Rs 10/- each fully paid up in Swarg Constructions Private Limited | 100,000.00 | 99,900.00 |
| 9990 (9990) Equity Shares of Rs 10/- each fully paid up in Swarnim Nirman Private Limited | 99,900.00 | 99,900.00 |
| 9990 (9990) Equity Shares of Rs 10/- each fully paid up in Villa Constructions Private Limited | 99,900.00 | 99,900.00 |
| In Joint Venture Company | | |
| 3139094 (3139094) Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Eldeco City (P) Ltd. | 62,781,880.00 | 62,781,880.00 |
| 4547 (4547) Equity Shares of Rs.10/- each fully paid up at a premium of Rs.30/- each in Eldeco City (P) Ltd. | 181,860.00 | 181,860.00 |
| In Associate Companies | | |
| 17500 (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 |
| 1600 (1600) 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 | 1,759,360.00 | 1,759,360.00 |
| NIL (30000) Equity Shares of Rs 10/- each fully paid up in Awadh Technology Park and Sez Pvt. Ltd. | - | 300,000.00 |
| Other Investment | | |
| Investment in Equity Instruments- Quoted | | |
| In Other Companies | | |
| 11500 (11500) Equity Shares of Rs. 10/-each in Union Bank of India Ltd.,fully paid up | 184,000.00 | 184,000.00 |
| 2400 (2400) Equity Shares of Rs.10/- & 94 (94) Equity Shares of Rs. 390/- each in Punjab National Bank Ltd. fully paid up | 111,060.00 | 111,060.00 |
| Investment in Equity Instruments- Unquoted | | |
| 5000 (5000) Equity Shares of Rs.25/- fully paid up in Indian Mercantile Co-operative Bank Limited | 125,000.00 | 125,000.00 |

| | | |
|---|----------------------|----------------------|
| 420 (420) Equity Shares of Rs 100/- each fully paid up in Lucknow Cement Crafts Pvt. Ltd. | 42,000.00 | 42,000.00 |
| Total | 79,658,972.00 | 80,027,560.00 |

Figures in bracket represent those of previous year

Note: All the above shares are fully paid up

| | | |
|--|-------------|-------------|
| Aggregate cost of unquoted investments | 79363912.00 | 79732500.00 |
| Aggregate cost of quoted investments | 295060.00 | 295060.00 |
| Market value of quoted investments | 3433585.40 | 7038729.10 |

(Amount in Rupees)

| 14-Long Term Loans & Advances | As At 31st March 2014 | As At 31st March 2013 |
|---|----------------------------------|----------------------------------|
| (Unsecured considered good unless otherwise stated) | | |
| Security Deposit Paid | 6,471,810.50 | 6,088,445.50 |
| Direct Taxes Refundable (Net of Provisions) | 14,604,097.77 | 15,047,428.72 |
| Total | 21,075,908.27 | 21,135,874.22 |

(Amount in Rupees)

| 15-Other Non Current Assets | As At 31st March 2014 | As At 31st March 2013 |
|--|----------------------------------|----------------------------------|
| Deposit more than twelve months | 31,500,421.00 | 51,550,421.00 |
| Interest accrued and due on Bank FDR's having original maturity of more than twelve months | 7,491.00 | 697,743.32 |
| Total | 31,507,912.00 | 52,248,164.32 |

(Amount in Rupees)

| 16-Inventories | As At 31st March 2014 | As At 31st March 2013 |
|---------------------------------|----------------------------------|----------------------------------|
| Land | 217,623,022.49 | 181,991,568.26 |
| Building Material & consumables | 24,961,069.03 | 23,142,776.39 |
| Unsold Plots,Shops, Flats etc., | 232,697,825.61 | 84,243,200.28 |
| Project in Progress | 324,688,443.52 | 210,332,052.34 |
| Total | 799,970,360.65 | 499,709,597.27 |

(Amount in Rupees)

| 17-Trade Receivables | As At 31st March 2014 | As At 31st March 2013 |
|--|----------------------------------|----------------------------------|
| (Unsecured considered good unless otherwise stated) | | |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | 31,734,865.00 | 38,636,960.19 |
| Other Trade Receivables | 170,034,955.94 | 120,197,114.73 |
| Total | 201,769,820.94 | 158,834,074.92 |

(Amount in Rupees)

| 18-Cash And Bank Balances | As At 31st March 2014 | As At 31st March 2013 |
|--|----------------------------------|----------------------------------|
| <u>Cash & Cash Equivalents</u> | | |
| Balances with Banks: | | |
| -In Current Account | 14,654,896.78 | 18,087,057.32 |
| Cash on Hand | 13,448,419.80 | 13,762,269.14 |
| Cheques on hand | 16,592,685.00 | 14,782,447.00 |
| Stamps in Hand | 396,500.00 | - |
| | 45,092,501.58 | 46,631,773.46 |
| OTHER BANK BALANCES | | |
| Unclaimed/Unpaid Dividend Account | 1,844,027.33 | 1,182,357.33 |
| Deposit held as margin money/earnest money* | 52,826,716.00 | 127,078,499.00 |
| Deposit with original maturity of more than three months but less than twelve months | 14,956,931.60 | 10,510,827.14 |
| Total | 114,720,176.51 | 185,403,456.93 |

*Includes deposits of Rs 106.29 Lacs from City Cooperative Bank Limited, against overdraft facility of Rs 46.07 Lacs. The said Bank has discontinued its operations, however the company has applied for repayment of fixed deposit after adjustment of the balance outstanding in the overdraft account.

(Amount in Rupees)

| 19-Short-term loans and advances (Unsecured, considered good unless otherwise stated) | As At 31st March 2014 | As At 31st March 2013 |
|---|----------------------------------|----------------------------------|
| Loans and advances to | | |
| Subsidiary Companies | 267,025,150.00 | 373,108,921.00 |
| Other related parties | 81,264,540.60 | 91,636,083.35 |
| | 348,289,690.60 | 464,745,004.35 |

| | | |
|---|-----------------------|-----------------------|
| Advance against goods, services & others | | |
| Advances for projects | 221,037,427.00 | 166,710,877.00 |
| Other Advances | 17,028,986.00 | 20,187,793.03 |
| Other Deposits | 3,298,437.00 | 950,675.00 |
| | 241,364,850.00 | 187,849,345.03 |
| Balance with Government/statutory authorities | 10,098,563.21 | 9,678,875.33 |
| Prepaid Expenses | 123,341.00 | 485,603.00 |
| Total | 599,876,444.81 | 662,758,827.71 |

19.1 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.

19.2 Particulars in respect of loans and advances to subsidiary companies:

| S.N. | Name of Company | Balance as at 31st | | Maximum outstanding during | |
|------|--------------------------------------|--------------------|----------------|----------------------------|----------------|
| | | March, 2014 | March, 2013 | March, 2014 | March, 2013 |
| 1 | Aadesh Constructions Private Limited | 15,577,000.00 | 18,477,000.00 | 18,477,000.00 | 18,477,000.00 |
| 2 | Bliss Constructions Pvt Ltd | 11,612,190.00 | 11,612,190.00 | 11,612,190.00 | 11,612,190.00 |
| 3 | Garv Constructions Pvt Ltd | 98,000.00 | 88,000.00 | 98,000.00 | 1,088,000.00 |
| 4 | Halwasiya Agro Industries Limited | - | 136,654,771.00 | - | 152,585,291.00 |
| 5 | Mahal Constructions Private Limited | 29,391,000.00 | 29,391,000.00 | 29,391,000.00 | 31,891,000.00 |
| 6 | Milaap Constructions Pvt Ltd | 23,549,740.00 | 23,549,740.00 | 23,549,740.00 | 23,549,740.00 |
| 7 | Neo Realtors Pvt Ltd | 19,900,000.00 | 25,100,000.00 | 25,100,000.00 | 25,100,000.00 |
| 8 | Prasiddhi Constructions Pvt Ltd | 17,570,000.00 | 17,570,000.00 | 17,570,000.00 | 17,570,000.00 |
| 9 | Sampit Constructions Pvt Ltd | 73,153,220.00 | 67,096,220.00 | 73,153,220.00 | 67,096,220.00 |
| 10 | Suniyojit Constructions Pvt Ltd | 43,570,000.00 | 43,570,000.00 | 43,570,000.00 | 43,570,000.00 |
| 11 | Swarg Constructions Pvt Ltd | 32,604,000.00 | - | 32,604,000.00 | - |

(Amount in Rupees)

| 20-Other current assets | As At 31st March 2014 | As At 31st March 2013 |
|--|--------------------------|--------------------------|
| Interest accrued and due on Bank FDR's having original maturity of less than 12 months | 2,198,812.18 | 2,854,387.51 |
| Unbilled Receivables | 48,995,290.47 | 76,173,388.72 |
| Total | 51,194,102.65 | 79,027,776.23 |

(Amount in Rupees)

| 21-Revenue From Operations | Year Ended 31st March,2014 | Year Ended 31st March,2013 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Income from Real Estate Projects | 409,029,062.40 | 369,503,566.68 |
| Income from Construction Contracts | 10,125,290.00 | 53,531,637.18 |
| Other Operating Income | 54,950,862.00 | 43,524,262.00 |
| Total | 474,105,214.40 | 466,559,465.86 |

(Amount in Rupees)

| 22-Other Income | Year Ended 31st March,2014 | Year Ended 31st March,2013 |
|---|---------------------------------------|---------------------------------------|
| Interest Income on bank FDR's | 10,672,186.53 | 19,035,953.33 |
| Others | 1,128,458.00 | 6,593,131.00 |
| Rent Received | 23,114,656.46 | 14,609,377.00 |
| Misc. Receipts | 869,746.28 | 751,482.33 |
| Profit on Sale of Fixed Asset | 169,326.87 | - |
| Profit on Sale of Long Term Investments | - | 66,815,000.00 |
| Dividend from other long term investments | 145,078.00 | 146,868.00 |
| Liabilities no longer required written back | 419,910.28 | 1,056,093.06 |
| Total | 36,519,362.42 | 109,007,904.72 |

(Amount in Rupees)

| 23-Cost of Material Consumed and other related Project cost | Year Ended 31st March,2014 | Year Ended 31st March,2013 |
|--|---------------------------------------|---------------------------------------|
| Inventories at the beginning of the year | | |
| Building Material and consumables | 23,142,776.39 | 39,866,049.76 |
| Land | 181,991,568.26 | 183,652,028.83 |
| | 205,134,344.65 | 223,518,078.59 |
| Add: Cost incurred during the year | | |
| Land Development,constructed units and other rights | 230,051,819.23 | 77,255,040.07 |
| Building Material Purchases | 95,968,183.00 | 96,691,791.95 |
| Expenses through Contractors | 108,369,367.09 | 118,034,966.90 |
| Architects' Fees | 5,392,500.00 | 3,903,000.00 |
| Water & Electricity | 244,880.00 | 3,148,475.00 |
| Plant & Machinery Repairs | 479,765.00 | 863,321.00 |

| | | |
|--|----------------|----------------|
| Plan Approval & External Devp.Fees | 28,226,937.00 | 10,500.00 |
| Other project expenses | 26,737,405.00 | 18,176,171.50 |
| Depreciation | 663,052.00 | 663,052.00 |
| Maintenance of completed projects | 24,213,790.88 | 18,531,071.56 |
| | 520,347,699.20 | 337,277,389.98 |
| Less: Inventories at the end of the year | | |
| Building Material and consumables | 24,961,069.03 | 23,142,776.39 |
| Land | 217,623,022.49 | 181,991,568.26 |
| | 242,584,091.52 | 205,134,344.65 |
| | | |
| Cost of Material Consumed, construction & other related project cost | 482,897,952.33 | 355,661,123.92 |

(Amount in Rupees)

| 24-Change in Inventories in Finished stock and Project in Progress | Year Ended 31st March,2014 | Year Ended 31st March,2013 |
|---|---------------------------------------|---------------------------------------|
| Inventories at the beginning of the year | | |
| Completed real estate projects | 84,243,200.28 | 24,742,376.06 |
| Construction work in progress | - | 19,511,007.19 |
| Project in Progress | 210,332,052.34 | 188,898,684.27 |
| | 294,575,252.62 | 233,152,067.52 |
| Inventories at the end of the year | | |
| Completed real estate projects | 232,697,825.61 | 84,243,200.28 |
| Project in Progress | 324,688,443.52 | 210,332,052.34 |
| | 557,386,269.13 | 294,575,252.62 |
| Change in Inventories of finished stock and project in progress | (262,811,016.51) | (61,423,185.10) |

(Amount in Rupees)

| 25-Employee Benefit Expenses | Year Ended 31st March,2014 | Year Ended 31st March,2013 |
|--|---------------------------------------|---------------------------------------|
| Salaries, Wages, Allowances and Bonus | 41,108,956.00 | 40,148,748.00 |
| Company's Contribution to Provident and Other funds. | 6,417,879.00 | 7,420,375.00 |
| Directors Remuneration | 5,449,063.00 | 6,000,000.00 |
| Staff Welfare Expenses | 1,788,574.00 | 6,071,863.00 |
| Total | 54,764,472.00 | 59,640,986.00 |

(Amount in Rupees)

| 26-Finance Cost | Year Ended 31st March,2014 | Year Ended 31st March,2013 |
|--|---------------------------------------|---------------------------------------|
| Interest on Secured Loans | 4,681,257.00 | 2,714,659.00 |
| Interest on Public Fixed Deposits & Other Interest | 29,453,109.01 | 17,557,879.28 |
| Bank Charges and Commission | 145,555.33 | 1,098,197.44 |
| Total | 34,279,921.34 | 21,370,735.72 |

(Amount in Rupees)

| 27-Other Expenses | Year Ended 31st March,2014 | Year Ended 31st March,2013 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Establishment Expenses | | |
| Rent | 19,967,315.00 | 18,139,412.00 |
| Rates and Taxes | 323,888.00 | 918,004.00 |
| Insurance | 53,857.00 | 84,358.00 |
| Auditors Remuneration | 400,000.00 | 350,000.00 |
| Directors Sitting Fees | 16,500.00 | 12,000.00 |
| Postage, Courier & Telephone | 1,240,112.39 | 1,371,033.83 |
| Travelling & Conveyance | 3,026,843.00 | 2,924,321.00 |
| Legal & Professional Charges | 10,500,088.00 | 5,171,741.00 |
| Printing & Stationery | 462,415.00 | 593,016.00 |
| Repair & Maintenance Building | 6,480,788.00 | 6,519,510.90 |
| Repair & Maintenance Others | 3,827,791.80 | 2,554,719.59 |
| Water and Electricity | 1,874,099.00 | 1,567,824.00 |
| Donations | 3,112,091.00 | 2,337,101.00 |
| Loss on Sale of Long Term Investments | - | 49,980.00 |
| Loss on Sale of Fixed Asset | 39,801.11 | - |
| Trade Tax/Vat Paid | 3,361,421.00 | 5,718,378.00 |
| Miscellaneous Expenses | 2,854,296.01 | 3,336,245.38 |
| Sub-Total | 57,541,306.31 | 51,647,644.70 |
| Selling Expenses | | |
| Advertisement & Publicity | 9,152,823.00 | 10,495,706.00 |
| Business Promotion & Discount | 1,508,629.02 | 2,375,538.00 |
| Commission & Brokerage | 3,223,935.00 | 2,500,457.00 |
| Sub-Total | 13,885,387.02 | 15,371,701.00 |
| Total | 71,426,693.33 | 67,019,345.70 |

(Amount in Rupees)

| 28-Earnings Per Share | As At 31st March, 2014 | As At 31st March, 2013 |
|---|-----------------------------------|-----------------------------------|
| Profit/(Loss) after tax | 81973049.97 | 94520479.34 |
| Equity Shares outstanding at the year end | 1,966,600 | 1,966,600 |
| Nominal Value Per Share (Rs) | 10.00 | 10.00 |
| Basic Earnings Per Share | 41.68 | 48.06 |
| Diluted Earnings Per Share | 41.68 | 48.06 |

(Amount in Rupees)

| 29-Auditors Remuneration | Year Ended 31st March,2014 | Year Ended 31st March,2013 |
|---------------------------------|---------------------------------------|---------------------------------------|
| Audit Fees | 300,000.00 | 275,000.00 |
| Tax Audit Fees | 25,000.00 | 25,000.00 |
| Certifications Fees | 50,000.00 | 50,000.00 |
| Others Matters | 25,000.00 | - |
| Total | 400,000.00 | 350,000.00 |

(Amount in Rupees)

| 30-Contingent Liability | As At 31st March, 2014 | As At 31st March, 2013 |
|---|-----------------------------------|-----------------------------------|
| (a) Claims against the company not acknowledge as debt | | |
| 1 Sales Tax & VAT | 5,195,009.00 | 3,858,454.00 |
| 2 Income Tax | 1,792,395.00 | 2,592,330.00 |
| (b) Guarantees | | |
| 1 Earnest Money | 26,535,217.00 | 26,828,348.00 |
| 2 Bank Guarantee | 16,812,104.00 | 90,420,756.00 |

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

(Amount in Rupees)

| Particulars | As At March 31, 2014 | As At March 31, 2013 |
|--|-----------------------------|-----------------------------|
| Contract revenue recognized as revenue for the year ended | 10125290.00 | 53531637.18 |
| Aggregate amount of contract costs incurred and recognized profits (less recognized losses) for all the contract in progress | 10125290.00 | 53531637.18 |
| The amount of customer advances outstanding for contracts in progress | NIL | NIL |
| The amount of retentions due from customers for contracts in progress. | 3298437.00 | 950675.00 |
| Gross amount due from customers including work in progress for contracts in progress. | NIL | 27496607.19 |
| Gross amount due to customers including work in progress for contracts in progress. | NIL | NIL |

32. 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.
33. Inventories, loans & advances, trade receivables and other current/non current assets are in the opinion of the management do not have a value on realization in the ordinary course of the business, less than the amount at which they are stated in the Balance Sheet.
34. Balance in trade receivables, trade payables, current / non current advances given / received are subject to reconciliation and confirmation from respective Parties. The balance of said trade receivables, trade payables, current / non current advances given / received are taken as shown by the books of accounts. The ultimate outcome of such reconciliation and confirmation can not presently be determined; therefore no provision for any liability that may result of such reconciliation and confirmation has been made in the financial statement.
35. The Company has an investment of Rs.42,000.00 (31.03.2013 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.

36. Segment Information

Business Segments

Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting system, the company has structured its operation into the following segments:

Real Estate

Promotion, construction, development and sale of townships, residential, commercial property, developed plot etc

Construction

Construction of property on behalf of others.

| | Real Estate | | Construction | | Total |
|--|------------------------------------|--|----------------------------------|--|------------------------------------|
| REVENUE | | | | | |
| External Revenue | 463,979,924.40 (413,027,828.68) | | 10,125,290.00 (53,531,637.18) | | 474,105,214.40 (466,559,465.86) |
| Total Revenue | 463,979,924.40 (413,027,828.68) | | 10,125,290.00 (53,531,637.18) | | 474,105,214.40 (466,559,465.86) |
| | 249,109,142.10 | | 4,909,136.48 | | 254,018,278.58 |
| SEGMENT RESULT | (151,820,990.15) | | (19,895,773.99) | | (171,716,764.14) |
| Unallocated corporate expenses net of unallocated income | | | | | 105,510,876.72 (47,225,267.90) |
| Operating Profit | | | | | 148,507,401.86 (124,491,496.24) |

| | | | | | |
|--|--|--|---------------------------------|--|--|
| Interest Expenses | | | | | 34,279,921.34 (20,765,972.83) |
| Interest Income | | | | | 11,800,644.53 (25,629,084.33) |
| Profit Before Tax | | | | | 126,028,125.05 (129,354,607.74) |
| Income Tax (Including Deferred Tax Adjustment) | | | | | 44,055,075.08 (34,834,128.41) |
| Net Profit after tax | | | | | 81,973,049.97 (94,520,479.33) |
| OTHER INFORMATION | | | | | |
| Segment Asset | 1,598,318,189.40 (1,361,864,128.10) | | 3,298,437.00 (28,447,282.19) | | 1,601,616,626.40 (1,390,311,410.29) |
| Unallocated corporate assets | | | | | 340,128,907.19 (394,159,267.58) |
| TOTAL ASSETS | | | | | 1,941,745,533.59 |
| TOTAL ASSETS | | | | | (1,784,470,677.87) |
| Segment liabilities | 1,121,642,719.99 (1,009,037,806.90) | | - (1,012,419.88) | | 1,121,642,719.99 (1,010,050,226.78) |
| Unallocated corporate liabilities | | | | | 820,102,813.60 (774,420,451.09) |
| TOTAL LIABILITIES | | | | | 1,941,745,533.59 |
| TOTAL LIABILITIES | | | | | (1,784,470,677.87) |
| Capital Expenditure | | | | | 1,499,070.00 (2,182,506.00) |
| Depreciation/amortisation (including depreciation charged to Cost of Construction account) | | | | | 4,701,481.28 (4,606,808.59) |
| Non cash expenses other than depreciation/amortisation | | | | | - - |

Note: Figures in bracket represents previous year figures

Geographic Segment

Operation of the company do not qualify for reporting as geographic segments, under the criteria set out under Accounting

Standard 17 on Segment reporting.

37. 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
- 3 Awadh Technology Park and SEZ Private Limited*

*Ceased to be Associate w.e.f 30th May 2013

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 EcodeI Projects Private Limited
- 4 Eldeco Infrastructure & Properties Limited
- 5 Surya Season Foods Private Limited
- 6 Eldeco Townships & Housing Limited
- 7 K L Multimedia Private Limited
- 8 Eiffel Recreation Club Private Limited
- 9 Garg Singhal & Associates
- 10 Space Combine

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 Bliss Constructions Private Limited
- 18 Carnation Realtors Private Limited
- 19 Iris Realtors Private Limited
- 20 Neo Realtors Private Limited
- 21 Neptune Infracon Private Limited
- 22 Numerous Constructions Pvt Ltd
- 23 Shivaye Constructions Pvt Ltd
- 24 Swarg Constructions Private Limited
- 25 Swarnim Nirman Private Limited
- 26 Villa Constructions Private Limited

*Ceased to be Subsidiary w.e.f 9th April 2013

4. Joint Venture Company

- 1 Eldeco City Private Limited

5. Key Management Personnel

- 1 Mr Shiv Kumar Garg
- 2 Mr Pankaj Bajaj
- 3 Mr Shrikant Jajodia *

Executive Chairman

Managing Director

Director

*Ceased to be Whole Time Director w.e.f 1st October 2013

6. Relatives of Key Management Personnel

- 1 Mrs Asha Bajaj
- 2 Mrs Varija Bajaj
- 3 Mr O.P.Bajaj
- 4 Mr Arvind Bajaj
- 5 Mrs Rashi Bajaj
- 6 Mrs Vimla Garg
- 7 Mr Brijendra Gupta
- 8 Mr Rajeev Bansal
- 9 Mr Manoj Singhal
- 10 Mr A.K.Garg
- 11 Mrs Nirmal Garg
- 12 Mrs Pushpa Gupta
- 13 Mr Surya Kumar Gupta
- 14 Ms Shivani Garg

Mother of Mr Pankaj Bajaj

Sister of Mr Pankaj Bajaj

Father of Mr Pankaj Bajaj

Brother of Mr Pankaj Bajaj

Wife of Mr Arvind Bajaj

Wife of Mr S.K.Garg

Son in Law of Mr S.K.Garg

Son in Law of Mr S.K.Garg

Son in Law of Mr S.K.Garg

Brother of Mr S.K.Garg

Sister in law of Mr S.K.Garg

Sister of Mr S.K.Garg

Brother in Law of Mr S.K.Garg

Daughter of Mr S.K.Garg

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

| (Amount In Rupees) | | | | | | | |
|-------------------------|--------------------------------|------------|------------|-----------------------|---|---------------------------------------|--------------------------------|
| Transactions | Key Management Personnel | Associates | Subsidiary | Joint Venture Company | Companies/Entities in which key managerial personnel or their relatives exercises significant influence | Relatives of Key Management Personnel | Total |
| Remuneration | | | | | | | |
| Mr S.K.Garg | 3,600,000.00 (3,600,000.00) | | | | | | 3,600,000.00 (3,600,000.00) |
| Mr Shrikant Jajodia | 1,200,000.00 (2,400,000.00) | | | | | | 1,200,000.00 (2,400,000.00) |
| Perquisites | | | | | | | |
| Mr Shrikant Jajodia | 649,063.00 (44,960.00) | | | | | | 649,063.00 (44,960.00) |
| Rent Paid | | | | | | | |
| Mrs Varija Bajaj | | | | | | 795,324.00 | 795,324.00 |
| Mr O.P.Bajaj/Asha Bajaj | | | | | | (795,324.00) | (795,324.00) |
| Mrs Pushpa Gupta | | | | | | 5,558,400.00 | 5,558,400.00 |
| Mr Surya Kumar Gupta | | | | | | (5,558,400.00) | (5,558,400.00) |
| | | | | | | 379,044.00 | 379,044.00 |
| | | | | | | (244,696.00) | (244,696.00) |
| | | | | | | 367,044.00 | 367,044.00 |
| | | | | | | (244,696.00) | (244,696.00) |
| Interest Paid | | | | | | | |
| Mr Surya Kumar Gupta | | | | | | - | - |
| Mrs Pushpa Gupta | | | | | | (160,660.00) | (160,660.00) |
| | | | | | | - | - |
| | | | | | | (496,777.00) | (496,777.00) |
| Dividend Paid | | | | | | | |
| Mr S.K.Garg | - | | | | | | - |
| Mr Pankaj Bajaj | (65,400.00) | | | | | | (65,400.00) |
| Mr Arvind Bajaj | 4,565,600.00 (570,700.00) | | | | | | 4,565,600.00 (570,700.00) |
| | | | | | | 1,536,800.00 | 1,536,800.00 |

| | | | | | | | | | |
|---|--|--|--|--|--|--|--|-----------------|-----------------|
| Eldeco Infrastructure & Properties Limited | | | | | | | | (192,100.00) | (192,100.00) |
| Mr O.P.Bajaj/Asha Bajaj | | | | | | | | 80,000.00 | 80,000.00 |
| Mrs Asha Bajaj | | | | | | | | (10,000.00) | (10,000.00) |
| Mrs Varija Bajaj | | | | | | | | 1,473,600.00 | 1,473,600.00 |
| Mrs Rashi Bajaj | | | | | | | | (184,200.00) | (184,200.00) |
| Mr Rajeev Bansal | | | | | | | | 507,200.00 | 507,200.00 |
| Ms Shivani Garg | | | | | | | | (63,400.00) | (63,400.00) |
| Mr Surya Kumar Gupta | | | | | | | | 214,400.00 | 214,400.00 |
| Sitting Fees | | | | | | | | (26,800.00) | (26,800.00) |
| Mr Arvind Bajaj | | | | | | | | 175,200.00 | 175,200.00 |
| | | | | | | | | (21,900.00) | (21,900.00) |
| | | | | | | | | 2,000.00 | 2,000.00 |
| | | | | | | | | (250.00) | (250.00) |
| | | | | | | | | 523,200.00 | 523,200.00 |
| | | | | | | | | - | - |
| | | | | | | | | 800.00 | 800.00 |
| | | | | | | | | (100.00) | (100.00) |
| | | | | | | | | - | - |
| | | | | | | | | (1,500.00) | (1,500.00) |
| Advance Given Against Bulk Booking/Project | | | | | | | | | |
| Eldeco Infrastructure & Properties Limited | | | | | | | | 6,000,000.00 | 6,000,000.00 |
| Advance Received Back Against Bulk Booking/Project | | | | | | | | - | - |
| Eldeco Infrastructure & Properties Limited | | | | | | | | 6,000,000.00 | 6,000,000.00 |
| Advance Received (Net) | | | | | | | | - | - |
| Omni Farms Private Limited | | | | | | | | 87,213,921.49 | 87,213,921.49 |
| | | | | | | | | (45,923,708.76) | (45,923,708.76) |

| Refund of Fixed Deposits | | | | | | |
|--|--------------|--|--|-------------|----------------|----------------|
| Ms Shivani Garg | | | | | 705,000.00 | 705,000.00 |
| Mr Pankaj Bajaj | 785,000.00 | | | | (110,000.00) | (110,000.00) |
| Pankaj Bajaj(HUF) | - | | | 780,000.00 | - | 785,000.00 |
| | | | | | | 780,000.00 |
| | | | | | | - |
| Interest Paid on Fixed Deposit | | | | | | |
| Mr Pankaj Bajaj | 14,824.70 | | | | | 14,824.70 |
| Pankaj Bajaj (HUF) | (73,880.00) | | | 14,730.30 | | (73,880.00) |
| Ms Shivani Garg | | | | (73,409.75) | | 14,730.30 |
| | | | | | 52,941.95 | (73,409.75) |
| | | | | | (74,648.54) | 52,941.95 |
| | | | | | | (74,648.54) |
| Club Services availed | | | | | | |
| Effel Recreation Club Pvt. Ltd. | | | | 313,645.00 | | 313,645.00 |
| | | | | | | - |
| Balances Outstanding as at 31.03.2014 | | | | | | |
| Trade/Other Payables | | | | | | |
| Mr Pankaj Bajaj | 167,510.26 | | | | | 167,510.26 |
| Ms Shivani Garg | (952,510.26) | | | | | (952,510.26) |
| Pankaj Bajaj (HUF) | | | | | | - |
| Surya Season Foods Pvt. Ltd. | | | | | (705,000.00) | (705,000.00) |
| Mrs Varija Bajaj | | | | | | - |
| Mr O.P.Bajaj/Asha Bajaj | | | | | 250,892.00 | 250,892.00 |
| Omni Farms Private Limited | | | | | (191,243.00) | (191,243.00) |
| | | | | | 950,264.00 | 950,264.00 |
| | | | | | (1,422,396.00) | (1,422,396.00) |
| | | | | | | 352,187,557.96 |

| | | | | | | |
|---------------------------------|-------------|--|--|--|-------------|-------------|
| Sushobhit Constructions Pvt Ltd | (99,990.00) | | | | (99,990.00) | (99,990.00) |
| Fixity Constructions Pvt Ltd | 99,990.00 | | | | 99,990.00 | 99,990.00 |
| Facility Constructions Pvt Ltd | (99,990.00) | | | | (99,990.00) | (99,990.00) |
| Bliss Constructions Pvt Ltd | 99,990.00 | | | | 99,990.00 | 99,990.00 |
| Khwahish Constructions Pvt Ltd | (99,990.00) | | | | (99,990.00) | (99,990.00) |
| Carnation Realtors Pvt. Ltd. | 99,990.00 | | | | 99,990.00 | 99,990.00 |
| Iris Realtors Private Limited | (99,990.00) | | | | (99,990.00) | (99,990.00) |
| Neo Realtors Private Limited | 99,990.00 | | | | 99,990.00 | 99,990.00 |
| Neptune Infracon Pvt. Ltd. | (99,990.00) | | | | (99,990.00) | (99,990.00) |
| Numerous Constructions Pvt Ltd | 99,990.00 | | | | 99,990.00 | 99,990.00 |
| Shivaye Constructions Pvt Ltd | (99,990.00) | | | | (99,990.00) | (99,990.00) |
| Swarg Constructions Pvt. Ltd. | 100,000.00 | | | | 100,000.00 | 100,000.00 |
| Swarnim Nirman Pvt. Ltd. | (99,990.00) | | | | (99,990.00) | (99,990.00) |
| Villa Constructions Pvt. Ltd. | 99,990.00 | | | | 99,990.00 | 99,990.00 |
| | (99,990.00) | | | | (99,990.00) | (99,990.00) |

Note : Amount in brackets represents the previous year figures.

38 Employee Benefit

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

A. Gratuity

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

| Description | Amount in Rupees As At 31 March 2014 | Amount in Rupees As At 31 March 2013 |
|--|---|---|
| Present value of obligation at the beginning of the year | 8,909,071.00 | 6,032,164.00 |
| Current service cost | 809,333.00 | 803,981.00 |
| Interest cost | 801,816.00 | 497,654.00 |
| Benefit paid | (2,511,212.00) | (472,055.00) |
| Actuarial (gain) / loss on obligation | 1,716,454.00 | 2,047,327.00 |
| Present value of obligation as at the end of year | 9,725,462.00 | 8,909,071.00 |

ii) Net assets / liability recognized in Balance Sheet as at 31st March, 2014

| Description | Amount in Rupees As At 31 March 2014 | Amount in Rupees As At 31 March 2013 |
|--|---|---|
| Present value of obligation as at 31st March, 2014 | 9,725,462.00 | 8,909,071.00 |
| Fair value of plan assets as at 31st March, 2014 | 1,886,337.00 | 1,313,882.00 |
| (Assets)/Liabilities recognized in the Balance Sheet | 7,839,125.00 | 7,595,189.00 |

iii) Amount recognized in Statement of Profit & Loss is as under:

| Description | Amount in Rupees As At 31 March 2014 | Amount in Rupees As At 31 March 2013 |
|--|---|---|
| Current service cost | 809,333.00 | 803,982.00 |
| Interest cost | 801,816.00 | 497,654.00 |
| Expected return on planned assets | (119,277.00) | (120,833.00) |
| Net actuarial (gain)/loss recognized during the year | 1,716,454.00 | 2,033,575.00 |
| Additional Interest Provided by LIC | (453,178.00) | - |
| Expenses to be recognized in the statement of P/L | 2,755,147.00 | 3,214,378.00 |

iv) Changes in fair value of plan assets

| Description | Amount in Rupees As At 31 March 2014 | Amount in Rupees As At 31 March 2013 |
|--|---|---|
| Fair value of plan assets at the beginning of the period | 1,313,882.00 | 1,651,352.00 |
| Additional Interest Provided by LIC | 453,178.00 | - |
| Expected return on plan assets | 119,277.00 | 120,833.00 |
| Contribution | - | - |
| Benefit Paid | - | (472,055.00) |
| Actuarial Gain/Loss | - | 13,752.00 |
| Fair value of plan assets at the end of the period | 1,886,337.00 | 1,313,882.00 |

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

| | | |
|---|--|--|
| Discount rate | 9.00% | 8.25% |
| Future salary increase | 5.00% | 5.00% |
| Expected rate of return on planned assets | 6.75% | 8.15% |
| Method used | Projected unit credit actuarial method | 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 accrual basis. The Company does not maintain any fund to pay for leave encashment.

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

| Description | Amount in Rupees As At 31 March 2014 | Amount in Rupees As At 31 March 2013 |
|--|---|---|
| Present value of obligation at the beginning of the year | 1,808,866.00 | 1,362,890.00 |
| Interest cost | 162,798.00 | 112,130.00 |
| Current service cost | 325,593.00 | 319,839.00 |
| Actuarial (gain)/loss on obligation | (13,506.00) | 14,007.00 |
| Benefit Paid | (310,883.00) | - |
| Present value of obligation at the end of the year | 1,972,868.00 | 1,808,866.00 |

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

| Description | Amount in Rupees As At 31 March 2014 | Amount in Rupees As At 31 March 2013 |
|--|---|---|
| Current service cost | 325,593.00 | 319,839.00 |
| Interest cost | 162,798.00 | 112,130.00 |
| Net actuarial (gain)/loss recognized during the year | (13,506.00) | 14,007.00 |
| Recognized in Profit & Loss account | 474,885.00 | 445,976.00 |

iii) Amount recognized in the Balance Sheet as at 31st March, 2014

| Description | Amount in Rupees As At 31 March 2014 | Amount in Rupees As At 31 March 2013 |
|-----------------------|---|---|
| Current Liability | 210,352.00 | 171,794.00 |
| Non Current Liability | 1,762,516.00 | 1,637,072.00 |
| Total | 1,972,868.00 | 1,808,866.00 |

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

| | | |
|------------------------|--------------------------------------|--------------------------------------|
| Discount rate | 9.00% | 8.75% |
| Future salary increase | 5.00% | 5.00% |
| Actuarial method used | Project unit credit actuarial method | Project unit credit actuarial method |

Provision of leave encashment as per actuarial is less than the liability provided in books of accounts, therefore provision for leave encashment has been made on accrual basis.

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.

39. In earlier year the Company was subjected to search under section 132 of the Income Tax Act, 1961. All the assessments for the assessment years 2006-07 to 2012-13 has been completed u/s 153A & 143(3) of the Income Tax Act, 1961. The total demand of Rs.1577040/- has been raised which is adjusted by the Income Tax Department from the refunds of the Company. The Company has filed necessary appeal before the appropriate authorities in respect of addition made by the Assessing Officer.

40. Interest in Joint Venture

The Company entered in to a 67.58:32.42 (being company share is 32.42%) 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 Non Current Investments (Note no. 13) of the Balance Sheet and stated at cost.

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

| Particulars | (Amount in Rupees) | |
|--|----------------------|----------------------|
| | As At March 31, 2014 | As At March 31, 2013 |
| Reserve & Surplus | 33885246 | 32319906 |
| Deferred Tax Liability | 33871 | 19349 |
| Trade Payables | 23919810 | 6596340 |
| Other Current Liabilities | 352811077 | 416466734 |
| Fixed Assets (including CWIP) | 919011 | 1009924 |
| Non Current Investments | 421395 | 433333 |
| Current Investments | 16327035 | 3453699 |
| Inventories | 98777716 | 88410826 |
| Cash & Bank Balances | 242428717 | 328133856 |
| Short Term Loans & Advances | 172678533 | 145781396 |
| Other Current Assets | 13688052 | 8755349 |
| Revenue from Operations & Other Income | 210680916 | 523976771 |
| Cost of Project | 140908349 | 408876000 |
| Employee Benefit Expenses | 3840124 | 4230762 |

| | | |
|-------------------|----------|-----------|
| Finance Cost | 54908 | 127435 |
| Depreciation | 82757 | 69156 |
| Other Expenses | 5253939 | 8061654 |
| Profit Before Tax | 60540839 | 102611764 |
| Tax Expense | 20681839 | 34744780 |
| Profit After Tax | 39859000 | 67866984 |

41. The Company has regrouped/ reclassified previous year figures where necessary to conform to with current year's classification.

42. All notes number 1-41 forms an integral part of the financial statements.

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
(Executive Chairman)

Pankaj Bajaj
(Managing Director)

Place: Lucknow
Dated: 30th May, 2014

Shruti Gupta
(Company Secretary)

Independent Auditor's Report

To

The Board of Directors of

Eldeco Housing & Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Eldeco Housing & Industries Limited** ("the Company"), its subsidiaries and joint venture company (collectively referred to as "the group") which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.18,68,05,395, total revenues of Rs.29,03,200 and cash flows amounting to Rs. 22,97,912 as at 31st March 2014, 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 Sachin H Agarwal & Associates, 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 Sachin H Agarwal & Associates, Chartered Accountants.

The financial statements of one joint venture company namely Eldeco City Private Limited whose financial statements reflect total assets of Rs.174,01,99,640/-, total revenue of Rs.62,01,55,635/- and cash flows amounting to Rs.45,62,19,542/- as at 31st March 2014, 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.

The Consolidated financial statements include the unaudited financial statements of Associate Companies namely, Omni Farms Private Limited & MAK Sales Private Limited, for the year ended 31st March 2014 which includes the Company's share of profit/ (loss) amounting to Rs 69,53,826 and 80,31,078 respectively. These unaudited 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 companies are based solely on these certified unaudited financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act 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 the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Lucknow
Dated: 30th May 2014

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

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**(Amount in Rupees unless otherwise stated)**

| PARTICULARS | NOTE | As At March 31,2014 | As At March 31,2013 |
|------------------------------------|-------------|----------------------------|----------------------------|
| I. EQUITY AND LIABILITIES : | | | |
| 1 SHAREHOLDERS' FUNDS: | | | |
| a. Share Capital | 2 | 19,666,000.00 | 19,666,000.00 |
| b. Reserves and Surplus | 3 | 759,358,549.07 | 617,719,037.53 |
| 2 MINORITY INTEREST | | 20,438.06 | 21,450.06 |
| 3 NON CURRENT LIABILITIES | | | |
| a. Long Term Borrowings | 4 | 21,317,898.00 | 35,902,358.00 |
| b. Deffered Tax Liabilities(Net) | 5 | 1,332,776.52 | 2,009,388.92 |
| c. Other Long Term Liabilities | 6 | 9,757,036.84 | 9,594,543.78 |
| d. Long Term Provisions | 7 | 10,659,647.00 | 9,654,189.00 |
| 4 CURRENT LIABILITIES | | | |
| a. Short Term Borrowings | 8 | 32,261,649.96 | 34,331,920.11 |
| b. Trade Payables | 9 | 152,142,451.45 | 305,852,392.82 |
| c. Other Current Liabilities | 10 | 1,468,594,392.07 | 1,297,064,635.91 |
| d. Short term Provisions | 11 | 27,002,400.42 | 23,939,353.95 |
| TOTAL | | 2,502,113,239.38 | 2,355,755,270.08 |
| II. ASSETS: | | | |
| 1 Non-Current Assets | | | |
| a. Fixed Assets | 12 | | |
| (i) Tangible Assets | | 45,992,323.48 | 49,415,762.38 |
| (ii) Intangible Assets | | 1,144,827.54 | 1,661,082.76 |
| b. Goodwill on Consolidation | | 188,239.00 | 163,237.00 |
| c. Non Current Investments | 13 | 22,766,852.63 | 8,087,014.82 |
| d. Long Term Loans & Advances | 14 | 31,004,907.24 | 21,596,146.22 |
| e. Other Non-Current Assets | 15 | 31,507,912.00 | 52,248,164.32 |
| 2 Current Assets | | | |
| a. Current Investments | 16 | 16,327,035.49 | 3,453,699.27 |
| b. Inventories | 17 | 1,118,413,228.84 | 802,291,323.19 |
| c. Trade Receivables | 18 | 249,582,919.26 | 339,493,297.12 |
| d. Cash and Bank Balances | 19 | 401,670,291.28 | 531,337,888.02 |
| e. Short term Loans & Advances | 20 | 518,632,548.12 | 458,224,529.63 |
| f. Other Current Assets | 21 | 64,882,154.50 | 87,783,125.34 |
| TOTAL | | 2,502,113,239.38 | 2,355,755,270.08 |

Notes to Consolidated Balance Sheet and Statement of Profit & Loss 1-44

In terms of our report 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

SHRUTI GUPTA
(Company Secretary)

Place : Lucknow

Dated :30th May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR
THE YEAR ENDED 31ST MARCH, 2014

(Amount in Rupees unless otherwise stated)

| PARTICULARS | NOTE | Year Ended March 31,2014 | Year Ended March 31,2013 |
|--|------|-----------------------------|-----------------------------|
| I REVENUE | | | |
| 1 Revenue from Operations | 22 | 692,571,057.83 | 960,755,462.26 |
| 2 Other Income | 23 | 46,314,832.85 | 78,780,653.46 |
| Total Revenue | | 738,885,890.68 | 1,039,536,115.72 |
| II EXPENSES | | | |
| 1 Cost of Material Consumed, Construction & Other related project cost | 24 | 668,687,837.03 | 845,615,525.04 |
| 2 Changes in Inventories of Finished stock & Project in Progress | 25 | (300,383,032.22) | (136,990,451.89) |
| 3 Employee Benefit Expenses | 26 | 58,604,595.71 | 63,871,747.33 |
| 4 Finance Cost | 27 | 34,336,696.18 | 21,505,627.45 |
| 5 Depreciation | | 4,122,114.37 | 3,410,213.55 |
| 6 Other Expenses | 28 | 77,349,247.18 | 75,719,177.85 |
| Total Expenses | | 542,717,458.25 | 873,131,839.33 |
| III PROFIT BEFORE TAX | | 196,168,432.43 | 166,404,276.39 |
| IV Tax Expense | | | |
| i. Current Tax | | 68,460,558.43 | 70,188,260.41 |
| ii. Tax related to previous years | | (105,857.10) | 297,919.23 |
| iii. Deferred Tax | | (676,612.40) | (305,860.92) |
| V PROFIT AFTER TAX | | 128,490,343.50 | 96,223,957.67 |
| VI MINORITY INTEREST | | (1,012.00) | 1,667.37 |
| VII SHARE OF PROFITS OF ASSOCIATES (NET) | | 14,984,904.36 | (1,143,087.42) |
| VIII PROFIT AFTER TAX, MINORITY INTEREST AND SHARE OF PROFITS OF ASSOCIATES | | 143,474,235.86 | 95,082,537.62 |
| IX EARNINGS PER EQUITY SHARE (Nominal value of share Rs. 10/- each) | | | |
| Basic & Diluted Earnings Per Share (in Rs) | 29 | 72.96 | 48.35 |
| Notes to Consolidated Balance Sheet and Statement of Profit & Loss | 1-44 | | |

In terms of our report 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

SHRUTI GUPTA
(Company Secretary)

Place : Lucknow
Dated :30th May, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR
THE YEAR ENDED 31ST MARCH, 2014

(Amount In Rupees)

| Particulars | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|---|------------------------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before tax, appropriations and extra ordinary items | 196,168,432.43 | 166,404,276.39 |
| Adjustment for : | | |
| Profit on sale of Fixed Assets | (169,326.87) | - |
| Loss on sale of Fixed Assets | 39,801.11 | - |
| Depreciation | 5,279,508.26 | 5,443,648.74 |
| Dividend received | (145,078.00) | (146,868.00) |
| Interest received | (21,427,103.71) | (55,442,179.66) |
| Minority Interest | (1,012.00) | 1,667.37 |
| Interest paid | 34,336,696.18 | 21,505,627.45 |
| Profit on sale of Shares of Associates/Subsidiary | (6,871.63) | - |
| Adjustment for Opening Balance in JV Company | 1,684,080.91 | - |
| Share of Profit/(Loss) in Associates (Net) | 14,984,904.36 | (1,143,087.42) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 230,744,031.04 | 136,623,084.87 |
| ADJUSTMENTS FOR WORKING CAPITAL CHANGES: | | |
| Inventories | (316,121,905.65) | (204,659,878.37) |
| Trade and Other Receivables | 89,910,377.86 | (289,768,000.95) |
| Other current & non current assets | 116,261,336.14 | 58,470,779.82 |
| Trade Payables & Others | (153,709,941.37) | 99,746,453.36 |
| Other current & non current liabilities | 172,459,670.77 | 217,637,617.48 |
| CASH GENERATED FROM OPERATING ACTIVITIES: | 139,543,568.79 | 18,050,056.21 |
| Direct Taxes Paid | (67,678,088.93) | (70,187,357.18) |
| NET CASH FROM OPERATING ACTIVITIES | 71,865,479.86 | (52,137,300.97) |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Sale of Fixed Assets | 280,625.00 | - |
| Purchase of Fixed Assets | (1,700,753.00) | (2,513,144.67) |
| Sale of Non Current Investments | 311,938.17 | - |
| Purchase of Current Investments | (12,873,336.22) | - |

| | | |
|--|------------------------|------------------------|
| Share of Profit/(Loss) in associates | (14,984,904.36) | 1,143,087.41 |
| Sale of Current Investments | - | 57,375,912.39 |
| Interest received | 21,427,103.71 | 55,442,179.66 |
| Dividend received | 145,078.00 | 146,868.00 |
| Increase in minority Interest | 1,012.00 | (1,667.37) |
| NET CASH USED IN INVESTING ACTIVITIES | (7,393,236.70) | 111,593,235.43 |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Interest & Finance Charges paid | (34,336,696.18) | (21,505,627.45) |
| Dividend Paid | (15,732,800.00) | (1,966,600.00) |
| Tax on Dividend | (2,673,789.00) | (319,032.00) |
| Share of Securities Premium in Joint Venture Company | 1,065,339.76 | (11,823,949.26) |
| NET CASH USED IN FINANCING ACTIVITIES | (51,677,945.41) | (35,615,208.71) |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | 12,794,297.75 | 23,840,725.75 |
| CASH AND CASH EQUIVALENTS (OPENING BALANCE) | 108,375,561.26 | 84,534,835.51 |
| CASH AND CASH EQUIVALENTS (CLOSING BALANCE) | 121,169,859.01 | 108,375,561.26 |

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'.

Previous year's figures have been restated, wherever necessary, to conform to this year's classification.

In terms of our report 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**

**SHRUTI GUPTA
(Company Secretary)**

Place : Lucknow
Dated : 30th May 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. (a) Principles of Consolidation

The consolidated financial statements relate to Eldeco Housing & Industries Limited ('the Parent') its subsidiaries, joint venture company and associates (collectively referred to as 'the Group') as on 31st March 2014 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 Standard 21- "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

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 Equity method is accounted as per Accounting Standard 23- "Accounting for Investments in associates in Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

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 as per Accounting Standard 27- "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.

The list of subsidiary companies, joint venture company and associates which are included in the consolidation and the Company's holding therein are as under:

| S.No. | Name of Subsidiary | Year ended March 31, 2014 | Year ended March 31, 2013 |
|-------|--|------------------------------|------------------------------|
| | | (% 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 | 100.00 | 99.90 |
| 6 | Suniyojit Constructions Private Limited | 100.00 | 99.90 |
| 7 | Halwasiya Agro Industries Limited | 100.00 | 99.85 |
| 8 | Prayatna Constructions Private Limited * | NIL* | 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 | Bliss Constructions Private Limited | 99.99 | 99.99 |
| 18 | Carnation Realtors Private Limited | 99.90 | 99.90 |
| 19 | Iris Realtors Private Limited | 99.90 | 99.90 |
| 20 | Neo Realtors Private Limited | 99.90 | 99.90 |
| 21 | Numerous Constructions Private Limited | 99.90 | 99.90 |
| 22 | Neptune Infracon Private Limited | 99.90 | 99.90 |
| 23 | Shivaye Constructions Private Limited | 100.00 | 99.90 |
| 24 | Swarg Constructions Private Limited | 100.00 | 99.90 |
| 25 | Swarnim Constructions Private Limited | 99.90 | 99.90 |
| 26 | Villa Constructions Private Limited | 99.90 | 99.90 |

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

- *Ceased to be subsidiary Company w.e.f. 19.04.2013

Joint Venture Company

| S.No. | Name of Joint Venture Company | Year ended March 31, 2014 | Year ended March 31, 2013 |
|-------|-------------------------------------|----------------------------------|------------------------------|
| | | (% of ownership interest) | |
| 1 | Eldeco City Private Limited (India) | 32.42 | 32.42 |

Associates

| S.No. | Name of Associates | Year ended March 31, 2014 | Year ended March 31, 2013 |
|-------|---|----------------------------------|------------------------------|
| | | (% of ownership interest) | |
| 1 | Omni Farms Private Limited | 32 | 32 |
| 2 | MAK Sales Private Limited | 35 | 35 |
| 3 | Awadh Technology Park & SEZ Private Limited | NIL* | 12.50 |

* Ceased to be Associate Company w.e.f. 30.05.2013

(b) 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. Intangible assets

Intangible assets comprise of computer software are stated at cost of acquisition less accumulated depreciation on straight line method.

vi. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

vii. Inventories

Inventories are valued as under:

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

Land is valued at cost. Cost includes cost of acquisition and all related costs.

Project in Progress is valued at cost and consists of all direct expenditure incurred on projects under execution. Cost includes cost of land, materials, construction, services, borrowing costs and other directly attributable to the construction/development of the projects.

Completed real estate project for sale and trading stock are valued at lower of cost or net realizable value.

viii. Investments

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

ix. Revenue Recognition

A. Real Estate Projects

The Company follows the Percentage of Completion Method (POC) of Accounting. As per this method, the revenue in the Statement of Profit and Loss 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.

The stage of completion under the POC method is measured on the basis of percentage that actual costs incurred on real estate projects including land, construction and development cost bears to the total estimated cost of the project. The estimates of the projected revenues, projected profits, projected costs, cost to completion and the foreseeable loss are reviewed periodically by the management and any effect of changes in estimates is recognized in the period in which such changes are determined.

Effective from 1st April 2012, in accordance with the “Guidance Note on Accounting for Real Estate Transactions (Revised) 2012” (referred to as “Guidance Note”), all projects commencing on or after the said date or projects where revenue is recognized for the first time on or after the said date, Revenue from real estate projects has been recognized on Percentage of Completion method provided the following conditions are met:

- (i) All critical approvals necessary for commencement of the project have been obtained.
- (ii) The expenditure incurred on construction and development is not less than 25% of the total estimated construction and development cost.
- (iii) At least 25% of the saleable project area is secured by way of contracts or agreements with buyers.
- (iv) At least 10% of the total revenue as per the agreement of sale or any other legally enforceable document are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the respective contracts.

Unbilled revenue disclosed under other assets represents revenue recognized based on percentage of completion method over and above amount due as per payment plan agreed with the customers. Amount received from customers which exceeds the cost and recognized profits to date on projects in progress, is disclosed as advance received from customers under other current liabilities. Any billed amount against which revenue is recognized but amount not collected is disclosed under trade receivable.

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

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.

Interest due on delayed payments by customers is accounted on receipt basis due to uncertainty of recovery of the same.

Revenue from sale of completed real estate projects, land, development rights and sale/transfer of rights in agreements are recognised in the financial year in which agreements of such sales are executed and there is no uncertainty about ultimate collections.

B. Income from Construction Contracts

Revenue from construction contracts is recognized on the “Percentage of Completion Method” of accounting.

Income from Construction contracts is recognized by reference to the stage of completion of the contract activity as certified by the client.

Revenue on account of contract variations, claims and incentives are recognized upon determination or settlement of the contract.

C. Revenue from trading activities of completed projects is accounted for on accrual basis.

x. Retirement and Other Benefits

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the employee has rendered services.
- ii) Post employment benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable towards contributions. The present value is determined using market yields of government bonds, at the balance sheet date, as the discounting rate.
- iii) Other long term employee benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. Estimated liability on account of long term benefits is discounted to the present value using the market yield on government bonds as on the date of balance sheet.
- iv) Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit & Loss.

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. Earnings Per Share

Earning per shares (EPS) are computed on the basis of net profit after tax. The number of shares used in computing basic EPS is weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential diluted equity shares.

xiii. Provisions, Contingent Liabilities and Contingent Assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not; require an out flow of resources. Where there is a possible obligation of a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. 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.

xiv. Cash & Cash Equivalents

For the purpose of Cash Flow Statement cash and cash equivalents include cash in hand, demand deposits with bank, other short term highly liquid investments within original maturities of 3 months or less.

(Amount In Rupees)

| 2-Share Capital | As At 31 March 2014 | | As At 31 March 2013 | |
|---|---------------------|----------------------|---------------------|----------------------|
| | Number | Amount | Number | Amount |
| Authorised | | | | |
| Equity Shares of Rs 10/- each | 10,000,000 | 100,000,000.00 | 10,000,000 | 100,000,000.00 |
| Issued, Subscribed & Fully Paid up | | | | |
| Equity Shares of Rs 10/- each | 1,966,600 | 19,666,000.00 | 1,966,600 | 19,666,000.00 |
| Total Issued, Subscribed & Fully Paid up | 1,966,600 | 19,666,000.00 | 1,966,600 | 19,666,000.00 |

2.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

(Amount In Rupees)

| Particulars | As At 31 March 2014 | | As At 31 March 2013 | |
|---|---------------------|---------------|---------------------|---------------|
| | Number | Amount | Number | Amount |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 1,966,600 | 19,666,000.00 | 1,966,600 | 19,666,000.00 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 1,966,600 | 19,666,000.00 | 1,966,600 | 19,666,000.00 |

2.2 Terms/ Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. The Dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding

2.3 Details of Shareholders holding more than 5% shares in Equity Capital of the Company.#

| Name of Shareholder | As At 31 March 2014 | | As At 31 March 2013 | |
|---------------------|---------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| 1. Pankaj Bajaj | 570,700 | 29.02 | 570,700 | 29.02 |
| 2. Arvind Bajaj | 192,100 | 9.77 | 192,100 | 9.77 |
| 3. Om Prakash Bajaj | 184,200 | 9.37 | 184,200 | 9.37 |

#The aforesaid disclosure is based upon percentages computed separately for class of shares outstanding as at the balance sheet date. As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal & beneficial ownership of shares.

(Amount In Rupees)

| 3-Reserves & Surplus | As At March 31,2014 | As At March 31,2013 |
|---|--------------------------------|--------------------------------|
| a. Capital Reserve | | |
| As Per Last Balance Sheet | 133,600.00 | 133,600.00 |
| b. General Reserve | | |
| As Per Last Balance Sheet | 81,393,067.71 | 61,393,067.71 |
| Add: Transfer from surplus in the Statement of Profit & Loss | 10,000,000.00 | 20,000,000.00 |
| Closing Balance | 91,393,067.71 | 81,393,067.71 |
| c. Group Share of Securities Premium in Joint Venture Company | 33,385,246.43 | 32,319,906.67 |
| d. Surplus in the Statement of Profit & Loss | | |
| As Per Last Balance Sheet | 503,872,463.15 | 447,196,514.53 |
| Add: Adjustment in opening balance in respect of JV Company(Refer Note No 42) | 1,684,080.91 | - |
| Add: Profit for the Year | 143,474,235.86 | 95,082,537.62 |
| Add: Adjustment in respect to sale of subsidiary | 17,502.00 | - |
| Less: Appropriations: | | |
| Transfer to General Reserve | 10,000,000.00 | 20,000,000.00 |
| Proposed Dividend on Equity Shares | 3,933,200.00 | 15,732,800.00 |
| [Rs.2 per share(Previous Year Rs. 8 per share)] | | |
| Tax on Dividend | 668,447.00 | 2,673,789.00 |
| Closing Balance | 634,446,634.92 | 503,872,463.15 |
| Total | 759,358,549.07 | 617,719,037.53 |

(Amount In Rupees)

| 4-Long Term Borrowings | As At March 31,2014 | | As At March 31,2013 | |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
| | Non Current | Current Maturities | Non Current | Current Maturities |
| Secured Loans | | | | |
| Term Loan From Bank | 21,317,898.00 | 14,088,498.00 | 29,427,358.00 | 18,750,000.00 |
| Less: Amount disclosed under the head 'Other Current Liabilities (Refer Note no.10) | - | 14,088,498.00 | - | 18,750,000.00 |
| Unsecured | | | | |
| Public Deposits | - | 6,330,000.00 | 6,475,000.00 | 25,455,000.00 |
| Less: Amount disclosed under the head 'Other Current Liabilities (Refer Note no.10) | - | 6,330,000.00 | - | 25,455,000.00 |
| Total | 21,317,898.00 | - | 35,902,358.00 | - |

| Maturity Profile of Long Term Borrowing: | | MATURITY PROFILE | |
|--|---------------------|------------------|--|
| Public Deposit | | | |
| Particulars | Up To 1 Year | Total | |
| Rate of Interest (%) | (10.75-11.00) | | |
| Public Deposit | 6,330,000.00 | 6,330,000.00 | |

| Term Loan From Bank | | | | |
|---------------------|---------------|---------------|--------------|---------------|
| Particulars | Up To 1 Year | 1-2 Years | 2-3 Year | Total |
| Term Loan (ROI 16%) | 14,088,498.00 | 16,515,535.00 | 4,802,363.00 | 35,406,396.00 |

Nature of Security of Term Loan :

Term Loan from bank are secured by Equitable Mortgage of Commercial Property of Plot No TC/G-10/10 Group Housing Scheme, Vibhuti Khand, Gomti Nagar, Lucknow and further secured by personal guarantee of Director.

(Amount In Rupees)

| 5-Deferred Tax Liability (Net) | Deferred tax Liability/ (Asset) | Current year charge/ (Credit) | Deferred tax Liability/ (Asset) |
|---|------------------------------------|----------------------------------|------------------------------------|
| | AsAt March 31,2013 | | AsAt March 31,2014 |
| a. Difference in depreciation for accounting and income tax purpose | 4,984,519.00 | (28,528.48) | 4,955,990.52 |
| b. Provision For Leave Encashment & Gratuity | (2,975,130.08) | (648,083.92) | (3,623,214.00) |
| Total | 2,009,388.92 | (676,612.40) | 1,332,776.52 |

(Amount In Rupees)

| 6-Other Long Term Liabilities | AsAt March 31,2014 | AsAt March 31,2013 |
|-------------------------------|-----------------------|-----------------------|
| Security Deposit Received | 9,757,036.84 | 9,594,543.78 |
| Total | 9,757,036.84 | 9,594,543.78 |

(Amount In Rupees)

| 7-Long Term Provisions | AsAt March 31,2014 | AsAt March 31,2013 |
|---------------------------------------|-----------------------|-----------------------|
| Provision for Employee Benefit | | |
| Provision For Gratuity | 7,839,125.00 | 7,595,189.00 |
| Provision For Leave Encashment | 2,820,522.00 | 2,059,000.00 |
| Total | 10,659,647.00 | 9,654,189.00 |

(Amount In Rupees)

| 8-Short Term Borrowings | As At March 31,2014 | As At March 31,2013 |
|---------------------------------|------------------------|------------------------|
| Secured | | |
| (a) Working Capital Loan | | |
| From Banks* | 32,261,649.96 | 34,331,920.11 |
| Total | 32,261,649.96 | 34,331,920.11 |

Nature of Security of Working Capital Loans :

- (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 15141.54 sq. mts. Land having Khasra No. 703,704 & 851 ka Haiwat Mau Mawaiya, Pargana Bijnour, Ward Ibrahimpur, Raibareilly Road, Lucknow.
- (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)
- (iv) In overdraft account secured against lien on bank Fixed Deposits and personal guarantee of Managing Director.

*Includes overdraft facility of Rs 46.07 Lacs from City Cooperative Bank Limited, against fixed deposit of Rs 106.29 Lacs. The said Bank has discontinued its operations, however the company has applied for repayment of fixed deposit after adjustment of the balance outstanding in the overdraft account.

(Amount In Rupees)

| 9-Trade Payables | As At March 31,2014 | As At March 31,2013 |
|--|------------------------|------------------------|
| Due to Micro Small and Medium Enterprises* | - | - |
| Due to Others for supplies/services | 152,142,451.45 | 305,852,392.82 |
| Total | 152,142,451.45 | 305,852,392.82 |

* The Company has not received informations 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 the Act has not been given.

(Amount In Rupees)

| 10-Other Current Liabilities | As At March 31,2014 | As At March 31,2013 |
|--|------------------------|------------------------|
| Current maturities of long-term debt (Refer Note No.4) | 20,418,498.00 | 44,205,000.00 |
| Interest accrued but not due on borrowings | 1,343,880.67 | 4,325,437.40 |
| Interest accrued and due on borrowings | - | 664,273.00 |
| Advance from Customers | 1,421,761,456.04 | 1,213,834,882.54 |
| Investor Education & Protection Fund* | | |
| (i) Unclaimed dividends | 1,840,890.00 | 1,179,220.00 |

| | | |
|---|-------------------------|-------------------------|
| (ii) Unclaimed matured deposits (includes interest thereon) | 626,331.00 | 2,914,433.26 |
| Book Overdraft | 1,114,508.94 | 12,123,752.52 |
| Security Deposits/Retention Money | 9,003,846.63 | 10,854,980.93 |
| Due to Directors | 167,510.26 | 167,510.26 |
| Other payables | | |
| (i) Employee Related Liabilities | 826,630.00 | 992,962.00 |
| (ii) Statutory Liabilities | 11,490,840.53 | 5,802,184.00 |
| Total | 1,468,594,392.07 | 1,297,064,635.91 |

* Appropriate amounts shall be transferred to Investor Education & Protection Fund if and when due.

(Amount In Rupees)

| 11-Short Term Provisions | As At March 31,2014 | As At March 31,2013 |
|---|--------------------------------|--------------------------------|
| Others | | |
| Proposed Dividend | 3,933,200.00 | 15,732,800.00 |
| Tax on Proposed Dividend | 668,447.00 | 2,673,789.00 |
| Provision for Income Tax (Net of Advance Tax) | 22,400,753.42 | 5,532,764.95 |
| Total | 27,002,400.42 | 23,939,353.95 |

| | | <---- GROSS BLOCK ----> | | | | <---- DEPRECIATION ----> | | | | <-- NET BLOCK --> | |
|-----------------|--------------------------|-------------------------|---------------------|---------------------------|----------------------|--------------------------|---------------------|---------------------------|----------------------|----------------------------|----------------------------|
| 12-Fixed Assets | Particulars | As At 4/1/2013 | Additions | Deletions/ Adjustments | As At 3/31/2014 | As At 1/4/2013 | For the Year | Deletions/ Adjustments | As At 3.31.2014 | W.D.V. As At 31.03.2014 | W.D.V. As At 31.03.2013 |
| | Tangible Assets | | | | | | | | | | |
| | 1 Office Premises | 24,902,451.72 | - | - | 24,902,451.72 | 2,619,978.49 | 405,909.96 | - | 3,025,888.46 | 21,876,563.26 | 22,282,473.23 |
| | 2 Plant & Machinery | 32,594,415.43 | 67,717.00 | - | 32,662,132.43 | 15,264,177.03 | 1,775,261.05 | - | 17,039,438.08 | 15,622,694.35 | 17,330,238.40 |
| | 3 Furniture & Fixtures | 15,659,277.32 | 158,113.00 | - | 15,817,390.32 | 10,884,503.53 | 989,175.33 | - | 11,873,678.87 | 3,943,711.45 | 4,774,773.78 |
| | 4 Vehicles | 11,585,437.69 | 1,083,900.00 | 792,820.00 | 11,876,517.69 | 7,053,474.54 | 1,079,110.43 | 687,146.87 | 7,445,438.10 | 4,431,079.59 | 4,531,963.15 |
| | 5 Computers | 4,190,384.33 | 345,475.00 | 133,760.00 | 4,402,099.33 | 3,694,070.51 | 678,087.89 | 88,333.89 | 4,283,824.51 | 118,274.82 | 496,313.82 |
| | Sub-Total(A) | 88,931,966.49 | 1,655,205.00 | 926,580.00 | 89,660,591.49 | 39,516,204.11 | 4,927,544.66 | 775,480.76 | 43,668,268.01 | 45,992,323.48 | 49,415,762.38 |
| | Previous Year Figures | 87,939,401.82 | 992,564.67 | - | 88,931,966.49 | 34,079,593.83 | 5,436,610.27 | - | 39,516,204.10 | 49,415,762.39 | 53,859,807.99 |
| | Intangible Assets | | | | | | | | | | |
| | 1 Computer Software | 2,153,804.00 | 45,548.00 | - | 2,199,352.00 | 702,560.87 | 351,963.59 | - | 1,054,524.46 | 1,144,827.54 | 1,661,082.76 |
| | Sub-Total(B) | 2,153,804.00 | 45,548.00 | - | 2,199,352.00 | 702,560.87 | 351,963.59 | - | 1,054,524.46 | 1,144,827.54 | 1,661,082.76 |
| | Previous Year Figures | 633,224.00 | 1,520,580.00 | - | 2,153,804.00 | 492,721.24 | 209,839.63 | - | 702,560.87 | 1,661,082.76 | 140,502.76 |
| | Total(A+B) | 91,085,770.49 | 1,700,753.00 | 926,580.00 | 91,859,943.49 | 40,218,764.98 | 5,279,508.26 | 775,480.76 | 44,722,792.47 | 47,137,151.01 | 51,076,845.14 |
| | Previous Year Figures | 88,572,625.82 | 2,513,144.67 | - | 91,085,770.49 | 34,572,315.07 | 5,646,449.90 | - | 40,218,764.97 | 51,076,845.15 | 54,000,310.75 |

(Amount In Rupees)

| 13-Non Current Investments | As At March 31,2014 | As At March 31,2013 |
|--|--------------------------------|--------------------------------|
| Trade ,Unquoted, at Cost | | |
| In Associate Companies | | |
| 17500 (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) | 13,799,457.74 | 5,768,379.88 |
| 1600 (1600) 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) | 8,083,939.73 | 1,130,113.23 |
| NIL (30000) Equity Shares of Rs 10/- each fully paid up in Awadh Technology Park and Sez Pvt. Ltd.(including accumulated share of Profit) | - | 293,128.38 |
| Other Investment | | |
| Investment in Equity Instruments- Quoted | | |
| In Other Companies | | |
| 11500 (11500) Equity Shares of Rs. 10.00 each in Union Bank of India Ltd.,fully paid up | 184,000.00 | 184,000.00 |
| 2400 (2400) Equity Shares of Rs. 10.00 each & 94 (94)Equity Shares of Rs. 390.00 each in Punjab National Bank Ltd. fully paid up | 111,060.00 | 111,060.00 |
| Investment in Equity Instruments- Unquoted | | |
| 5000 (5000) Equity Shares of Rs.25/- fully paid up in Indian Mercantile Co-operative Bank Limited | 125,000.00 | 125,000.00 |
| 420 (420) Equity Shares of Rs 100/- each fully paid up in Lucknow Cement Crafts Pvt. Ltd. | 42,000.00 | 42,000.00 |
| Group Share of Investments in Joint Venture Company | 421,395.16 | 433,333.33 |
| Total | 22,766,852.63 | 8,087,014.82 |

Figures in bracket represent those of previous year

Note: All the above shares are fully paid up

| | | |
|--|-------------|------------|
| Aggregate cost of unquoted investments | 22471792.63 | 7791954.82 |
| Aggregate cost of quoted investments | 295060.00 | 295060.00 |
| Market value of quoted investments | 3433585.40 | 7038729.10 |

(Amount In Rupees)

| 14-Long Term Loans & Advances | As At March 31,2014 | As At March 31,2013 |
|---|--------------------------------|--------------------------------|
| Security Deposit Paid | 6,751,810.50 | 6,548,717.50 |
| Direct Taxes Refundable (Net of Provisions) | 24,253,096.74 | 15,047,428.72 |
| Total | 31,004,907.24 | 21,596,146.22 |

(Amount In Rupees)

| 15-Other Non Current Assets | As At March 31,2014 | As At March 31,2013 |
|--|--------------------------------|--------------------------------|
| Deposit more than twelve months | 31,500,421.00 | 51,550,421.00 |
| Interest accrued and due on Bank FDR's having original maturity of more than twelve months | 7,491.00 | 697,743.32 |
| Total | 31,507,912.00 | 52,248,164.32 |

(Amount In Rupees)

| 16-Current Investments | As At March 31,2014 | As At March 31,2013 |
|--|--------------------------------|--------------------------------|
| Others, Quoted, at Cost | | |
| Group Share of Investment in Joint Venture Company | 16,327,035.49 | 3,453,699.27 |
| Total | 16,327,035.49 | 3,453,699.27 |

| | | |
|---|---------------|--------------|
| Aggregate cost of group share of quoted investments | 16,327,035.49 | 3,453,699.27 |
|---|---------------|--------------|

(Amount In Rupees)

| 17-Inventories | As At March 31,2014 | As At March 31,2013 |
|---------------------------------|--------------------------------|--------------------------------|
| Land | 434,102,688.49 | 397,644,270.68 |
| Building Material & consumables | 28,146,555.53 | 23,313,087.39 |
| Unsold Plots,Shops, Flats etc., | 232,697,825.61 | 73,392,003.85 |
| Project in Progress | 423,466,159.21 | 307,941,961.27 |
| Total | 1,118,413,228.84 | 802,291,323.19 |

(Amount In Rupees)

| 18-Trade Receivables | As At March 31,2014 | As At March 31,2013 |
|--|--------------------------------|--------------------------------|
| (Unsecured considered good unless otherwise stated) | | |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | 31,734,865.00 | 38,636,960.19 |
| Other Trade Receivables | 217,848,054.26 | 300,856,336.93 |
| Total | 249,582,919.26 | 339,493,297.12 |

(Amount In Rupees)

| 19-Cash And Bank Balances | As At March 31,2014 | As At March 31,2013 |
|--|--------------------------------|--------------------------------|
| Cash & Cash Equivalents | | |
| Balances with Banks: | | |
| -In Current Account | 47,769,073.94 | 69,716,607.46 |
| Cash on Hand | 55,295,232.85 | 23,245,118.81 |
| Stamp on Hand | 1,185,931.30 | - |
| Cheques on hand | 16,919,620.92 | 15,413,835.00 |
| | 121,169,859.01 | 108,375,561.26 |
| Other Bank Balances | | |
| Unclaimed/Unpaid Dividend Account | 1,844,027.33 | 1,182,357.33 |
| Deposit held as margin money/earnest money* | 52,826,716.00 | 127,078,499.00 |
| Deposit with original maturity of more than three months but less than twelve months | 225,829,688.94 | 294,701,470.42 |
| Total | 401,670,291.28 | 531,337,888.02 |

*Includes deposits of Rs 106.29 Lacs from City Cooperative Bank Limited, against overdraft facility of Rs 46.07 Lacs. The said Bank has discontinued its operations, however the company has applied for repayment of fixed deposit after adjustment of the balance outstanding in the overdraft account.

(Amount In Rupees)

| 20-Short-term loans and advances | As At March 31,2014 | As At March 31,2013 |
|--|--------------------------------|--------------------------------|
| (Unsecured considered good unless otherwise stated) | | |
| Loans and advances to | | |
| Other related parties | 81,264,540.60 | 131,182,575.29 |
| | 81,264,540.60 | 131,182,575.29 |
| Advance against goods, services & others | | |
| Advances for projects | 402,388,965.97 | 246,116,229.00 |
| Other Advances | 18,617,441.83 | 58,004,850.70 |
| Other Deposits | 3,298,437.00 | 950,675.00 |
| | 424,304,844.80 | 305,071,754.70 |
| Balance with Government/statutory authorities | 12,928,524.04 | 21,483,535.31 |
| Prepaid Expenses | 134,638.67 | 486,664.33 |
| Total | 518,632,548.12 | 458,224,529.63 |

20.1 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.

(Amount In Rupees)

| 21-Other current assets | As At March 31,2014 | As At March 31,2013 |
|--|--------------------------------|--------------------------------|
| Interest accrued and due on Bank FDR's having original maturity of less than 12 months | 2,369,057.14 | 11,609,736.62 |
| Unbilled Receivables | 62,513,097.36 | 76,173,388.72 |
| Total | 64,882,154.50 | 87,783,125.34 |

(Amount In Rupees)

| 22-Revenue From Operations | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Income from Real Estate Projects | 632,965,406.92 | 878,279,184.75 |
| Income from Construction Contracts | 10,125,290.00 | 53,531,637.18 |
| Other Operating Income | 49,480,360.90 | 28,944,640.33 |
| Total | 692,571,057.83 | 960,755,462.26 |

(Amount In Rupees)

| 23-Other Income | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|---|--------------------------------------|--------------------------------------|
| Interest Income on bank FDR's | 20,298,645.71 | 48,849,048.66 |
| Others | 1,128,458.00 | 6,593,131.00 |
| Rent Received | 23,114,656.46 | 14,609,377.00 |
| Misc. Receipts | 869,746.28 | 901,298.07 |
| Profit on Sale of Fixed Asset | 169,326.87 | - |
| Profit on Sale of Current Investments | - | 6,624,837.67 |
| Dividend from other long term investments | 145,078.00 | 146,868.00 |
| Liabilities no longer required written back | 499,561.91 | 1,056,093.06 |
| Profit on sale of subsidiary | 82,488.00 | - |
| Profit on sale of shares of associate company | 6,871.63 | - |
| Total | 46,314,832.85 | 78,780,653.46 |

(Amount In Rupees)

| 24-Cost of Material Consumed and other related Project cost | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|--|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year | | |
| Building Material and consumables | 23,313,087.39 | 40,113,676.76 |
| Land | 397,644,270.68 | 313,174,254.83 |
| | 420,957,358.07 | 353,287,931.59 |

| | | |
|--|----------------|----------------|
| Add: Cost incurred during the year | | |
| Land Development, constructed units and other rights | 252,114,995.51 | 632,842,760.93 |
| Building Material Purchases | 169,030,371.90 | 99,647,476.79 |
| Expenses through Contractors | 193,174,860.72 | 124,357,722.05 |
| Architects' Fees | 6,818,980.00 | 3,987,270.00 |
| Water & Electricity | 2,602,116.00 | 5,576,354.00 |
| Plant & Machinery Repairs | 479,765.00 | 2,011,078.50 |
| Plan Approval & External Devp.Fees | 28,235,314.33 | 10,500.00 |
| Other project expenses | 29,587,485.40 | 24,287,282.50 |
| Depreciation | 1,157,393.88 | 2,033,435.19 |
| Maintenance of completed projects | 26,778,440.24 | 18,531,071.56 |
| | 709,979,722.98 | 913,284,951.52 |
| Less: Inventories at the end of the year | | |
| Building Material and consumables | 28,146,555.53 | 23,313,087.39 |
| Land | 434,102,688.49 | 397,644,270.68 |
| | 462,249,244.02 | 420,957,358.07 |
| Cost of Material Consumed, construction & other related project cost | 668,687,837.03 | 845,615,525.04 |

(Amount In Rupees)

| 25-Change in Inventories in Finished Goods and Project in Progress | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|--|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year | | |
| Completed real estate projects | 73,392,003.85 | 24,742,376.06 |
| Less: Adjustment in opening balance in respect of JV Company(Refer Note No 42) | 25,553,012.52 | - |
| Construction work in progress | - | 19,511,007.19 |
| Project in Progress | 307,941,961.27 | 200,090,129.98 |
| | 355,780,952.60 | 244,343,513.23 |
| Inventories at the end of the year | | |
| Completed real estate projects | 232,697,825.61 | 73,392,003.85 |
| Construction work in progress | - | - |
| Project in Progress | 423,466,159.21 | 307,941,961.27 |
| | 656,163,984.82 | 381,333,965.12 |
| Change in Inventories of finished stock and project in progress | (300,383,032.22) | (136,990,451.89) |

(Amount In Rupees)

| 26-Employee Benefit Expenses | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|--|--------------------------------------|--------------------------------------|
| Salaries, Wages, Allowances and Bonus | 44,685,689.91 | 44,276,808.67 |
| Company's Contribution to Provident and Other funds. | 6,676,862.93 | 7,420,374.00 |
| Directors Remuneration | 5,449,063.00 | 6,044,960.00 |
| Staff Welfare Expenses | 1,792,979.88 | 6,129,604.67 |
| Total | 58,604,595.71 | 63,871,747.33 |

(Amount In Rupees)

| 27-Finance Cost | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|--|--------------------------------------|--------------------------------------|
| Interest on Secured Loans | 4,681,257.00 | 2,818,893.67 |
| Interest on Public Fixed Deposits & Other Interest | 29,496,413.70 | 17,557,879.28 |
| Bank Charges and Commission | 159,025.48 | 1,128,854.50 |
| Total | 34,336,696.18 | 21,505,627.45 |

(Amount In Rupees)

| 28-Other Expenses | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Establishment Expenses | | |
| Rent | 19,967,315.00 | 18,139,412.00 |
| Rates and Taxes | 383,590.00 | 918,004.00 |
| Insurance | 108,832.19 | 192,453.33 |
| Auditors Remuneration | 864,187.44 | 608,165.33 |
| Directors Sitting Fees | 16,500.00 | 12,000.00 |
| Postage, Courier & Telephone | 1,258,725.43 | 1,371,033.83 |
| Travelling & Conveyance | 3,067,185.80 | 2,944,179.00 |
| Legal & Professional Charges | 11,176,234.90 | 6,210,531.33 |
| Printing & Stationery | 626,608.36 | 727,196.67 |
| Repair & Maintenance Building | 6,480,788.00 | 6,519,510.90 |
| Repair & Maintenance Others | 3,879,383.37 | 2,554,719.59 |
| Water and Electricity | 1,874,099.00 | 1,567,824.00 |
| Donations | 3,955,011.00 | 2,337,101.00 |
| Loss on Sale of Long Term Investments | - | 49,980.00 |
| Loss on Sale of Fixed Asset | 39,801.11 | - |
| Trade Tax/Vat Paid | 3,361,421.00 | 5,718,378.00 |
| Miscellaneous Expenses | 4,334,034.45 | 3,747,195.53 |
| Sub-Total | 61,393,717.04 | 53,617,684.52 |

| | | |
|-------------------------------|----------------------|----------------------|
| Selling Expenses | | |
| Advertisement & Publicity | 10,537,092.16 | 14,365,546.00 |
| Business Promotion & Discount | 1,629,226.56 | 2,375,538.00 |
| Commission & Brokerage | 3,789,211.42 | 5,360,409.33 |
| Sub-Total | 15,955,530.13 | 22,101,493.33 |
| Total | 77,349,247.18 | 75,719,177.85 |

(Amount In Rupees)

| | | |
|---|--------------------------------|--------------------------------|
| 29-Earnings Per Share | As At March 31,2014 | As At March 31,2013 |
| Profit/(Loss) after tax | 143474235.86 | 95082537.62 |
| Equity Shares outstanding at the year end | 1,966,600 | 1,966,600 |
| Nominal Value Per Share (Rs) | 10.00 | 10.00 |
| Basic Earnings Per Share | 72.96 | 48.35 |
| Diluted Earnings Per Share | 72.96 | 48.35 |

(Amount In Rupees)

| | | |
|---------------------------------|--------------------------------|--------------------------------|
| 30-Auditors Remuneration | As At March 31,2014 | As At March 31,2013 |
| Audit Fees | 745,647.44 | 518,333.33 |
| Tax Audit Fees | 25,000.00 | 25,000.00 |
| Certifications Fee | 50,000.00 | 50,000.00 |
| Other Matters | 25,000.00 | - |
| Service Tax thereon | 18,540.00 | 14,832.00 |
| Total | 864,187.44 | 608,165.33 |

(Amount In Rupees)

| | | |
|---|--------------------------------|--------------------------------|
| 31-Contingent Liability | As At March 31,2014 | As At March 31,2013 |
| (a) Claims against the company not acknowledge as debt | | |
| 1. Sales Tax & VAT | 7,126,258.00 | 5,053,929.00 |
| 2. Income Tax | 1,792,395.00 | 545,760.00 |
| (b) Guarantees | | |
| 1. Earnest Money | 26,535,217.00 | 26,928,348.00 |
| 2. Bank Guarantee | 16,812,104.00 | 90,420,756.00 |

32. Disclosure in accordance with Accounting Standard-7 (Revised), in respect of construction contracts entered:**(Amount in Rupees)**

| Particulars | AsAt March 31, 2014 | AsAt March 31, 2013 |
|--|--------------------------------|--------------------------------|
| Contract revenue recognized as revenue for the year ended | 10125290.00 | 53531637.18 |
| Aggregate amount of contract costs incurred and recognized profits (less recognized losses) for all the contract in progress | 10125290.00 | 53531637.18 |
| The amount of customer advances outstanding for contracts in progress | NIL | NIL |
| The amount of retentions due from customers for contracts in progress. | 3298437.00 | 950675.00 |
| Gross amount due from customers including work in progress for contracts in progress. | NIL | 27496607.19 |
| Gross amount due to customers including work in progress for contracts in progress. | NIL | NIL |

33. 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.
34. Inventories, loans & advances, trade receivables and other current/non current assets, are in the opinion of the management do not have a value on realization in the ordinary course of the business, less than the amount at which they are stated in the Balance Sheet.
35. Balance in trade receivables, trade payables, current / non current advances given / received are subject to reconciliation and confirmation from respective Parties. The balance of said trade receivables, trade payables, current / non current advances given / received are taken as shown by the books of accounts. The ultimate outcome of such reconciliation and confirmation can not presently be determined; therefore no provision for any liability that may result of such reconciliation and confirmation has been made in the financial statement.
36. The Company has an investment of Rs.42,000.00 (31.03.2013 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.

37. Segment Information

Business Segments

Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting system, the company has structured its operation into the following segments:

Real Estate

Promotion, construction, development and sale of townships, residential, commercial property, developed plot etc

Construction

Construction of property on behalf of others.

| | Real Estate | Construction | Total |
|--|------------------------------------|----------------------------------|--|
| REVENUE | | | |
| External Revenue | 463,979,924.40 (413,027,828.68) | 10,125,290.00 (53,531,637.18) | 474,105,214.40 (466,559,465.86) |
| Total Revenue | 463,979,924.40 | 10,125,290.00 | 474,105,214.40 |
| | (413,027,828.68) | (53,531,637.18) | (466,559,465.86) |
| | 249,109,142.10 | 4,909,136.48 | 254,018,278.58 |
| SEGMENT RESULT | (151,820,990.15) | (19,895,773.99) | (171,716,764.14) |
| Unallocated corporate expenses net of unallocated income | | | 105,510,876.72 (47,225,267.90) |
| Operating Profit | | | 148,507,401.86 (124,491,496.24) |
| Interest Expenses | | | 34,279,921.34 (20,765,972.83) |
| Interest Income | | | 11,800,644.53 (25,629,084.33) |
| Profit Before Tax | | | 126,028,125.05 (129,354,607.74) |
| Income Tax (Including Deferred Tax Adjustment) | | | 44,055,075.08 (34,834,128.41) |
| Net Profit after tax | | | 81,973,049.97 (94,520,479.33) |

| OTHER INFORMATION | | | |
|--|--|---------------------------------|--|
| Segment Asset | 1,598,318,189.40 (1,361,864,128.10) | 3,298,437.00 (28,447,282.19) | 1,601,616,626.40 (1,390,311,410.29) |
| Unallocated corporate assets | | | 340,128,907.19 (394,159,267.58) |
| TOTAL ASSETS | | | 1,941,745,533.59 |
| TOTAL ASSETS | | | (1,784,470,677.87) |
| Segment liabilities | 1,121,642,719.99 (1,009,037,806.90) | - (1,012,419.88) | 1,121,642,719.99 (1,010,050,226.78) |
| Unallocated corporate liabilities | | | 820,102,813.60 (774,420,451.09) |
| TOTAL LIABILITIES | | | 1,941,745,533.59 |
| TOTAL LIABILITIES | | | (1,784,470,677.87) |
| Capital Expenditure | | | 1,499,070.00 (2,182,506.00) |
| Depreciation/amortisation (including depreciation charged to Cost of Construction account) | | | 4,701,481.28 (4,606,808.59) |
| Non cash expenses other than depreciation/amortisation | | | - - |

Note: Figures in bracket represents previous year figures

Geographic Segment

Operation of the company do not qualify for reporting as geographic segments, under the criteria set out under Accounting Standard 17 on Segment reporting.

38. 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
- 3 Awadh Technology Park and SEZ Private Limited*

*Ceased to be Associate w.e.f 30th May 2013

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 K L Multimedia Private Limited
- 8 Eiffel Recreation Club Private Limited
- 9 Garg Singhal & Associates
- 10 Space Combine

3. Key Management Personnel

- | | |
|--|--|
| <ol style="list-style-type: none"> 1 Mr Shiv Kumar Garg 2 Mr Pankaj Bajaj 3 Mr Shrikant Jajodia * | <p>Executive Chairman Managing Director Director</p> |
|--|--|

*Ceased to be Whole Time Director w.e.f 1st October 2013

4. Relatives of Key Management Personnel

- | | |
|--|---|
| <ol style="list-style-type: none"> 1 Mrs Asha Bajaj 2 Mrs Varija Bajaj 3 Mr O.P.Bajaj 4 Mr Arvind Bajaj 5 Mrs Rashi Bajaj 6 Mrs Vimla Garg 7 Mr Brijendra Gupta 8 Mr Rajeev Bansal 9 Mr Manoj Singhal 10 Mr A.K.Garg 11 Mrs Nirmal Garg 12 Mrs Pushpa Gupta 13 Mr Surya Kumar Gupta 14 Ms Shivani Garg | <p>Mother of Mr Pankaj Bajaj Sister of Mr Pankaj Bajaj Father of Mr Pankaj Bajaj Brother of Mr Pankaj Bajaj Wife of Mr Arvind Bajaj Wife of Mr S.K.Garg Son in Law of Mr S.K.Garg Son in Law of Mr S.K.Garg Son in Law of Mr S.K.Garg Brother of Mr S.K.Garg Sister in law of Mr S.K.Garg Sister of Mr S.K.Garg Brother in Law of Mr S.K.Garg Daughter of Mr S.K.Garg</p> |
|--|---|

B. The following transactions were carried out with the related parties in the ordinary course of business:**(Amount In Rupees)**

| Transactions | Key Management Personnel | Associates | Companies/ Entities in which Key managerial personnel or their relatives exercises significant influence | Relatives of Key Management Personnel | Total |
|--|--------------------------------|------------|--|---------------------------------------|--------------------------------|
| Remuneration | | | | | |
| Mr S.K.Garg | 3,600,000.00 (3,600,000.00) | | | | 3,600,000.00 (3,600,000.00) |
| Mr Shrikant Jajodia | 1,200,000.00 (2,400,000.00) | | | | 1,200,000.00 (2,400,000.00) |
| Perquisites | | | | | |
| Mr Shrikant Jajodia | 649,063.00 (44,960.00) | | | | 649,063.00 (44,960.00) |
| Rent Paid | | | | | |
| Mrs Varija Bajaj | | | | 795,324.00 (795,324.00) | 795,324.00 (795,324.00) |
| Mr O.P.Bajaj/Asha Bajaj | | | | 5,558,400.00 (5,558,400.00) | 5,558,400.00 (5,558,400.00) |
| Mrs Pushpa Gupta | | | | 379,044.00 (244,696.00) | 379,044.00 (244,696.00) |
| Mr Surya Kumar Gupta | | | | 367,044.00 (244,696.00) | 367,044.00 (244,696.00) |
| Interest Paid | | | | | |
| Mr Surya Kumar Gupta | | | | - (160,660.00) | - (160,660.00) |
| Mrs Pushpa Gupta | | | | - (496,777.00) | - (496,777.00) |
| Dividend Paid | | | | | |
| Mr S.K.Garg | - (65,400.00) | | | | - (65,400.00) |
| Mr Pankaj Bajaj | 4,565,600.00 (570,700.00) | | | | 4,565,600.00 (570,700.00) |
| Mr Arvind Bajaj | | | | 1,536,800.00 (192,100.00) | 1,536,800.00 (192,100.00) |
| Eldeco Infrastructure & Properties Limited | | | 80,000.00 (10,000.00) | | 80,000.00 (10,000.00) |
| Mr O.P.Bajaj/Asha Bajaj | | | | 1,473,600.00 (184,200.00) | 1,473,600.00 (184,200.00) |

| | | | | | |
|---|---|----------------------------------|--|---------------------------|----------------------------------|
| Mrs Asha Bajaj | | | | 507,200.00 (63,400.00) | 507,200.00 (63,400.00) |
| Mrs Varija Bajaj | | | | 214,400.00 (26,800.00) | 214,400.00 (26,800.00) |
| Mrs Rashi Bajaj | | | | 175,200.00 (21,900.00) | 175,200.00 (21,900.00) |
| Mr Rajeev Bansal | | | | 2,000.00 (250.00) | 2,000.00 (250.00) |
| Ms Shivani Garg | | | | 523,200.00 | 523,200.00 |
| Mr Surya Kumar Gupta | | | | - 800.00 (100.00) | - 800.00 (100.00) |
| Sitting Fees | | | | | |
| Mr Arvind Bajaj | | | | - (1,500.00) | - (1,500.00) |
| Advance Given Against Bulk Booking/Project | | | | | |
| Eldeco Infrastructure & Properties Limited | | | | 6,000,000.00 - | 6,000,000.00 - |
| Advance Received Back Against Bulk Booking/Project | | | | | |
| Eldeco Infrastructure & Properties Limited | | | | 6,000,000.00 - | 6,000,000.00 - |
| Advance Received (Net) | | | | | |
| Omni Farms Private Limited | - | 87,213,921.49 (45,923,708.76) | | | 87,213,921.49 (45,923,708.76) |
| Surya Season Foods Private Limited | | | | - (8,131,776.00) | - (8,131,776.00) |
| Advance Received Back (Net) | | | | | |
| MAK Sales Private Limited | | 8,371,542.75 (12,675,925.65) | | | 8,371,542.75 (12,675,925.65) |
| Surya Season Foods Private Limited | | | | 1,092,510.00 - | 1,092,510.00 - |
| Project Management Fees received | | | | | |
| Omni Farms Private Limited | | 17,732,163.00 (18,945,860.00) | | | 17,732,163.00 (18,945,860.00) |
| Collection Charges received | | | | | |
| MAK Sales Private Limited | | 1,384,201.00 (3,074,716.00) | | | 1,384,201.00 (3,074,716.00) |

| Architect Fees Paid | | | | | |
|--|--------------|---|----------------|--------------|----------------|
| Garg Singhal & Associates | | | 1,000,000.00 | | 1,000,000.00 |
| | | | (1,500,000.00) | | (1,500,000.00) |
| Space Combine | | | 1,800,000.00 | | 1,800,000.00 |
| | | - | | - | |
| Renewal of Fixed Deposits | | | | | |
| Mr Pankaj Bajaj | - | | | | - |
| | (785,000.00) | | | | (785,000.00) |
| Pankaj Bajaj (HUF) | | | - | | - |
| | | | (780,000.00) | | (780,000.00) |
| Refund of Fixed Deposits | | | | | |
| Ms Shivani Garg | | | | 705,000.00 | 705,000.00 |
| | | | | (110,000.00) | (110,000.00) |
| Mr Pankaj Bajaj | 785,000.00 | | | . | 785,000.00 |
| | - | | | | - |
| Pankaj Bajaj(HUF) | | | 780,000.00 | | 780,000.00 |
| | | | - | | - |
| Interest Paid on Fixed Deposit | | | | | |
| Mr Pankaj Bajaj | 14,824.70 | | | | 14,824.70 |
| | (73,880.00) | | | | (73,880.00) |
| Pankaj Bajaj (HUF) | | | 14,730.30 | | 14,730.30 |
| | | | (73,409.75) | | (73,409.75) |
| Ms Shivani Garg | | | | 52,941.95 | 52,941.95 |
| | | | | (74,648.54) | (74,648.54) |
| Club Services availed | | | | | |
| Eiffel Recreation Club Private Limited | | | 313,645.00 | | 313,645.00 |
| | | | - | | - |
| Balances Outstanding as at 31.03.2014 | | | | | |
| Trade/Other Payables | | | | | |
| Mr Pankaj Bajaj | 167,510.26 | | | | 167,510.26 |
| | (952,510.26) | | | | (952,510.26) |
| Ms Shivani Garg | | | | - | - |
| | | | | (705,000.00) | (705,000.00) |
| Pankaj Bajaj (HUF) | | | - | | - |
| | | | (780,000.00) | | (780,000.00) |
| Surya Season Foods Pvt. Ltd. | | | 6,057,156.00 | | 6,057,156.00 |
| | - | | (7,149,666.00) | | (7,149,666.00) |
| Mrs Varija Bajaj | | | | 250,892.00 | 250,892.00 |
| | | | | (191,243.00) | (191,243.00) |

| | | | | | |
|---|--|------------------|-----------------|----------------|------------------|
| Mr O.P.Bajaj/Asha Bajaj | | | | 950,264.00 | 950,264.00 |
| | | | | (1,422,396.00) | (1,422,396.00) |
| Omni Farms Private Limited | | 352,187,557.96 | | | 352,187,557.96 |
| | | (264,973,636.47) | | | (264,973,636.47) |
| Trade Receivables | | | | | |
| Omni Farms Private Limited | | 32,000,000.00 | | | 32,000,000.00 |
| | | (32,000,000.00) | | | (32,000,000.00) |
| M.A.K.Sales Private Limited | | 29,491,410.60 | | | 29,491,410.60 |
| | | (37,862,953.35) | | | (37,862,953.35) |
| EcodeL Projects Private Limited | | | - | | - |
| | | | (724,875.00) | | (724,875.00) |
| Eldeco Infrastructure & Properties Limited | | | 19,773,130.00 | | 19,773,130.00 |
| | | | (19,773,130.00) | | (19,773,130.00) |
| Investments | | | | | |
| MAK Sales Private Limited | | 4,550,000.00 | | | 4,550,000.00 |
| | | (4,550,000.00) | | | (4,550,000.00) |
| Omni Farms Private Limited | | 1,759,360.00 | | | 1,759,360.00 |
| | | (1,759,360.00) | | | (1,759,360.00) |
| Awadh Technology Park and SEZ Private Limited | | - | | | - |
| | | (300,000.00) | | | (300,000.00) |

Note : Amount in brackets represents the previous year figures.

39. Employee Benefit

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

A. Gratuity

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

| Description | Amount in Rupees | |
|--|---------------------|---------------------|
| | As At 31 March 2014 | As At 31 March 2013 |
| Present value of obligation at the beginning of the year | 8,909,071.00 | 6,032,164.00 |
| Current service cost | 809,333.00 | 803,981.00 |
| Interest cost | 801,816.00 | 497,654.00 |
| Benefit paid | (2,511,212.00) | (472,055.00) |
| Actuarial (gain) / loss on obligation | 1,716,454.00 | 2,047,327.00 |
| Present value of obligation as at the end of year | 9,725,462.00 | 8,909,071.00 |

ii) Net assets / liability recognized in Balance Sheet as at 31st March, 2014

| Description | Amount in Rupees | |
|--|---------------------|---------------------|
| | As At 31 March 2014 | As At 31 March 2013 |
| Present value of obligation as at 31st March, 2014 | 9,725,462.00 | 8,909,071.00 |
| Fair value of plan assets as at 31st March, 2014 | 1,886,337.00 | 1,313,882.00 |
| (Assets)/Liabilities recognized in the Balance Sheet | 7,839,125.00 | 7,595,189.00 |

iii) Amount recognized in Statement of Profit & Loss is as under:

| Description | Amount in Rupees | |
|--|---------------------|---------------------|
| | As At 31 March 2014 | As At 31 March 2013 |
| Current service cost | 809,333.00 | 803,982.00 |
| Interest cost | 801,816.00 | 497,654.00 |
| Expected return on planned assets | (119,277.00) | (120,833.00) |
| Net actuarial (gain)/loss recognized during the year | 1,716,454.00 | 2,033,575.00 |
| Additional Interest Provided by LIC | (453,178.00) | - |
| Expenses to be recognized in the statement of P/L | 2,755,147.00 | 3,214,378.00 |

iv) Changes in fair value of plan assets

| Description | Amount in Rupees | |
|--|---------------------|---------------------|
| | As At 31 March 2014 | As At 31 March 2013 |
| Fair value of plan assets at the beginning of the period | 1,313,882.00 | 1,651,352.00 |
| Additional Interest Provided by LIC | 453,178.00 | - |
| Expected return on plan assets | 119,277.00 | 120,833.00 |

| | | |
|--|--------------|--------------|
| Contribution | - | - |
| Benefit Paid | - | (472,055.00) |
| Actuarial Gain/Loss | - | 13,752.00 |
| Fair value of plan assets at the end of the period | 1,886,337.00 | 1,313,882.00 |

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

| | | |
|---|--|--|
| Discount rate | 9.00% | 8.25% |
| Future salary increase | 5.00% | 5.00% |
| Expected rate of return on planned assets | 6.75% | 8.15% |
| Method used | Projected unit credit actuarial method | 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 accrual basis.

The Company does not maintain any fund to pay for leave encashment.

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

| Description | Amount in Rupees As At 31 March 2014 | Amount in Rupees As At 31 March 2013 |
|--|---|---|
| Present value of obligation at the beginning of the year | 1,808,866.00 | 1,362,890.00 |
| Interest cost | 162,798.00 | 112,130.00 |
| Current service cost | 325,593.00 | 319,839.00 |
| Actuarial (gain)/loss on obligation | (13,506.00) | 14,007.00 |
| Benefit Paid | (310,883.00) | - |
| Present value of obligation at the end of the year | 1,972,868.00 | 1,808,866.00 |

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

| Description | Amount in Rupees As At 31 March 2014 | Amount in Rupees As At 31 March 2013 |
|--|---|---|
| Current service cost | 325,593.00 | 319,839.00 |
| Interest cost | 162,798.00 | 112,130.00 |
| Net actuarial (gain)/loss recognized during the year | (13,506.00) | 14,007.00 |
| Recognized in Profit & Loss account | 474,885.00 | 445,976.00 |

iii) Amount recognized in the Balance Sheet as at 31st March, 2014

| Description | Amount in Rupees As At 31 March 2014 | Amount in Rupees As At 31 March 2013 |
|-----------------------|---|---|
| Current Liability | 210,352.00 | 171,794.00 |
| Non Current Liability | 1,762,516.00 | 1,637,072.00 |
| Total | 1,972,868.00 | 1,808,866.00 |

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

| | | |
|------------------------|---|---|
| Discount rate | 9.00% | 8.25% |
| Future salary increase | 5.00% | 5.00% |
| Actuarial method used | Project unit credit actuarial method | Project unit credit actuarial method |

Provision of leave encashment as per actuarial is less than the liability provided in books of accounts, therefore provision for leave encashment has been made on accrual basis.

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.

40. In earlier year the Company was subjected to search under section 132 of the Income Tax Act, 1961. All the assessments for the assessment year 2006-07 to 2012-13 has been completed u/s 153A & 143(3) of the Income Tax Act 1961. The total demand of Rs 1577040/- has been raised which is adjusted by the Income Tax Department from the refunds of the Company. The Company has filed necessary appeal before the appropriate authorities in respect of additions made by the assessing officer.

41. Interest in Joint Venture

The Company entered into a 67.58:32.42 (being company share is 32.42%) 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 Non Current Investments (Note no. 13) of the Balance Sheet and stated at cost.

The Company's share of each of the assets, liabilities, income & expenses (each after elimination of, the effect of transactions between the Company and the Joint Venture) related to its interests in this joint venture based on un-audited results are included in the financial statements of the company in accordance with AS-27 'Financial Reporting of Interest in Joint Ventures' as under:

(Amount in Rupees)

| Particulars | As At March 31, 2014 | As At March 31, 2013 |
|---------------------------|----------------------|----------------------|
| Reserve & Surplus | 33885246 | 32319906 |
| Deferred Tax Liability | 33871 | 19349 |
| Trade Payables | 23919810 | 6596340 |
| Other Current Liabilities | 352811077 | 416466734 |

| | | |
|--|-----------|-----------|
| Fixed Assets (including CWIP) | 919011 | 1009924 |
| Non Current Investments | 421395 | 433333 |
| Current Investments | 16327035 | 3453699 |
| Inventories | 98777716 | 88410826 |
| Cash & Bank Balances | 242428717 | 328133856 |
| Short Term Loans & Advances | 172678533 | 145781396 |
| Other Current Assets | 13688052 | 8755349 |
| Revenue from Operations & Other Income | 210680916 | 523976771 |
| Cost of Project | 140908349 | 408876000 |
| Employee Benefit Expenses | 3840124 | 4230762 |
| Finance Cost | 54908 | 127435 |
| Depreciation | 82757 | 69156 |
| Other Expenses | 5253939 | 8061654 |
| Profit Before Tax | 60540839 | 102611764 |
| Tax Expense | 20681839 | 34744780 |
| Profit After Tax | 39859000 | 67866984 |

42. The financial statements of one Joint Venture Company namely M/s Eldeco City Private Limited, for the financial year ended 31.03.2014 have been consolidated based on unaudited financial statements, furnished to us by the management of the said Company. The financial statements of the above said Joint Venture Company for the year ended 31.03.2013 were also consolidated based on unaudited financial statements, which subsequent to Audit have undergone changes, accordingly opening balance of Statement of Profit & Loss have been increased by Rs 16,84,080.91 and opening stock of PIP have been decreased by Rs 2,55,53,012.52.
43. The Company has regrouped/ reclassified previous year figures where necessary to conform to with current year's classification.
44. All notes number 1-43 forms an integral part of the financial statements.

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: 30th May, 2014

Shruti Gupta
(Company Secretary)

| S. No. | Name of the Subsidiary Company | Capital | Reserves | Total Assets | Total Liabilities | Investment (Except in the sub-sidiaries) | Turnover/ Total Income | Profit/ (Loss) | Profit Before Tax | Provision For Tax (net of write back) | Profit /Loss After Tax | Proposed Dividend |
|--------|---------------------------------|--------------|---------------|---------------|-------------------|--|------------------------|----------------|-------------------|---------------------------------------|------------------------|-------------------|
| 1 | Aadesh Constructions (P) Ltd | 100,000.00 | (114,191.00) | 16,979,377.00 | 16,993,568.00 | - | - | (19,806.00) | (19,806.00) | - | (19,806.00) | - |
| 2 | Bliss Constructions (P) Ltd | 100,000.00 | (54,404.00) | 11,784,854.00 | 11,739,258.00 | - | - | (16,568.00) | (16,568.00) | - | (16,568.00) | - |
| 3 | Carnation Realtors (P) Ltd | 100,000.00 | (62,389.86) | 52,378.14 | 14,768.00 | - | - | (18,562.55) | (18,562.55) | - | (18,562.55) | - |
| 4 | Deepiyoti Constructions (P) Ltd | 100,000.00 | (102,650.96) | 11,917.04 | 14,568.00 | - | - | (20,612.96) | (20,612.96) | - | (20,612.96) | - |
| 5 | Facility Constructions (P) Ltd | 100,000.00 | (101,650.96) | 12,917.04 | 14,568.00 | - | - | (20,612.96) | (20,612.96) | - | (20,612.96) | - |
| 6 | Fixity Constructions (P) Ltd | 100,000.00 | (102,650.96) | 11,917.04 | 14,568.00 | - | - | (20,612.96) | (20,612.96) | - | (20,612.96) | - |
| 7 | Garv Constructions (P) Ltd | 100,000.00 | (110,891.00) | 101,677.00 | 112,568.00 | - | - | (17,806.00) | (17,806.00) | - | (17,806.00) | - |
| 8 | Halwasiya Agro Industries Ltd | 4,000,000.00 | 23,027,851.66 | 46,529,026.20 | 19,501,174.55 | - | - | 9,963,543.03 | 9,963,543.03 | 2,941,175.06 | 7,022,367.98 | - |
| 9 | Iris Realtors (P) Ltd. | 100,000.00 | (62,179.86) | 52,388.14 | 14,568.00 | - | - | (18,352.55) | (18,352.55) | - | (18,352.55) | - |
| 10 | Khwahish Constructions (P) Ltd | 100,000.00 | (102,717.96) | 11,850.04 | 14,568.00 | - | - | (20,612.96) | (20,612.96) | - | (20,612.96) | - |
| 11 | Mahal Constructions (P) Ltd | 100,000.00 | (54,006.00) | 29,451,562.00 | 29,405,568.00 | - | - | (17,806.00) | (17,806.00) | - | (17,806.00) | - |
| 12 | Milaap Constructions (P) Ltd | 100,000.00 | (110,391.00) | 23,554,117.00 | 23,564,508.00 | - | - | (18,006.00) | (18,006.00) | - | (18,006.00) | - |
| 13 | Neo Realtors (P) Ltd | 100,000.00 | (89,570.00) | 19,924,998.00 | 19,914,568.00 | - | - | (16,988.00) | (16,988.00) | - | (16,988.00) | - |
| 14 | Neptune Infracon (P) Ltd | 100,000.00 | (61,758.62) | 52,809.38 | 14,568.00 | - | - | (17,931.31) | (17,931.31) | - | (17,931.31) | - |
| 15 | Numerous Constructions (P) Ltd | 100,000.00 | (61,758.62) | 52,809.38 | 14,568.00 | - | - | (17,931.31) | (17,931.31) | - | (17,931.31) | - |
| 16 | Perpetual Constructions (P) Ltd | 100,000.00 | (102,650.96) | 11,917.04 | 14,568.00 | - | - | (20,612.96) | (20,612.96) | - | (20,612.96) | - |
| 17 | Prasiddhi Constructions (P) Ltd | 100,000.00 | (28,967.56) | 22,417,940.44 | 22,346,908.00 | - | - | (17,368.00) | (17,368.00) | - | (17,368.00) | - |
| 18 | Primacy Constructions (P) Ltd | 100,000.00 | (103,910.96) | 11,057.04 | 14,968.00 | - | - | (21,412.96) | (21,412.96) | - | (21,412.96) | - |
| 19 | Samarpit Constructions (P) Ltd | 100,000.00 | (122,889.48) | 73,145,098.52 | 73,167,988.00 | - | - | (21,046.50) | (21,046.50) | - | (21,046.50) | - |
| 20 | Shivaye Constructions (P) Ltd. | 100,000.00 | (61,758.62) | 52,809.38 | 14,568.00 | - | - | (17,931.31) | (17,931.31) | - | (17,931.31) | - |
| 21 | Suniyojit Constructions (P) Ltd | 100,000.00 | (111,004.63) | 43,573,563.37 | 43,584,568.00 | - | - | (17,806.00) | (17,806.00) | - | (17,806.00) | - |
| 22 | Sushobhit Constructions (P) Ltd | 100,000.00 | (103,177.96) | 11,390.04 | 14,568.00 | - | - | (20,612.96) | (20,612.96) | - | (20,612.96) | - |
| 23 | Swarg Constructions (P) Ltd. | 100,000.00 | (62,399.06) | 32,656,168.94 | 32,618,568.00 | - | - | (18,571.75) | (18,571.75) | - | (18,571.75) | - |
| 24 | Swarnim Nirman (P) Ltd. | 100,000.00 | (61,758.62) | 52,809.38 | 14,568.00 | - | - | (17,931.31) | (17,931.31) | - | (17,931.31) | - |
| 25 | Villa Constructions (P) Ltd. | 100,000.00 | (61,758.62) | 52,809.38 | 14,568.00 | - | - | (17,931.31) | (17,931.31) | - | (17,931.31) | - |

Form No. MGT-11

Proxy form

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]*

CIN: L045202HR1985PLC044265

Name of the company: Eldeco Housing and Industries Limited

Registered office: Shop No.-16, 2nd Floor, Eldeco Station No.-1, Site No. 1,
Sector-12, Faridabad, Haryana-121007

Name of the member (s): _____
Registered address: _____
E-mail Id: _____
Folio No/ Client Id: _____
DPID: _____

I/We, being the member (s) of shares of the above named company, hereby appoint:

1. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

2. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

3. Name: _____

Address: _____

E-mail Id: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the company, to be held on Friday the 26th day of September, 2014 at Hotel Express Sarovar Portico, Sector-39, Surajkund, Faridabad, Haryana-121010 at 03:00 PM and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution Number | Resolution |
|--------------------------|--|
| Ordinary Business | |
| 1. | Adoption of Balance Sheet, Profit & Loss Account and Report of the Board of Directors & Auditors for the Financial Year ended 31st March, 2014. |
| 2. | Approval of Final Dividend for the financial year ended 31st March, 2014. |
| 3. | Appoint a Director in place of Mr. Shiv Kumar Garg (DIN:-00166035), who retires by rotation and being eligible, seeks re-appointment. |
| 4. | Appoint M/s Doogar & Associates as the Auditors of the Company |
| Special Business | |
| 5. | Appoint Mr. Ashish Jain as an Independent Director of the Company for consecutive period of 5 years for a term upto the conclusion of 34th Annual General Meeting |
| 6. | Appoint Mr. Ranjit Khattar as an Independent Director of the Company for a consecutive period of 5 years for a term upto the conclusion of 34th Annual General Meeting |
| 7. | Appoint Mr. Rahul Aggarwal as an Independent Director of the Company for a consecutive period of 5 years for a term upto the conclusion of 34th Annual General Meeting |
| 8. | Appoint Mr. Anil Tiwari as an Independent Director of the Company for a consecutive period of 5 years for a term upto the conclusion of 34th Annual General Meeting |
| 9. | Approval of the remuneration of Mr. Shiv Kumar Garg (DIN :- 00166035), Executive Chairman of the Company |

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

 **ELDECO HOUSING AND INDUSTRIES LIMITED**

*Regd. Office : Shop No. 16, 2nd Floor, Eldeco Station-1, Site No. 1, Sector -12, Faridabad, Haryana – 121007
Corp. Office : 2nd Floor, Eldeco Corporate Chamber I, Vibhuti Khand, Gomti Nagar, Lucknow – 226 010*

29th 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 Shareolders)

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

I hereby record my presence at the 29th Annual General Meeting of the Company to be held on Friday, the 26th day of September, 2014 at 3.00 p.m. at Hotel Express Sarovar Portico, Sector-39, Surajkund, Faridabad.
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, Phase-I
New Delhi – 110020. Ph.: 011-26812682/83

Place
Date
DP/client 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.....

**Signature of Member(s)
Name :**

Thanking you



ELDECO
HOUSING AND INDUSTRIES LTD.

AN ISO 9001:2008 CERTIFIED COMPANY

CIN No. L45202HR1985PLC044265

Registered Office : Shop No. 16, 2nd Floor, Eldeco Station 1, Site No. 1, Sector -12, Faridabad, Haryana-121 007

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

Kanpur : Virendra Smriti Complex, First Floor, 15/54-B, Civil Lines, Kanpur- 208 001 Tel: 0512-2304513, 2303063, 2305191

New Delhi : 201-212, 2nd Floor, Splendor Forum, District Centre, Jasola, New Delhi-110025. Tel: 011-40655000 Fax : 011-40655111

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