



POPULAR ESTATE MANAGEMENT LIMITED

18TH

ANNUAL REPORT

2011-2012

BOARD OF DIRECTORS

Shri. Ramanbhai B. Patel
Shri. Dashrathbhai B. Patel
Shri. Chhaganbhai B. Patel
Shri. Purshottam M. Pandya
Shri Purshottam H Pandya
Shri. Suresh N. Patel

Chairman & Managing Director
Whole Time Director
Director
Director
Director
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: popularestatemanagement@yahoo.co.in
Website : www.popularestatemanagement.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.popularestatemanagement.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, 2012

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.popularestatemanagement.com**

NOTICE

NOTICE is hereby given that the Eighteenth 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 Saturday, 29th day of September, 2012 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 2012, and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri. Dashrathbhai B. Patel who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri. Suresh N Patel 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."

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

Date : 27th May, 2012

By Order of the Board
For, Popular Estate Management Limited

Sd/-
Ramanbhai B. Patel
Chairman & Managing Director

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 and 3 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 Saturday, 22nd day of September, 2012 to Saturday, 29th day of September, 2012 (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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Date : 27th May, 2012

By Order of the Board
For, Popular Estate Management Limited

Sd/-
Ramanbhai B. Patel
Chairman & Managing Director

ANNEXURE TO THE NOTICE

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	Dashrathbhai B Patel
Qualification	B. Com
Experience	Over 29 years of wide ranging experience
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	868000 Equity shares of Rs. 10 each
Disclosure of the relationships	Shri. Dashrathbhai B. Patel is Brother of Shri. Ramanbhai B. Patel, Chairman & Managing Director and Shri. Chhaganbhai B. Patel, Director of the Company

Item No. 3

Name	Sureshbhai N Patel
Qualification	Commerce Graduate
Experience	Over 13 years of wide ranging experience
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. Sureshbhai N. Patel is not, in any way, concerned / interested / related with any of the other directors of the company

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Date : 27th May, 2012

By Order of the Board
For, Popular Estate Management Limited

Sd/-
Ramanbhai B. Patel
Chairman & Managing Director

DIRECTORS' REPORT

To,
The Members,
Popular Estate Management Limited,
Ahmedabad

Your directors have pleasure in presenting herewith their Eighteenth Annual Report together with the Audited Statements of Accounts for the period ended 31st March, 2012.

FINANCIAL RESULTS :

Particulars	Current Year Ended on 31/03/2012	Previous Year Ended on 31/03/2011
Income from operations	0.00	0.00
Other Income	1,66,27,346.00	0.00
Depreciation	25,06,241.00	22,63,327.00
Employee Benefit, finance and other exp.	76,58,207.00	50,84,390.00
Preliminary Exp. Written off	0.00	6,20,716.00
Net Profit/(Loss) Before Tax	18,67,15,898.00	(73,47,716.77)
Current Tax	15,25,000.00	0.00
Profit/(Loss) After Tax	18,51,90,898.00	(73,47,716.77)
Proposed Dividend	0.00	0.00
Provision for dividend distribution Tax	0.00	0.00
Profit/(Loss) after Tax & Dividend	18,51,90,898.00	(73,47,716.77)
Bal. Brought Forward	3,94,38,871.00	4,67,86,588.00
Less : Income Tax paid for previous year	0.00	0.00
Less : Dividend Tax paid of previous year	0.00	0.00
Balance Carried to Balance Sheet	22,39,20,582.00	3,94,38,870.96

DIVIDEND :

In order to conserve the resources, your directors do not recommend any dividend for the year 2011-12.

BOARD OF DIRECTORS :

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

There is no other appointment or cessation of any director during the year under view.

REVIEW OF FINANCIAL PERFORMANCE, OPERATIONS AND FUTURE PROSPECTS :

During the year under report, the company has earned income of Rs. 1851.91 Lac as compared to Loss of Rs. 73.48 Lac during the previous year and the operations for the year under review have resulted into net Income of Rs. 1851.91 Lac. Your company performed well in the business and the directors are hoping better performance during the current year.

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 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 60,00,000/- p.a. or 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 re-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 (81.43% of shares in demat, 18.57% 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 :

The 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.

APPOINTMENT OF COST AUDITOR :

The company is in process of appointing a Cost Accountant to obtain from them Compliance Report for the financial year 2011-12 and 2012-13 pursuant to the requirement of Companies (Cost Accounting Records) Rules 2011.

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, 2012 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, 2012, 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.

Regd. Office :

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Date : 27th May, 2012

By Order 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 2011-2012.

Employee Emoluments :

Employees emoluments (other than managerial remuneration) is Rs. 12,21,002/- during the year as against Rs. 8,19,124/- 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.33.98 Lac as against Rs. 29.88 Lac during the previous year.

Interest and Finance Charges :

Interest and finance charges / bank charges during the year come to Rs. 1,39,359.00 as against Rs. 3,76,970.00 during the previous year.

Depreciation :

Depreciation charge for the current year came to Rs.25.06 Lac as against 22.63 Lac of the previous year.

Provision for Tax :

The Company has earned income during this year and paid Rs. 15,25,000.00 provided towards tax as against Nothing 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 after Tax :

Profit after tax for the current year is Rs.1851.91 Lac as against Loss of Rs.73.48 Lac during the previous year.

Earnings per Share :

Basic and diluted earnings per share for the current year worked out to Rs. 13.23 as against Rs.-0.52 during the previous year.

Financial Condition :

Non Current Liabilities:

The Company's Non Current Liabilities includes only Long Term borrowings of Rs. 3,06,40,283.00 as at 31st March 2012 as against 23,44,66,641.00 as at 31st March 2011.

Current Liabilities :

Company's Current Liabilities includes Trade payables and Other Current Liabilities which is amounting to Rs. 9,71,393.00 as at 31st March 2012 against Rs. 9,50,459.00 of the previous year.

Fixed Assets :

Net block of the fixed assets at the end of the year is Rs. 219.73 Lac as against Rs. 165.02 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 2012 against Rs. 12,01,83,112.00 which was at 31st March 2011.

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.