

Report of the Audit Committee

Members:

Mr. Anil Tewari - Chairman
 Mr. S K Garg - Member
 Mr. Ranjit Khattar - Member

Background:

The draft proposal of amalgamation of M/s Halwasiya Agro Industries Limited and M/s M A K Sales Private Limited (hereinafter referred as 'Transferor Companies') the Wholly-Owned subsidiaries of M/s Eldeco Housing and Industries Limited with M/s Eldeco Housing and Industries Limited (hereinafter referred as 'Transferee Company') has been forwarded for consideration and recommendation of the Audit Committee in Terms of SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 (Hereinafter referred to as Circular)

The Audit Committee considered the following documents:

- (a) The Scheme of Amalgamation;
- (b) Valuation Report submitted by Sachin H Agarwal & Associates required as per Para 4 of SEBI Circular no.CIR/CFD/DIL/8/2013 dated May 21, 2013.
- (c) Certificate under clause 24(i) of the Listing Agreement from M/s Doogar & Associates, Chartered Accountants, Statutory Auditors of the Company, confirming that the Accounting treatment contained in the scheme is in compliance with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.
- (d) Network Certificate as given by M/s Doogar & Associates, Chartered Accountants, the Statutory Auditor of the Company of the Transferee Company, pre and post amalgamation.

Proposed Scheme of Amalgamation:

The Committee noted the salient features of the Scheme are as under:

- The Scheme provides for merger of M/s Halwasiya Agro Industries Limited and M/s M A K Sales Private Limited with M/s Eldeco Housing and Industries Limited.
- "Appointed Date" is 1st April, 2015 or such other date as the Hon'ble High Court may direct;
- Effective Date means the date on which the Certified copy of the High Court Order sanctioning the Scheme of Amalgamation are filed with the concerned Registrar of Companies;
- "Nil Consideration" (Transferor Companies will be merged into Transferee Company and all assets and liabilities of Transferor Companies will get transferred to Transferee Company. No new Shares shall be issued or payment made in cash whatsoever by the Company in lieu of the cancellation of such shares of the transferor companies);
- Upon the proposed merger becoming effective, all assets, liabilities, contracts, rights, obligations etc. of Transferor Companies shall stand transferred to Transferee Company;

Eldeco Housing & Industries Ltd.

- Upon Scheme coming into effect, Transferor Companies shall stand dissolved without any further act or deed.

M/s Eldeco Housing And Industries Limited (Formerly known as Eldeco Housing and Finance Limited), hereinafter referred to as "Company/Transferee Company" is a Public Limited company incorporated under the Companies Act, 1956, having its registered office at S-16, Second Floor, Eldeco Station 1, Site No.1, Sector-12, Faridabad, Haryana-121007. The Company is engaged in the Real Estate/Construction business. The equity shares of the Company are listed on the Bombay Stock Exchange Limited & Uttar Pradesh Stock Exchange Limited.

M/s Halwasiya Agro Industries Limited and M/s M A K Sales Private Limited with their registered office at IInd Floor, Eldeco Corporate Chamber-1, Vibhuti Khand, Gomti Nagar, Lucknow, Uttar Pradesh-226010 hereinafter referred as "Transferor Companies"; are closely held private limited companies incorporated under the Companies Act, 1956. All the Transferor Companies are wholly owned subsidiaries of the Transferee Company in which Halwasiya Agro Industries Limited is engaged in the business of Real Estate & Infrastructure development and M A K Sales Private Limited is engaged in the business of glass works and other allied activities.

Since the Transferee Company owns 100% of the paid up share capital of the Transferor Companies and as a result of the Amalgamation, the shares of the Transferor Companies held by the Transferee Company will stand cancelled, with no issuance of shares or payment of other consideration to the shareholders of the Transferor Companies. There will be no change in the shareholding pattern of the Transferee Companies and therefore no Valuation report from an Independent Chartered Accountant is required in terms of SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013.

Recommendation of the Audit Committee:

The Audit Committee after due deliberations has unanimously approved the draft Scheme of Amalgamation and recommends the Scheme for review and consideration by the Board of Directors of the Company.

Date: 30.05.2015

Place: Lucknow



(Anil Tewari)
Chairman