



POPULAR ESTATE MANAGEMENT LIMITED

19TH

ANNUAL REPORT

2012-2013

BOARD OF DIRECTORS

Shri. Ramanbhai B. Patel	Chairman & Managing Director
Shri. Dashrathbhai B. Patel	Whole Time Director
Shri. Chhaganbhai B. Patel	Whole Time Director
Shri. Purshottam M. Pandya	Director
Shri Purshottam H Pandya	Director
Shri. Suresh N. Patel	Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Ronak D Doshi

AUDIT COMMITTEE

Shri. Purshottam M. Pandya
Shri. Purshottam H Pandya
Shri. Suresh N. Patel

BANKER

- I. Bank of Maharashtra,
Ashram Road, Ahmedabad
- II. ING Vyasa Bank, Bodakdev, Ahmedabad
- III. Axis Bank, Law Garden, Ahmedabad
- IV. Yes Bank, C.G. Road, Ahmedabad

AUDITORS

Patel and Jesalpura
Chartered Accountants
803/804, Samudra Annexe,
Near Classic Gold Hotel,
C.G. Road, Navrangpura,
Navrangpura,
Ahmedabad-380006

COMPANY LAW CONSULTANT

Ashok P. Pathak & Co.
Company Secretaries
U/4, Trupti Complex,
Opp : Shreeji Petrol Pump,
Nr. Jivrajpark Bus Stand,
Jivraj Park, Ahmedabad - 380051
Tel / Fax No : 079 26631534
e-mail : ashokppathak@yahoo.com

REGISTRARS AND SHARES**TRANSFER AGENTS**

Link Intime India Private Limited
C/13, Pannalal Silk Mills Compound
Lbs Marg, Bhandup (West)
Mumbai – 400 078
Tel : 91-22-2596 3838
Fax : 91-22-2594 6969
Mail : bombay@linkintime.co.in

REGISTERED OFFICE

81, 8th Floor, A-Wing,
“New York Tower”,
Opp : Muktidham Derasar,
Thaltej, S. G. Highway,
Ahmedabad-380054
Tel No : 079-65415149
Fax No : 079-26854831
Mail: popularestatementmanagement@yahoo.co.in
Website : www.popularestatementmanagement.com

LISTING

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai – 400 001

STOCK CODE : 531870

ISIN : INE370C01015

IMPORTANT COMMUNICATION TO SHAREHOLDERS
“GREEN INITIATIVE IN THE CORPORATE GOVERNANCE”

Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued a circular No.17/2011 on April 21, 2011 stating that the service of document to shareholders by a Company can be made through electronic mode.

Keeping in view the underlying theme and to support this green initiative of Government in the right spirit, members who holds shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the below mentioned prescribed form, giving their consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement or any other communication in electronic mode, and register the said form with Link Intime India Private Limited The said form is also available on the Company’s website : **www.popularestatementmanagement.com**

Please note that you will be entitled to be furnished, free of cost, with a physical copy of the notice, balance sheet and all other documents required by law to be attached thereto including the profit & loss account and auditors’ report etc., upon receipt of a requisition from you, any time, as a member of the Company.

We are sure you would appreciate the “Green Initiative” taken by MCA and your Company’s desire to participate in such initiatives.

Email Address Registration Form
(For members who holds shares in Physical Forms)

POPULAR ESTATE MANAGEMENT LIMITED

Registered Office : 81, 8th Floor, “A” Wing, New York Tower, Opp : Muktidham Derasar,
 Thaltej, S. G. Highway, Ahmedabad.

Ledger Folio No.: _____ No. of Share(s) held : _____

NAME OF THE SHAREHOLDER / JOINT HOLDER : _____

Email Address : i) _____ ii) _____

Contact No.: (R) _____ M) _____

I hereby give my / our consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode at my/our above mentioned email ID.

Signed this _____ day of, 2013

Note :

- 1) Members are requested to send their duly completed form as above to the Registrar and Transfer Agent (RTA) namely Link Intime India Pvt. Ltd. Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad - 380009 Tele: 07926465179 Tele fax : 079-26465179.
- 2) Members are also requested to inform about any change in their email ID immediately to RTA.
- 3) This form is also available on the Company’s website : **www.popularestatementmanagement.com**

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of M/s. Popular Estate Management Limited will be held at Registered Office 81, 8th Floor, A-Wing, "New York Tower", Opp. Muktidham Derasar, Thaltej, S. G. Highway, Ahmedabad-380 054 on Monday, 30th day of September, 2013 at 11:30 am to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the Financial Year ended on 31st March 2013, and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri. Ramanbhai B. Patel who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri. Purshottam M Pandya who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting of the Company until the conclusion of next Annual General Meeting and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s. Patel and Jesalpura, Chartered Accountants be and are hereby appointed Auditors of the Company from the conclusion of this Annual General Meeting of the Company until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors, exclusive of traveling and other out of pocket expenses."

SPECIAL BUSINESS :

5. **TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS AN ORDINARY RESOLUTION.**

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval be and is hereby accorded to the appointment of Shri. Chhaganbhai B. Patel, as Whole Time Director of the Company, for a period of 5 (five) years with effect from 1st October, 2012 on the terms and conditions including remuneration as are set out hereunder.

FUNCTIONS : Shri. Chhaganbhai B. Patel shall, subject to the supervision and control of the Board of Directors and / or the Managing Director of the Company, carry out such duties as may be entrusted to and delegated to him and he shall also perform such other duties as shall from time to time be delegated to him by the Board of Directors and / or Managing Director of the Company.

REMUNERATION : The Company shall, in consideration of the performance of his duties, pay to Shri. Chhaganbhai B. Patel the following remuneration :

1	Salary	Rs.75,000 per month
2	Conveyance	Free use of Company's car with driver for official purpose
3	Traveling/Boarding/Lodging	Actual expenditure to be reimbursed – Boarding / Lodging by the Company for outstation journey for official work, in India or abroad.
4	Leave Travel	Entitled to travel with family by any Concession mode, i.e. air / train / road once in two years for visiting any place in India.
5	Medical Benefit	Actual Expenses incurred for Whole Time Director and his family.
6	Other Perquisites	As may be determined by the Board of Directors from time to time and may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable. The remuneration for a part of the year shall be computed on pro rata basis

SITTING FEES : As long as Shri. Chhaganbhai B. Patel functions as the Whole Time Director, he shall not be paid any sitting fees for attending the meetings of the Board of Directors / Committee thereof. ”

“**RESOLVED FURTHER THAT** where in a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling prescribed in Section II of part II of Schedule XIII of the Companies Act for the year, which will be payable to him as minimum remuneration for that year.”

Regd. Office :
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Opp. Muktidham Derasar,
Thaltej, S. G. Highway,
Ahmedabad-380054

Date : 27th May, 2013

By Order of the Board
For, Popular Estate Management Limited

Sd/-
Ronak D. Doshi
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF, SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

2. An explanatory statement pursuant to Section 173(2) of Companies Act, 1956, in respect of special business in the notice is annexed hereto. The relevant details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s), in respect of Directors seeking re-appointment as directors Item Nos. 2, 3 and 5 above, are also annexed hereto.
3. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Sundays, between 11 a.m. and 1 p.m. up to the date of meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed for a period of Eight days from Monday, 23rd day of September, 2013 to Monday, 30th day of September, 2013 (both days inclusive).
5. Members are requested to contact M/s. Link Intime India Private Limited (Previously Known as Intime Spectrum Registry Limited), for recording any change of address, bank mandate, ECS or nominations, and for redressal of complaints contact the Compliance Officer at the Registered Office of the Company.
6. The equity shares of the company are available for dematerialization, as the company has entered into an agreement with National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL). Those shareholders who wish to hold the company's share in electronic form may approach their depository participants.
7. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
8. Members are requested to bring their copies of Annual Report at the meeting. Shareholders seeking any information with regard to account are requested to write to the Company early so as to enable the Management to keep the information ready.
9. Members / Proxies are requested to bring with them the attendance slip duly filled in and hand it over at the entrance.

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By Order of the Board
For, Popular Estate Management Limited

Sd/-
Ronak D. Doshi
Company Secretary

ANNEXURE TO THE NOTICE IS MENTIONED HERE

Notes on Directors seeking appointment / re-appointment at the annual general meeting as required under the revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Profile of Retiring Directors :**Item No. 2**

Name	Ramanbhai B Patel
Qualification	B. Com
Experience	Over 34 years of wide ranging experience in Real Estate and Infrastructure Area
Other Directorship	1. Pioneer Amusement and Motels Limited
Chairman / Member of the Committees of the Board of the other companies on which he is a director	No
No. of shares held in the company	1125700 Equity shares of Rs. 10 each
Disclosure of the relationships	Shri. Ramanbhai B. Patel is Brother of Shri. Dashrathbhai B. Patel, Whole-Time Director and Shri. Chhaganbhai B. Patel, Whole-Time Director of the Company.

Item No. 3

Name	Purshottam M Pandya
Qualification	Commerce Graduate
Experience	Over 13 years of wide ranging experience in Real Estate and infrastructure Area
Other Directorship	None
Chairman / Member of the Committees of the Board of the other companies on which he is a director	No
No. of shares held in the company	NIL
Disclosure of the relationships	Shri. Purshottam M Pandya is not, in any way, concerned / interested / related with any of the other directors of the company.

Item No. 5

Name	Shri. Chhaganbhai B. Patel
Qualification	Commerce Graduate
Experience	Over 33 years of wide ranging experience in Real Estate and Infrastructure Area
Other Directorship	1. Pioneer Amusement and Motels Limited
Chairman / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	970900 Equity Shares of Rs.10/- each
Disclosure of the relationships	Shri. Chhaganbhai B. Patel is brother of Shri. Ramanbhai B. Patel, Chairman and Managing Director and Shri. Dashrathbhai B. Patel, Whole-Time Director of the Company.

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Date : 27th May, 2013

By Order of the Board
For, Popular Estate Management Limited

Sd/-
Ronak D. Doshi
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

The Explanatory statement pursuant to section 173 of the Companies Act, 1956 set out all material facts relating to the Special Business mentioned in the accompanying Notice are as follows:

Item No. 5 :**APPOINTMENT OF SHRI CHHAGANBHAI B. PATEL AS WHOLE TIME DIRECTOR :**

The Board of Directors of the Company at its meeting held on 1st October, 2012 appointed Shri. Chhaganbhai B. Patel as Whole Time Director for a period of 5 years with effect from 1st October, 2012 (i.e. up to 30th September, 2017) on terms and conditions mentioned in the resolution, subject to the approval by a resolution of the shareholders of the company in a general meeting. Shri. Chhaganbhai B. Patel has wide-ranging experience in the business in which company operates. Thus with his knowledge and experience, the company can grow at faster rate.

The resolution at Item No 5 of the Notice seeks the approval of the members to the said appointment by way of ordinary resolution. Your directors recommend the resolution to the shareholders for adoption.

This shall be treated as circular of abstracts to the members as required under section 302 of the Companies Act, 1956.

Shri. Ramanbhai B. Patel and Shri. Dashrathbhai B. Patel being the Brothers of Shri. Chhaganbhai B. Patel and Shri Chhaganbhai B Patel himself may be considered as interested in this appointment. However, none of the other Directors may be considered to be concerned or interested in this appointment.

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Date : 27th May, 2013

By Order of the Board
For, Popular Estate Management Limited

Sd/-
Ronak D. Doshi
Company Secretary

DIRECTORS' REPORT

To,
The Members,
Popular Estate Management Limited,
Ahmedabad

Your directors have pleasure in presenting herewith their Nineteenth Annual Report together with the Audited Statements of Accounts for the period ended 31st March, 2013.

FINANCIAL RESULTS :

Particulars	Current Year Ended on 31/03/2013	Previous Year Ended on 31/03/2012
Income from operations	0.00	0.00
Other Income	471.00	1,66,27,346.000
Depreciation	30,27,267.00	25,06,241.00
Expenses other than Depreciation	9,07,90,854.00	76,58,207.00
Preliminary Exp. Written off	0.00	0.00
Net Profit/(Loss) Before Tax	(9,38,17,650).00	18,67,15,898.00
Current Tax	0.00	15,25,000.00
Differed Tax	16,94,293.00	0.00
Profit/(Loss) After Tax	(9,55,11,943).00	18,51,90,898.00
Proposed Dividend	0.00	0.00
Provision for dividend distribution Tax	0.00	0.00
Profit/(Loss) after Tax & Dividend	(9,55,11,943).00	18,51,90,898.00
Bal. Brought Forward	22,39,20,582.00	3,94,38,871.00
Less : Income Tax paid for previous year	0.00	0.00
Less : Short Provision of Taxes of earlier years	0.00	7,09,187.00
Balance Carried to Balance Sheet	12,84,08,639.00	22,39,20,582.00

DIVIDEND :

In order to conserve the resources, your directors do not recommend any dividend for the year 2012-13.

BOARD OF DIRECTORS :

In accordance with provisions of Section 256 of the Companies Act, 1956, Shri. Ramanbhai B. Patel, and Shri. Purshottam M Pandya retires by rotation and being eligible offers themselves for re-appointment.

REVIEW OF FINANCIAL PERFORMANCE, OPERATIONS AND FUTURE PROSPECTS :

During the year under report, the company has made loss before Tax of Rs.938.18 Lac during the year and the operations for the year under review have resulted into net loss of Rs. 955.12 Lac. The directors are hoping better performance in coming years.

The Company has entered into Development Agreements with various parties for the development of different projects on their respective land.

A detailed analysis of the financial results is given in the Management Discussion and Analysis Report, which forms part of this report.

PUBLIC DEPOSIT :

The Company has not accepted any public deposits as defined under section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975, as amended, during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS / OUTGO:

The information relating to conservation of Energy, Technology Absorption, Foreign Exchange Earning / Outgo as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable and hence, not given.

PARTICULARS OF EMPLOYEES :

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars Employees) Rules, 1975 are not applicable to the Company, since none of the employees of the Company was in receipt of total remuneration exceeding of Rs.60,00,000/- p.a. or Rs.5,00,000/- p. m. for part of the year during the financial year under review.

COMPANY SECRETARY AND COMPLIANCE OFFICER :

In accordance with the provisions of Section 383A of the Companies Act, 1956. Shri Ronak D Doshi, a member of The Institute of Company Secretaries of India (ICSI) has been working as a Company Secretary cum Compliance officer.

AUDIT COMMITTEE :

Audit Committee constituted by the company comprising three independent Non-Executive Directors viz. Shri. Purshottam M. Pandya, Chairman (having financial and accounting knowledge), Shri. Purshottam H. Pandya and Shri. Suresh Patel, members. The constitution of Audit Committee meets with the requirements under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing agreement of the Stock Exchanges as well.

The Committee periodically discussed the Financial Reporting process, reviewed the Financial Statements, and discussed the quality of the applied accounting principles and significant judgment that affected the Company's Financial Statements. Before presenting the audited accounts to the members of the Board, the Audit Committee recommended the appointment of the statutory auditors, subject to the Board's approval. The audit Committee reviewed with adequacy of internal control systems with the management, statutory and internal auditors.

ACCOUNTING STANDARDS AND FINANCIAL REPORTING :

The Company incorporates the accounting standards as and when issued by the Institute of chartered Accountants of India. The Company Complied with the Stock Exchange and legal requirement concerning the Financial Statements at the time of preparing them for the Annual Report.

CORPORATE GOVERNANCE :

Your Company follows the principles of effective Corporate Governance. The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the revised Clause 49 of the Listing Agreement executed with the Stock Exchange(s).

A separate section on Corporate Governance is included in the Annual Report and Certificate from Company's Auditors confirming the compliance with the code of Corporate Governance as enumerated in Clause-49 of the listing agreement with the Stock Exchange is annexed hereto.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT :

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement executed with the Stock Exchange, is presented in a separate section forming part of the Annual Report.

DEMATERIALISATION OF EQUITY SHARES :

As per direction of the SEBI and Bombay Stock Exchange Limited, the shares of the Company are under compulsory demat form. The Company has established connectivity with both the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited and the demat activation number allotted to the Company is ISIN: INE 370C01015. Presently shares are held in electronic and physical mode (83.32% of shares in demat, 16.68% in physical mode).

LISTING :

The equity shares of the company are listed in the Bombay Stock Exchange Limited which has the connectivity in most of the cities across the country.

AUDITORS :

M/s. Patel & Jesalpura., Chartered Accountants, Ahmedabad retire at the conclusion of this ensuing Annual General Meeting. The Company has received a certificate under Section 224 (1) (B) of the Companies Act, 1956 to the effect that their re-appointment, if made, will be in accordance to the limit specified in the said Section. You are requested to consider their re-appointment as Auditors of the Company for the Current Year.

AUDITORS REPORT :

Information / explanation on remarks contained In Auditor's Report in Para 2 of report on other legal and regulatory requirements to the Auditors Report as per Section 217(3).

The directors hereby submit their explanations to the remark/qualification made by the auditors in their report for the year 2012-13. The Para No. 2 of report on other legal and regulatory requirements to the Auditors Report and reply are as under:

Para 2 of report on other legal and regulatory requirements to the Auditors Report:

2. The Company has not made provision for Wealth Tax and hence to that extent the Loss is understated and Current Liabilities are understated. In absence of necessary details the amount is not quantifiable.

Explanation to Para 2 of report on other legal and regulatory requirements to the Auditors Report:

The directors are in bona fide belief that the commercial land which forms part of stock in trade (being one of the productive assets) for the purpose of business carried out by the company or a property in the nature of commercial establishment are all excluded from the purview of wealth tax. Basically the wealth tax is levied on non-productive assets and hence, the provision for wealth tax has not been made. However, the directors will obtain legal opinion from well known tax advisor firm in the coming year.

All other comments in the Auditors Report with Notes on Accounts referred to the Auditor's Report are self explanatory and, therefore do not call for any further explanation.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, it is hereby confirmed:

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2013 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the Financial Year ended 31st March, 2013, on a 'going concern' basis.

INSURANCE :

The company has made necessary arrangements for adequately insuring its insurable interests.

INDUSTRIAL RELATIONS :

The directors are happy to note that the industrial relations continued to remain cordial during the year. The directors express their appreciation towards the staffs and executive staffs for their coordination and hope for a continued harmonious relations.

ACKNOWLEDGEMENT :

Your directors would like to express their grateful appreciation for the assistance and co-operation received from the Government, Banks and Business associates during the year under review. The Directors also express their gratitude to the shareholders for the confidence reposed towards the Company. Your Directors wish to place on record their deep sense of appreciation to all the employees for their commendable team work and enthusiastic contribution during the year.

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Date : 27th May, 2013

On Behalf of the Board
For, Popular Estate Management Limited

Sd/-
Ramanbhai B. Patel
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**A. BUSINESS HIGHLIGHTS :****Turnover :**

Popular Estate Management Limited has no turnover in 2012-2013.

Employee Benefit Expenses :

Employees emoluments (other than managerial remuneration) is Rs. 41,20,497/- during the year as against Rs. 41,21,002/- during the previous year.

Administrative and Other Expenses :

Major components of administrative and other expenses includes printing and stationary, audit fees, advertisement expenses, postage and stamps, listing fees, insurance premium etc. Administrative and other expenses for the year amounted to Rs.862.75 Lac as against Rs. 33.98 Lac during the previous year.

Interest and Finance Charges :

Interest and finance charges / bank charges during the year come to Rs. 3,95,627.00 as against Rs. 1,39,359.00 during the previous year.

Depreciation :

Depreciation charge for the current year came to Rs.30.27 Lac as against 25.06 Lac of the previous year.

Provision for Tax :

The Company has not earned income during this year and hence not provided towards tax as against 15,25,000.00 paid during the previous year. As there is no dividend payable this year, the company has not provided any amount for dividend distribution tax.

Profit/Loss after Tax :

The Company has made loss after tax for the current year is Rs 955.12 Lac as against Profit of Rs.1851.91 Lac during the previous year.

Earnings per Share :

Basic and diluted earnings per share for the current year worked out to Rs. (6.82) as against Rs 13.23 during the previous year.

Financial Condition :**Non Current Liabilities :**

The Company's Non Current Liabilities includes Long Term borrowings of Rs. 74,82,594.00 and Differed Tax of Rs. 16,94,293.00 as at 31st March 2013 as against Long Term Borrowings of Rs. 3,06,40,283.00 as at 31st March 2012.

Current Liabilities :

Company's Current Liabilities are amounting to Rs. 62,97,383.00 as at 31st March 2013 against Rs. 9,71,393.00 of the previous year.

Fixed Assets :

Net block of the fixed assets at the end of the year is Rs. 189.68 Lac as against Rs. 219.73 Lac in the previous year.

Non Current Investments :

Non current investments of the company is Rs. 11,98,28,566.00 as at 31st March 2013 against Rs. 11,98,28,566.00 which was at 31st March 2012.

B. SEGMENT WISE PERFORMANCE :

The company is operating in only one segment i.e. Infrastructure / Construction. Your company has adopted various marketing strategies for sustained growth including increase in number of clients / customers to reduce the dependency on any single client / customer.

C. AN INDUSTRY OVERVIEW :

The management is confident of improvement in the company's working in the near future with fast growth.

The scenario of the infrastructure industry and economy in general is buoyant even after the industry is exposed to competition with policy of the government. The process of development, increasing thrust of the government on the infrastructure industry, the future of industry appears quite bright.

D. SWOT ANALYSIS OF THE COMPANY :**Strength :**

- Management depth and ability to manage client / customer relationships
- Enhanced presence in the market through clientele basis

Opportunities and Threats :

The infrastructure industry is subject to tough competition amongst various segments within and outside the country. The threat of competition is comparatively less in the area in which your company is operating. The increase in demand from business sector will provide opportunity to your company to increase more market share. Moreover, Indian infrastructure industry witnessing changes in business dynamics.

E. RISKS AND CONCERNS :

Your company is mainly focusing on R & D and manpower and the intelligence. Apart from the risk on account of interest rate and regulatory changes, business of the company are exposed to certain operating business risks, which is mitigated by regular monitoring and corrective actions. The company has taken necessary measures to safe guard its assets and interest etc.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and to monitor internal business process, financial reporting and compliance with applicable laws.

The internal control system has been designed so as to ensure that the financial and other records are reliable and reflects a true and fair view of the state of the Company's business. A qualified and independent committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

G. HUMAN RESOURCE MANAGEMENT :

The Company believes that human resource is the most important assets of the organization. It is not shown in the corporate balance sheet, but influences appreciably the growth, progress, profits and the shareholders' values. During the year your company continued its efforts aimed at improving the HR policies and processes to enhance its performance. The vision and mission of the company is to create culture and value system and behavioral skills to insure achievement of its short and long term objectives.

Cautionary Statement :

Statement made in the Management Discussion and Analysis Report describing the company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the markets in which the company operates, changes in the government regulations, tax laws & other statutes and other incidental factors.

CORPORATE GOVERNANCE

Corporate Governance and practices in accordance with the provisions of Clause 49 of the Listing Agreement :

1. Company's philosophy on Code of Governance :

The Company's Philosophy on investor service and protection envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders including shareholders, employees, the government and lenders. The Company is committed to achieving the highest standards of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time. The Company continues to take necessary steps towards achieving this goal.

2. Board of Directors :

Composition:

The present Board of Directors consists of half of Non-executive / Independent directors. As of date, the Board Comprises of 3 (three) whole time / executive directors and 3 (Three) non executive and independent directors.

The company has an executive chairman and the number of non-executive/independent directors is 50% of the total number of directors. The Company, therefore, meets with the requirements relating to the composition of the Board of Directors.

The composition and category of Directors are as follows :

CATEGORY	NAME OF DIRECTORS
Promoter & Executive Director	Shri. Ramanbhai B. Patel (Chairman & Managing Director) Shri. Dashrathbhai B. Patel (Whole Time Director) Shri Chhaganbhai B Patel (Whole Time Director)
Independent & Non-Executive Directors	Shri. Purshottambhai M. Pandya (Director) Shri. Purshottambhai H. Pandya (Director) Shri. Sureshbhai N. Patel (Director)

Disclosure of relationships between Directors inter-se :

Name of directors	Relationship with other Director
Shri. Ramanbhai B. Patel	Brother of Shri. Chhaganbhai B. Patel & Shri. Dashrathbhai B. Patel, Whole-time Director of the Company
Shri. Chhaganbhai B. Patel	Brother of Shri. Ramanbhai B. Patel, Chairman & Managing Director and Shri. Dashrathbhai B. Patel, Whole-time Director of the Company
Shri. Dashrathbhai B. Patel	Brother of Shri. Ramanbhai B. Patel, Chairman & Managing Director & Shri. Chhaganbhai B. Patel, Whole-time Director of the Company
Shri. Purshottambhai M. Pandya	Not, in any way, concern / interested / related with any of the other directors of the company
Shri. Purshottambhai H. Pandya	Not, in any way, concern / interested / related with any of the other directors of the company
Shri. Sureshbhai N. Patel	Not, in any way, concern / interested / related with any of the other directors of the company

Attendance of each Director at the Board meetings, Last Annual General Meeting and Number of Other Directorships and Chairmanships / Memberships of Committees of each Director in various companies, during the year 2012-2013:

Name Of Directors	Attendance particulars		No. of Directorships and Committee Memberships / Chairmanships		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairman-ship
Ramanbhai B. Patel	7	Present	1*	1	1
Dashrathbhai B. Patel	7	Present	1*	1	None
Chhaganbhai B. Patel	7	Present	1*	1	None
Purushottam M. Pandya	7	Present	None	2	2
Suresh N. Patel	7	Present	None	2	None
Purshottam H Pandya	7	Present	None	2	None

* No. of Directorship excludes directorship of Private Limited Companies, Foreign Companies, Companies license under Section 25 of the Companies Act, 1956 and Alternate Directorship.

Note :

- I) Details of the Committee membership / chairmanship are in accordance with the revised Clause 49 of Listing Agreement.
- II) None of the Directors of the Company is a member of more than ten committees nor is the Chairman of more than five Committees across all the Companies in which he is a Director.

Number of Board Meetings held and dates on which held :

7 (Seven) Board Meetings were held during the year 2012-2013, as against the minimum requirement of 4 meetings. The dates on which the meetings were held are 01/04/2012, 27/05/2012, 27/07/2012, 01/10/2012, 09/11/2012, 18/01/2013 and 14/03/2013.

The Company has held one meeting every quarter and the maximum time gap between two meetings was not more than four months.

The Information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board Meeting to enable the Board to take informed decisions. Where it is not practicable to attach supporting / relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the agenda.

CEO Certification :

The Chairman and Managing Director of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chairman and Managing Director also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

Code of Conduct :

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Clause 49(I)(D) of the Listing Agreement.

Risk Management Policy :

The Company has formulated a Corporate Policy applicable to its operations, and duly approved by the Board of Directors at its meeting held on 31st March, 2006 in compliance with the requirement of the revised Clause 49 of the Listing Agreement with the Stock Exchanges. Audit Committee and Board Members are reviewing and updating the said policy periodically.

3. Audit Committee :

The Board of Directors of the Company has constituted an Audit Committee and has been reconstituted from time to time. The said Committee has been reconstituted by inducting qualified and independent members on the Committee, by the Board of Directors of the company at its meeting held on 30th November, 2009 and 6th March, 2010. Presently, the Audit Committee comprising of 3 (Three) independent Non-Executive Directors namely Shri. Purshottambhai M. Pandya, Chairman (having financial and accounting knowledge), Shri. Purshottambhai H. Pandya and Shri. Suresh N. Patel, members of the committee.

The Constitution, composition and functioning of the Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956 and revised Clause – 49 of the Listing Agreement entered into with the Stock Exchanges.

Terms of Reference :

The terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines and also include those specified under the revised Clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956.

Powers of the Audit Committee :

The Audit Committee has powers that include the following:

- a) To investigate any activity of the Company within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal and other professional advice
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Names of Members and Chairperson of the Audit Committee and the meetings attended by them during the Financial Year 2012-13 ending on 31st March, 2013, are as under:

Name of Directors	Category	Status / Designation	No. of Meeting attended
Shri. Purshottam M. Pandya	Non-executive / Independent	Chairman	5
Shri. Suresh N. Patel	Non-executive / Independent	Member	5
Shri Purshottam H Pandya	Non-executive/ independent	Member	5

The Committee met 5 (Five) times during the year 2012-2013. The dates on which the Audit Committee meetings were held are 01/04/2012, 27/05/2012, 27/07/2012, 09/11/2012 and 18/01/2013. The maximum time gap between any two meetings was not more than four months.

Members of the Audit Committee have requisite accounting, financial and management expertise.

4. Remuneration Committee (non-mandatory) :

The remuneration committee is entrusted with the responsibility of finalizing the remuneration of Executive / Whole Time Directors.

5. Shareholders' and Investors' Grievance Committee :

The Board of Directors of the Company has constituted a Shareholders' and Investors' Grievance Committee which was reconstituted from time to time. Presently, the Shareholders and Investors Grievance Committee comprising of Shri. Ramanbhai B. Patel, Chairman of the Committee, Shri. Chhaganbhai B. Patel and Shri. Dashrathbhai B. Patel members of the Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders' complaints like transfer of shares, non-receipts of balance sheet, non-receipt of declared dividends etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Board has designated Shri. Ronak D Doshi, Company Secretary as the Compliance Officer. As required by the provisions of Clause 47(f) of the Listing Agreement, the Company has designated the below cited e-mail ID of the Grievance Redressal Division / Compliance Officer exclusively for the purpose of registering complaints by investors.

E-mail ID – popularestatementmanagement@yahoo.co.in

None of the request for transfers, dematerialization and re-materialization was pending for approval as on 31st March, 2013.

Quarter-wise Summary of Investors' Complaints received and resolved to the satisfaction of the shareholders during the financial year 2012-2013.

Quarter Period	Complaints	Complaints Position at the beginning of the quarter	Complaints received during the quarter	Complaints resolved during the quarter	pending at the end of the quarter
01/04/2012	30/06/2012	0	0	0	0
01/07/2012	30/09/2012	0	0	0	0
01/10/2012	31/12/2012	0	0	0	0
01/01/2013	31/03/2013	0	1	1	0
Total		0	0	0	0
Complaint pending at beginning of the year			= 0		
Complaint received during the year			= 0		
Complaint resolved during the year			= 0		
Complaint pending at the end of the year			= 0		

6. Annual General Body Meetings :

Location, Date and Time for last three Annual General Meetings were as follows :

Year	Location	Date	Time
2009-10	B-53, 5 th Floor, A-Wing, "New York Tower", Thaltej Cross Road, Sarkhej Gandhinagar Highway, Ahmedabad-380054.	30/09/2010	11:30 a.m.
2010-11	81, 8 th Floor, A-Wing, "New York Tower", Thaltej Cross Road, Sarkhej Gandhinagar Highway, Ahmedabad-380054.	30/09/2011	11:30 a.m.
2011-12	81, 8 th Floor, A-Wing, "New York Tower", Thaltej Cross Road, Sarkhej Gandhinagar Highway, Ahmedabad-380054.	29/09/2012	11:30 a.m.

At the ensuing Annual General Meeting there is no resolution proposed to be passed by Postal Ballot pursuant to the provisions of Section 192A of the Companies Act, 1956.

Whether any Special Resolutions :

- | | |
|--|--------|
| (a) Were put in the previous AGM | : No |
| (b) Were put through Postal Ballot last year | : No |
| Details of voting pattern | : N.A. |
| Persons who conducted postal ballot exercise | : N.A. |
| (c) Are proposed to be conducted through postal ballot | : No |
| (d) Procedure for postal ballot | : N.A. |

7. Disclosures :

7.1 There are no materially significant related party transactions i.e. transactions of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflicts with the interests of the company at large in the financial year 2012-2013.

7.2 The Company has complied with all the mandatory requirements of the Revised Clause 49 of the Listing Agreement.

8. Means of Communication

The Company regularly intimates quarterly un-audited as well as yearly audited financial results to the Stock Exchanges, immediately after the same are taken on record by the Board. These results are normally published in "The Free Press Gujarat" an English daily and in "Lokmitra" Gujarati Daily News Paper. These are not sent individually to the Shareholders.

The Management Discussion and Analysis Report forms part of this report.

9. General Shareholder Information**9.1 Nineteenth Annual General Meeting**

Date : 30th day of September, 2013

Time : 11:30 a.m.

Venue : 81, 8th Floor, A-Wing, "New York Tower",
Opp: Muktidham Derasar, Thaltej,
S. G. Highway, Ahmedabad-380054

As required under Clause 49(IV)(G)(i), particulars of Directors seeking appointment/re-appointment are given in annexure to the Notice of the Annual General Meeting to be held on 30th September, 2013.

9.2 Financial Year / Calendar

The Company follows April to March as its Financial Year. The results for every quarter beginning from April are being declared in the month following the quarter as per the Listing Agreement.

9.3 Date of Book Closure

From Monday, 23rd day of September, 2013 to Monday, 30th day of September, 2013, (both days inclusive).

9.4 Listing of Equity Shares on Stock Exchanges at :

Bombay Stock Exchange Limited, Mumbai (BSE),
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai -400001.

Annual listing fees for the year 2013-2014, as applicable, have been paid to the Mumbai Stock Exchange Limited. The Company has also paid Annual Custodial Fees for the year 2013-2014, as applicable, to National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL].

9.6 Stock Code

Bombay Stock Exchange Limited : 531870
Demat ISIN Number in NSDL & CDSL for Equity Shares : INE370C01015

9.7 Registrar and Transfer Agents

Link intime India Private Limited
(Previously Known as Intime Spectrum Registry Limited)

Registered Office : C/13, Panalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai – 400 078
Tel : 91-22-2596 3838 Fax : 91-22-2594 6969
e-Mail: bombay@linkintime.co.in

9.8 Share Transfer / Demat System

All the shares related work is being undertaken by our R & T Agent, Link Intime India Private Limited (Previously Known as Intime Spectrum Registry Limited), Mumbai. To expedite the process of share transfer, transmission, split, consolidation, re-materialization and de-materialization etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's R & T Agent under the supervision and control of the Compliance Officer Shri. Ronak D. Doshi, who is placing a summary statement of transfer / transmission etc. of securities of the Company at the meeting of the Shareholders' and Investors' Grievance Committee.

Share lodged for transfer at the R & T Agents address in physical form are normally processed and approved within 15 days from the date of its received, subject to the documents been valid and complete in all respect. Normally, the entire request for de-materialization of shares is processed and the confirmation is give to the Depository within 15 days. The investors / shareholders grievances are also taken-up by our R & T Agent.

The Company has obtained and filed with the Stock Exchange(s), the half yearly certificates from a Company Secretary in Practice as required under Clause 47(c) of the Listing Agreement.

9.9 Distribution Schedule and Shareholding Pattern as on 31st March, 2013**Distribution Schedule:**

No. of equity shares held	No. of holders	% of Total	No. of shares	% of Total
1 - 500	1000	80.4505	132835	0.9488
501 - 1000	105	8.4473	92579	0.6613
1001 - 2000	43	3.4594	70718	0.5051
2001 - 3000	15	1.2068	36638	0.2617
3001 - 4000	13	1.0459	46900	0.3350
4001 - 5000	7	0.5632	32500	0.2321
5001 - 10000	7	0.5632	41113	0.2937
10001 and Above	53	4.2639	13546917	96.7623
Total	1243	100.00	14000200	100.00

Shareholding Pattern :

Sr. No.	Category	As on March 31, 2013		As on March 31, 2012	
		Nos. of Shares held	Voting Strength %	Nos. of Shares held	Voting Strength %
1	Promoters	8477505	60.55	8424000	58.74
2	Mutual Fund & UTI	0	0.00	0	0.00
3	Bank, Financial Institutions (FI's), Insurance Companies	0	0.00	0	0.00
4	Foreign Institutional Investors (FII's)	0	0.00	0	0.00
5	Private Bodies Corporate	2318282	16.56	2245925	16.04
6	Indian Public	3192899	22.81	3523774	25.17
7	Clearing Member	11514	0.08	6501	0.04
	Total	14000200	100.00	14000200	100.00

9.10 De- materialization of Shares and Liquidity

The Company's Shares are in compulsory Demat segment and as on 31st March, 2013. 1,16,64,700 Equity Shares of the Company forming 83.32% of the company's paid - up Equity share capital is in dematerialized form.

9.11 Out standing GDR/DR/Warrants or any Convertible Instruments - Not applicable.**9.12 Address for correspondence**

a)	Investor Correspondence for transfer / de-materialization of shares and any other query relating to the shares of the Company.	Link intime India Private Limited C/13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West) Mumbai - 400 078. Tel : 91-22-2596 3838 Fax : 91-22-2594 6969 e-Mail: bombay@linkintime.co.in
b)	Any other query and Annual Report	Secretarial Department 81, 8 th Floor, A-Wing, "New York Tower", Thaltej Cross Road, Sarkhej Gandhinagar Highway, Ahmedabad-380054 Tel : 079-65415149 Fax : 079-26854831 e-mail : popularestatementmanagement@yahoo.co.in

9.13 Reconciliation of Share Capital Audit Report :

The Reconciliation of Share Capital Audit Report of the Company prepared in terms of SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002 reconciling the total shares held in both the depositories, viz NSDL and CDSL and in physical form with the total issued / paid-up capital of the Company were placed before the Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

CEO / MD CERTIFICATION PURSUANT TO CLAUSE 49 (V) OF THE LISTING AGREEMENT

To
The Board of Directors
Popular Estate Management Limited.
81, 8th Floor, A-Wing, "New York Tower",
Opp : Muktidham Derasar, Thaltej,
S. G. Highway,
Ahmedabad-380054.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

I, Rambhai Prajapati, Chief Executive Officer of the Company M/s. Popular Estate Management Limited, hereby certify that for the financial year ending 31st March, 2013 on the basis of the review of the financial statements and the cash flow statement and to the best of my knowledge and belief that :

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year 2012-2013 which are fraudulent, illegal or in violation of the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls. I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control systems and that I have taken the required steps to rectify these deficiencies.
5. I further certify that :
 - a) there have been no significant changes in internal control during this year.
 - b) there have been no significant changes in accounting policies during this year.
 - c) there have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Place : Ahmedabad
Date : 27/05/2013

Sd/-

Rambhai J Prajapati
Chief Executive Officer

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Popular Estate Management Limited

We have examined the compliance of conditions of Corporate Governance by POPULAR ESTATE MANAGEMENT LIMITED, for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

Place : Ahmedabad
Date : 27/05/2013

For Patel & Jesalpura
Chartered Accountants

Sd/-
Ashok P. Patel
Partner
Membership No.: 40482

**CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE
UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

To,
The Members
Popular Estate Management Limited

We have examined the compliance of condition of corporate governance by Popular Estate Management Limited ('the Company') for the year ended 31st March, 2013 as stipulated in Clause 49 of Listings Agreement of the company with Stock Exchange(s). We have conducted our review on the basis of relevant records and documents maintained by the Company for the year ended 31st March, 2013 and furnished to us for the purpose of the review and the information and explanation given us by the Company during the review.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that no investor grievance is pending for period exceeding one month against the Company as per the records maintained by the Company.

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

Place : Ahmedabad
Date : 27/05/2013

For, Ashok P. Pathak & Co.
Company Secretaries

Sd/-
Ashok P. Pathak
Company Secretary
Membership No.: 9939

PATEL & JESALPURA
CHARTERED ACCOUNTANTS

803/804, SAMUDRA ANNEXE
NEAR CLASSIK GOLD HOTEL, C.G. ROAD,
NAVRANGPURA, AHMEDABAD - 380 006.

The Members,
POPULAR ESTATE MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT

Report on The Financial Statements

We have audited the accompanying financial statements of Popular Estate Management Limited, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility :

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. The Company has not made provision for Wealth Tax and hence to that extent the Loss is understated and Current Liabilities are understated. In absence of necessary details the amount is not quantifiable
3. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books subject to Para 2
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Date : 27th May, 2013
Place : Ahmedabad

For Patel & Jesalpura
Chartered Accountants
FR No.: 120802W

Sd/-
Ashok P. Patel
Partner
M No.: 040482

ANNEXURE TO AUDITORS' REPORT**Referred to in Paragraph 1 under the heading of Report on Other Legal and Regulatory Requirements**

- 1) In respect of its fixed assets :
 - (a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information
 - (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification
 - (c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 2) The Company does not have any inventories and hence this clause of the order is not applicable to the company.
- 3)
 - (a) The company has granted interest free loans, secured or unsecured to Seven parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1391.38 lacs and the year end balance of loans granted to such parties was Rs. 1037.16 lacs.
 - (b) These loans are granted at NIL Rate of Interest. Further in absence of stipulation of terms repayment of company we are unable to comment as regards whether the same is prejudicial to the interest of the company or not.
 - (c) In view of above we are not able to give comment on para (3) (c) and (d) of the Companies (Auditor's Report) Order, 2003.
 - (d) The company has taken unsecured loans from Five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs..102. 15 lacs and the year end balance of loans taken from them was Rs. 23.89 lacs.
 - (e) In absence of stipulated terms for repayment of loans, we are not able to give comment on para 3 (f) and (g) of the Companies (Auditor's Report) Order, 2003.
- 4) As informed to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of investments and fixed assets. During the course of our audit, no major weaknesses in internal control had come to our notice.
- 5)
 - (a) As informed to us, the particulars of contracts or arrangement that need to be entered into the registers in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information given to us, there are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts entered in the register maintained under section 301 of the companies Act, 1956 aggregating during the year to Rs. 500000/- or more in respect of each party.
- 6) The Company has not accepted any deposits from the public within the meaning of Section 58A of Companies Act, 1956.
- 7) In our opinion and according to the information given to us, the company has internal audit system commensurate with the size and nature of the business.
- 8) As informed to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act. 1956.
- 9) In respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examinations of the books of account, the Company has been regular in depositing undisputed amounts with the

appropriate authorities in respect of Statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues, wherever applicable to it.

- (b) Further as informed to us, there are no undisputed dues payable for a period of more than six months as at 31st March 2013, from the date they became payable.
 - (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, Service tax, excise duty and cess, which have not been deposited on account of any dispute.
- 10) The company does not have any accumulated losses at the end of the financial year however has incurred cash losses during the current financial year. Further no cash Loss is incurred in the immediately preceding financial year.
 - 11) According to the information and explanations given to us, the company is generally regular in repayment of dues to a financial institution, and bank. The company has not issued any debentures.
 - 12) In our opinion and according to the information given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
 - 13) In our opinion, the company is not a chit fund or a Nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
 - 14) The company has maintained proper records showing full particulars of its investments. The investments are held by the company in its own name.
 - 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
 - 16) The Company has not availed of any term loans during the year, nor is there any amount outstanding in respect of term loans taken in earlier years.
 - 17) According to the information and explanations given to us, the Company has not raised any short-term borrowings during the year, and nor are there any borrowings of earlier years which have been utilized during the year. As such the question of commenting on their utilization does not arise.
 - 18) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - 19) The Company has no debentures issued and outstanding during the year.
 - 20) During the year, the Company has not raised money by Public issue and hence the question of disclosure and verification of end use of such monies does not arise.
 - 21) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

Date : 27th May, 2013

Place : Ahmedabad

**For Patel & Jesalpura
Chartered Accountants
FR No.: 120802W**

**Sd/-
Ashok P. Patel
Partner
M No.: 040482**

BALANCE SHEET AS ON 31ST MARCH, 2013

Particulars	Note	As At 31.3.2013 Rs.	As At 31.3.2012 Rs.
I. EQUITY AND LIABILITIES :			
(1) Shareholders' Funds :			
(a) Share Capital	1	140002000	140002000
(b) Reserves and Surplus	2	129123639	224635582
		269125639	364637582
(2) Non Current Liabilities :			
(a) Long Term Borrowings	3	7482594	30640283
(b) Deferred Tax Liabilities (Net)		1694293	0
(c) Other Long Term Liabilities		0	0
		9176887	30640283
(3) Current Liabilities :			
(a) Short Term Borrowings	4	3110000	0
(b) Trade Payables	5	1074267	544153
(c) Other Current Liabilities	6	2113116	427240
(d) Short Term Provisions	7	0	3000
		6297383	971393
Total		284599909	396249258
II ASSETS :			
(1) Non Current Assets :			
(a) Fixed Assets	8		
(i) Tangible Assets		18967755	21973022
(ii) Intangible Assets		0	0
(iii) Capital work-in-progress		0	0
(iv) Intangible assets under development		0	0
(b) Non-current Investments	9	119828566	119828566
(c) Long Term Loans and Advances	10	134244807	243973182
		273041128	385774770
(2) Current Assets :			
(a) Current Investments	11	7965110	7802610
(b) Cash and Cash Equivalents	12	480814	524429
(d) Short Term Loans and Advances	13	3112857	2147449
		11558781	10474488
Total		284599909	396249258
See accompanying notes to the financial statements	18		

As per our report of even date annexed

For, Patel & Jesalpura
Chartered Accountants
Firm Reg. No. 120802W
Sd/-

Ashok P. Patel
Partner
M. No. 040482

Place : Ahmedabad
Date :

For, Popular Estate Management Limited

Sd/-	Sd/-	Sd/-
R.B. Patel Chairman & Managing Director	D.B. Patel Whole-Time Director	Ronak Doshi Company Secretary ACS : 23712

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note	Year ended 31.3.2013 Rs.	Year ended 31.3.2012 Rs.
I. Revenue from Operations		0	0
II. Other Incomes	14	471	16627346
III. Total Revenue (I + II)		471	16627346
IV. Expenses :			
Employee Benefit Expenses	15	4120497	4121002
Other Expenses	16	86274730	3397846
Finance Costs	17	395627	139359
Depreciation and Amortization Expense	8	3027267	2506241
Total Expenses (IV)		93818121	10164448
V. Profit/(Loss) before Exceptional and Extraordinary Items and Tax (III - IV)		-93817650	6462898
VI. Exceptional Items		0	0
VII. Profit/(Loss) before Extraordinary Items and Tax (V - VI)		-93817650	6462898
VIII. Extra Ordinary Items Compensation received for relinquishment of right to sue in the matter of sale of land		0	180253000
IX. Profit/(Loss) before Tax (VII + VIII)		-93817650	186715898
X. Tax Expense :			
(1) Current tax		0	1525000
(2) Deferred Tax		1694293	0
XI. Profit/ (Loss) for the period from Continuing Operations (IX - X)		-95511943	185190898
XII. Profit/Loss from Discontinuing Operations		0	0
XIII. Tax Expense of Discontinuing Operations		0	0
XIV. Profit/ (Loss) from Discontinuing Operations (after Tax) (XII - XIII)		0	0
XV. Profit/ (Loss) for the Period (XI + XIV)		-95511943	185190898
XVI. Earnings Per Equity Share			
(1) Basic		-6.82	13.23
(2) Diluted		-6.82	13.23

As per our report of even date annexed

For, Patel & Jesalpura
Chartered Accountants
Firm Reg. No. 120802W
Sd/-

Ashok P. Patel
Partner
M. No. 040482

Place : Ahmedabad
Date :

For, Popular Estate Management Limited

Sd/-	Sd/-	Sd/-
R.B. Patel Chairman & Managing Director	D.B. Patel Whole-Time Director	Ronak Doshi Company Secretary ACS : 23712

ANNEXURES TO BALANCE SHEET

Particulars	As At 31.3.2013 Rs.	As At 31.3.2012 Rs.
-------------	---------------------------	---------------------------

NOTE # 1 - SHARE CAPITAL :**AUTHORISED :**

4,50,00,000 Equity shares of Rs. 10/- each	450000000	450000000
--	------------------	-----------

ISSUED, SUBSCRIBED AND PAID UP :

14000200 shares of Rs. 10 each Fully paid up	140002000	140002000
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Total

140002000	140002000
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Terms/Rights attached to Equity Shares :

The Company is having only one class of Equity shares having par value of Rs. 10/ each.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity Shares	31-03-2013		31-03-2012	
	No.	Amt. Rs.	No.	Amt. Rs.
At the beginning of the period	14000200	140002000	14000200	140002000
Add : New issue during the period	0	0	0	0
Outstanding at the end of period	14000200	140002000	14000200	140002000

Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholders	Percentage Holding		No. of shares	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Ramanbhai Bholidas Patel	8.03	8.03	1125700	1125700
Mayurikaben Ramanbhai Patel	6.65	6.65	931500	931500
Lataben Dashrathbhai Patel	6.41	6.41	897900	897900
Dashrathbhai Bholidas Patel	6.20	6.20	868000	868000
Chhaganlal Bholidas Patel	6.93	6.93	970900	970900
Prathmesh Chhaganlal Patel	5.33	5.33	746900	746900
Maunang Ramanbhai Patel	5.74	5.74	803800	803800

As per the records of the Company, including its register of shareholders/Members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

NOTE # 2 - RESERVES AND SURPLUS :**(A) GENERAL RESERVE :**

As per Last Balance Sheet	715000	715000
Addition during the year	0	0
	715000	715000

(B) PROFIT AND LOSS ACCOUNT :

Balance as per last year	223920582	39438871
Addition during the year	-95511943	185190898
	128408639	224629769
Less : Short Provision of taxes of earlier years	0	709187
	128408639	223920582
Total	129123639	224635582

ANNEXURES TO BALANCE SHEET

Particulars	As At 31.3.2013 Rs.	As At 31.3.2012 Rs.
NOTE # 3 - LONG TERM BORROWINGS :		
Term Loans (Secured) :		
From Bank against HPA of Motor Cars (The above loan carries interest @ 9.88% p.a. The loan is repayable in 36 monthly instalments of Rs.63900 including interest from the date of loan i.e. 01-03-2012) (The above loan is secured against HPA of motor cars)	511236	1885490
From Finance Company against HPA of Motor Cars (The above loan carries interest @ 11.7959% p.a. The loan is repayable in 36 monthly instalments of Rs.144000 including interest from the date of loan i.e. 27-12-2011) (The above loan is secured against HPA of motor cars)	241358	2504793
Inter Corporate Loans from related parties (Unsecured, Considered good)	0	9815000
Other Intercorpoarte Loans (Unsecured, considered good)	6730000	16435000
Total	7482594	30640283
NOTE # 4 - SHORT TERM BORROWING :		
Loans from related parties (Unsecured, Considered good)	2040000	0
Other Loans (Unsecured, considered good)	1070000	0
Total	3110000	0
NOTE # 5 - TRADE PAYABLES :		
Principal amount due and remaining unpaid	1074267	544153
Total	1074267	544153
NOTE # 6 - OTHER CURRENT LIABILITIES :		
Current maturity of long term debts	1732800	144000
Unpaid Dividend	317166	245702
Statutory remittances	61690	18230
Other payable	1460	16308
Total	2113116	424240
NOTE # 7 - SHORT TERM PROVISIONS :		
Provision for Employee Benefits	0	3000
Total	0	3000

ANNEXURES TO BALANCE SHEET

NOTE # 8 - TANGIBLE ASSETS :

Description of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 1-4-2012	Additions	Sale/ Disposal	Total as on 31-3-2013	Up to 1-4-2012	For the Year	Adjust-ments	Up to 31-3-2013	Net carrying amount As on 31-3-2013	Net carrying amount As on 31-3-2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computers	8017800	0	0	8017800	7402601	380846	0	7783447	234353	615199
Office Equipments	4583147	0	0	4583147	2343467	217699	0	2561166	2021981	2239680
Furniture and Fixtures	1068174	0	0	1068174	620811	67616	0	688427	379747	447363
Vehicles	24852766	22000	0	24874766	6181986	2361106	0	8543092	16331674	18670780
Total	38521887	22000	0	38543887	16548865	3027267	0	19576132	18967755	21973022
Previous Year	30544664	7977223	0	38521887	14042624	2506241	0	16548865	21973022	

Particulars

As At
31.3.2013
Rs.As At
31.3.2012
Rs.

NOTE # 9 - NON CURRENT INVESTMENTS :

Investment Property -Land	119828566	119828566
Total	119828566	119828566

NOTE # 10 - LONG TERM LOANS AND ADVANCES :
(Unsecured, Considered good)

Security Deposits	142200	179700
Advances to related parties against banakhat	103001607	139138407
Other loans and Advances	31101000	104655075
Total	134244807	243973182

Details of advances to Related Parties against banakhat

Kokilaben C Patel	25521000	25991000
Lataben D Patel	38590000	43890000
Maunang R Patel	4582200	15859000
Mayurikaben R Patel	34308407	43528407
Priyesh R Patel	0	9190000
Vikram C Patel	0	680000
Total	103001607	139138407

NOTE # 11 - CURRENT INVESTMENTS :

Investment in Partnership Firms	7965110	7802610
Total	7965110	7802610

Share in
Profit/LossShare in
Profit/Loss

(A) JAY AMBE ENTERPRISE :

(i) Name of the partners : Popular Estate Management Limited	23.00	23.00
(ii) Total Capital of the firm	14173618	13520283

(B) SHIV ENTERPRISE :

(i) Name of the partners Popular Estate Management Ltd.	23.00	23.00
(ii) Total Capital of the firm :	17397023	17397023

ANNEXURES TO BALANCE SHEET

Particulars	As At 31.3.2013 Rs.	As At 31.3.2012 Rs.
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NOTE # 12 - CASH AND CASH EQUIVALENTS :

Balance with banks In current accounts	434093	470993
Cash on Hand	46721	53436
Total	480814	524429

**NOTE # 13 - SHORT TERM LOANS AND ADVANCES :
(Unsecured, Cosidered good)**

Other Loans and advances	891165	44331
Advance Payment of Income tax	2062373	1962373
Prepaid Expenses	159319	140745
Total	3112857	2147449

ANNEXURES TO PROFIT AND LOSS STATEMENT

Particulars	Year ended 31.3.2013 Rs.	Year ended 31.3.2012 Rs.
-------------	--------------------------------	--------------------------------

NOTE # 14 - OTHER INCOMES :

Commodity Trading Profit	0	108159
Surplus on compulsory acquisition of Land	0	16519187
Kasar Vatav	471	0
Total	471	16627346

NOTE # 15 - EMPLOYEE BENEFIT EXPENSES :

Salaries and Wages	1154187	954262
Bonus	297210	248420
Director Remuneration	2650000	2900000
Staff Welfare Expenses	19100	18320
Total	4120497	4121002

NOTE # 16 - OTHER EXPENSES :

Travelling and Conveyance	25573	32657
Advertisement expenses	27480	295820
Postage and Telephone	40939	25259
Insurance	254089	125522
Electricity expenses	199482	115856
Rent, Rates and Taxes	1913094	895104
Professional and legal Expenses	77532	63975
Repairs and Maintenance	413644	183469
Custodian Charges	67416	66180
Listing Fees	45344	44120
Audit Fees	89888	89888
Vehicle Running charges	163980	133023
Donation	0	1111111
General Expenses	219194	215862
Balances written off	82737075	0
Total	86274730	3397846

ANNEXURES TO PROFIT AND LOSS STATEMENT

Particulars	Year ended 31.3.2013 Rs.	Year ended 31.3.2012 Rs.
NOTE # 17 - FINANCE COSTS :		
Interest Expense	377911	119802
Other Borrowing Costs	17716	19557
Total	395627	139359

NOTE # 18 - NOTES TO FINANCIAL STATEMENTS :**1. Corporate Information :**

Popular Estate Management Limited is a public company domiciled in India and incorporated under the Provisions of Companies Act, 1956. It is listed on Bombay Stock Exchange. The Company is engaged in construction and engineering activities etc.

2. Basis of Preparation :

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). To comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules 2006, (as amended) and relevant provisions of the companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention method.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies :**a. Use of Estimates :**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets :

All Tangible Fixed Assets are valued at cost. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

c. Depreciation of tangible fixed assets :

Company has provided depreciation on Straight Line Method on all Assets at the rates prescribed under Schedule XIV of the Companies Act, 1956.

d. Revenue recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

e. Retirement and other employee benefits :

Retiring Benefits, if any, are considered as Payable in the year in which paid.

f. Income Tax :

Tax expenses comprise current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income Tax :

The Company has accounted for deferred tax in accordance with the Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Consequently, deferred taxes have been recognized in respect of following items of timing differences between accounting income and the taxable income.

Item of timing Differences	Accumulated Deferred tax Assets/ (Liability) as at 1-4-2012	(Charge) / Credit during the year 31-3-2013	Balance Asset / (Liability) as at
Depreciation	(Rs.0)	Rs. 16,94,293	Rs. 16,94,293
Total	(Rs.0)	Rs. 16,94,293	Rs. 16,94,293

g. Earning per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

h. Provisions :

A provision is recognized when the company has a present obligation as a result of past event. It is possible that an outflow of resources embodying benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

i. Contingent liabilities :

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but disclosed its existence in the financial statements.

j. Cash and cash equivalents :

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand.

3. RELATED PARTY DISCLOSURES :

As per Accounting Standard 18, the disclosures of transactions with the related parties, disclosing relationship, nature of transaction and quantum of transaction are as under:

Transactions with Related Parties :

Relationship	Name of Related Party	Nature of Transaction	Amount Received/ Credited during the year Rs.	Amount Paid / Debited during the year. Rs.	Balance As on 31/03/2013
Key Managerial Personnel	Dashrathlal Bholdas Patel	Director Remuneration	12,75,000	13,60,000	85,000 (Dr)
	Ramanlal Bholdas Patel		15,75,000	16,00,000	25,000 (Dr)
	Chhaganlal Bholdas Patel		4,50,000	2,37,600	2,12,400 (Cr)

Relationship	Name of Related Party	Nature of Transaction	Amount Received/ Credited during the year Rs.	Amount Paid / Debited during the year. Rs.	Balance As on 31/03/2013
Relatives of Key Managerial Personnel	Kokilaben C. Patel	Net Loans and Advances Accepted/ (Given)	4,70,000	0	2,55,21,000 (Dr)
	Lataben D. Patel		1,03,74,320	50,74,320	3,85,90,000 (Dr)
	Maunang R. Patel		1,39,93,120	27,16,320	45,82,200 (Dr)
	Mayurikaben R. Patel		1,02,13,170	9,93,170	3,43,08,407 (Dr)
	Prathmesh C. Patel		55,820	55,820	0
	Priyesh R. Patel		1,21,38,390	25,98,680	3,49,710 (Cr)
	Vikram C. Patel		5,49,060	49,060	1,80,000 (Dr)
Companies over which Key Managerial Personnel are able to exercise significant influence	Nasalvish Investment Private Limited	Loans and Advances Accepted/ (Given)	25,14,650	66,64,650	5,35,000 (Dr)
	Prathmesh Investment Private Limited		12,16,380	66,91,380	7,25,000 (Cr)
	Ramyuri Investment Private Limited		11,62,690	2,27,690	9,35,000 (Cr)
	Dashrath Investment Private Limited		6,03,380	2,23,380	3,80,000(Cr)
Firm in which the company is Partner	Jay Ambe Enterprise	Capital Contribution	0	1,62,500	36,17,902 (Dr)
	Shiv Enterprise		0	0	43,47,208 (Dr)

4. **Earnings and Expenditure in Foreign Currency :**
- | | <u>Previous Year Rs.</u> | <u>Current Year Rs.</u> |
|---------------------------------|--------------------------|-------------------------|
| Earnings in Foreign Currency | Nil | Nil |
| Expenditure in Foreign Currency | Nil | Nil |
5. Directors Remuneration amounting to Rs 26,50,000/- is after adjusting the Excess Remuneration of Rs 5,00,000/- paid in earlier financial year.
6. The company operates only in one segment i.e. Infrastructure and hence there is no other primary reportable segment as required by AS 17 on Segment Reporting as Issued by ICAI.
7. Previous Year's figures have been regrouped, rearranged and rescheduled wherever necessary to reflect its true nature.

As per our report of even date annexed

For, Patel & Jesalpura
Chartered Accountants
Firm Reg. No. 120802W
Sd/-

Ashok P. Patel
Partner
M. No. 040482

Place : Ahmedabad
Date :

For, Popular Estate Management Limited

Sd/-	Sd/-	Sd/-
R.B. Patel Chairman & Managing Director	D.B. Patel Whole-Time Director	Ronak Doshi Company Secretary ACS : 23712

CASH FLOW STATEMENT FOR THE YEAR 2012-13

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit/(Loss) Before Tax as per Profit and Loss Account		-95511943		185190898
Adjusted for :				
Interest and Finance Charges	395627		139359	
Net Gain on Sale of Investment	0		-16519187	
Extra Ordinary Items	0		-180253000	
Differed Tax Liability	1694293		0	
Provision for Income Tax	0		1525000	
Short Provision of Income Tax of Earlier Years	0		-709187	
Balances written off	82737075		0	
Depreciation	3027267	87854262	2506241	-193310774
Operating Cash Flow Before Working Capital Change and Exceptional and Extra Ordinary Items				
Adjusted for :				
(Increase) / Decrease in Trade and Other Receivables	-83864983		-3607330	
	0		0	
Increase / (Decrease) in Trade and Other Payables	5325990		20934	
	0		0	
Operating Cash Flow before Exceptional and Extra Ordinary Items :		-78538993		-3586396
Adjusted for :				
Exceptional Items	0		0	
Extra Ordinary Items	0	0	180253000	180253000
Cash Flow from Operating Activities		-86196674		168546728
Net Prior Year adjustment	0		0	
Income Tax paid	0	0	-1525000	-1525000
Net Cash flow from Operating activities		-86196674		167021728
B. CASHFLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	-22000		-7977223	
Sales of Investments	0		16873733	
Increase in Investments	0			
Increase in Advances & others	0		0	
Reduction in Advance and Others		109728375		27476000
Net Cash used in Investing activities		109706375		36372510
C. CASHFLOW FROM FINANCING ACTIVITIES :				
Repayment of Long Term Borrowings	-23157689		-203826358	
Interet and Finance Charges	-395627		-139359	
		-23553316		-203965717
Net Cash Flow from the Operations		-43615		-571479
Opening Cash and Cash Equivalent		524429		1095908
Closing Cash and Cash Equivalent		480814		524429

For, Patel & Jesalpura
Chartered Accountants
Firm Reg. No. 120802W
Sd/-
Ashok P. Patel
Partner
M. No. 040482
Place : Ahmedabad
Date :

For, Popular Estate Management Limited

Sd/-
R.B. Patel
Chairman &
Managing Director

Sd/-
D.B. Patel
Whole-Time
Director

Sd/-
Ronak Doshi
Company Secretary
ACS : 23712

FORM OF PROXY

I/We _____ of _____
_____ in the district of _____ Being a
member / members of the above named company hereby appoint _____ of the
District of _____ or failing him/her _____ of
_____ in the district of _____ as my / our
proxy to vote for / me / us on my / our behalf at the 19th Annual General Meeting of the members of the company
to be held on Monday, 30th day of September, 2013 at 11:30 a.m. and at any adjournment thereof.

Signed this _____ days of _____ 2013

Signed _____

L.F.No.: _____ No. of Shares (s) held _____

DP Id.* _____ No. of Shares (s) held _____

Client Id. _____

1. Rupees
Revenue
Stamp

Note :- 1. A Member entitled to attend and vote is entitled to appoint a proxy to attend vote instead of himself.
2. A Proxy need not be a member.
3. The proxy form duly completed must be deposited at the registered Office of the Company not less
that 48 hours before the time for holding the Meeting.
The proxy need not be a Member of the Company.

*Applicable for investors holding shares in electronic form

POPULAR ESTATE MANAGEMENT LIMITED 19TH ANNUAL REPORT ATTENDANCE SLIP

Reg. Folio No. _____

DP Id.* _____

Client Id.* _____

I certify that I am a registered shareholder / proxy for the registered shareholder of the company.

I hereby record my presence at the 19th Annual General Meeting of the company at 81, 8th Floor, A-Wing,
"New York Tower", Opp : Muktidham Derasar, Thaltej, S. G. Highway, Ahmedabad-380054 at 11:30 a.m. on
Monday, 30th day of September, 2013.

Member's / Proxy's name
In Block Letters

Member's / Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the entrance of the meeting hall.

*Applicable for investors holding shares in electronic form.

Book Post

To

If undelivered Please return to :

POPULAR ESTATE MANAGEMENT LIMITED

81, 8th Floor, A-Wing, "New York Tower",

Opp : Muktidham Derasar, Thalaj,

S. G. Highway, Ahmedabad-380054