

## BOARD OF DIRECTORS

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

\*Resigned w.e.f. 30 June, 2009.

### Company Secretary

Ms. Sonal Srivastava

### Statutory Auditor

M/s Doogar & Associates

Chartered Accountants

13, Community Centre, East of Kailash

NEW DELHI - 110065

### Registrar And Share Transfer Agent

M/s Skyline Financial Services Pvt. Ltd.

246, First Floor, Pant Nagar, East of Kailash

NEW DELHI - 65 Phone No. 011-26292682

### Stock Exchanges where Company is Listed

The Bombay Stock Exchange Limited

Phiroze Jeejeebhay Towers

Dalal Street, MUMBAI - 400 023

### The Uttar Pradesh Stock Exchange Association

Limited

14/113, Padam Towers, Civil Lines,

KANPUR - 208 001

### Bankers

Punjab National Bank

HDFC Limited

### Registered Office\*\*

First Floor, Pragati Kendra, Kapoorthala, Aliganj,

LUCKNOW - 226 024.

### Head Office

28/2, First Floor, Sanjay Place,

AGRA - 282 002

\*\* About to be shifted to :

Eldeco Corporate Chamber-I, 2nd Floor,

Vibhuti Khand, (Opp. Mandi Parishad), Gomti Nagar,

LUCKNOW - 226 010.

### Divisions

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

NEW DELHI - 110 029

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

KANPUR - 208 001

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## NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of Eldeco Housing and Industries Ltd will be held on Wednesday, the 30<sup>th</sup> day of September, 2009, at 3.00 p.m. at Hotel Taj Residency, Vipin Khand, Gomti Nagar, Lucknow 226 010 to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2009 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2009.
3. To appoint a Director in place of Mr Arvind Bajaj who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr J P Bhargava who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

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

### Special Business:

- 6 To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modifications there of, read with Schedule XIII to the said Act, and subject to such other consents/approvals as may be required the re-appointment of Mr Srikant Jajodia as a Whole Time Director of the Company be and is hereby approved for a further period of three years from 1<sup>st</sup> December, 2009 at the following remuneration package:
  - a. Salary Rs.2,00,000 per month
  - b. Rent free Company's furnished accommodation.
  - c. Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years
  - d. Leave travel concession for self & family once in a year as per the rules of the Company
  - e. Personal Accident Insurance Premium not exceeding Rs.10,000 per annum.
  - f. Club fees subject to a maximum of two clubs, (This will not include admission and Life membership fees)
  - g. Provident fund, Superannuation benefits and Gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
  - h. Provision of Company's Car
  - i. Provision of free telephone at residence, and,
  - j. Encashment of leave at the end of the tenure as per the rules of the Company.

### EXPLANATION

For the purpose of c. & d. above, family means, the spouse, dependent children and dependent parents of the appointee.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profit, the aforesaid remuneration shall be payable as the minimum remuneration.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to fix the terms of the remuneration of the Whole time Director and to vary the same from time to time within the aforesaid limit.”

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

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

Date : 31<sup>st</sup> July, 2009  
Place: Lucknow

## NOTES

- A. APPOINTMENT OF PROXY : A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY AT FIRST FLOOR, PRAGATI KENDRA, KAPOORTHALA COMPLEX, ALIGANJ, LUCKNOW, NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
- B. Corporate Members : Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting and to submit the duly filled and signed admission slips.
- D. Queries at the AGM : Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Book Closure : The Register of Members and Share Transfer Books of the Company will remain closed from Thursday , the 24<sup>th</sup> day of September 2009 to Wednesday, the 30<sup>th</sup> day of September, 2009 (both days inclusive) for the purpose of the Annual General Meeting and payment of dividend, if any.
- F. Members are requested to notify any change in their address/ mandate/ bank details immediately to the Registrar and Share Transfer Agent of the Company - M/s Skyline Financial Services Pvt Ltd., 246 , 1<sup>st</sup> Floor, Pant Nagar, East of Kailash, New Delhi 110065; Phone No. 011-26292682.
- G. The dividend on Equity Shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be payable to those shareholders whose names appear on the Company's Register of Members and the data base of the Company's Registrar and Transfer Agent (M/s Skyline Financial Services Pvt. Ltd., New Delhi) as on 24<sup>th</sup> September, 2009 after entertaining all valid requests for transfer of shares lodged with the Company on or before 24<sup>th</sup> September, 2009.
- In respect of the shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) for this purpose.
- H. Transfer of unclaimed dividend: The Company has transferred the unclaimed dividend for the financial year 2000-2001 to the Investors Education and Protection Fund, in the month of January 2009 in terms of the provisions of Section 205A of the Companies Act, 1956.
- I. Schedule for transfer of unclaimed dividend to the Investors' Fund:

Financial Year Ended	Rate	Date of Declaration	Last Date for Claiming	Last Date for Transfer to IEPF
31.03.2002	10%	30/12/2002	04/02/2010	06/03/2010
31.03.2003	10%	30/12/2003	04/02/2011	06/03/2011
31.03.2004	10%	17/11/2004	24/12/2011	23/01/2012
31.03.2005	10%	30/11/2005	05/01/2013	04/02/2013
31.03.2006	10%	30/10/2006	06/12/2013	05/01/2014
31.03.2007	10%	29/09/2007	05/11/2014	04/12/2014
31.03.2008	10%	27/09/2008	03/11/2015	02/12/2015

- J. In terms of provisions of Section 205A of the Companies Act, 1956, the amount of dividend for the financial year 2001-02 that still remains unclaimed is required to be transferred to the Investors Education and Protection Fund on or before 6<sup>th</sup> March, 2010. Any shareholder who has not encashed the dividend warrants for the financial year 2001-02 and onwards may claim the same immediately. Please note that the unclaimed dividend once transferred to Investors Education and Protection Fund cannot be claimed by the shareholders.

- K. Inspection of Documents: Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- L. The information required to be provided under the Listing Agreement entered in to by the Company with the Stock Exchanges regarding the Directors proposed to be reappointed is given in the annexure to the Notice.
- M. Explanatory Statement: Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 6 is enclosed herewith. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

## Item No. 6 :

The term of appointment of Mr Srikant Jajodia as Whole Time Director will expire on 30<sup>th</sup> November 2009. The Board of Directors feels that for the sake of continuity of the present management and for efficient running of the Company, the services of Mr Srikant Jajodia should be available to the Company for a further period of three years with effect from 1<sup>st</sup> December 2009. The remuneration proposed to be paid to Mr. Srikant Jajodia as Whole Time Director is as under:

- a. Salary Rs.2,00,000 per month
- b. Rent free Company's furnished accommodation.
- c. Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years
- d. Leave travel concession for self & family once in a year as per the rules of the Company
- e. Personal Accident Insurance Premium not exceeding Rs.10,000 per annum.
- f. Club fees subject to a maximum of two clubs, (This will not include admission and Life membership fees)
- g. Provident fund, Superannuation benefits and Gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
- h. Provision of Company's Car
- i. Provision of free telephone at residence, and,
- j. Encashment of leave at the end of the tenure as per the rules of the Company.

## EXPLANATION

For the purpose of c. & d. above, family means, the spouse, dependent children and dependent parents of the appointee."

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

The aforesaid terms of remuneration have been set out in a draft agreement to be executed in due course between the company and Mr Srikant Jajodia. The said agreement also provides for the mutual rights and obligations of the parties and stipulations relating to its termination in certain circumstances.

In compliance with section 309 of the companies Act, 1956, the terms of remuneration specified above are now placed before the members for the approval and your Directors recommend the acceptance of the resolution.

## I. GENERAL INFORMATION

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

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

Particulars	Financial Year ended	
	31 <sup>st</sup> March 2009 (Rs. in Lacs)	31 <sup>st</sup> March 2008 (Rs. in Lacs)
Income:		
A. Value of Work Done	10278.62	4490.52
B. Other Income	378.72	362.30
C. Increase/ Decrease in Stocks	(19.49)	92.76
Total	10637.85	4945.58
Expenditure	9696.31	3870.89
Profit before tax	941.54	1074.70
Less : Provision for tax		
Current	268.13	188.10
Deferred	1.50	0.80
Wealth Tax	1.09	0.08
Fringe Benefit Tax	4.36	3.77
Profit After Tax	666.46	881.95
Previous Balance in Profit & Loss Account	2447.38	1691.63
Adjustments related to previous year	31.11	73.19
Profit available for appropriation	3082.73	2500.38
Less: Proposed dividend	19.67	19.67
Tax on proposed dividend	3.34	3.34
Transfer to general reserve	30.00	30.00
Balance in Profit & Loss Account	3029.72	2447.38
Earning per share (Rs.)	33.89	44.85
Dividend per share (Rs.)	1.00	1.00

(5) Export performance and net foreign exchange collaborations

The Company is not engaged in any exports activity

(6) Foreign investments or collaborators, if any

There are no foreign investments or collaborators

## II. INFORMATION ABOUT THE APPOINTEE

(1) Background details	Mr Srikant Jajodia has been the Whole Time Director of the Company since last 5 years. He is instrumental in the growth of your Company over the years. He is having more than 20 years of experience in Real Estate business.
(2) Past remuneration	Mr Srikant Jajodia had been appointed as the Whole Time Director of the Company with effect from 1 <sup>st</sup> December 2004. His remuneration was as follows : <ul style="list-style-type: none"> <li>a. Salary Rs.2,00,000* per month</li> <li>b. Rent free Company's furnished accommodation.</li> <li>c. Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years</li> </ul>

	<ul style="list-style-type: none"> <li>d. Leave travel concession for self &amp; family once in a year as per the rules of the Company</li> <li>e. Personal Accident Insurance Premium not exceeding Rs.10,000 per annum.</li> <li>f. Club fees subject to a maximum of two clubs, (This will not include admission and Life membership fees)</li> <li>g. Provident fund, Superannuation benefits and Gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.</li> <li>h. Provision of Company's Car</li> <li>i. Provision of free telephone at residence, and,</li> <li>j. Encashment of leave at the end of the tenure as per the rules of the Company.</li> </ul> <p>In the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.</p> <p>*Remuneration increased from Rs.25000 to 100000 p.m. w.e.f 15<sup>th</sup> May 2006, further increase from Rs 100000 to 200000 p.m. w.e.f 1<sup>st</sup> February 2009</p>
(3) Job profile and his suitability	<p>Mr Srikant Jajodia being the Whole Time Director of the Company is entrusted with substantial powers in relation to normal business matters. He is having rich experience of over 20 years in real estate business.</p>
(4) Remuneration proposed	<p>Mr Srikant Jajodia is proposed to be re-appointed as the Whole Time Director of the Company with effect from 1<sup>st</sup> December 2009. His remuneration will be w.e.f 1<sup>st</sup> December 2009 as follows subject to the approval of members:</p> <ul style="list-style-type: none"> <li>a. Salary Rs.2,00,000 per month</li> <li>b. Rent free Company's furnished accommodation.</li> <li>c. Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years</li> <li>d. Leave travel concession for self &amp; family once in a year as per the rules of the Company</li> <li>e. Personal Accident Insurance Premium not exceeding Rs.10,000 per annum.</li> <li>f. Club fees subject to a maximum of two clubs, (This will not include admission and Life membership fees)</li> <li>g. Provident fund, Superannuation benefits and Gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.</li> <li>h. Provision of Company's Car</li> <li>i. Provision of free telephone at residence, and,</li> <li>j. Encashment of leave at the end of the tenure as per the rules of the Company.</li> </ul> <p>In the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.</p>

(5) 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.
(6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	He is receiving remuneration from the company & is relative of Mr. S.K.Garg.

### III. OTHER INFORMATION

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

The members' approval is required by way of a Special resolution for reappointment of Mr Srikant Jajodia as Whole Time Director and fixing his remuneration.

The aforesaid explanatory statement for item no. 6 should also be deemed to be notice of the abstract under section 302 of the Companies Act, 1956 for terms of appointment and payment of remuneration to Mr Srikant Jajodia as Whole Time Director.

None of the Directors of the Company other than Mr Srikant Jajodia and Mr S.K.Garg, Executive Chairman, being a relative, may be deemed to be concerned or interested in the resolution.

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

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

Date : 31<sup>st</sup> July, 2009  
Place: Lucknow



## DIRECTORS' REPORT

Dear Members

Your Directors have the pleasure in presenting the 24<sup>th</sup> Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2009.

### Financial Highlights

(Rs in lacs)

Particulars	Financial Year ended			
	31 <sup>st</sup> March 2009 Consolidated	31 <sup>st</sup> March 2009 Standalone	31 <sup>st</sup> March 2008 Consolidated	31 <sup>st</sup> March 2008 Standalone
Income:				
A. Value of Work Done	10278.62	10278.62	4490.52	4490.52
B. Other Income	387.78	378.72	362.30	362.30
C. Increase/ Decrease in Stocks	(19.49)	(19.49)	92.76	92.76
Total	10646.91	10637.85	4945.58	4945.58
Expenditure	9696.44	9696.31	3871.01	3870.89
Profit before tax	950.47	941.54	1074.57	1074.70
Less: Provision for tax				
Current	268.13	268.13	188.06	188.10
Deferred	1.50	1.50	0.80	0.80
Wealth Tax	0.85	1.09	0.08	0.08
Fringe Benefit Tax	4.36	4.36	3.77	3.77
Profit After Tax	675.63	666.46	881.86	881.95
Previous Balance in Profit & Loss Account	2447.29	2447.38	1691.63	1691.63
Adjustments related to previous year	31.11	31.11	73.19	73.19
Profit available for appropriation	3091.81	3082.73	2500.30	2500.38
Less: Proposed dividend	19.67	19.67	19.67	19.67
Tax on proposed dividend	3.34	3.34	3.34	3.34
Transfer to general reserve	30.00	30.00	30.00	30.00
Balance in Profit & Loss Account	3038.80	3029.72	2447.29	2447.38
Earning per share (Rs.)	34.36	33.89	44.84	44.85
Dividend per share (Rs.)	1.00	1.00	1.00	1.00

### Year in Retrospect

During the year under review, total income of the Company was Rs. 10657.34 lacs as against Rs. 4852.82 lacs in previous year ended 31<sup>st</sup> March, 2008. Profit before tax was Rs. 941.54 lacs as against Rs. 1074.70 lacs in the preceding year. Profit after tax for the year under review was Rs. 666.46 lacs as against Rs. 881.95 during the preceding year. Your Directors are putting in their best efforts to further improve the performance of the Company.

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

### Material Changes etc.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company 31<sup>st</sup> March, 2009 and the date of this Report.

### Dividend

Your Directors propose to maintain an Equity Dividend of 10% for the financial year ended on 31<sup>st</sup> March, 2009. The Dividend, if approved by you at the forthcoming Annual General Meeting will absorb Rs. 19.67 lacs.



## Transfer to Investors Education and Protection Fund

Un-claimed/un-paid dividend for the financial year 2000-2001 has been transferred to the Investors Education and Protection Fund in terms of the provisions of Section 205A of the Companies Act, 1956.

## Public Deposits

As at 31<sup>st</sup> March, 2009, the Company held Fixed Deposits of Rs. 144.35 lacs from the Public, Shareholders and Employees, out of which deposits for Rs. 87.35 lacs, due for repayment on or before 31<sup>st</sup> March, 2009 were not claimed by depositors as on that date.

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

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

## Particulars of Employees

Particulars of the employees who are in receipt of remuneration more than the limit prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is annexed to this Directors' Report as Annexure A.

## Subsidiary Companies and Consolidated Financial Statements

As on date there are following subsidiaries of the Company:

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

\* Ceased to be subsidiary company w.e.f. 14/11/2008

\*\* Ceased to be subsidiary company w.e.f. 09/09/2008

In terms of approval granted by the Ministry of Corporate Affairs, Government of India vide letter No. 47/472/2009-CL-III dated 28.07.2009, under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiaries of the Company as of March 31, 2009 have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any Member of the Company interested in obtaining the same.

## Corporate Governance

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

## Directors

After the last Annual General Meeting, there have been certain change in the Board of Directors of the Company. Mr L N Sharma has resigned from directorship w.e.f 30<sup>th</sup> June 2009.

In accordance with the provisions of the Companies Act, 1956, Mr Arvind Bajaj and Mr J P Bhargava, Directors, retire by rotation and, being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

The term of appointment of Mr Srikant Jajodia as Whole Time Director will expire on 30<sup>th</sup> November 2009. The Board of Directors feels that for the sake of continuity of the present management and for efficient running of the Company, the services of Mr Srikant Jajodia should be available to the Company for a further period of three years with effect from 1<sup>st</sup> December 2009.

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

## Auditors

M/s Doogar and Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

## Auditors' Report

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

## Secretarial Compliance Certificate

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

## Directors' Responsibility Statement

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

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

## Listing

The Equity shares of the Company are presently listed at Bombay Stock Exchange and U P Stock Exchange, Kanpur. The Company has already paid listing fees to these Stock Exchanges for the financial year 2009-10.

## Acknowledgement

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

For and on behalf of the Board

For Eldeco Housing and Industries Ltd

S K Garg

Chairman

Date : 31<sup>st</sup> July, 2009

Place: Lucknow

## ANNEXURE 'A' to the Director' report

Information pursuant to section 217 (2A) of the Companies Act 1956, read with the Companies (particulars of Employees) Rules, 1975, as amended and forming part of Directors' Report for the year ended March 31, 2009.

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

Name and Age	Designation and Nature	Remuneration received (Rs.p.a.)	Qualification and Experience	Date of Joining	Particulars of last employment
Col. D. K.Singh. Age-55yrs	Chief Executive Officer	24,00,000	BSC,B.E(Civil), ME(Structures), MBA	10.12.2007	V.P. Ashiana

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Cautionary Statement

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

### 1. Industry Structure and Developments

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

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

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

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

### 2. Business Overview

The Company has launched new project "Eldeco Corporate Tower" at Vibhuti Khand, Gomti Nagar, Lucknow. Construction activity in various projects of the Company like Eldeco Elegance (6 Towers) Eldeco Corporate II, Eldeco Empereur, Eldeco Express Plaza, Eldeco Eden Park are in full swing and will be completed in the next year.

In the Coming Year the Company proposes to launch two mega group housing Projects, one at Sitapur Road, Lucknow comprising 400 residential apartment & another at Mahanagar, Lucknow comprising of 500 residential flats. A mega township of 200 acres on Sultanpur Road under U.P. Government Integrated Township Policy is being planned and the same will be launched in the coming year. Apart from this a commercial block of Eldeco Elegance "Elegante" is also expected to be launched next year.

### 3. Opportunities and Threats

#### Opportunities

- **High Growth Prospects :** In the face of rapid urbanization, the basic infrastructure of the cities is unable to cope up the rising demand which has resulted in shortage of about 20million units in the residential sector alone.
- **Rising Income Levels :** A growing middle income level population, rise in their average income levels and moderation in income tax rates has lead to enhanced market for the real estate sector.
- **Emergence of Nuclear Families :** Rapid development and urbanization has lead to the emergence of nuclear families which in turn has resulted in the increase in demand for residential units as well as commercial space.
- **Growing Consumer Culture:** The demand for better lifestyle has enhanced consumption levels and rapid growth in several areas like township development with state of art facilities, commercial space and mall construction. The Company with its wide portfolio is expected to benefit from improvement in lifestyle and higher aspiration levels.
- **Easy Availability of Home Loans :** With enhanced banking facilities and easy availability of consumer credit especially home loans there seems to be a seemingly unending prospect of future growth and unprecedented revenues.
- **Growing Organized Retail Sector :** With participation of newer sections like hospitality and mall construction the retail sector has become more organized and the opportunities at its behest have shown up as never before.

#### Threats

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

#### 4. Outlook

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

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

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

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

#### 5. Risks and Concerns

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

- **Contingent Liabilities** : Due to project-based work, real estate companies often carry substantial contingent liabilities in the form of guarantees in order to comply with specific client requirements.
- **Development Risks** : Profitability of each project is subject to risks of mis-pricing, conditions adverse to the real estate market, geological conditions, management of specification changes and the outcome of competition with rival real estate companies.
- **Credit Risk** : The strength of clients from whom the receivables are being generated is important. Real estate developers usually secure project advances from clients to keep them committed to the projects.
- **Cost of Borrowing** : We regularly borrow funds for development and construction of projects. Because we some times rely on borrowed funds to finance a portion of our business, an increase in our cost of borrowing funds due to rising interest rates may affect our results of operations.
- **Fluctuations in market conditions** : The Company is subject to potentially significant fluctuations in the market value of land and constructed inventories. The risk of owning undeveloped land, developed land and constructed inventories can be substantial and the market value of the same can fluctuate significantly as a result of changing economic and market conditions.

We need to regularly identify and acquire new sites of undeveloped and developed land to support and sustain our business.

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

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

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

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

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

## 6. Internal Control Systems and Their Adequacy

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

Some significant features of the internal control systems are:

- Corporate policies on accounting and major processes;
- Well-defined processes for formulating and reviewing annual and long term business plans;
- Preparation and monitoring of annual budgets for all operating and service functions;
- An on-going program for reinforcement of integrity of financial reporting, ethical conduct, regulatory compliance, conflict of interests review and reporting of concerns. All employees of the Company are regularly exposed to communications under this program;
- A well established multidisciplinary Internal Audit team, which reviews and reports to management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks;
- Audit Committee of the Board of Directors, comprising independent directors, which is functional since March 2008, will regularly review the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any;

## 7. Financial Performance vis-a-vis Operational Performance



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

Particulars	Financial Year ended (Rs. in Lacs)			
	31 <sup>st</sup> March 2009	31 <sup>st</sup> March 2009	31 <sup>st</sup> March 2008	31 <sup>st</sup> March 2008
	Consolidated	Standalone	Consolidated	Standalone
Income:				
A. Value of Work Done	10278.62	10278.62	4490.52	4490.52
B. Other Income	387.78	378.72	362.30	362.30
C. Increase/ Decrease in Stocks	(19.49)	(19.49)	92.76	92.76
Total	10646.91	10637.85	4945.58	4945.58
Expenditure	9696.44	9696.31	3871.01	3870.89
Profit before tax	950.47	941.54	1074.57	1074.70
Less: Provision for tax				
Current	268.13	268.13	188.06	188.10
Deferred	1.50	1.50	0.80	0.80
Wealth Tax	0.85	1.09	0.08	0.08
Fringe Benefit Tax	4.36	4.36	3.77	3.77
Profit After Tax	675.63	666.46	881.86	881.95
Previous Balance in Profit & Loss Account	2447.29	2447.38	1691.63	1691.63
Adjustments related to previous year	31.11	31.11	73.19	73.19
Profit available for appropriation	3091.81	3082.73	2500.30	2500.38
Less: Proposed dividend	19.67	19.67	19.67	19.67
Tax on proposed dividend	3.34	3.34	3.34	3.34
Transfer to general reserve	30.00	30.00	30.00	30.00
Balance in Profit & Loss Account	3038.80	3029.72	2447.29	2447.38
Earning per share (Rs.)	34.36	33.89	44.84	44.85
Dividend per share (Rs.)	1.00	1.00	1.00	1.00

## 8. Material Development in Human Resources

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

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

## REPORT ON CORPORATE GOVERNANCE

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

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

### 2. BOARD OF DIRECTORS

The Company maintains an optimum combination of Executive, Non-Executive and Independent Directors. The Board consists of total Ten (10) directors on 31<sup>st</sup> March 2009. Mr S K Garg is the Executive Chairman of the Company and Mr Pankaj Bajaj is Managing Director and Mr Srikant Jajodia is the Whole Time Director of the Company.

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

Following is the list of Directors and other details as on 31<sup>st</sup> March, 2009:

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

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

\*resigned from directorship w.e.f. 30<sup>th</sup> June, 2009.

### Directors' Attendance Record

During the period 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009, 10 (ten) meetings of the Board of Directors were held on 16.04.2008, 30.06.2008, 31.07.2008, 12.08.2008, 27.09.2008, 31.10.2008, 30.12.2008, 31.01.2009, 21.02.2009 and 20.03.2009. The Board was

supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Board Meetings held. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during this period are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
S.K. Garg	10	10	Yes
Pankaj Bajaj	10	8	Yes
Arvind Bajaj	10	6	No
Srikant Jajodia	10	6	Yes
L.N. Sharma <sup>#</sup>	10	6	Yes
J.P. Bhargava	10	6	Yes
N.K. Sharma	10	6	Yes
Anil Tewari	10	6	Yes
Ranjit Khattar	10	6	Yes
Ashish Jain	10	6	Yes

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

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

Mr Arvind Bajaj and Mr J P Bhargava, Directors who shall be retiring in this AGM, being eligible have offered themselves for re-appointment. The term of Mr.Srikant Jajodia will expire on 30<sup>th</sup> November 2009. His guidance is necessary for the smooth functioning of the company So his reappointment is proposed in this annual General Meeting as Whole-time Director for three years.

Brief particulars of these gentlemen are as follow:

Particulars	Mr Arvind Bajaj	Mr J P Bhargava	Mr. SriKant Jajodia
DIN	00173367	00206971	00602511
Father's Name	Mr O P Bajaj	Mr. Shiv Bhargava Dayal	Late Mr. P.B. Jajodia
Date of Birth	29/11/1968	01/06/1935	22/12/1963
Address	98, Surya Nagar, Agra Uttar Pradesh	94,Rohtas Enclave, Faizabad Road, Lucknow	35 Anupam Apartments M.B. Road Saket, NewDelhi
Designation	Director	Director	Whole time Director
Education	Bachelor's Degree in Commerce	Bachelor's Degree in Architecture with Honours From IIT Kharagpur, Master of Arts in Planning from University of British Colombia, Vancouver & Diploma in Urban Studies from London University	Master's Degree in Business Administration From Boston University
Experience	He is having 20 years experience in Business	He is having a rich experience of about 51 years. He worked for various Government Authorities and a fellow of the Institute of Town Planners India (FITP) & the Indian Institute of Architecture (FIIA) .He also served as Member of the Council, Secretary Publications & Editor of the Journal of The Institute of Town Planners, India	He is having about 20 years experience in various Company.
Companies in which holds Directorship	1	NIL	1
Companies in which holds membership of committees	-	NIL	NIL
Shareholding in the Company (No. & %)	192100 shares 9.77%	NIL	NIL

## 4. AUDIT COMMITTEE

### (a) Terms of Reference

In terms of the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement the company has constituted its Audit Committee. The terms of reference of the Audit Committee, as defined by the Board of Directors is to comply with the requirements of section 292 A of the Companies Act and Clause 49 of the listing agreement. The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

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

### (b) Composition

The Audit Committee of the Company comprises the following directors:

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

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

### (c) Attendance

During the period 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009 5 (Five) meetings of the Audit Committee were held on 16.04.2008, 14.06.2008, 25.07.2008, 14.10.2008 and 20.01.2009. The Committee was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Meetings held. The intervening period between the Audit Committee Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement.

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

## 5. REMUNERATION COMMITTEE

### (a) Terms of Reference

In terms of the provisions of Companies Act, 1956 the company has constituted its Remuneration Committee. The Remuneration Committee shall have the power to determine the Company's policy on specific remuneration packages including pension rights and other compensation for executive directors and for this purpose, the Remuneration Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary.

### (b) Composition

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

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

## (c) Attendance

During the period 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009 2 (Two) meetings of the Remuneration Committee were held on 01.04.2008 and 26.12.2008. The Committee was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Meeting held.

Name of the Director	Category	Attendance at the Remuneration Committee Meeting
Mr Anil Tewari	Chairman (Independent Director)	2
Mr N K Sharma	Member (Independent Director)	2
Mr J P Bhargava	Member (Independent Director)	2

## (d) Remuneration Policy of the Company

The Executive Chairman and the Whole Time Director of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. No remuneration was paid to any Non-Executive Directors during the financial year 2008-09 except sitting fee for attending Board meetings and committee meetings.

## (e) Details of the Executive Directors' Remuneration for the financial year ended 31<sup>st</sup> March, 2009

Name of Director	Salaries & Perquisites (In Rs.)	Commission, Bonus Ex-gratia (In Rs.)	Sitting Fee (In Rs.)	Total Amount (In Rs.)	No. of Shares held (& %)
S.K. Garg	24,00,000	Nil	Nil	24,00,000	5,300 (0.27)
Pankaj Bajaj	Nil	Nil	Nil	Nil	5,70,700 (29.02)
Arvind Bajaj	Nil	Nil	3,000	3,000	1,92,100 (9.77)
Srikant Jajodia	16,15,916	Nil	Nil	16,15,916	Nil
L.N. Sharma*	Nil	Nil	3000	3000	Nil
J.P. Bhargava	Nil	Nil	3000	3000	Nil
N.K. Sharma	Nil	Nil	3000	3000	Nil
Anil Tewari	Nil	Nil	3000	3000	Nil
Ranjit Khattar	Nil	Nil	3000	3000	Nil
Ashish Jain	Nil	Nil	3000	3000	Nil

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

## 6. INVESTORS' GRIEVANCE COMMITTEE

### (a) Terms of Reference:

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

### (b) Composition:

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

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

## (c) Attendance

During the period 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009 1 (One) meeting of the Investor's Grievance Committee was held on 12.08.2008. The Committee was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Meeting held.

Name of the Director	Category	Attendance at the Investors Grievance Committee Meeting
Mr Anil Tewari	Chairman (Independent Director)	1
Mr S K Garg	Member (Independent Director)	1
Mr J P Bhargava	Member (Independent Director)	1

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

(e) During the year, the company did not receive any complaints from the shareholders. There was no pending complaint from any shareholder as on 31<sup>st</sup> March 2009.

## 7. GENERAL BODY MEETINGS

Particulars of past three Annual General Meetings of the Company:

Date	Year	Venue	Time
27 <sup>th</sup> September, 2008	2007-08	Hotel Taj Residency Vipin Khand, Gomti Nagar, Lucknow- 226010.	3:00 p.m.
29 <sup>th</sup> September, 2007	2006-07		3:00 p.m.
30 <sup>th</sup> October, 2006	2005-06		3:00 p.m.

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

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

## 8. SUBSIDIARY COMPANIES

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

## 9. DISCLOSURES

### (a) Related Party Transactions

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large. The other related party transactions are given in point no. 14 of Notes on Accounts annexed to and forming the part of Balance Sheet and Profit and Loss Account of the Company.

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

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

### (c) Non mandatory requirements

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

## 10. CODE OF CONDUCT

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

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

The Board has formulated a code of conduct for the Board members and senior management of the Company, which has been posted on the website of the Company [www.eldecogroup.com](http://www.eldecogroup.com)

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

Sd/-  
S K Garg  
Chairman

Sd/-  
Col. D K Singh  
CEO

## 11. MEANS OF COMMUNICATION

- (a) At present quarterly/ half-yearly reports are not being sent to each household of shareholders.
- (b) The Quarterly / half-yearly / annual accounts results are published in the English and Hindi Newspapers.
  - Which newspaper normally published in Business Standard (English) & Dainik Aaj (Hindi)
  - Any website where displayed Yes  
[www.eldecogroup.com](http://www.eldecogroup.com)
- (c) The Management Discussion and Analysis forms a part of the Annual Report.

## 12. GENERAL SHAREHOLDERS INFORMATION

### i) Annual General Meeting

Date & Time	Wednesday, September 30, 2009 at 3:00 PM
Venue	Hotel Taj Residency, Vipin Khand, Gomti Nagar, Lucknow- 226010
Date of Book Closure	September 24, 2009 to September 30, 2009
Dividend Payment Date	Latest by 26 <sup>th</sup> October, 2009.

### ii) Financial Calendar

<u>Events</u>	<u>Tentative time frame</u>
Financial Reporting for the first quarter ended 30 <sup>th</sup> June, 2009	31 <sup>st</sup> July, 2009 (actual)
Financial Reporting for the second quarter ending 30 <sup>th</sup> September, 2009	Last Week of October, 2009
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2009	Last Week of January, 2010
Financial Reporting for the fourth quarter ending 31 <sup>st</sup> March, 2010	Last Week of April, 2010

### iii) Listing on Stock Exchanges

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

Bombay Stock Exchange Limited (BSE)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001  
Tel No.: 022-22722066  
Fax No.: 022-22723121 / 22723719  
E-Mail: [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)  
Website: [www.bseindia.com](http://www.bseindia.com)



U.P. Stock Exchange Association Limited (UPSE)

Padam Towers,

14/113, Civil Lines,

Kanpur- 208 001.

Tel No.: 0512-2338115 / 2338079

Fax No.: 0512-2338175 / 2338220

E-Mail: [upse@vsnl.in](mailto:upse@vsnl.in)

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

The company has paid the listing fees payable to BSE & UPSE for 2009-10.

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 2008	159.00	124.00	22766	October 2008	99.45	41.25	45356
May 2008	165.00	135.00	21272	November 2008	77.00	40.65	20137
June 2008	143.00	99.00	22791	December 2008	79.00	38.00	24833
July 2008	129.95	81.30	24454	January 2009	73.00	43.05	14680
August 2008	133.00	99.00	14342	February 2009	61.50	41.00	12077
September 2008	124.00	85.00	23787	March 2009	53.85	41.85	42271

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

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

vi) Registrar and Transfer Agents

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

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

M/s Skyline Financial Services Private Limited,  
246, First Floor, Panth Nagar,  
East of Kailash,  
New Delhi 110065  
Tel- 011-26292682

vii) Secretarial Audit

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

## viii) Shareholding Pattern

Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2009 is given below:-

Category	No. of Shares	%
Promoters		
a) Individuals / Hindu Undivided Family	11,27,600	57.34
b) Bodies Corporate	10,000	00.51
Total (A)	11,37,600	57.85
Public Shareholding (Non Institution)		
a) Bodies Corporate	1,00,833	05.13
b) Individuals	7,26,189	36.93
c) NRI/OCB's	1,676	00.08
d) Clearing Member/ House	302	00.01
Total (B)	8,29,000	42.15
	19,66,600	100.00

## ix) Distribution of Shareholding

Distribution of Shareholding of the Company as on 31<sup>st</sup> March, 2009 is as following:

Range of Shares (in No.)	Shareholders' Numbers	% to Total Number	Shares in Rs.				%age
			Physical	NSDL	CDSL	Total	
Up to - 5,000	2757	91.72	1375590	1614690	668140	3658420	18.60
5,001 -10,000	143	4.76	443390	618830	116380	1178600	5.99
10,001 - 20,000	56	1.86	134000	474180	238730	846910	4.31
20,001 -30,000	10	0.33	21000	200480	21000	242480	1.23
30,001 -40,000	6	0.20	0	135040	63590	198630	1.01
40,001 -50,000	2	0.07	0	92260	0	92260	0.47
50,001 -1,00,000	14	0.47	420000	443220	133650	996870	5.07
1,00,001 & Above	18	0.60	1770000	10561830	120000	12451830	63.32
TOTAL	3006	100	4163980	14140530	1361490	19666000	100

## x) Dematerialization of Shares

The shares of the Company are in dematerialized segment and are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31<sup>st</sup> March 2009 about 78.83% (previous year 62.70%) of the Company's equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.

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

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

First Floor, Pragati Kendra,  
Kapoorthala Complex, Aliganj  
Lucknow- 226024  
Phone: 0522-2328 396, 2326 298  
Fax No. 0522-2371029  
e-mail: [shareholdercomplaint@eldechousing.co.in](mailto:shareholdercomplaint@eldechousing.co.in)

## 13. NON-MANDATORY REQUIREMENTS

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

### CEO/CFO Certification

We, Col. D K Singh, Chief Executive Officer and Tushar Kapoor, Addl DGM (Finance), responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2009 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 31<sup>st</sup> July 2009

Place: Lucknow

Sd/

Col. D K Singh

CEO

Sd/

Tushar Kapoor

Addl. DGM (Finance)

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Eldeco Housing & Industries Ltd

We have examined the compliance of conditions of Corporate Governance by ELDECO HOUSING & INDUSTRIES LTD, for the year ended on 31<sup>st</sup> March, 2009, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange.

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

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

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

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

For R&D  
Company Secretaries

Date: 31<sup>st</sup> July 2009  
Place: Delhi

Anuradha Aggarwal  
Partner  
CP: 7801

## CONSOLIDATED AUDITORS' REPORT

To  
The Members of,  
ELDECO HOUSING AND INDUSTRIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of Eldeco Housing and Industries Limited (the "Company"), its Subsidiaries (collectively referred to as "Group") as at 31st March 2009, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Seven subsidiaries (Aadesh Constructions Private Limited, Garv Constructions Private Limited, Mahal Constructions Private Limited, Milap Constructions Private Limited, Samarjit Constructions Private Limited, Suniyojit Constructions Private Limited, Halwasiya Agro Industries Private Limited) of Eldeco Housing & Industries Limited which reflects total assets of Rs.918.93 lacs, (Rs 666.23 as at 31<sup>st</sup> March 2008), total liabilities of Rs.925.33 lacs as at 31<sup>st</sup> March 2009 (Rs 519.69 as at 31<sup>st</sup> March 2008) and total revenues of Rs..02 lacs (Rs (.12)lacs as at 31<sup>st</sup> March 2008) and cash flows amounting to Rs.7.11 lacs (Rs 29.19 as at 31<sup>st</sup> March 2008) and have been considered for the purpose of preparation of these consolidated financial statements. The financial statements and other financial information of the above subsidiaries have been audited by M/s Amar Tandon & Co, Chartered Accountants, whose report have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the M/s Amar Tandon & Co, Chartered Accountants
4. The Consolidated Accounts include the unaudited financial statements of Associate Company namely, Eldeco City Private limited and MAK Sales Private Limited for the year ended 31<sup>st</sup> March 2009 which includes the Company's share of profit amounting to Rs 9.04 Lacs and Loss amounting Rs 0.10 Lacs respectively. The financial statements have been certified by the management and have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the said associate companies are based solely on these certified unaudited financial statements. Since the financial statements of associated companies for the year ended March 31, 2009 were not audited, any adjustment to their balances could have consequential effects on the attached consolidated financial statements.
5. We report that the Consolidated Financial Statements have been prepared by Eldeco Housing & Industries Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, and Accounting Standard (AS) 23, Accounting for Investment in Associates in Consolidated Financial Statements as notified by the Companies (Accounting Standards) Rules 2006 and on the basis of the separate audited financial statements of subsidiaries and certified unaudited financial statements of associates included in the consolidated financial statements.
6. Based on our audit and on consideration of the reports of the other auditors on separate financial statements and the certified unaudited financial statements of the associate companies referred to in paragraph 4 above, and to the best of our information and according to the explanations given to us, we are of the opinion that subject to the inclusion of unaudited amounts relating to associate companies referred to in paragraph 4 above the aforesaid Consolidated Accounts reads with the significant accounting policies and other notes there on, give true and fair view in conformity with the Accounting Principles Generally Accepted in India:
  - (a) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of Group as at 31st March, 2009;
  - (b) in the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
  - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

FOR DOOGAR & ASSOCIATES  
Chartered Accountants

Place: Lucknow  
Dated: 30<sup>th</sup> June, 2009

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

# El deco Housing and Industries Limited

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULES	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS FUNDS:			
a. Share Capital	1	19666000.00	19666000.00
b. Reserves and Surplus	2	355406903.90	293255659.11
TOTAL		375072903.90	312921659.11
2. MINORITY INTEREST :		6398.42	6534.80
3. LOAN FUNDS :			
a. Secured Loans	3	50149580.08	52728312.30
b. Unsecured Loans	4	13380000.00	13810000.00
TOTAL		63529580.08	66538312.30
4. DEFERRED TAX LIABILITIES (NET)		1622068.00	1472308.00
TOTAL		440230950.40	380938814.21
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS:	5		
a. Gross Block		74996578.43	64945295.43
b. Less : Depreciation		24192671.07	21430420.07
c. Net Block		50803907.36	43514875.36
2. GOODWILL ON CONSOLIDATION		163237.00	163237.00
3. INVESTMENTS:	6	118815990.00	117922970.00
4. CURRENT ASSETS, LOANS & ADVANCES:	7		
a. Inventories		221859427.53	205167053.42
b. Sundry Debtors		21642139.00	22027914.00
c. Projects in Progress		183508991.70	192444165.94
d. Cash and Bank Balances		372147952.05	372707801.42
e. Loans and Advances		271303670.98	223352561.89
TOTAL		1070462181.26	1015699496.67
Less : CURRENT LIABILITIES AND PROVISIONS	8		
a. Current Liabilities		731004109.22	746487092.82
b. Provisions		69466777.00	50022376.00
TOTAL		800470886.22	796509468.82

# El deco Housing and Industries Limited

NET CURRENT ASSETS :	269991295.04	219190027.85
MISCELLANEOUS EXPENDITURE	456521.00	147704.00
(To the extent not written off or adjusted)		
	-----	-----
TOTAL	440230950.40	380938814.21
	-----	-----

Significant Accounting Policies and Notes to Accounts 15

AUDITORS REPORT  
As per our Report of even date attached

For and on Behalf of the Board

For DOOGAR & ASSOCIATES,  
Chartered Accountants

S. K. GARG  
(Chairman & Executive Director)

PANKAJ BAJAJ  
(Managing Director)

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

SONAL SRIVASTAVA  
(Company Secretary)

PLACE : Lucknow  
DATED : 30th June 2009



# El deco Housing and Industries Limited

## CONSOLIDATED AUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR 31ST MARCH, 2009

PARTICULARS	SCHEDULE	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
<b>INCOME :</b>			
a. Value of Work Done	9	1027862008.69	449052500.82
b. Other Income	10	38778079.44	36230059.04
c. Increase/decrease in Stocks	11	-1949107.53	9275857.87
<b>TOTAL</b>		<b>1064690980.60</b>	<b>494558417.73</b>
<b>EXPENDITURE :</b>			
d. Cost of Construction	12	904662404.48	334026641.63
e. Administrative and Selling Expenses	13	47038128.41	38990505.09
f. Financial Charges	14	15353442.24	12391834.03
g. Depreciation		2589765.00	1692461.00
<b>TOTAL</b>		<b>969643740.13</b>	<b>387101441.75</b>
<b>PROFIT BEFORE TAXES :</b>		<b>95047240.47</b>	<b>107456975.98</b>
h. Less: Provision for Taxation			
i. Current Tax	26,813,000.00		
ii. Deferred Tax	149,760.00		
iii. Wealth Tax	85,200.00		
iv. Fringe Benefit Tax	436,300.00	27484260.00	19271263.00
<b>PROFIT AFTER TAX :</b>		<b>67562980.47</b>	<b>88185712.98</b>
i. Balance brought forward from last year		244728991.40	169163547.11
Less: Income Tax Adjustments related to Previous Years		3110968.06	5832267.89
Less: Minority Adjustment		56.38	19.20
Less: Adjustment of gratuity liability on adoption of Revised AS-15		0.00	1487196.00
<b>j. PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>309181060.19</b>	<b>250029815.40</b>
<b>APPROPRIATIONS :</b>			
k. Transferred to General Reserve		3000000.00	3000000.00
l. Proposed Dividend		1966600.00	1966600.00
m. Tax on Proposed Dividend		334224.00	334224.00
<b>BALANCE CARRIED TO BALANCE SHEET :</b>		<b>303880236.19</b>	<b>244728991.40</b>
Basic and Diluted Earning per Share of face value of Rs. 10 each (Refer Note no. 15 of Schedule 15)		34.36	44.84
Significant Accounting Policies and Notes to Accounts	15		

AUDITORS REPORT  
As per our Report attached

For and on Behalf of the Board

For DOOGAR & ASSOCIATES,  
Chartered Accountants

S. K. GARG  
(Chairman & Executive Director)

PANKAJ BAJAJ  
(Managing Director)

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

SONAL SRIVASTAVA  
(Company Secretary)

PLACE : Lucknow  
DATED : 30th June 2009

## CONSOLIDATED SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2009

PARTICULARS	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
<b>SCHEDULE -1 SHARE CAPITAL</b>		
AUTHORISED 1,00,00,000 Equity Shares of Rs. 10/- each	100000000.00	100000000.00
ISSUED, SUBSCRIBED AND PAID UP 19,66,600 Equity Shares of Rs. 10/- each fully paid up.	19666000.00	19666000.00
<b>TOTAL</b>	19666000.00	19666000.00
<b>SCHEDULE -2 RESERVES AND SURPLUS</b>		
(i) CAPITAL RESERVE: As per last Balance Sheet	133600.00	133600.00
(ii) GENERAL RESERVE: As per last Balance Sheet	48393067.71	45393067.71
Add: Transferred from Profit and Loss Account	3000000.00	3000000.00
	51393067.71	48393067.71
(iii) SURPLUS AS PER PROFIT AND LOSS ACCOUNT	303880236.19	244728991.40
<b>TOTAL</b>	355406903.90	293255659.11
<b>SCHEDULE -3 SECURED LOANS:</b>		
A. TERMLOAN :		
HDFC LIMITED, LUCKNOW	15000000.00	40000000.00
B. IMMOVABLE PROPERTY OVERDRAFT FACILITY :		
PUNJAB NATIONAL BANK, AGRA	30542300.13	8121032.35
C. OVERDRAFT FACILITY :		
CITY CO-OPERATIVE BANK, LUCKNOW	4607279.95	4607279.95
<b>TOTAL</b>	50149580.08	52728312.30

### NOTES :-

#### A. TERMLOAN FROM HDFC LTD., LUCKNOW

Term Loan is secured by:

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

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

### a. Equitable mortgage of -

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

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

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

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

## SCHEDULE - 4 UNSECURED LOANS:

Fixed Deposits (Repayable within one year Rs.87.35 Lacs (Previous Year Rs.92.40 Lacs))	13380000.00	13810000.00
TOTAL	13380000.00	13810000.00

SCHEDULE 5 - FIXED ASSETS:

S. No.	Particulars	<---- GROSS BLOCK ---->				<---- DEPRECIATION ---->				<-- NET BLOCK -->	
		As At 01/04/2008	Additions During The Year	Sales/adj During The Year	As At 31/03/2009	Upto 01/04/2008	For The Period Ended 31/03/2009	Sales/adj During The Year	Total Upto 31/03/2009	W.d.v. As At 31/03/2009	W.d.v. As At 31/03/2008
1	Office Premises	32848191.55	0.00	0.00	32848191.55	884810.61	535,426.00	0.00	1420236.61	31427954.94	31963380.94
2	Construction Machinery	12885834.17	719160.00	0.00	13604994.17	10174782.85	627,306.00	0.00	10802088.85	2802905.32	2711051.32
3	Furniture and Fixture	6483044.09	95573.00	0.00	6578617.09	3775663.63	415,500.00	0.00	4191163.63	2387453.46	2707380.46
4	Office Equipment	4543585.24	181704.00	0.00	4725289.24	1707638.43	246,834.00	0.00	1954472.43	2770816.81	2835946.81
5	Vehicles	5034621.38	9006651.00	454821.00	13586451.38	3613951.92	932,068.00	454820.00	4091199.92	9495251.46	1420669.46
6	Computers	2171462.00	39032.00	0.00	2210494.00	1165776.75	355,461.00	0.00	1521237.75	689256.25	1005685.25
7	Computer Software	551540.00	18984.00	0.00	570524.00	99626.88	90,809.00	0.00	190435.88	380088.12	451913.12
8	Generator	427017.00	445000.00	0.00	872017.00	8169.00	13,667.00	0.00	21836.00	850181.00	418848.00
	Total	64945295.43	10506104.00	454821.00	74996578.43	21430420.07	3217071.00	454820.00	24192671.07	50803907.36	43514875.36
	Previous Year Figures	34516449.43	31594904.00	1166058.00	64945295.43	19801951.10	2,301,218.00	672749.03	21430420.07	43514875.36	14714498.33

**SCHEDULE - 6 INVESTMENTS (LONG TERM unless otherwise stated)**  
(valued at lower of cost or market value)

**QUOTED (NON TRADE INVESTMENT)**

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

11500 Equity Shares of Rs. 10.00 each in Union Bank of India Ltd., fully paid up (M.V. Rs. 127.15 per share)	184000.00	184000.00
2400 Equity Shares of Rs. 10.00 each & 94 Equity Shares of Rs. 390.00 each in Punjab National Bank Ltd. fully paid up (M.V. Rs. 311.85 per share)	111060.00	111060.00

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

5000 Equity Shares of Rs.25/- fully paid up in Indian Mercantile Co-operative Bank Limited	125000.00	125000.00
17500 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 250/- each in MAK Sales Pvt.Ltd. Less: Accumulated Loss from Associates	4550000.00 (10,566.00)	4550000.00 0.00

**OTHERS**

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

420 Equity Shares of Rs 100/- each fully paid up in Lucknow Cement Craft Pvt. Ltd.	42000.00	42000.00
4234144 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Eldeco City (P) Ltd. Add: Accumulated Profit from Associates	84682880.00 903586.00	84682880.00 0.00
2822763 10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each fully paid in Eldeco City (P) Ltd.	28227630.00	28227630.00
<b>TOTAL</b>	118815990.00	117922970.00

**SCHEDULE - 7 CURRENT ASSETS, LOANS AND ADVANCES**

**CURRENT ASSETS:**

**a. INVENTORIES:**

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

Land, Building Materials and Stores	203590606.61	184949124.97
Unsold Plots, Shops, Flats etc.,	18268820.92	20217928.45
<b>TOTAL</b>	221859427.53	205167053.42

b. SUNDRY DEBTORS:		
(Unsecured, considered good)		
Exceeding six months	766249.00	1227687.00
Other Debts	20875890.00	20800227.00
	-----	-----
TOTAL	21642139.00	22027914.00
	-----	-----
c. PROJECTS IN PROGRESS:		
1) ON WHICH REVENUE IS RECOGNISED		
Cost of land,Materials,Stores	2808675467.13	1987263534.31
Consumed etc.,amount paid to		
contractors, site overheads etc.,		
Estimated Profits to be Capitalised	840633571.50	654692848.63
	-----	-----
	3649309038.63	2641956382.94
Less : Advances received	3576606211.12	2586819383.28
	-----	-----
SUB TOTAL	72702827.51	55136999.66
	-----	-----
2) ON WHICH REVENUE IS NOT RECOGNISED		
Cost of land, Materials, Stores	200369177.19	560058183.12
Consumed, amount paid to contractors,		
direct overheads etc.,		
	200369177.19	560058183.12
Less: Advances received	89563013.00	422751016.84
	-----	-----
SUB TOTAL	110806164.19	137307166.28
	-----	-----
TOTAL	183508991.70	192444165.94
	-----	-----
d. CASH AND BANK BALANCES:		
a. CASH ON HAND	2218121.34	7259406.01
b. WITH SCHEDULED BANKS:		
i) IN CURRENT ACCOUNT		
a. Unclaimed/Unpaid Dividend Account	867422.27	747783.27
b. Other Short Term Deposit Accounts	30646349.50	29803608.06
c. Cheques in hand	7542825.00	10241996.00
ii) IN FIXED DEPOSITS ACCOUNTS*	319433504.69	312654772.76
* (Rs.672.85 lacs (P.Y. Rs.330 lacs pledged as margin		
Money against Bank Guarantees & Rs. 94.57 lacs		
(P.Y. NIL)as Earnest Money to LDA)		
iii) Interest accrued and due on Fixed Deposits	11439729.25	12000235.32
	-----	-----
TOTAL	372147952.05	372707801.42
	-----	-----

e. LOANS AND ADVANCES:

(Unsecured considered good unless otherwise stated)

A. LOANS

Loans to Staff	360000.00	14600.00
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B. ADVANCES

i. Advance recoverable in cash or in kind or for value to be received (Refer Note No.8 of Schedule 15)	184544565.73	143397294.59
ii. Advance Income Tax/Tax deducted at Source	61381975.75	55202344.80
iii. Advance Fringe Benefit Tax	806057.00	721850.00
iv. Advance Service Tax under Protest	7230316.00	7740316.00
v. Other Deposits	16980756.50	16276156.50

TOTAL

	271303670.98	223352561.89
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## SCHEDULE - 8 CURRENT LIABILITIES AND PROVISIONS:

A. CURRENT LIABILITIES:

a. Sundry Creditors

i. Due to micro and small and medium enterprises (Refer Note No. 11 of Schedule 15)	0.00	0.00
ii. Other Sundry Creditors	199654706.52	134726209.57

b. Amount to be credited to Investor and  
Protection Fund as and when due U/S 205C  
of Companies Act, 1956 :

i. Unclaimed Dividend	866633.00	746304.00
ii. Unclaimed Matured Deposits	1055000.00	840000.00
c. Advances from customers	466810978.28	548296856.88
d. Security Deposits/Retention Money	43915780.99	39125823.97
e. Due to Directors (maximum outstanding Rs. 829001.26 previous year Rs.864751.36)	829001.26	829001.26
f. Other Liabilities	16207602.17	20151565.00
g. Interest Accrued on FDRs but not due	1664407.00	1771332.14

TOTAL

	731004109.22	746487092.82
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B. PROVISIONS:

a. Provision for Income Tax	60910000.00	44297000.00
b. Provision for Fringe Benefit Tax	823300.00	687000.00
c. Proposed Dividend	1966600.00	1966600.00
d. Tax on Proposed Dividend	334224.00	334224.00
e. Provision for Wealth Tax	93500.00	8300.00
f. Provision for Leave Encashment	1189562.00	412052.00
g. Provision for Gratuity	4149591.00	2317200.00

TOTAL

	69466777.00	50022376.00
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# El deco Housing and Industries Limited

## CONSOLIDATED SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH , 2009

PARTICULARS	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
<b>SCHEDULE - 9 SALES &amp; VALUE OF WORK DONE :</b>		
Income from Real Estate Projects	975436782.69	449052500.82
Income from Construction Contracts	52425226.00	0.00
<b>TOTAL VALUE OF WORK DONE</b>	<b>1027862008.69</b>	<b>449052500.82</b>
<b>SCHEDULE -10 OTHER INCOME:</b>		
Interest on Bank FDR (Gross) (Tax Deducted at Source Rs. 5065179.11 Previous Year Rs. 3178958.53)	23994438.63	20295704.37
Transfer Charges Received	2125183.00	1301135.00
Rent Received	9153913.00	10895155.00
Misc. Receipts	1874867.49	3162644.00
Interest from customers/parties	334388.00	189402.00
Profit on sale of Asset	108999.00	33000.00
Dividend Receipts (Trade Investments)	78422.00	37964.00
Leave Encashment Liability written back	0.00	296739.00
Excess Provision written Back	99282.32	0.00
Liabilities no longer required written back	105000.00	18315.67
Profit on share of Associate	903586.00	0.00
<b>TOTAL OTHER INCOME</b>	<b>38778079.44</b>	<b>36230059.04</b>
<b>SCHEDULE -11 INCREASE/DECREASE IN STOCKS:</b>		
STOCK AS ON 31.03.2009		
Residential flats and Commercial offices	18268820.92	20217928.45
Less : STOCK AS ON 01.04.2008		
Residential flats and Commercial offices	20217928.45	10942070.58
<b>TOTAL INCREASE/DECREASE IN STOCKS</b>	<b>-1949107.53</b>	<b>9275857.87</b>
<b>SCHEDULE -12 COST OF CONSTRUCTION ACCOUNT:</b>		
Opening Balance of Projects in progress	500526788.12	323568840.71
Payments against Land	159017919.28	22872721.00
Expenses through Contractors	130480299.02	224712772.74
Materials/Stores consumed	193785410.62	186180671.14
Brokerage & Commission	4602267.00	2980571.00
Advertisement & Publicity	3242172.00	6538051.00
Salary, Wages & Other Benefits	9336804.00	6687497.00
Architects' Fees	7692502.00	5464760.00
Depreciation	627306.00	608757.00
Plant & Machinery Repairs	1404883.87	3937001.84
Maintenance of completed projects	1743702.16	1042439.33
Water & Electricity	553448.50	1849979.00
Plan Approval & External Devp.Fees	5000000.00	55382952.00
Other project expenses	3039560.60	7132056.99
	<b>1021053063.17</b>	<b>848959070.75</b>



# El deco Housing and Industries Limited

	Less: - Misc Sales	820581.50	1547581.00
	- Construction Cost charged to Profit & Loss Account	904662404.48	334026641.63
	Balance carried to Project in Progress Account	115570077.19	500526788.12
13.1	PAYMENTS TO AND PROVISION FOR EMPLOYEES:		
	a. Salaries, Bonus, Gratuity and Allowances	16992124.00	10193062.00
	b. Company's Contribution to Provident and Other funds.	2932696.00	1335349.00
	c. Employees welfare and other ammenities.	1465905.00	3426486.00
	TOTAL PAYMENTS TO AND PROVISION FOR EMPLOYEES	21390725.00	14954897.00
13.2	ESTABLISHMENT EXPENSES:		
	a. Rent	5944272.00	5570886.00
	b. Rates and Taxes	431827.00	456478.00
	c. Insurance	58872.00	96937.00
	d. Remuneration to Directors	4015916.00	2582160.00
	e. Auditors Remuneration	487443.00	386338.00
	f. Directors Sitting Fees	21000.00	12000.00
	g. Postage, Telegram & Telephone	1476387.09	1554218.00
	h. Travelling & Conveyance	3559108.34	2983199.80
	i. Legal & Professional Charges	1527517.49	2640202.80
	j. Printing & Stationery	780213.60	804885.00
	k. Repair & Maintenance	3536312.00	3272794.80
	l. Fees	158596.00	65826.76
	m. Donations	79200.00	796904.00
	n. Loss on sale of Assets	0.00	214308.97
	o. Misc Debits Written Off	58619.75	80000.00
	p. Other establishment expenses	939107.14	859546.00
	r. Loss on Share of Investment in Associate	10566.00	0.00
	TOTAL ESTABLISHMENT EXPENSES	23084957.41	22376685.13
13.3	SELLING EXPENSES:		
	a. Advertisement & Publicity	1437070.00	1011400.96
	b. Sales Promotion & Discount	1125376.00	647522.00
	TOTAL SELLING EXPENSES	2562446.00	1658922.96
	TOTAL ADMINISTRATIVE & SELLING EXPENSES (1+ 2+ 3)	47038128.41	38990505.09
SCHEDULE -14	FINANCIAL CHARGES:		
	a. Bank Interest and Commission	1771231.38	2096128.93
	b. Interest on Secured Loans	4703677.00	5942437.00
	c. Interest on Public Fixed Deposits & Other Interest	8878533.86	4353268.10
	TOTAL FINANCIAL CHARGES	15353442.24	12391834.03

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

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### i. Basis of Accounting

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

#### ii. Fixed Assets

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

#### iii. Depreciation

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

#### iv. Inventories

Inventories are valued as under:

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

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

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

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

#### v. Investments

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

#### vi. Revenue Recognition

##### A. Real Estate Projects

- a. The Company follows the Percentage of Completion Method of Accounting. As per this method, the revenue in the Profit and Loss Account at the end of the accounting year is recognized in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company subject to actual cost being 30% or more of the total estimated cost. Expenses incurred on repairs and maintenance on completed projects is charged to profit and loss account.
- b. The estimates relating to saleable area, sale value, estimated costs etc., are revised and updated periodically by the management and necessary adjustments are made in the current year's accounts.
- c. Surrender of flats by buyers are valued at cost and accounted for as 'Cost of Construction'. When sold, proceeds are treated as 'Sales'.

- d. Repair, maintenance and other costs incurred after the completion of the project are charged to the cost of construction in the year in which cost is incurred.
- B. Interest due on delayed payments by customers is accounted on receipt basis due to uncertainty of recovery of the same.
- C Income From Construction Contracts
  - a Revenue from construction contracts is recognized on the "Percentage of Completion Method" of accounting.
  - b Income from Construction contracts is recognized by reference to the stage of completion of the contract activity as certified by the client.
  - c Revenue on account of contract variations, claims and incentives are recognized upon determination or settlement of the contract.
- vii. Turnover
 

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

Contribution to Provident Fund is deposited in accordance with the provisions of Employees Provident Fund Act, 1952 and charged to Profit and Loss account.
  - ii. The Company is having Group Gratuity Scheme with Life Insurance Corporation of India. The net present value of the Company's obligation towards Gratuity to Employees is funded as actuarially determined as at the Balance Sheet date based on the Projected Unit Credit Method. Actuarial gain and loss are recognized in the Profit & Loss Account.
  - iii. Provision for leave encashment in respect of unavailed leave standing to the credit of employees is made on actuarial basis in accordance with projected credit unit method.
- ix. Accounting for taxes on income
 

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

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

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

## 2. NOTES TO ACCOUNTS:

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

### 2. AUDITORS' REMUNERATION:

	Current Year	Previous Year
Audit Fees	3,71,000	3,21,000
Tax Audit Fee	25,000	25,000
Certification Charges	1,35,500	38,500
Service Tax thereon	52,123	41,838
Total	5,83,623	4,26,338

### 3. DIRECTORS' REMUNERATION:

	Current Year	Previous Year
Salaries	38,00,000	24,00,000
Perquisites	2,15,916	1,82,160
Total	40,15,916	25,82,160

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

(Amount in Rs.)

S.No.	Name of Company	Balance as at 31 <sup>st</sup>		Maximum outstanding during	
		March, 2009	March, 2008	Year ended March 31, 2009	Year ended March 31, 2008
1	Eldeco Townships & Housing Limited	42342101	39788649	42342101	39788649
2	Eldeco Infrastructure & Properties Limited	43474121	26012774	43474121	26012774
		85816222	65801423	85816222	65801423

### 9. EMPLOYEE BENEFIT

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

## A. Gratuity

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

Description	Current Year as at 31.03.2009 Amount (Rs)	Previous Year as at 31.03.2008 Amount (Rs)
Present value of obligation at the beginning of the year	38,69,433	35,06,643
Current service cost	4,45,615	3,10,220
Interest cost	2,70,118	3,09,555
Benefit paid	(3,77,308)	(2,45,193)
Actuarial (gain) / loss on obligation	12,34,589	(11,792)
Present value of obligation as at the end of year	54,42,447	38,69,433

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

Description	Amount (Rs)	Amount (Rs)
Current service cost	4,45,615	3,10,220
Interest cost	2,70,118	3,09,555
Expected return on planned assets	(1,17,931)	(1,02,623)
Net actuarial (gain)/loss recognized during the year	(12,34,589)	(11,792)
Expenses to be recognized in the statement of profit and loss accounts	18,32,391	5,05,360

iii) Net assets / liability recognized in Balance Sheet as at 31<sup>st</sup> March, 2009

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31 <sup>st</sup> March, 2009	54,42,447	38,69,433
Fair value of plan assets as at 31 <sup>st</sup> March, 2009	12,92,856	15,52,233
(Assets)/Liabilities recognized in the Balance Sheet	41,49,591	(23,17,200)

iv) Changes in fair value of plan assets

Description	Amount (Rs)	Amount (Rs)
Fair value of plan assets at the beginning of the period	15,52,233	12,53,658
Expected return on plan assets	1,17,931	1,02,623
Contribution	NIL	4,41,145
Benefit Paid	(3,77,308)	(2,45,193)
Actuarial gain\ (loss) on plan assets	0.00	0.00
Fair value of plan assets at the end of the period	12,92,856	15,52,233

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

Discount rate	7.00%	8.00%
Future salary increase	5.00%	6.00%
Expected rate of return on planned assets	8.29%	9.15%
Method used	Projected unit credit actuarial method	

## B. Leave Encashment

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

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

Description	Amount (Rs)	Amount (Rs)
Current service cost	1,32,012	34,044
Interest cost	28,765	56,703
Benefits Paid	0.00	(1,11,950)
Net actuarial (gain)/loss recognized during the year	7,40,045	(2,75,536)
Recognized in Profit & Loss account	9,00,822	4,12,052

ii) Amount recognized in the Balance Sheet as at 31<sup>st</sup> March, 2009

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31 <sup>st</sup> March, 2009	10,43,224	4,12,052

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

Description	Amount (Rs)	Amount (Rs)
Present value of obligation at the beginning of the year	4,12,052	7,08,791
Interest cost	28,765	56,703
Current service cost	1,32,012	34,044
Benefits Paid	(2,69,650)	(1,11,950)
Actuarial (gain)/loss on obligation	7,40,045	(2,75,536)
Present value of obligation at the end of the year	10,43,224	4,12,052

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

Discount rate	7.00%	8.00%
Future salary increase	5.00%	6.00%
Actuarial method used	Projected unit credit actuarial method	

## C. Provident Fund

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

## 10. Principal of consolidation

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

S.No.	Name of Subsidiary	Year ended March 31, 2009	Year ended March 31, 2008
			(% of share holding)
1.	Dua Constructions Private Limited*	-	99.99
2.	Utsav Constructions Private Limited*	-	99.99
3.	Aadesh Constructions Private Limited	99.99	99.99
4.	Garv Constructions Private Limited	99.99	99.99
5.	Mahal Constructions Private Limited	99.99	99.99
6.	Milaap Constructions Private Limited	99.99	99.99
7.	Samarpit Constructions Private Limited	99.99	99.99
8.	Suniyojit Constructions Private Limited	99.99	99.99

9. Halwasiya Agro Industries Limited	99.94	99.94
10. Prayatna Constructions Private Limited	99.90	-
11. Sushobhit Constructions Private Limited	99.90	-
12. Primacy Constructions Private Limited	99.90	-
13. Prasiddhi Constructions Private Limited	99.90	-
14. Perpetual Constructions Private Limited	99.90	-
15. Khwahish Constructions Private Limited	99.90	-
16. Fixity Constructions Private Limited	99.90	-
17. Facility Constructions Private Limited	99.90	-
18. Deepjyoti Constructions Private Limited	99.90	-
19. Conviction Constructions Private Limited	99.90	-
20. Bliss Constructions Private Limited	99.90	-
21. Advantage Constructions Private Limited	99.90	-

\* Ceased to subsidiary company w.e.f 14/11/2008 and 09/09/2008 respectively.

## 11. Micro, Small Scale Business Entities

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

## 12. SEGMENT REPORTING:

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

## 13. DEFERRED TAX LIABILITY (NET)

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

(Amount in Rs)

	Deferred Tax Asset/ (Liability) as on 01.04.2008	Current Year (Charge)/Credit	Deferred Tax Asset/ (Liability) as on 31.03.2009
Deferred Tax Liability: On account of timing difference between Depreciation as per Income Tax Act, 1961 and Companies Act, 1956.	2248416.00	1078779.00	3327195.00
Deferred Tax Asset: On account of Gratuity & Leave encashment	(776108.00)	(929019.00)	(1705127.00)
<b>TOTAL</b>	<b>1472308.00</b>	<b>149760.00</b>	<b>1622068</b>

The deferred tax charge for the year amounting to Rs.1,49,760.00 has been debited to profit and loss account.

## 14. RELATED PARTY DISCLOSURES:

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





## 15. EARNING PER SHARE:

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

	Year ended March 31, 2009	Year ended March 31, 2008
Profit after taxation and extra ordinary item	67562980.47	88185712.98
Total No. of equity shares outstanding	1966600	1966600
Basic/Diluted earning per share (Face value-Rs. 10.00 per share)	34.36	44.84

## 16. CONTINGENT LIABILITIES:

	Current Year (31.03.2009)	Previous Year (31.03.2008)
(i) Outstanding Bank Guarantees	Rs. 672.85 lacs	Rs. 255.34 lacs
(ii) Cases have been filed by some of the buyers for damages, quality differences, etc., which have been disputed by the Company. Pending disposal of these cases, liability, if any, could not be determined and hence provision thereof could not be made.		

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

	Current Year		Previous Year	
	Quantity	Value	Quantity	Value
<b>OPENING STOCK:</b>				
Bricks (Nos)	3093	5319.96	51213	85525.71
Cement (Bags)	3666	730092.00	3184	640215.00
Steel (MT)	296.17	11659814.00	35.76	989419.61
Other Materials		4031201.48		10186630.52
		16426427.84		11901790.84
<b>PURCHASES:</b>				
Bricks (Nos)	102200	408208.00	19824	32798.00
Cement (Bags)	105359	21546345.00	75679	15572880.00
Steel (MT)	3143.79	118013912.00	3001.47	91051981.54
Other Materials		122081602.87		88836389.20
		262050068.87		195494049.74
<b>CONSUMPTION:</b>				
Bricks (Nos)	99479	401350.96	67944	113003.75
Cement (Bags)	106655	21738579.00	74419	15483003.00
Steel (MT)	3105.27	118399467.50	2597.94	80381587.15
Other Materials		93207634.90		94991818.24
		233747032.36		190969412.14
<b>CLOSING STOCK</b>				
Bricks (Nos)	5814	12177.00	3093	5319.96
Cement (Bags)	2370	537858.00	2754	730092.00
Steel (MT)	334.69	11274258.50	199.43	11659814.00
Other Materials		15249921.58		4031201.48
		27074215.08		16426427.44

- \* Quantities of Materials consumed in construction work through Contractors are not treated as consumption.
  - \* Other Materials include items like Grit, Sand, Sanitary Materials, and Electrical Fittings etc.
  - \* In view of the practical difficulties in measuring other building materials and multifarious jobs undertaken in building construction it is not practicable to give quantitative information in respect thereof and in respect of consumption and production.  
Other requirements are not applicable.
18. The Company has an investment of Rs.42, 000.00 (31.3.2007 Rs.42, 000.00) in Lucknow Cement Crafts Private Limited (LCC). There are accumulated losses in LCC. The management of the Company is of the opinion that investment in LCC is long term strategic investment therefore; provision for diminution in value of investment is not made.
19. Cash and Bank Balances include fixed deposits amounting to Rs.100.00 lacs with City Co-operative Bank Ltd., against which the Company had availed an overdraft facility of Rs.50.00 lacs. The said Bank has discontinued its operations. The Company has however applied for repayment of the Fixed Deposit after adjustment of the balance outstanding in the overdraft account.
20. The schedules referred to in Balance Sheet and Profit & Loss Account form an integral part of the accounts.

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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 : 30<sup>th</sup> June, 2009

Sonal Srivastva  
(Company Secretary)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax, appropriations and extra ordinary items	95,047,240.47	107,456,975.98
Adjustment for :		
Profit on sale of Fixed Assets	(108,999.00)	(33,000.00)
Loss on sale of Fixed Assets	-	214,308.97
Depreciation	3,217,071.00	2,301,218.00
Dividend received	(78,422.00)	(37,964.00)
Interest received	(23,994,438.63)	(20,295,704.37)
Interest paid	15,353,442.24	12,391,834.03
Pre operative Exp of Subsidiaries	(308,817.00)	(147,704.00)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>89,127,077.08</b>	<b>101,849,964.61</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES:</b>		
Trade Payables & Others	(13,595,211.60)	97,100,864.61
Inventories	(16,692,374.11)	(44,154,654.47)
Project in Progress	8,935,174.24	19,778,991.70
Trade and Other Receivables	385,775.00	(20,579,008.00)
Loans and Advances	(41,687,271.14)	100,335,992.20
<b>CASH GENERATED FROM OPERATING ACTIVITIES:</b>	<b>26,473,169.47</b>	<b>254,332,150.65</b>
Prior year Adjustments	(3,110,968.06)	(7,319,444.69)
Direct Taxes Paid	(16,162,037.95)	(18,676,672.22)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>7,200,163.46</b>	<b>228,336,033.74</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of Fixed Assets	109,000.00	312,000.00
Purchase of Fixed Assets	(10,506,104.00)	(31,594,904.00)
Purchase of Investments	(893,020.00)	(25,960,510.00)
Interest received	23,994,438.63	20,295,704.37
Dividend received	78,422.00	37,964.00
Goodwill on Consolidation	-	(163,237.00)
Increase in minority Interest	(80.00)	6,534.80
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>12,782,656.63</b>	<b>(37,066,447.83)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of Long Term Borrowings	(3,008,732.22)	(71,182,042.65)
Interest & Finance Charges paid	(15,353,442.24)	(12,391,834.03)
Dividend Paid	(1,846,271.00)	(1,989,494.00)
Tax on Dividend	(334,224.00)	(334,224.00)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(20,542,669.46)</b>	<b>(85,897,594.68)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(559,849.37)</b>	<b>105,371,991.23</b>

CASH AND CASH EQUIVALENTS ( OPENING BALANCE )	372,707,801.42	267,335,810.19
CASH AND CASH EQUIVALENTS ( CLOSING BALANCE )	372,147,952.05	372,707,801.42

## AUDITORS REPORT

As per our Report of even date attached

For and on Behalf of the Board

For DOOGAR & ASSOCIATES,  
Chartered Accountants

S. K. GARG  
(Chairman & Executive Director)

PANKAJ BAJAJ  
(Managing Director)

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

SONAL SRIVASTAVA  
(Company Secretary)

PLACE : Lucknow  
DATED : 30th June 2009

## AUDITORS' REPORT TO THE SHAREHOLDERS

To  
The Members of,  
ELDECO HOUSING AND INDUSTRIES LIMITED,  
Lucknow.

1. We have audited the attached Balance Sheet of Eldeco Housing and Industries Limited as at 31st March 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the mandatory Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the Directors as at 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of Section 274 (1) of the Companies Act, 1956;
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - (a) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2009;
  - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
  - (c) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

FOR DOOGAR & ASSOCIATES  
Chartered Accountants

Place: Lucknow  
Dated: 30<sup>th</sup> June, 2009

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

## ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 3 of our Report of even date on the accounts of Eldeco Housing & Industries Limited for the year ended 31st March, 2009)

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

during the year and there are no undisputed statutory dues outstanding as on the date of balance sheet for a period exceeding six months from the date they became payable.

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

FOR DOOGAR & ASSOCIATES  
Chartered Accountants

Place: Lucknow  
Dated: 30<sup>th</sup> June, 2009

(CA UDIT BANSAL)  
Partner  
M. No. 401642

# El deco Housing and Industries Limited

## BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULES	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS FUNDS:			
a. Share Capital	1	19666000.00	19666000.00
b. Reserves and Surplus	2	354499063.32	293264441.91
TOTAL		374165063.32	312930441.91
2. LOAN FUNDS :			
a. Secured Loans	3	50149580.08	52728312.30
b. Unsecured Loans	4	13380000.00	13810000.00
TOTAL		63529580.08	66538312.30
3. DEFERRED TAX LIABILITIES (NET)		1622068.00	1472308.00
TOTAL		439316711.40	380941062.21
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS:	5		
a. Gross Block		74996578.43	64945295.43
b. Less : Depreciation		24192671.07	21430420.07
c. Net Block		50803907.36	43514875.36
2. INVESTMENTS:	6	127216250.00	126216170.00
3. CURRENT ASSETS, LOANS & ADVANCES:	7		
a. Inventories		218210877.53	201852860.42
b. Sundry Debtors		21642139.00	22027914.00
c. Projects in Progress		98709891.70	132912770.94
d. Cash and Bank Balances		370338696.05	369739110.42
e. Loans and Advances		291062382.98	229221997.89
TOTAL		999963987.26	955754653.67
Less : CURRENT LIABILITIES AND PROVISIONS	8		
a. Current Liabilities		669137872.22	694518260.82
b. Provisions		69529561.00	50026376.00
TOTAL		738667433.22	744544636.82
NET CURRENT ASSETS :		261296554.04	211210016.85
TOTAL		439316711.40	380941062.21



## AUDITORS REPORT

As per our Report of even date attached

For and on Behalf of the Board

For DOOGAR & ASSOCIATES,  
Chartered Accountants

S. K. GARG  
(Chairman & Executive Director)

PANKAJ BAJAJ  
(Managing Director)

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

SONAL SRIVASTAVA  
(Company Secretary)

PLACE : Lucknow

DATED : 30th June 2009

# El deco Housing and Industries Limited

## AUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR 31ST MARCH , 2009

PARTICULARS	SCHEDULE	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
INCOME :			
a. Value of Work Done	9	1027862008.69	449052500.82
b. Other Income	10	37872114.44	36230059.04
c. Increase/decrease in Stocks	11	-1949107.53	9275857.87
TOTAL		1063785015.60	494558417.73
EXPENDITURE :			
d. Cost of Construction	12	904662404.48	334026641.63
e. Adminstrative and Selling Expenses	13	47028189.41	38982491.09
f. Financial Charges	14	15350383.24	12387046.03
g. Depreciation		2589765.00	1692461.00
TOTAL		969630742.13	387088639.75
PROFIT BEFORE TAXES :		94154273.47	107469777.98
h. Less: Provision for Taxation			
i. Current Tax	26,813,000.00		
ii. Deferred Tax	149,760.00		
iii. Wealth Tax	108,800.00		
iv. Fringe Benefit Tax	436,300.00	27507860.00	19275263.00
PROFIT AFTER TAX :		66646413.47	88194514.98
i. Balance brought forward from last year		244737774.20	169163547.11
Less:Income Tax Adjustments related to Previous Years		3110968.06	5832267.89
Less:Adjustment of gratuity liability on adoption of Revised AS-15		0.00	1487196.00
j. PROFIT AVAILABLE FOR APPROPRIATION		308273219.61	250038598.20
APPROPRIATIONS :			
k. Transferred to General Reserve		3000000.00	3000000.00
l. Proposed Dividend		1966600.00	1966600.00
m. Tax on Proposed Dividend		334224.00	334224.00
BALANCE CARRIED TO BALANCE SHEET :		302972395.61	244737774.20
Basic and Diluted Earning per Share of face value of Rs. 10 each (Refer Note no. 15 of Schedule 15)		33.89	44.85

Significant Accounting Policies and Notes to Accounts 15

AUDITORS REPORT  
As per our Report attached

For and on Behalf of the Board

For DOOGAR & ASSOCIATES,  
Chartered Accountants

S. K. GARG  
(Chairman & Executive Director)

PANKAJ BAJAJ  
(Managing Director)

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

SONAL SRIVASTAVA  
(Company Secretary)

PLACE : Lucknow  
DATED : 30th June 2009

# El deco Housing and Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
<b>SCHEDULE - 1 SHARE CAPITAL</b>		
AUTHORISED 1,00,00,000 Equity Shares of Rs. 10/- each	100000000.00	100000000.00
ISSUED, SUBSCRIBED AND PAID UP 19,66,600 Equity Shares of Rs. 10/- each fully paid up.	19666000.00	19666000.00
<b>TOTAL</b>	<b>19666000.00</b>	<b>19666000.00</b>
<b>SCHEDULE - 2 RESERVES AND SURPLUS</b>		
(i) CAPITAL RESERVE: As per last Balance Sheet	133600.00	133600.00
(ii) GENERAL RESERVE: As per last Balance Sheet Add: Transferred from Profit and Loss Account	48393067.71 3000000.00	45393067.71 3000000.00
(iii) SURPLUS AS PER PROFIT AND LOSS ACCOUNT	51393067.71 302972395.61	48393067.71 244737774.20
<b>TOTAL</b>	<b>354499063.32</b>	<b>293264441.91</b>
<b>SCHEDULE - 3 SECURED LOANS:</b>		
A. TERM LOAN : HDFC LIMITED, LUCKNOW	15000000.00	40000000.00
B. IMMOVABLE PROPERTY OVERDRAFT FACILITY : PUNJAB NATIONAL BANK, AGRA	30542300.13	8121032.35
C. OVERDRAFT FACILITY : CITY CO-OPERATIVE BANK, LUCKNOW	4607279.95	4607279.95
<b>TOTAL</b>	<b>50149580.08</b>	<b>52728312.30</b>

## NOTES

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

Term Loan is secured by:

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

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

### a. Equitable mortgage of -

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

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

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

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

### SCHEDULE - 4 UNSECURED LOANS:

Fixed Deposits (Repayable within one year Rs.87.35 Lacs ( Previous Year Rs.92.40 Lacs))	13380000.00	13810000.00
	-----	-----
TOTAL	13380000.00	13810000.00
	-----	-----

**SCHEDULE 5 - FIXED ASSETS:**

S. No.	Particulars	<---- GROSS BLOCK ---->				<---- DEPRECIATION ---->				<-- NET BLOCK -->	
		As At 01/04/2008	Additions During The Year	Sales/adj During The Year	As At 31/03/2009	Upto 01/04/2008	For The Period Ended 31/03/2009	Sales/adj During The Year	Total Upto 31/03/2009	W.D.V. as at 31/03/2009	W.D.V. as at 31/03/2008
1	Office Premises	32848191.55	0.00	0.00	32848191.55	884810.61	535,426.00	0.00	1420236.61	31427954.94	31963380.94
2	Construction Machinery	12885834.17	719160.00	0.00	13604994.17	10174782.85	627,306.00	0.00	10802088.85	2802905.32	2711051.32
3	Furniture and Fixture	6483044.09	95573.00	0.00	6578617.09	3775663.63	415,500.00	0.00	4191163.63	2387453.46	2707380.46
4	Office Equipment	4543585.24	181704.00	0.00	4725289.24	1707638.43	246,834.00	0.00	1954472.43	2770816.81	2835946.81
5	Vehicles	5034621.38	9006651.00	454821.00	13586451.38	3613951.92	932,068.00	454820.00	4091199.92	9495251.46	1420669.46
6	Computers	2171462.00	39032.00	0.00	2210494.00	1165776.75	355,461.00	0.00	1521237.75	689256.25	1005685.25
7	Computer Software	551540.00	18984.00	0.00	570524.00	99626.88	90,809.00	0.00	190435.88	380088.12	451913.12
8	Generator	427017.00	445000.00	0.00	872017.00	8169.00	13,667.00	0.00	21836.00	850181.00	418848.00
	Total	64945295.43	10506104.00	454821.00	74996578.43	21430420.07	3217071.00	454820.00	24192671.07	50803907.36	43514875.36
	Previous Year Figures	34516449.43	31594904.00	1166058.00	64945295.43	19801951.10	2,301,218.00	672749.03	21430420.07	43514875.36	14714498.33

PARTICULARS	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
SCHEDULE - 6 INVESTMENTS (LONG TERM unless otherwise stated) (valued at lower of cost or market value)		
QUOTED (NON TRADE INVESTMENT)		
200 Equity Shares of Rs 10/- each in CRB Corporation Limited fully paid up (Market Value Not Available)	400.00	400.00
QUOTED (TRADE INVESTMENT)		
11500 Equity Shares of Rs. 10.00 each in Union Bank of India Ltd., fully paid up (M.V. Rs. 127.15 per share)	184000.00	184000.00
2400 Equity Shares of Rs. 10.00 each & 94 Equity Shares of Rs. 390.00 each in Punjab National Bank Ltd. fully paid up (M.V. Rs. 311.85 per share)	111060.00	111060.00
UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost		
5000 Equity Shares of Rs.25/- fully paid up in Indian Mercantile Co-operative Bank Limited	125000.00	125000.00
17500 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 250/- each in MAK Sales Pvt.Ltd.	4550000.00	4550000.00
IN SUBSIDIARY COMPANIES		
UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost		
350000 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Halwasiya Agro Industries Ltd. 49400 Equity Shares of Rs 10/- each fully paid up in Halwasiya Agro Industries Ltd.	7494000.00	7494000.00
9990 Equity Shares of Rs 10/- each fully paid up in Dua Constructions Pvt. Ltd.	0.00	99900.00
9990 Equity Shares of Rs 10/- each fully paid up in Aadesh Constructions Pvt. Ltd.	99900.00	99900.00
9990 Equity Shares of Rs 10/- each fully paid up in Garv Constructions Pvt. Ltd.	99900.00	99900.00
9990 Equity Shares of Rs 10/- each fully paid up in Mahal Constructions Pvt. Ltd.	99900.00	99900.00
9990 Equity Shares of Rs 10/- each fully paid up in Milap Constructions Pvt. Ltd.	99900.00	99900.00
9990 Equity Shares of Rs 10/- each fully paid up in Samarpit Constructions Pvt. Ltd.	99900.00	99900.00
9990 Equity Shares of Rs 10/- each fully paid up in Suniyojit Constructions Pvt. Ltd.	99900.00	99900.00
9990 Equity Shares of Rs 10/- each fully paid up in Utsav Constructions Pvt. Ltd.	0.00	99900.00

# El deco Housing and Industries Limited

PARTICULARS	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
9999 Equity Shares of Rs. 10/- each fully paid up in Primacy Constructions Pvt Ltd	99990.00	0.00
9999 Equity Shares of Rs. 10/- each fully paid up in Prayatna Constructions Pvt Ltd	99990.00	0.00
9999 Equity Shares of Rs. 10/- each fully paid up in Prasadhi Constructions Pvt Ltd	99990.00	0.00
9999 Equity Shares of Rs. 10/- each fully paid up in Prepetual Constructions Pvt Ltd	99990.00	0.00
9999 Equity Shares of Rs. 10/- each fully paid up in Advantage Constructions Pvt Ltd	99990.00	0.00
9999 Equity Shares of Rs. 10/- each fully paid up in Deepjyogti Constructions Pvt Ltd	99990.00	0.00
9999 Equity Shares of Rs. 10/- each fully paid up in Sushobhit Constructions Pvt Ltd	99990.00	0.00
9999 Equity Shares of Rs. 10/- each fully paid up in Fixity Constructions Pvt Ltd	99990.00	0.00
9999 Equity Shares of Rs. 10/- each fully paid up in Facility Constructions Pvt Ltd	99990.00	0.00
9999 Equity Shares of Rs. 10/- each fully paid up in Bliss Constructions Pvt Ltd	99990.00	0.00
9999 Equity Shares of Rs. 10/- each fully paid up in Conviction Constructions Pvt Ltd	99990.00	0.00
9999 Equity Shares of Rs. 10/- each fully paid up in Khwahish Constructions Pvt Ltd	99990.00	0.00
OTHERS		
UNQUOTED (NON TRADE INVESTMENTS): Valued at Cost		
420 Equity Shares of Rs 100/- each fully paid up in Lucknow Cement Craft Pvt. Ltd.	42000.00	42000.00
4234144 Equity Shares of Rs.10/- each fully paid up at a premium of Rs. 10/- each in Eldeco City (P) Ltd.	84682880.00	84682880.00
2822763 10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each fully paid in Eldeco City (P) Ltd.	28227630.00	28227630.00
TOTAL	127216250.00	126216170.00

## SCHEDULE - 7 CURRENT ASSETS, LOANS AND ADVANCES

### CURRENT ASSETS:

- a. INVENTORIES:  
(Taken as valued and certified by the Management at lower of cost or market value)

# El deco Housing and Industries Limited

PARTICULARS	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
Land,Building Materials and Stores Unsold Plots,Shops, Flats etc.,	199942056.61 18268820.92	181634931.97 20217928.45
TOTAL	218210877.53	201852860.42
b. SUNDRY DEBTORS: (Unsecured, considered good) Exceeding six months Other Debts	766249.00 20875890.00	1227687.00 20800227.00
TOTAL	21642139.00	22027914.00
c. PROJECTS IN PROGRESS:		
1) ON WHICH REVENUE IS RECOGNISED		
Cost of land,Materials,Stores Consumed etc.,amount paid to contractors, site overheads etc.,	2516318877.32	1987263534.31
Estimated Profits to be Capitalised	730322894.31	654692848.63
	3246641771.63	2641956382.94
Less: Advances received	3173938944.12	2586819383.28
SUB TOTAL	72702827.51	55136999.66
2) ON WHICH REVENUE IS NOT RECOGNISED		
Cost of land,Materials,Stores Consumed, amount paid to contractors, direct overheads etc.,	115570077.19 115570077.19	500526788.12 500526788.12
Less: Advances received	89563013.00	422751016.84
SUB TOTAL	26007064.19	77775771.28
TOTAL	98709891.70	132912770.94
d. CASH AND BANK BALANCES:		
a. CASH ON HAND	2061372.34	7243059.01
b. WITH SCHEDULED BANKS:		
i) IN CURRENT ACCOUNT		
a. Unclaimed/Unpaid Dividend Account	867422.27	747783.27
b. Other Short Term Deposit Accounts	29953842.50	29668274.06
c. Cheques in hand	6582825.00	7424986.00
ii) IN FIXED DEPOSITS ACCOUNTS*	319433504.69	312654772.76
*(Rs.672.85 lacs (P.Y. Rs.330 lacs pledged as margin Money against Bank Guarantees & Rs.94.57 lacs (P.Y. NIL) as Earnest Money to LDA)		
iii) Interest accrued and due on Fixed Deposits	11439729.25	12000235.32
TOTAL	370338696.05	369739110.42
e. LOANS AND ADVANCES: (Unsecured considered good unless otherwise stated)		



# El deco Housing and Industries Limited

PARTICULARS	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
A. LOANS		
Loans to Staff	360000.00	14600.00
B. ADVANCES		
i. Advance recoverable in cash or in kind or for value to be received (Refer Note No.8 of Schedule 15)	181811945.73	142750935.59
ii. Advances to Subsidiary Companies (Refer Note No.9 of Schedule 15)	22493332.00	6517795.00
iii. Advance Income Tax/Tax deducted at Source	61381975.75	55202344.80
iv. Advance Fringe Benefit Tax	806057.00	721850.00
v. Advance Service Tax under Protest	7230316.00	7740316.00
vi. Other Deposits	16978756.50	16274156.50
TOTAL	291062382.98	229221997.89
SCHEDULE - 8 CURRENT LIABILITIES AND PROVISIONS:		
A. CURRENT LIABILITIES:		
a. Sundry Creditors		
i. Due to micro and small and medium enterprises (Refer Note No. 11 of Schedule 15)	0.00	0.00
ii. Other Sundry Creditors	198624852.52	134526903.57
b. Amount to be credited to Investor Education and Protection Fund as and when due U/S 205C of Companies Act, 1956 :		
i. Unclaimed Dividend	866633.00	746304.00
ii. Unclaimed Matured Deposits	1055000.00	840000.00
c. Advances from customers	418684552.28	509107330.88
d. Security Deposits/Retention Money	43915780.99	39125823.97
e. Due to Directors (maximum outstanding Rs. 829001.26 previous year Rs.864751.36)	829001.26	829001.26
f. Other Liabilities	3497645.17	7571565.00
g. Interest Accrued on FDRs but not due	1664407.00	1771332.14
TOTAL	669137872.22	694518260.82
B. PROVISIONS:		
a. Provision for Income Tax	60914000.00	44301000.00
b. Provision for Fringe Benefit Tax	823300.00	687000.00
c. Proposed Dividend	1966600.00	1966600.00
d. Tax on Proposed Dividend	334224.00	334224.00
e. Provision for Wealth Tax	117100.00	8300.00
f. Provision for Leave Encashment	1189562.00	412052.00
g. Provision for Gratuity	4149591.00	2317200.00
h. Provision for losses of Subsidiary Companies	35184.00	0.00
TOTAL	69529561.00	50026376.00

# El deco Housing and Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH , 2009

PARTICULARS		FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
SCHEDULE - 9	SALES & VALUE OF WORK DONE :		
	Income from Real Estate Projects	975436782.69	449052500.82
	Income from Construction Contracts	52425226.00	0.00
	TOTAL VALUE OF WORK DONE	1027862008.69	449052500.82
SCHEDULE - 10	OTHER INCOME:		
	Interest on Bank FDR (Gross)	23994438.63	20295704.37
	(Tax Deducted at Source Rs. 5065179.11 Previous Year Rs. 3178958.53)		
	Transfer Charges Received	2125183.00	1301135.00
	Rent Received	9153913.00	10895155.00
	Misc. Receipts	1872488.49	3162644.00
	Interest From Customers/parties	334388.00	189402.00
	Profit on Sale of Asset	108999.00	33000.00
	Dividend Receipts (Trade Investments)	78422.00	37964.00
	Leave Encashment Liability written back	0.00	296739.00
	Excess Provision written Back	99282.32	0.00
	Liabilities no longer required written back	105000.00	18315.67
	TOTAL OTHER INCOME	37872114.44	36230059.04
SCHEDULE - 11	INCREASE/DECREASE IN STOCKS:		
	STOCK AS ON 31.03.2009		
	Residential flats and Commercial offices	18268820.92	20217928.45
	Less : STOCK AS ON 01.04.2008		
	Residential flats and Commercial offices	20217928.45	10942070.58
	TOTAL INCREASE/DECREASE IN STOCKS	-1949107.53	9275857.87
SCHEDULE - 12	COST OF CONSTRUCTION ACCOUNT:		
	Opening Balance of Projects in progress	500526788.12	323568840.71
	Payments against Land	159017919.28	22872721.00
	Expenses through Contractors	130480299.02	224712772.74
	Materials/Stores consumed	193785410.62	186180671.14
	Brokerage & Commission	4602267.00	2980571.00
	Advertisement & Publicity	3242172.00	6538051.00
	Salary, Wages & Other Benefits	9336804.00	6687497.00
	Architects' Fees	7692502.00	5464760.00
	Depreciation	627306.00	608757.00
	Plant & Machinery Repairs	1404883.87	3937001.84
	Maintenance of completed projects	1743702.16	1042439.33
	Water & Electricity	553448.50	1849979.00
	Plan Approval & External Devp.Fees	5000000.00	55382952.00
	Other project expenses	3039560.60	7132056.99
		1021053063.17	848959070.75

# El deco Housing and Industries Limited

PARTICULARS	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
Less: - Misc Sales	820581.50	1547581.00
- Construction Cost charged to Profit & Loss Account	904662404.48	334026641.63
Balance carried to Project in Progress Account	115570077.19	500526788.12
<b>13.1 PAYMENTS TO AND PROVISION FOR EMPLOYEES:</b>		
a. Salaries, Bonus, Gratuity and Allowances	16992124.00	10193062.00
b. Company's Contribution to Provident and Other funds.	2932696.00	1335349.00
c. Employees welfare and other ammenities.	1465905.00	3426486.00
<b>TOTAL PAYMENTS TO AND PROVISION FOR EMPLOYEES</b>	<b>21390725.00</b>	<b>14954897.00</b>
<b>13.2 ESTABLISHMENT EXPENSES:</b>		
a. Rent	5944272.00	5570886.00
b. Rates and Taxes	431827.00	456478.00
c. Insurance	58872.00	96937.00
d. Remuneration to Directors	4015916.00	2582160.00
e. Auditors Remuneration	481443.00	380338.00
f. Directors Sitting Fees	21000.00	12000.00
g. Postage, Telegram & Telephone	1476387.09	1554218.00
h. Travelling & Conveyance	3559108.34	2983199.80
i. Legal & Professional Charges	1500555.49	2640202.80
j. Printing & Stationery	780213.60	804885.00
k. Repair & Maintenance	3536312.00	3272794.80
l. Fees	158596.00	65826.76
m. Donations	79200.00	796904.00
n. Loss on sale of Assets	0.00	214308.97
o. Misc Debits Written Off	58619.75	80000.00
p. Other Establishment expenses	937512.14	857532.00
q. Provision for losses of Subsidiary Companies	35184.00	0.00
<b>TOTAL ESTABLISHMENT EXPENSES</b>	<b>23075018.41</b>	<b>22368671.13</b>
<b>13.3 SELLING EXPENSES:</b>		
a. Advertisement & Publicity	1437070.00	1011400.96
b. Sales Promotion & Discount	1125376.00	647522.00
<b>TOTAL SELLING EXPENSES</b>	<b>2562446.00</b>	<b>1658922.96</b>
<b>TOTAL ADMINISTRATIVE &amp; SELLING EXPENSES (1+ 2+ 3)</b>	<b>47028189.41</b>	<b>38982491.09</b>
<b>SCHEDULE - 14 FINANCIAL CHARGES:</b>		
a. Bank Interest and Commission	1768172.38	2091340.93
b. Interest on Secured Loans	4703677.00	5942437.00
c. Interest on Public Fixed Deposits & Other Interest	8878533.86	4353268.10
<b>TOTAL FINANCIAL CHARGES</b>	<b>15350383.24</b>	<b>12387046.03</b>

PARTICULARS	FIGURES AS AT	FIGURES AS AT
	31.03.2009	31.03.2008
	IN RUPEES	IN RUPEES
SCHEDULE - 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS		
1. SIGNIFICANT ACCOUNTING POLICIES		
i. Basis of Accounting		
The financial statements are prepared to comply in all material aspects with Indian Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.		
ii. Fixed Assets		
Fixed assets are stated at historical cost less accumulated depreciation. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.		
iii. Depreciation		
Depreciation has been provided on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956 on pro-rata basis. Assets costing below Rs. 5000 are written off in the year of purchase		
iv. Inventories		
Inventories are valued as under:		
Building Materials, Stores and Consumables are valued at lower of cost or net realizable value, where cost is determined on first in first out basis.		
Land, Unsold Shops, Flats etc., are valued at lower of cost or net realizable value.		
Project in Progress is valued at cost and consists of all direct expenditure incurred on projects under execution on which no income has been recognised in accordance with the percentage of completion method of accounting.		
Tools, Implements and Wooden Shuttering Materials are written off in the year of purchase.		
v. Investments		
Long term investments are stated at cost less permanent diminution, if any, in value of such investments.		
vi. Revenue Recognition		
A. Real Estate Projects		
a. The Company follows the Percentage of Completion Method of Accounting. As per this method, the revenue in the Profit and Loss Account at the end of the accounting year is recognized in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company subject to actual cost being 30% or more of the total estimated cost. Expenses incurred on repairs and maintenance on completed projects is charged to profit and loss account.		
b. The estimates relating to saleable area, sale value, estimated costs etc., are revised and updated periodically by the management and necessary adjustments are made in the current year's accounts.		

- c. Surrender of flats by buyers are valued at cost and accounted for as 'Cost of Construction'. When sold, proceeds are treated as 'Sales'.
  - d. Repair, maintenance and other costs incurred after the completion of the project are charged to the cost of construction in the year in which cost is incurred.
- B. Interest due on delayed payments by customers is accounted on receipt basis due to uncertainty of recovery of the same.
- C Income From Construction Contracts
  - a Revenue from construction contracts is recognized on the "Percentage of Completion Method" of accounting.
  - b Income from Construction contracts is recognized by reference to the stage of completion of the contract activity as certified by the client.
  - c Revenue on account of contract variations, claims and incentives are recognized upon determination or settlement of the contract.

## vii. Turnover

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

## viii. Retirement and Other Benefits

### i. Provident Fund:

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

- ii. The Company is having Group Gratuity Scheme with Life Insurance Corporation of India. The net present value of the Company's obligation towards Gratuity to Employees is funded as actuarially determined as at the Balance Sheet date based on the Projected Unit Credit Method. Actuarial gain and loss are recognized in the Profit & Loss Account.
- iii. Provision for leave encashment in respect of unavailed leave standing to the credit of employees is made on actuarial basis in accordance with projected credit unit method.

## ix. Accounting for taxes on income

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

## x. Impairment of Assets

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

## xi. Contingent Liabilities

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

## 2. NOTES TO ACCOUNTS:

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

## 2. AUDITORS' REMUNERATION:

	Current Year	Previous Year
Audit Fees	2,75,000	2,75,000
Tax Audit Fee	25,000	25,000
Certification Charges	1,35,500	38,500
Service Tax thereon	45,943	41,838
Total	4,81,443	3,80,338

## 3. DIRECTORS' REMUNERATION:

	Current Year	Previous Year
Salaries	38,00,000	24,00,000
Perquisites	2,15,916	1,82,160
Total	40,15,916	24,70,774

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

(Amount in Rs.)

S.No.	Name of Company	Balance as at 31 <sup>st</sup>		Maximum outstanding during	
		March, 2009	March, 2008	Year ended March 31, 2009	Year ended March 31, 2008
1	Eldeco Townships & Housing Limited	42342101	39788649	42342101	39788649
2	Eldeco Infrastructure & Properties Limited	43474121	26012774	43474121	26012774
		85816222	65801423	85816222	65801423

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

(Amount in Rs.)

S.No.	Name of Company	Balance as at 31 <sup>st</sup>		Maximum outstanding during	
		March, 2009	March, 2008	Year ended March 31, 2009	Year ended March 31, 2008
1	Dua Constructions Private Limited	-	13134	-	13134
2	Halwasiya Agro Industries Limited	22493332	6517795	27651255	32656984
		22493332	6530929	27651255	32670118

## 10. EMPLOYEE BENEFIT

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

### A. Gratuity

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

Description	Current Year as at 31.03.2009 Amount (Rs)	Previous Year as at 31.03.2008 Amount (Rs)
Present value of obligation at the beginning of the year	38,69,433	35,06,643
Current service cost	4,45,615	3,10,220
Interest cost	2,70,118	3,09,555
Benefit paid	(3,77,308)	(2,45,193)
Actuarial (gain) / loss on obligation	12,34,589	(11,792)
Present value of obligation as at the end of year	54,42,447	38,69,433

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

Description	Amount (Rs)	Amount (Rs)
Current service cost	4,45,615	3,10,220
Interest cost	2,70,118	3,09,555
Expected return on planned assets	(1,17,931)	(1,02,623)
Net actuarial (gain)/loss recognized during the year	(12,34,589)	(11,792)
Expenses to be recognized in the statement of profit and loss accounts	18,32,391	5,05,360

#### iii) Net assets / liability recognized in Balance Sheet as at 31<sup>st</sup> March, 2009

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31 <sup>st</sup> March, 2009	54,42,447	38,69,433
Fair value of plan assets as at 31 <sup>st</sup> March, 2009	12,92,856	15,52,233
(Assets)/Liabilities recognized in the Balance Sheet	41,49,591	(23,17,200)

#### iv) Changes in fair value of plan assets

Description	Amount (Rs)	Amount (Rs)
Fair value of plan assets at the beginning of the period	15,52,233	12,53,658
Expected return on plan assets	1,17,931	1,02,623
Contribution	NIL	4,41,145
Benefit Paid	(3,77,308)	(2,45,193)
Actuarial gain\ (loss) on plan assets	0.00	0.00
Fair value of plan assets at the end of the period	12,92,856	15,52,233

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

Discount rate	7.00%	8.00%
Future salary increase	5.00%	6.00%
Expected rate of return on planned assets	8.29%	9.15%
Method used	Projected unit credit actuarial method	

## B. Leave Encashment

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

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

Description	Amount (Rs)	Amount (Rs)
Current service cost	1,32,012	34,044
Interest cost	28,765	56,703
Benefits Paid	0.00	(1,11,950)
Net actuarial (gain)/loss recognized during the year	7,40,045	(2,75,536)
Recognized in Profit & Loss account	9,00,822	4,12,052

ii) Amount recognized in the Balance Sheet as at 31<sup>st</sup> March, 2009

Description	Amount (Rs)	Amount (Rs)
Present value of obligation as at 31 <sup>st</sup> March, 2009	10,43,224	4,12,052

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

Description	Amount (Rs)	Amount (Rs)
Present value of obligation at the beginning of the year	4,12,052	7,08,791
Interest cost	28,765	56,703
Current service cost	1,32,012	34,044
Benefits Paid	(2,69,650)	(1,11,950)
Actuarial (gain)/loss on obligation	7,40,045	(2,75,536)
Present value of obligation at the end of the year	10,43,224	4,12,052

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

Discount rate	7.00%	8.00%
Future salary increase	5.00%	6.00%
Actuarial method used	Projected unit credit actuarial method	

## C. Provident Fund

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



## 11. Micro, Small Scale Business Entities

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

## 12. SEGMENT REPORTING:

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

## 13. DEFERRED TAX LIABILITY (NET)

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

	Deferred Tax Asset /(Liability) as on 01.04.2008	Current Year (Charge)/Credit	Deferred Tax Asset /(Liability) as on 31.03.2009
Deferred Tax Liability: On account of timing difference between Depreciation as per Income Tax Act, 1961 and Companies Act, 1956.	2248416.00	1078779.00	3327195.00
Deferred Tax Asset: On account of Gratuity & Leave encashment	(776108.00)	(929019.00)	(1705127.00)
<b>TOTAL</b>	<b>1472308.00</b>	<b>149760.00</b>	<b>1622068.00</b>

The deferred tax charge for the year amounting to Rs.1,49,760.00 has been debited to profit and loss account.

## 14. RELATED PARTY DISCLOSURES:

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

### A. Names of related parties and description of relationship:

#### 1. Associates

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

#### 2. Subsidiaries

Dua Constructions Private Limited\*  
 Aadesh Constructions Private Limited  
 Garv Constructions Private Limited  
 Mahal Constructions Private Limited  
 Milap Constructions Private Limited  
 Samarpit Constructions Private Limited

Suniyojit Constructions Private Limited  
 Utsav Constructions Private Limited\*  
 Halwasiya Agro Industries Limited  
 Prayatna Constructions Private Limited  
 Sushobhit Constructions Private Limited  
 Primacy Constructions Private Limited  
 Prasiddhi Constructions Private Limited  
 Perpetual Constructions Private Limited  
 Khwahish Constructions Private Limited  
 Fixity Constructions Private Limited  
 Facility Constructions Private Limited  
 Deepjyoti Constructions Private Limited  
 Conviction Constructions Private Limited  
 Bliss Constructions Private Limited  
 Advantage Constructions Private Limited

\* Ceased to subsidiary company w.e.f 14/11/2008 and 09/09/2008 respectively.

3. Key Management Personnel

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

4. Relatives of Key Management Personnel

Asha Bajaj  
 M/o Shri Arvind Bajaj & Shri Pankaj Bajaj  
 Varija Bajaj  
 Sister/o Shri Arvind Bajaj & Shri Pankaj Bajaj

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

Transactions	Key Management Personnel	Associates & Subsidiary	Relatives of Key Management Personnel	Total
Remuneration	38,00,000.00 (24,00,000.00)			38,00,000.00 (24,00,000.00)
Perquisites	2,15,916.00 (182160.00)			2,15,916.00 (182160.00)
Rent Paid			466980.00 (552312.00)	466980.00 (552312.00)
Dividend Paid	762800.00 (954321.00)	11000.00 (1000.00)	90200.00 (63400.00)	864000.00 (1017721.00)
Sitting Fees	6000.00 (4500.00)			6000.00 (4500.00)
Advance Against Bulk Booking / Projects		40827860.00 (17958650.00)		40827860.00 (17958650.00)
Investment in Shares		1199880.00 (29703710.00)		1199880.00 (29703710.00)
Sale of Investments		199800.00 (NIL)		199800.00 (NIL)
Purchase of Fixed Assets		NIL (16811428.00)		NIL (16811428.00)
Balances Outstanding as at 31.03.2009				
Creditors/Payable	829001.26	775280.23	12299.00	1616580.49
Debtors/Receivable		123846128.00		123846128.00

\* Figures in brackets denote previous year figures.

## 15. EARNING PER SHARE:

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

	Year ended March 31, 2009	Year ended March 31, 2008
Profit after taxation and extra ordinary item	66646413.47	88194514.98
Total No. of equity shares outstanding	1966600	1966600
Basic/Diluted earning per share (Face value-Rs.10.00 per share)	33.89	44.85

## 16. CONTINGENT LIABILITIES:

	Current Year (31.03.2009)	Previous Year (31.03.2008)
(i) Outstanding Bank Guarantees	Rs.672.85 lacs	Rs. 255.34 lacs
(ii) Cases have been filed by some of the buyers for damages, quality differences, etc., which have been disputed by the Company. Pending disposal of these cases, liability, if any, could not be determined and hence provision thereof could not be made.		

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

	Current Year		Previous Year	
	Quantity	Value	Quantity	Value
OPENING STOCK:				
Bricks (Nos)	3093	5319.96	51213	85525.71
Cement (Bags)	2754	548239.00	3184	640215.00
Steel (MT)	199.43	8527474.00	35.76	989419.61
Other Materials		4031201.48		10186630.52
		11901790.84		11901790.84
PURCHASES:				
Bricks (Nos)	102200	408208.00	19824	32798.00
Cement (Bags)	98576	20148899.00	73989	15235880.00
Steel (MT)	2758.97	104426355.00	2761.62	83286047.54
Other Materials		122081602.87		88836389.20
		247065064.87		187391114.74
CONSUMPTION:				
Bricks (Nos)	99479	401350.96	67944	113003.75
Cement (Bags)	99531	20276918.00	74419	15327856.00
Steel (MT)	2723.71	105210484.50	2597.94	75747993.15
Other Materials		93207634.90		94991818.24
		219096388.36		186180671.14
CLOSING STOCK				
Bricks (Nos)	5814	12177.00	3093	5319.96
Cement (Bags)	1799	420220.00	2754	548239.00
Steel (MT)	234.69	7743344.50	199.43	8527474.00
Other Materials		15249921.58		4031201.48
		23425663.08		13112234.44

- \* Quantities of Materials consumed in construction work through Contractors are not treated as consumption.
- \* Other Materials include items like Grit, Sand, Sanitary Materials, and Electrical Fittings etc.
- \* In view of the practical difficulties in measuring other building materials and multifarious jobs undertaken in building construction it is not practicable to give quantitative information in respect thereof and in respect of consumption and production.  
Other requirements are not applicable.

18. The Company has an investment of Rs.42, 000.00 (31.3.2007 Rs.42, 000.00) in Lucknow Cement Crafts Private Limited (LCC). There are accumulated losses in LCC. The management of the Company is of the opinion that investment in LCC is long term strategic investment therefore; provision for diminution in value of investment is not made.
19. Cash and Bank Balances include fixed deposits amounting to Rs.100.00 lacs with City Co-operative Bank Ltd., against which the Company had availed an overdraft facility of Rs.50.00 lacs. The said Bank has discontinued its operations. The Company has however applied for repayment of the Fixed Deposit after adjustment of the balance outstanding in the overdraft account.
20. The schedules referred to in Balance Sheet and Profit & Loss Account form an integral part of the accounts.

As per our Report of even date attached

FOR DOOGAR & ASSOCIATES  
Chartered Accountants

For & on behalf of the Board

(CA. UDIT BANSAL)  
Partner

S. K. Garg  
(Chairman & Executive Director)

Pankaj Bajaj  
(Managing Director)

Place: Lucknow  
Dated: 30<sup>th</sup> June, 2009

Sonal Srivastava  
(Company Secretary)

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### Registration Details

State Code	:	20
Registration No.	:	7062
Balance Sheet date	:	31.03.2009

### Capital raised during the year

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

### POSITION OF MOBILISATION AND

### DEPLOYMENT OF FUNDS:

Total Liabilities	:	Rs.	1177984144.62
Total Assets	:	Rs.	1177984144.62

### SOURCES OF FUNDS:

Paid up Capital	:	Rs.	19666000.00
Reserves and Surplus	:	Rs.	354499063.32
Secured Loans	:	Rs.	50149580.08
Unsecured Loans	:	Rs.	13380000.00
Deferred Tax Liability (Net)	:	Rs.	1622068.00

### APPLICATION OF FUNDS:

Net Fixed Assets	:	Rs.	50803907.36
Investments	:	Rs.	127216250.00
Net Current Assets	:	Rs.	261296554.04

### Performance of Company:

Turnover	:	Rs.	1027862008.69
Total Expenditure	:	Rs.	969630742.13
Profit before Tax	:	Rs.	94154273.47
Profit after Tax	:	Rs.	66646413.47
Earnings per share (Year end)	:	Rs.	33.89
Dividend Rate %	:		10%
Generic Names of Three Principal Products/ Services of Company	:		N.A.
Product Description Real Estate Development & Construction of Single/Multi Storied Commercial and Residential Complexes.	:		

# El deco Housing and Industries Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax, appropriations and extra ordinary items	94,154,273.47	107,469,777.98
Adjustment for :		
Profit on sale of Fixed Assets	(108,999.00)	(33,000.00)
Loss on sale of Fixed Assets	-	214,308.97
Depreciation	3,217,071.00	2,301,218.00
Dividend received	(78,422.00)	(37,964.00)
Interest received	(23,994,438.63)	(20,295,704.37)
Interest paid	15,350,383.24	12,387,046.03
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>88,539,868.08</b>	<b>102,005,682.61</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES:</b>		
Trade Payables & Others	(23,433,832.60)	45,132,032.61
Inventories	(16,358,017.11)	(40,840,461.47)
Project in Progress	34,202,879.24	79,310,386.70
Trade and Other Receivables	385,775.00	(20,579,008.00)
Loans and Advances	(55,576,547.14)	94,466,556.20
<b>CASH GENERATED FROM OPERATING ACTIVITIES:</b>	<b>27,760,125.47</b>	<b>259,495,188.65</b>
Prior year Adjustments	(3,110,968.06)	(7,319,463.89)
Direct Taxes Paid	(16,185,637.95)	(18,676,672.22)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>8,463,519.46</b>	<b>233,499,052.54</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of Fixed Assets	109,000.00	312,000.00
Purchase of Fixed Assets	(10,506,104.00)	(31,594,904.00)
Purchase of Investments	(1,199,880.00)	(34,253,710.00)
Sale of Investment	199,800.00	-
Interest received	23,994,438.63	20,295,704.37
Dividend received	78,422.00	37,964.00
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>12,675,676.63</b>	<b>(45,202,945.63)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of Long Term Borrowings	(3,008,732.22)	(71,182,042.65)
Interest & Finance Charges paid	(15,350,383.24)	(12,387,046.03)
Dividend Paid	(1,846,271.00)	(1,989,494.00)
Tax on Dividend	(334,224.00)	(334,224.00)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(20,539,610.46)</b>	<b>(85,892,806.68)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>599,585.63</b>	<b>102,403,300.23</b>

PARTICULARS	FIGURES AS AT 31.03.2009 IN RUPEES	FIGURES AS AT 31.03.2008 IN RUPEES
CASH AND CASH EQUIVALENTS ( OPENING BALANCE )	369,739,110.42	267,335,810.19
CASH AND CASH EQUIVALENTS ( CLOSING BALANCE )	370,338,696.05	369,739,110.42

AUDITORS REPORT  
As per our Report of even date attached

For and on Behalf of the Board

For DOOGAR & ASSOCIATES,  
Chartered Accountants

S. K. GARG  
(Chairman & Executive Director)

PANKAJ BAJAJ  
(Managing Director)

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

SONAL SRIVASTAVA  
(Company Secretary)

PLACE : Lucknow  
DATED : 30th June 2009

# NOTES







# ELDECO HOUSING AND INDUSTRIES LIMITED

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

## 24th ANNUAL GENERAL MEETING

### PROXY FORM

DP ID No. ....

Client ID No. ....

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

I/We.....of.....being  
a Member/Members of ELDECO HOUSING AND INDUSTRIES LIMITED hereby appoint Mr./Ms./Mrs./.....  
..... of ..... or failing him/her  
Mr./Ms./Mrs./ ..... of..... as my/our  
proxy to attend and vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Wednesday, the  
30th day of September, 2009 at 3.00 p.m. at Hotel Taj Residency, Lucknow and at any adjournment(s) thereof.

Signed this on .....day of .....2009

Revenue  
Stamp

### For office Use

Signature.....

Proxy No. ....

Date of Receiving .....

No. of Shares .....

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



# ELDECO HOUSING AND INDUSTRIES LIMITED

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

## 24th ANNUAL GENERAL MEETING

### ATTENDANCE SLIP

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

DP ID .....

Client ID .....

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

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

I hereby record my presence at the 24th Annual General Meeting of the Company held on Wednesday, the 30th day of September, 2009 at 3.00  
p.m. at Hotel Taj Residency, Lucknow.

This slip may please be handed over at the entrance of the meeting hall.

Signature of Member/Proxy

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

Place .....

Date .....

DP/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 .....

Thanking you

Signature of Member(s)  
Name :