

# **PODDAR DEVELOPERS LIMITED**

**TWENTY NINTH ANNUAL REPORT  
2010 - 2011**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Dipak Kumar Poddar - Executive Chairman

Mr. Dilip J. Thakkar

Mr. Shrikant Tembey

Mr. Brian Brown

Mr. Rohitashwa Poddar - Managing Director

### COMPANY SECRETARY

Mr. Jayshankar Menon

### AUDITORS:

R. S. SHAH & COMPANY  
Chartered Accountants, Mumbai.

### BANKERS:

State Bank of India  
Kotak Mahindra Bank  
Citibank NA  
Yes Bank Ltd.  
HDFC Bank Ltd.  
DCB Bank

### REGISTERED OFFICE

Unit 3-5 Neeru Silk Mills,  
Mathuradas Mill Compound,  
126 NM Joshi Marg,  
Lower Parel (W), Mumbai 400 013.

### REGISTRAR & TRANSFER AGENTS:

Computech Sharecap Limited  
147, M. G. Road, Fort\  
Mumbai 400 023.

29th ANNUAL GENERAL MEETING  
On Monday 11th July 2011 at 3.00 p.m.  
At the Kilachand Conference Room, IMC,  
Churchgate, Mumbai 400 020.

### Contents

Notice to AGM .....	1
Directors' Report .....	3
Management Discussion & Analysis .....	5
Report on Corporate Governance .....	5
Auditors Report .....	10
Financial Statements .....	12
Statement Pursuant to Section 212 .....	34
Consolidated Financial Statements .....	35
Details of Subsidiary Companies .....	56

PODDAR DEVELOPERS LIMITED

Notice

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of PODDAR DEVELOPERS LIMITED will be held on Monday 11th July 2011 at 3.00 p.m. at Kilachand Conference Room, 2nd Floor, India Merchant Chamber, Churchgate, Mumbai 400 020 to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended 31st March 2011 and the Directors' and Auditors' Reports thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Shrikant Tembey who retires by rotation and is eligible for reappointment.
4. To appoint auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution .

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to the appointment of Shri Dipak Kumar Poddar as the Executive Chairman of the Company for a further period of 3 years with effect from 31st March 2011 upon the terms and subject to the conditions as set out hereunder, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions, in such manner as may be agreed to between the Directors and Shri Dipak Kumar Poddar but subject to the provisions contained in Schedule XIII to the Companies Act, 1956, as amended from time to time."

1. Salary:  
₹ 1,65,000/- (Rupees One Lac Sixty Five Thousand only) per month, with such annual increments / increases as may be decided by the Board of Directors from time to time.

2. Perquisites :

- (i) Company's contribution to Provident Fund to the extent these either singly or put together are not taxable under the Income Tax Act.
- (ii) Gratuity at the rate of one month's salary for each year of completed service.

- (iii) House Rent Allowance : 20% of salary.
- (iv) Expenses on Gas, Electricity, Water and furnishing subject to a ceiling of 10% of the salary of the Executive Chairman.
- (v) Reimbursement of medical expenses incurred by himself and his family subject to a ceiling of one months' salary in a year or three months' salary over a period of 3 years.
- (vi) Reimbursement of actual traveling expenses for proceeding on leave to any place in India and return therefrom once in a year in respect of himself and his family.
- (vii) Reimbursement of fees of clubs subject to a maximum of two clubs. These will not include admission and life membership fees.
- (viii) Free use of Company's car for of ficial as well as for private purposes.
- (ix) Reimbursement of telephone expenses. However, personal long distance calls shall be billed by the Company to the Executive Chairman.
- (x) One month's earned leave with full pay and allowances in a year which may be accumulated for three months. Encashment of un-availed leave will be permitted.
- (xi) Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment, as may be approved by the Board of Directors from time to time.
- (xii) Reimbursement of entertainment expenses incurred in the course of business of the Company.
- (xiii) Subject to any statutory ceiling/s, the Executive Chairman may be given any other allowances, perquisites, benefits and facilities as Board of Directors from time to time may decide.

Perquisites shall be valued as per the provisions of the Income Tax Rules, wherever applicable, and in the absence of any such rules shall be valued at actual cost.

"RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Executive Chairman shall be governed by Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification thereof"

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions from time to time as it may, in its discretion,

## TWENTY NINTH ANNUAL REPORT

deem fit and within the maximum amount payable to the Executive Chairman in accordance with the provisions of the Companies Act, 1956 or any amendments made therein or with the approval of the Central Government, if required.

By order of the Board

Jayshankar Menon  
Company Secretary

Place: Mumbai

Date: 18th May 2011

Notes :

1. A member entitled to attend at the meeting is entitled to appoint a proxy to attend and vote in a poll in his stead. A proxy need not be a member of the company. Proxy forms duly completed should be deposited at the Company's registered Office at least 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 4th July 2011 to 11th July 2011 both days inclusive for the purpose of Annual General Meeting and payment of Dividend. The payment of Dividend when declared, will be made on or after 18th July 2011 to those shareholders whose name appear.
  - a) As Members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 4th July 2011.
  - b) As Beneficial Owners as at the end of the day on 4th July 2011, as per data to be furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), in respect of the shares held in electronic form.
3. As required under the revised Clause 49 IV G of the Listing Agreement with the Stock exchange, brief profiles of Directors seeking reappointment are given in the Corporate Governance Report.
4. As required under the revised Clause 49 IV E (v) of the Listing Agreement with the Stock exchange, the shareholding of Directors in the Company who are seeking appointment / reappointment is given below:

Mr. Shrikant Tembey	1,500
Mr. Dipak Kumar Poddar	1,12,000
5. Pursuant to Section 205A to 205C of the Companies Act, 1956, any amount of dividend not claimed for a period of seven years is required to be transferred to an "Investor Education and Protection Fund". Hence shareholders who have not so far encashed their Dividend Warrants for the erstwhile financial year may immediately approach the

Company with their Dividend Warrants for revalidation. As per the amended provisions, once the amount of unclaimed dividends are transferred to the Fund on their respective due dates, no claims shall lie against the Fund or the Company.

BY ORDER OF THE BOARD

Jayshankar Menon  
Company Secretary

PLACE: Mumbai

DATED: 18th May 2011

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

Item No. 5 of the Notice

Shri Dipak Kumar Poddar was appointed as Executive Chairman of the Company for a period of 3 years with effect from 31st March 2008. The Board of Directors vide Circular Resolution dated 16th April 2011 reappointed him for a fresh term of Three Years with effect from 31st March 2011. His re-appointment and remuneration fixed in accordance with schedule XIII to the Companies Act, 1956 is subject to the approval of the Shareholders for which purpose resolution as set out in the Notice is proposed. Mr. Dipak Kumar Poddar fulfills the eligibility criteria set out under Part I of Schedule XIII to the Companies Act, 1956.

Shri Dipak Kumar Poddar 67, is an Engineering graduate from MIT USA. He has a rich and varied experience in Finance and General Management. He is on the board of Bajaj Auto Finance Ltd, VIP Industries Limited, GTL Ltd, Bajaj Allianz General Insurance Co. Ltd

He is a Member of the Audit Committee in VIP Industries, GTL Limited, Poddar Developers Limited and a member of the Shareholders/Investor's Grievance Committee of GTL Limited and Poddar Developers Limited.

Your Directors recommends the resolution for the approval of the members.

None of the Directors of the Company except Shri Dipak Kumar Poddar and Shri Rohitashwa Poddar may be deemed to be concerned or interested in passing of the Resolution.

By order of the Board

Jayshankar Menon  
Company Secretary

Place: Mumbai

Dated: 18th May 2011

**DIRECTORS' REPORT**

1. The Directors present their Twenty Ninth Annual Report and Audited Statements of Accounts for the year ended 31st March 2011.

**2. FINANCIAL RESULTS**

	2010-2011 (₹) (Consolidated)	2010-2011 (₹) (Stand-alone)	2009-2010 (₹) (Consolidated)	2009-2010 (₹) (Stand-alone)
<b>TURNOVER &amp; OTHER INCOME</b>	22,02,73,942	7,84,69,511	24,47,62,237	3,96,69,540
<b>GROSS PROFIT/ BEFORE DEPRECIATION</b>	2,28,49,384	1,35,83,498	2,34,33,939	1,20,57,757
<b>DEPRECIATION</b>	21,45,280	21,45,280	15,60,518	15,48,995
<b>PROFIT BEFORE TAXATION</b>	2,07,04,104	1,14,38,218	2,18,73,421	1,05,08,762
<b>PROVISION FOR TAXATION</b>				
<b>CURRENT</b>	10,50,000	10,50,000	1,45,155	60,000
<b>DEFERRED</b>	2,20,051	2,20,051	11,49,606	11,49,606
<b>ADD/(LESS) PRIOR YEAR ADJUSTMENT</b>	(89,277)	(94,727)	(4,87,396)	(9,77,695)
<b>LESS: MINORITY INTEREST</b>	9,36,571	-	92,415	-
<b>NET PROFIT AFTER TAX</b>	1,84,08,205	1,00,73,440	1,99,98,309	83,21,461
<b>PROFIT / (LOSS) BROUGHT FORWARD FROM PREVIOUS YEAR</b>	26,59,36,982	22,88,59,388	25,25,51,537	23,01,41,281
<b>SURPLUS AVAILABLE FOR APPROPRIATION</b>	28,43,45,187	23,89,32,828	27,25,49,846	23,84,62,742
<b>TRANSFER TO GENERAL RESERVE</b>	6,00,000	6,00,000	5,00,000	5,00,000
<b>PROPOSED DIVIDEND</b>	78,06,750	78,06,750	78,06,750	78,06,750
<b>DIVIDEND DISTRIBUTION TAX</b>	12,96,604	12,96,604	12,96,604	12,96,604
<b>BALANCE CARRIED TO BALANCE SHEET</b>	27,46,41,833	22,92,29,474	26,29,46,492	22,88,59,388

**3. DIVIDEND**

The Directors have pleasure in recommending for consideration of the Members at the Annual General Meeting, payment of Dividend of Re 1.50 per share (15%), (Previous Year 15%), for the year ended 31st March 2011. The total dividend outgo including tax thereon will be ₹ 91.03 Lacs (previous year ₹ 91.03 Lacs.)

**4. PERFORMANCE DURING THE YEAR**

The Company's First Affordable Housing Project at Bhivpuri, near Karjat, which was launched on 16th March 2010, met with a very positive response. All the 1136 flats open for booking were sold out by November 2010. The Company has commenced giving possession of the flats. The company gave possession of 48 flats in December 2010 and another 64 flats were ready for possession end March 2011. On April 3rd 2011, the company launched its Second Housing Project at Badlapur, near Kalyan. The Company opened part of the First Phase for booking and the response has been very good. This Phase comprised a mix of 1 Room Kitchen, 1 Bed Room Hall Kitchen, 2 Bedroom Hall Kitchen and 3 Bedroom Hall Kitchen, totaling approximately 236 Flats.

The company sold out all these flats in the first week of the launch. The company proposes to launch the remaining phases in a systematic manner.

The Company achieved a consolidated Turnover and Other Income of ₹ 22.03 crores as against ₹ 24.48 crores during the previous year. The company ended the year with a Net Profit of ₹ 1.84 crores after providing depreciation and Tax as against a profit of ₹ 2.00 crores during the previous year.

**FUTURE OUTLOOK**

The positive response to the company's Two Affordable Housing Project, proves that there is a very good demand for Affordable Housing. The Company plans to continue this model of construction of Affordable Housing. In this regard the company is exploring avenues whereby land can be procured for the construction of Affordable Housing.

The Company is in the process of phasing out its garment business. In view of the very encouraging business prospects of Affordable Housing in India, the Company proposes to concentrate in this line of business. The Garment business will function through the subsidiary company, but will not form the main thrust of the Company's objectives.

**5. PERSONNEL**

Industrial relations during the year were satisfactory. Your Directors wish to place on record their appreciation of contribution made by the employee at all levels.

**6. PARTICULARS OF EMPLOYEES**

Information as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are given in the Annexure forming part of this report.

# TWENTY NINTH ANNUAL REPORT

## 7. SUBSIDIARY COMPANY

The Audited statements of Accounts of the subsidiary companies are annexed as required u/s 212 of the Companies Act, 1956.

## 8. DIRECTORS RESPONSIBILITY

Pursuant to Section 217(2AA) of the Companies Amendment) Act, 2000 the Directors confirm that:

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period.
- The Directors have 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.
- The Directors have prepared the annual accounts on a going concern basis

## 9. CONSERVATION OF ENERGY AND TECHNOLOGIES

Information relating to Conservation of Energy, Technology absorption etc. pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is not provided as the same is not applicable to the Company.

Foreign Exchange earnings and outgo are furnished in Annexure 'A'

## 10. FIXED DEPOSIT

During the year the company has not accepted any deposit in terms of Section 58-A of the Companies Act, 1956.

## 11. DIRECTORS

Shri Shishir Diwanji resigned from the Directorship of the Company with effect from 25th November 2010. The Board places on record their appreciation of the services rendered by him during his tenure as a Director of the Company.

The Board of Directors vide circular Resolution dated 16th April 2011, approved the reappointment of Shri Dipak Kumar Poddar as Executive Chairman for a period of 3 years wef 1st April 2011

Mr. Shrikant Tembey retires by rotation and being eligible offer himself for reappointment.

The information on the particulars of Directors seeking reappointment as required under Clause 49 of the Listing Agreement with the Stock exchange has been given under the report on Corporate Governance

## 12. AUDITORS

M/s. R. S. Shah & Company, Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and are proposed for re-appointment.

The Qualifications made by the Auditor in their Report are self explanatory and require no separate comments

## 13. CORPORATE GOVERNANCE

Your company complies with all the mandatory requirements pertaining to Corporate Governance in terms of revised Clause 49 of the Listing Agreement with the Stock Exchange. A detailed report on the Corporate Governance has been included in this report along with a certificate from the auditors of the company regarding compliance of conditions of Corporate Governance. Further a separate Management Discussion and Analysis report is also given in this report.

For and on Behalf of the Board

Place: Mumbai  
Date: 18th May 2011

DIPAK KUMAR PODDAR  
EXECUTIVE CHAIRMAN

## ANNEXURE TO THE DIRECTORS REPORT

### A] FOREIGN EARNINGS & OUTGO:

	2010-2011 (Rupees)	2009-2010 (Rupees)
a) Total Earning for Foreign Exchange		
- FOB Value of Exports	61,14,467	1,04,18,750
b) Total Outgo in Foreign Exchange		
- Other Expenses	2,37,936	-

### B] Information Under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors Report for the Year ended 31st March 2011.

Employed throughout the Year and was in receipt of Remuneration aggregating to ₹ 2,00,000 or more per month.

Name	Mr. Dipak Kumar Poddar
Designation	Executive Chairman
Qualification	MIIT, USA
Remuneration	28,16,337
Experience (Years)	35 years
Date of Appointment	31st March 2008
Age (Years)	67
Last employment held (Employer/Designation)	Managing Director- Bajaj Auto Finance Limited

Name	Mr. Kalyan Dey
Designation	President-Construction Division
Qualification	B.E. Civil (AMIE)
Remuneration	63,34,260
Experience (Years)	22 years
Date of Appointment	16th March 2010
Age (Years)	47 years
Last employment held (Employer/Designation)	CEO - Sterling Construction Systems Pvt. Ltd

For and on Behalf of the Board

Place: Mumbai  
Date: 30th April 2010

Dipak Kumar Poddar  
Executive Chairman

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry Structure and Development:**

During the year under consideration, the Real estate sector has seen a mixed response from the consumers. Developers in the construction of high end flats are facing a slowdown, in view of the High prices and high interest cost. Though increased interest cost is a cause of worry, the Affordable Housing segment has not faced this slowdown as yet in view of the pricing and as seen by the successful launch of the Company's Projects

**Outlook**

The company launch of affordable Housing has got a very positive response. There is a tremendous demand for this type of housing. Your company is confident that its venture in to this new business will be profitable

**Consolidated Financial Performance:**

	2010-2011 (Rupees)	2009-2010 (Rupees)
TURNOVER & OTHER INCOME	22,02,73,942	24,47,62,237
GROSS PROFIT BEFORE DEPRECIATION	2,28,49,384	2,34,33,939
DEPRECIATION	21,45,280	15,60,518
PROFIT BEFORE TAXATION	2,07,04,104	2,17,81,006

**Unit wise Performance:**

The Company is fully concentrating in the Real Estate business. The Garment business is undertaken through its subsidiary - Wearology FZC, Sharjah, U.A.E. The Company achieved a Stand-alone Turnover of ₹ 7.85 crores during the current year as against a Turnover of ₹ 3.97 crores in the previous year. The subsidiary company achieved a Turnover of ₹ 14.18 crores during the current year (Previous Year ₹ 20.50 crores). The Company has made a consolidated Net Profit after Tax of ₹ 1.84 crores as against ₹ 2.00 crores in the previous Year.

**Internal Controls Systems and their adequacy**

Poddar Developers Limited has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of law and regulations. The internal control system is supported by the internal audit process. The Internal Auditor reviews and ensures that the audit observations are acted upon. The Audit Committee of the Board reviews the Internal Audit reports and the adequacy and effectiveness of internal controls.

**Human Resources**

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavors to train nurture and groom its people. The Company puts emphasis on attracting and retaining the right talent. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development.

**Management of Risks**

In the recent Finance budget the criteria for priority Lending for Financial institutions have been increased to ₹ 25 Lacs. However the recent increase in the RBI rates has resulted in the increase in the interest rates for Housing Loans. Also the levy of Service Tax (approx 2.575%) by the Central Government on under construction buildings and Vat (1%) by the State Government for residential buildings will add to the burden of the buyer. These factors can prove to be a negative factor especially in the Affordable Housing sector.

The industry faces the risks of changes in government policies and regulations.

**Cautionary Statement:**

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**REPORT ON CORPORATE GOVERNANCE**

**Brief statement of company's philosophy on code of governance**

The Company is of the belief that sound corporate Governance is critical to enhance and retain stakeholders trust. The Company envisages the attainment of a high level of transparency and accountability in the functioning of the Company and conduct of its business internally and externally. The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock exchange.

**Board of Directors**

**Composition and Category of Directors**

The Board consists of 5 Directors of whom, 3 are non-Executive Independent Directors, 1 Executive Chairman and 1 Managing Director. 3 out of the 5 non-executive Directors are independent. According to clause 49, if the Chairman of the Board is an Executive Director, at least one half of the Board should comprise of independent directors. This provision is thus met by the Company.

## TWENTY NINTH ANNUAL REPORT

Name of Director	Executive/ Non Executive/ Independent	No. of other Directorship in public Ltd. companies	No. of Board Committee position held
Shri. Dipak Kumar Poddar	Chairman – Executive	8	5
Shri. Rohitashwa Poddar	Managing Director – Executive	2	1
Shri. Dilip J. Thakkar	Non Executive, Independent	13	10
Shri Shrikant Tembey	Non Executive, Independent	Nil	1
Shri Brian Brown	Non Executive, Independent	1	1

Note: Private Limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956 are excluded for the above purpose.

Attendance of each Director at the Board Meeting and at the last AGM.

	Attendance at the Board Meeting	Attendance at the last A G M
Shri. Dipak Kumar Poddar	4	Yes
Shri. Rohitashwa Poddar	4	Yes
Shri. Dilip J. Thakkar	3	No
Shri Shrikant Tembey	4	Yes
Shri Brian Brown	3	Yes
Shri. Shishir Diwanji*	3	Yes

\* Shri Shishir Diwanji resigned from the Board w.e.f. 25th November 2010

Number of Board Meetings held during 2010-2011 and the dates on which held:

4 Board meetings were held during the year 2010-2011.

The dates on which the meetings were held are as follows:

30th April 2010, 28th July 2010, 28th October 2010 and 28th January 2011

The gap between any two meetings is less than 4 months, thus complying with Clause 49 requirement.

Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and senior management of the company. All the Board members and senior management personnel have affirmed compliance with the code for the year 31 March 2011. A declaration to this effect signed by the Managing Director is given elsewhere in this Annual Report.

Brief Resume of Directors offering for appointment / reappointment:

Shri Shrikant Tembey, 53, is a Chartered Accountant and a partner of Tembey & Mhatre Chartered Accountants. He possesses a wide experience in Finance. He holds 1500 equity shares of the Company

Shri Dipak Kumar Poddar 67, is an Engineering Graduate from MIT, USA. He has wide experience in Finance and General Management. He is on the board of Bajaj Auto Finance Ltd, VIP Industries, GTL Ltd, Bajaj Allianz General Insurance Co. Ltd, Poddar Natural Resources and Ores Ltd

He is a Member of the Audit Committee in VIP Industries, GTL Limited, Poddar Developers Limited and of the Shareholders/ Investor's Grievance Committee of GTL Limited and Poddar Developers Limited.

He holds 1,12,000 equity shares of the Company

### Audit Committee

The terms of reference of the Audit Committee apart from those specified in the Listing Agreement with the Stock exchange broadly pertain to review of business practices, review of investment policies, reviews of compliances and review of systems and controls.

	Attendance at the Board Meeting
Shri Shrikant Tembey	4
Shri Brian Brown	3
Shri Dipak Kumar Poddar	4

The Audit committee of Directors as on 31st March 2011, consists of three directors viz Mr. Shrikant Tembey, Mr. Brian Brown and Mr. Dipak Kumar Poddar. In addition to the Audit committee members, the Managing Director, General Manager Finance and statutory auditors attend the meeting. The Company Secretary acts as the Secretary to the Audit committee.

The Audit committee met 4 times during 2010-2011, on 29th April, 2010, 28th July 2010, 28th October 2010 and 28th January 2011. The gap between any two meetings is less than 4 months, thus complying with Clause 49 requirement.

### Remuneration Committee

The company has no formal remuneration committee. However all decisions regarding the remuneration of the Managing Director Mr. Rohitashwa Poddar and Executive Chairman Mr. Dipak Kumar Poddar is taken by the Board of Directors.

Remuneration of Directors (during 2010-2011)

Name of Director	Sitting Fees Rupees	Salaries & perquisites Rupees	Total Rupees
Shri Dipak Kumar Poddar	Nil	28,16,337	28,16,337
Shri Dilip J Thakkar	15,000	-	15,000
Shri Shrikant Tembey	40,000*	-	40,000
Shri Brian Brown	30,000*	-	30,000
Shri Rohitashwa Poddar	Nil	6,26,623	6,26,623
Shri Shishir Diwanji**	15,000	-	15,000

\* Also includes sitting fees for attending Committee Meetings

\*\* Mr. Shishir Diwanji resigned from the Board wef 25th November 2011.

The Company has not paid any Sitting Fees to Mr. Rohitashwa Poddar, Managing Director and Mr. Dipak Kumar Poddar Executive Chairman as they are paid salaries and perquisites.

Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance committee of Directors as on 31st March 2011, consisted of Mr. Dipak Kumar Poddar and Mr. Rohitashwa Poddar.

Name and designation of Compliance Officer:  
Mr. Jayshankar Menon, Company Secretary

Number of Pending Share Transfers as on 31st March 2011:  
Nil

General Body Meetings

Location and time of last three Annual General Meetings held:

Year	Location	Date
26th Annual General Meeting	Kilachand Conference Room, Indian Merchant Chambers, Churchgate, Mumbai 400021.	20th June 2008
27th Annual General Meeting	Kilachand Conference Room, Indian Merchant Chambers, Churchgate, Mumbai 400021.	25th June 2009
28th Annual General Meeting	Kilachand Conference Room, Indian Merchant Chambers, Churchgate, Mumbai 400021.	7th September 2010

Postal ballots were used /invited for voting for passing Resolution U/s 293(1) (a) and 293(1) (d) of the Companies Act, 1956 on 3rd April 2011.

Postal ballots were used /invited for voting for passing Resolution U/s 293(1) (a) and 372A of the Companies Act, 1956 on 20th June 2008.

No Postal ballot were used/invited for any other Meetings

Extraordinary General meeting was held on 21st April 2008 for approval of change of name of the Company from Wearology Limited to Poddar Developers Limited

Subsidiary Companies:

Following companies are subsidiaries of the Company

Name	% of Holding
Poddar Natural Resources and Ores Limited (formerly Makara Real Estate Limited)	100%
Poddar Infrastructure Private Limited	100%
Poddar Leisure Infrastructure Private Limited	100%
Poddar Habitat Private Limited	100%
Wearology FZC, Sharjah UAE	90%

During the year, the Company sold its investment in Wearology LLC USA to Suvijay Exports Limited

Disclosures:

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the company at large:

None of the transactions with any of the related parties were in conflict with the interest of the company. A statement in

summary form of transactions with related parties is placed periodically before the Audit Committee

Details of non-compliance by the company, penalties, and strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority on any matter relating to capital markets, during the last three years: NONE

Details of accounting Treatment: In the preparation of financial statements, the company has followed the treatment as prescribed in Accounting Standards

Risk Management: The Company has defined Risk Management framework. The company has laid down procedures to inform the Board members about the risk assessment and minimization procedures

CEO/CFO Certification:

The CEO i.e. the Managing Director and the CFO i.e. the General Manager Finance appointed for the purpose of Clause 49 have been given the necessary certificate to the Board in the prescribed format

Means of Communication

The Quarterly, half-yearly and annual financial results are normally published in the Business Standard / Financial Express in English and in Daily Sagar in Marathi

General Shareholder Information

29th Annual General Meeting: Date : July 11th 2011  
Time : 3.00 P.M.  
Venue : Kilachand Conference Room  
Indian Merchants Chamber, Churchgate,  
Mumbai 400020.

Financial Calendar (tentative)

Unaudited results for the Quarter ended 30th June 2011	4th week of July 2011
Annual General Meeting	July 11th 2011
Unaudited results for the Quarter ended 30th September 2011	4th week October 2011
Unaudited results for the Quarter ended 31st December 2011	4th week January 2011
Audited results for the year ended March 2012	4th week April 2012

Date of Book closure : 4th July 2011 to 11th July 2011

Dividend Payment Date : On or after 18th July 2011 but within the statutory time limit

Listing on Stock Exchanges:

The Stock Exchange- Mumbai  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.

Stock Code on The Stock Exchange, Mumbai (BSE): 523628  
Demat ISIN for NSDL and CDSL: INE888B01018

Annual Listing Fees has been paid to the above Stock Exchanges up to 31st March 2012

# TWENTY NINTH ANNUAL REPORT

## Market Information

Market price data- monthly high/low and trading volumes during the last financial year on the BSE

	High (₹)	Low (₹)	Volume (Nos.)
April 2010	104.00	82.00	17,970
May 2010	102.00	73.95	2,13,864
June 2010	100.60	83.70	11,723
July 2010	113.00	95.50	33,061
August 2010	127.90	101.10	88,566
September 2010	150.85	105.00	64,981
October 2010	184.75	141.05	74,299
November 2010	172.95	133.05	22,422
December 2010	149.75	120.65	60,137
January 2011	141.80	111.10	4,316
February 2011	129.90	107.00	18,425
March 2011	123.10	105.50	57,287

## Register and Share Transfer Agents

For all work related to share registry in terms of both physical and electronic segment, the company has appointed Register and Share Transfer Agents whose details are given below:

Computech Sharecap Limited  
147 MG Road, Fort Mumbai 400023  
Tel: 022 - 22635000 / 22635001  
e-mail: [helpdesk@computechsharecap.com](mailto:helpdesk@computechsharecap.com)  
web site: [www.computechsharecap.com](http://www.computechsharecap.com)

## Distribution of Shareholding (as on 31st March 2011)

Range of Holding	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total shares
Upto 500	1848	90.23	266042	5.11
501 - 1000	75	3.66	62231	1.20
1001 - 2000	39	1.90	59122	1.14
2001 - 3000	20	0.98	51671	0.99
3001- 4000	5	0.24	18349	0.35
4001- 5000	5	0.24	23512	0.45
5001 - 10000	18	0.88	143619	2.76
10001 and above	38	1.86	4579874	88.00
Total	2048	100.00	5204500	100.00

## Shareholding Pattern (as on 31st March, 2011)

Category	No. of Shares held	% of total shares
Promoters	6,31,450	12.13
Persons acting in Concert	25,63,125	49.25
Others	20,09,925	38.62
Total	52,04,500	100.00

## Dematerialisation of shares and liquidity

The Equity Shares of your company are traded in compulsory dematerialisation form.

As on 31st March 2011 - 49,32,990 Equity Shares (94.78%) of the company was held in dematerialized form.

## Address for

correspondence: Poddar Developers Limited  
Unit 3-5 Neeru Silk Mills,  
Mathuradas Mill Compound,  
126 NM Joshi Marg, Lower Parel (W),  
Mumbai 400013.  
Tel: 66164444 / Fax: 66164409  
e-mail: [menon@poddardevelopers.com](mailto:menon@poddardevelopers.com)

## Name of Company Secretary/Compliance Officer:

Mr. Jayshankar Menon

## Additional Information:

- Report on relatives of Directors  
Mr. Dipak Kumar Poddar, Executive Chairman is related to the following Director:  
- Mr. Rohitashwa Poddar, Managing Director is his son
- Your company, during the year under review has not sanctioned any loan to any of the Directors and there is no outstanding towards loans to Director as on date
- None of the employees of the company is related to any of the Directors of the company
- From the date of the Balance Sheet till the date of this report, there is no significant event, which will have an impact on the performance of the company during the year 2011-2012.

## DECLARATION ON CODE OF CONDUCT

I, Rohitashwa Poddar, Managing Director of Poddar Developers Limited hereby declare that all the Board Members and senior management personnel have affirmed compliance with the code of Conduct of the Company for the year ended 31st March 2011 as required by Clause 49(1D) of the Listing Agreement with the Stock exchange.

Place : Mumbai  
Date : 18th May 2011

Rohitashwa Poddar  
Managing Director

DECLARATION ON FINANCIAL STATEMENTS

We hereby certify that :

- a) We have reviewed financial statements and the cash flow statement for the Twelve months period ended 31st March 2011 and that to the best of our knowledge and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- b) They are to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's code of conduct
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee that
- i) There have been no significant changes in internal control over financial reporting during the year
  - ii) There has been no significant change in accounting policies during the year
  - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rohitashwa Poddar  
Managing Director

Chandrakant Ghanekar  
General Manager Finance

Place: Mumbai  
Date : 18th May 2011

To the Members of  
Poddar Developers Ltd

Re : Auditors Certificate on Corporate Governance

We have reviewed the compliance of conditions of corporate governance of Poddar Developers Limited for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

On the basis of review and according to the information and explanations given to us and the representations made to us by the Management, we state that to the best of our knowledge and belief, the Company has complied in all material respects with the conditions of corporate governance stipulates in Clause 49 of the above mentioned Listing Agreements

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

For and on behalf of  
R.S. Shah & Company  
Chartered Accountants

R. S. Shah  
Proprietor

Place: Mumbai  
Date: 18th May 2011

# TWENTY NINTH ANNUAL REPORT

R. S. SHAH & COMPANY  
Chartered Accountants  
217, Vardhaman Chambers,  
Cawasji Patel Street,  
Fort, MUMBAI - 400 001.  
Tel Nos: 22042469/ 22824736

## AUDITORS' REPORT

To,  
THE MEMBERS OF  
PODDAR DEVELOPERS LIMITED

- (1) We have audited the attached Balance Sheet of PODDAR DEVELOPERS LIMITED as at 31st March 2011, the relative Profit and Loss Account and the Cash Flow statement for the year ended on that date, all of which have been signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
- (4) Further to our comments in the Annexure referred to in paragraph (3) above we report that:
  1. 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.
  2. In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of books.
  3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of account.
  4. In our opinion, the Balance Sheet, Profit & Loss Account, and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956 except for provision for liability in respect of employees' benefits except gratuity as strictly required by AS-15 (revised 2005) and for impairment of assets as required under AS-28 issued by the Council of the I.C.A.I.
  5. On the basis of written representation received from the Directors and taken on records by the Board of Directors, we report that none of the Directors is disqualified as at 31st March 2011 from being appointed as a director in terms of clause (g) of

Sub-section (1) of Section 274 of the Companies Act, 1956.

6. We draw your attention to Schedule 'O' to the financial statement in respect of :-
  - a) Note no. 4 regarding non-provision for impairment of assets as required under AS-28.
  - b) Note no. 6 (a) regarding non-provision for doubtful advances of ₹ 23.98 lacs.
  - c) Note no. 6 (b) regarding advances given for initial start-up for redeveloping project at Colaba, amounting to ₹ 41.63 lacs including incidentals.
  - d) Note no. 6 (c) regarding the recovery/realization of advances of ₹ 40.02 lacs given for purchase of land at Bhivpuri.
  - e) Note No. 12 regarding the acquisition of development rights / agriculture Land of ₹ 490.17 lacs pending approvals from statutory authorities.
  - f) Note No. 13 (a) regarding stagnant advances of ₹ 20.28 lacs to the aggregator of land at Tisgaon - Dombivli.

We are unable to express the exact impact on the profit and the reserves of the Company for the points referred herein above.

7. Subject to above in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011 and;
  - (b) In case of Profit and Loss Account, of the profit of the Company for the year ended on that date.
  - (c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For R. S. SHAH & COMPANY  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(PROPRIETOR)

Membership No. 30108

Place : Mumbai  
Dated : 18th May 2011

## ANNEXURE TO AUDITORS' REPORT

Annexure referred to in Paragraph 3 of the Auditors Report of Even date to the Members of PODDAR DEVELOPERS LIMITED.

1. a) The Company has maintained records showing full particulars including quantitative details and situation of the Fixed Assets.
  - b) We are informed that the management has physically verified some of the fixed assets and the necessary effects have been given in the accounts
  - c) Fixed Assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

- ii) a) The inventories has been physically verified by the management during the year. The Company is maintaining over all stock records in respect of major items of construction division only and discrepancies were not significant between book records and physical verification. Moreover in absence of building wise consumption of the materials, the same has been arrived on the basis of figures submitted by the technical person and auditors have relied thereon. The reference is also invited to note no. 7 of Schedule 'O'. In our opinion the frequency of verification is reasonable.
- b) The procedures for physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, the company has Internal control procedures for purchases of inventory, fixed assets and with regard to the sale of goods & services which needs to be strength to make it adequate to commensurate with the size of the Company.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the Company has made certain transactions pursuant to the contract or arrangement entered into the registered maintained under section 301 of the Act for the value exceeding ₹ 5.00 lakhs in respect of the subsidiaries which are prima facie not prejudicial to the interests of the Company.
- vi) In our opinion, and according to the information and explanations given to us, the Company has not accepted any fixed deposits which are covered under provision of section 58A and section 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975.
- vii) In our opinion and according to the information and explanations given to us, Company has an internal audit system commensurate with the size and nature of its business.
- viii) The Central government has not prescribed any records pursuant to Rules for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us, there are no disputed liability of the Company in respect of income-tax, sales tax, customs duty, wealth tax, excise duty and cess as at 31st March 2011. However, reference is invited to Note No. 5 in Schedule 'O' of Notes on Accounts
- x) The Company has not incurred cash losses in the current year and in the immediately preceding year. The Company has no accumulated losses as at 31st March 2011.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in making the repayment of any Term Loan or any dues to the financial institutions or Banks and since the Company has not issued any debentures till date, therefore the question of default does not arise.
- xii) During the year, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- xiv) In our opinion, the Company has maintained proper records of the transactions and contracts relating to trading in shares, securities, debentures and other investments and timely entries thereof have been made.
- xv) The Company has not given any guarantee to the Bank during the year for the loans taken by other parties.
- xvi) The Company has not taken any term loan during the year. Therefore, the question of its application does not arise.
- xvii) On the basis of an overall examination of the balance sheet of the Company and according to the information and explanations given to us, in our opinion, funds raised on a short-term basis have not been used for long-term investment and vice versa.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debenture till date. Therefore creation of securities in respect of debentures does not arise.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For R. S. SHAH & COMPANY  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(PROPRIETOR)

Place : MUMBAI  
Dated : 18th May, 2011

Membership No. 30108

However as per the information verbally provided to us, Income Tax liabilities of ₹ 6,11,194/- in respect of various assessments is outstanding for a period more than six months is still to be paid. Reference is invited to note no. 5b & 5c of Notes on accounts

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

### BALANCE SHEET AS AT 31ST MARCH 2011

	SCHEDULE	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	A	52045000	52045000
Reserves & Surplus	B	441328569	440449911
<b>LOAN FUNDS</b>			
Secured Loans	C	8886451	35062607
Deferred Tax Liability (See Note No. 16 in Schedule 'O')		2457952	2237901
<b>TOTAL</b>		<b>504717972</b>	<b>529795419</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	D	38396484	22695437
Less: Depreciation		6881166	4759696
<b>Net Block</b>		<b>31515318</b>	<b>17935741</b>
<b>INVESTMENTS</b>	E	<b>116854087</b>	<b>212368541</b>
<b>CURRENT ASSETS LOANS AND ADVANCES</b>			
Inventories	F	431496565	188378569
Loans and advances		115971345	60925752
Sundry Debtors		7365562	-
Cash & Bank Balances		92203870	84546018
		647037342	333850339
Less: CURRENT LIABILITIES AND PROVISIONS	G	290688775	34359202
<b>NET CURRENT ASSETS</b>		<b>356348567</b>	<b>299491137</b>
<b>TOTAL</b>		<b>504717972</b>	<b>529795419</b>
<b>NOTES ON ACCOUNTS</b>	O		
Schedules Attached form part of the Accounts			

As per our report of even date For and on behalf of the Board

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar-  
Executive Chairman

R. S. SHAH  
(Proprietor)  
Membership No. : 30108

Rohitashwa Poddar-  
Managing Director

Shrikant Tembey - Director

J. MENON- Secretary

PLACE : MUMBAI  
DATED : 18th May 2011

## PODDAR DEVELOPERS LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	SCHEDULE	2010-2011 (₹)	2009-2010 (₹)
<b>INCOME</b>			
Sales & Services	H	64188730	11230651
Other Income	I	14280781	28438889
Increase/(Decrease) in stocks	J	(1856022)	(1041036)
<b>TOTAL</b>		<b>76613489</b>	<b>38628504</b>
<b>EXPENDITURE</b>			
Cost of Construction	K	38050717	-
Raw Materials consumed		456394	1084945
Manufacturing Expenses	L	193653	1590328
Purchase for Resales		7951378	433111
Administrative Expenses	M	15477144	21974771
Selling and distribution Expenses	N	493397	920751
Interest		407308	566841
Depreciation		2145280	1548995
<b>TOTAL</b>		<b>65175271</b>	<b>28119742</b>
<b>Profit/(Loss) before Taxation</b>		<b>11438218</b>	<b>10508762</b>
Provision for Taxation			
Income Tax		(1050000)	(60000)
Deferred Tax		(220051)	(1149606)
<b>Profit for the year</b>		<b>10168167</b>	<b>9299156</b>
Prior years Adjustment (Incl. Income tax for earlier year)		(94727)	(977695)
<b>Profit After Tax</b>		<b>10073440</b>	<b>8321461</b>
Profit B/F from previous year		228859388	230141281
<b>Surplus available for Appropriation</b>		<b>238932828</b>	<b>238462742</b>
Less : Transferred to General Reserve		(600000)	(500000)
Proposed Dividend		(7806750)	(7806750)
Tax on Proposed Dividend		(1296604)	(1296604)
<b>Balance carried to Balance Sheet</b>		<b>229229474</b>	<b>228859388</b>
<b>Earning per Share (in Rs.)</b>			
Basic & Diluted E.P.S.		1.94	1.60
<b>NOTES ON ACCOUNTS</b>	O		
Schedules Attached form part of the Accounts			

As per our report of even date For and on behalf of the Board

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar-  
Executive Chairman

R. S. SHAH  
(Proprietor)  
Membership No. : 30108

Rohitashwa Poddar-  
Managing Director

Shrikant Tembey - Director

J. MENON- Secretary

PLACE : MUMBAI  
DATED : 18th May 2011

**PODDAR DEVELOPERS LIMITED**

**CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	YEAR ENDED	
	31st March 2011 (₹)	31st March 2010 (₹)
<b>A. Cash Flow from operating Activities</b>		
Net Profit after Tax and Extra-Ordinary Items	10073440	8321461
Adjustments For		
Depreciation	2145280	1548995
(Profit) / Loss on Sale of Fixed Assets	13185	(655871)
Interest Received	(6049098)	(5095479)
Interest Paid	407308	566841
(Profit) / Loss on sales of Investment	(466455)	(9892524)
Dividend Received	(5926450)	(10944076)
Deferred Tax	220051	1149606
(Profit) / Loss in Equity Derivatives	-	(836724)
Share of Loss/(Profit) in Partnership LLC (Associates)	(62455)	(272259)
Operating Profit(Loss) before Working Capital changes	479716	(16110030)
Adjustments For		
Trade & Other Receivables	(62411155)	501836
Inventories	(243117996)	(184127772)
Trade Payable	256329573	13635213
Net Cash Flow from Operating Activity (A)	(48719862)	(186100753)
<b>B. Cash Flow from Investing Activities</b>		
(Purchase) / Sales of Fixed Assets	(15724857)	820966
(Purchase) / Sales of Investments	95514454	208423828
Profit / (Loss) on Sale of Fixed Assets	(13185)	655871
Profit / (Loss) on sales of Investment	466455	9892524
Profit / (Loss) in Equity Derivatives	-	836724
Share of Profit/(Loss) in Partnership LLC (Associates)	(62455)	272259
Foreign Currency Translation Reserve on		
Foreign Investments	(91428)	(1197341)
Interest Received	6049098	5095479
Dividend Received	5926450	10944076
	92064532	235744386
Net Cash Flow from Investing Activities (B)	92064532	235744386
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Borrowing	(26176156)	28958454
Dividend Paid including Tax thereon	(9103354)	(9103354)
Interest Paid	(407308)	(566841)
Net Cash Flow from Financing Activity (C)	(35686818)	19288259
Net Increase/(Decrease) in Cash & Cash Equivalents (A + B + C)	7657852	68931892
Cash & Cash Equivalents (Opening Balance)	84546018	15614126
Cash & Cash Equivalents (Closing Balance)	92203870	84546018

Notes: The above cash flow statement has been prepared under the 'Indirect Method' as set out in the AS-3 on the cash flow statement issued by the ICAI.

As per our report of even date  
FOR R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(Proprietor)  
Membership No. : 30108  
PLACE : MUMBAI  
DATED: 18th May 2011

J. Menon  
Secretary

For and on behalf of the Board

Dipak Kumar Poddar - Executive Chairman  
Rohitashwa Poddar - Managing Director  
Shrikant Tembey - Director

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

### SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

		AS AT 31.03.2011 (₹)		AS AT 31.03.2010 (₹)
SCHEDULE 'A'				
SHARE CAPITAL				
AUTHORISED				
70,00,000 Equity Shares of ₹ 10/- each		70000000		70000000
ISSUED, SUBSCRIBED AND PAID UP				
52,04,500 Equity Shares of ₹ 10/- each fully paid up		52045000		52045000
		52045000		52045000
NOTE : 172450 Equity shares were allotted pursuant to schemes of amalgamation without payments being received in cash. 3240000 shares were allotted as bonus shares by capitalisation of reserves.				
SCHEDULE 'B'				
RESERVES & SURPLUS				
General Reserves				
Balance as per Last Balance Sheet	210991701		210491701	
Add : Transferred from Profit & Loss Account	600000	211591701	500000	210991701
Foreign Currency Translation Reserve				
Balance as per Last Balance Sheet	598822		1796163	
Add/(Less) : During the year	(91428)	507394	(1197341)	598822
Balance in Profit & Loss Account		229229474		228859388
		441328569		440449911
SCHEDULE 'C'				
SECURED LOANS				
From a Bank				
Working Capital Project Finance		-		30350343
(Mortgage of the Project Land, approx. 8.83 acres, located at village Garpoli-Bhivpuri, Taluka Karjat, District Raigad and also collaterally secured by personal guarantee of a Director of the company)				
From Others		8886451		4712264
(Securities by hypothecation of specific vehicle & equipment)				
Payable within one year				
- Vehicle ₹ 2056323/- (Prev. Yr. ₹ 1602938)				
- Construction Equipment ₹ 1505031/-		8886451		35062607

## PODDAR DEVELOPERS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'D'

FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2010 ₹	Additions During the Year ₹	Deductions During the Year ₹	Total as at 31.03.2011 ₹	Up to 01.04.2010 ₹	For the Year ₹	Deduction For the Year ₹	Up to 31.03.11 ₹.	As at 31.03.2011 ₹	As at 31.03.2010 ₹
1	Building	7147764	-	-	7147764	1047660	116509	-	1164169	5983595	6100104
2	Office Equipment	833151	9448610	-	10281761	90343	221101	-	311444	9970317	742808
3	Vehicles *	11296255	3949001	78996	15166260	2586115	1253292	23810	3815597	11350663	8710140
4	Furniture & Fixture	1543683	1165407	-	2709090	222039	130265	-	352304	2356786	1321644
5	Data Processing Machine	1874584	1217025	-	3091609	813539	424113	-	1237652	1853957	1061045
	TOTAL	22695437	15780043	78996	38396484	4759696	2145280	23810	6881166	31515318	17935741
	Previous Year	22635582	1050269	990414	22695437	3630768	1548995	420067	4759696	17935741	-

\* Certain vehicles are registered in the name of the Director &amp; Employees.

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'E'	AS AT	AS AT	
	31.03.2011 (₹)	31.03.2010 (₹)	
INVESTMENT (AT COST)			
QUOTED SHARES - LONG TERM			
24000	Equity Shares of ₹ 10/- each fully paid up of Janpriya Traders Ltd. (Prev. Yr. 24000 Sh.)	50652	50652
22550	Equity Shares of ₹ 10/- each fully paid up of Brite Merchants Ltd. (Prev. Yr. 22550 Sh.)	45553	45553
5000	Equity Shares of ₹ 10/- each fully paid up of Bharat Earth Movers Ltd. (Prev. Yr. 5000 Sh.)	6680656	6680656
95000	Equity Shares of ₹ 10/- each fully paid up of GTL Ltd (Prev. Yr. 95000 Sh.)	23952145	23952145
37049	Equity Shares of ₹ 10/- each fully paid up of NHPC Ltd (Prev. Yr. 37049 Sh.)	1333764	1333764
	Cost of Quoted Shares ( A )	<u>32062770</u>	<u>32062770</u>
MUTUAL FUNDS - SHORT TERM UNLESS SPECIFICALLY STATED			
	- Birla Sun Life Dynamic Bond Fund Retail Quarterly Dividend Payout (Prev. Yr. 2302615.910 units)	-	25185552
	- Birla Sun Life Savings Fund Inst. - Daily Dividend Reinvestment (Prev. Yr. 1255560.777 Units)	-	12564146
	- Reliance Medium Term Fund Daily Dividend Plan (Prev. Yr. 2102224.423 units)	-	35938578
	- Reliance Short Term Fund Retail Plan-Div. Plan (Prev. Yr. 4886017.400 Units)	-	51998115
1478947.836	Reliance Liquid Fund Cash Plan Daily Dividend (Prev. Yr. Nil Units)	16477697	-
	- T&A Floater Fund Daily Dividend (Prev. Yr. 136555.771 Units)	-	1370419
796483.071	HDFC High Interest Fund Short Term Plan Div. Option (Long Term) (Prev. Yr. 1975213.712 Units)	8460875	20960234
74671.865	HDFC High Interest Fund Short Term Plan Div. Option (Prev. Yr. Nil Units)	789864	-
19468.392	Templeton India Short Term Income Retail Plan Weekly Dividend Reinvestment (Long Term) (Prev. Yr. 19468.392 Units)	20934847	20934847
834.129	Templeton India Short Term Income Retail Plan Weekly Dividend Reinvestment (Prev. Yr. Nil Units)	897237	-
100000.000	SBI Debt Fund Series - 90 Days - 38 Growth (Prev. Yr. Nil Units)	1000000	-
5274.878	IDFC Money Manager Fund - Treasury Plan Inst. Plan B - Daily Div. (Prev. Yr. Nil Units)	53120	-
2500000.000	IDFC Fixed Maturity 100 Days Series 3 Div. (Prev. Yr. Nil Units)	25000000	-
	Cost of Mutual Funds ( B )	<u>73613640</u>	<u>168951891</u>
	Total Cost of Quoted Investments ( A + B )	<u>105676410</u>	<u>201014661</u>

## PODDAR DEVELOPERS LIMITED

### UNQUOTED SHARES - LONG TERM

#### I) IN SUBSIDIARY

50000	Equity Shares of ₹ 10/- * each fully paid up of Poddar Natural Resources & Ores Ltd (formerly Makara Real Estate Ltd.) 100% ownership (Prev. Yr. 50000 Sh.)	500000	500000
10000	Equity Shares of ₹ 10/- ** each fully paid up of Poddar Habitat P. Ltd. 100% ownership (Prev. Yr. 10000 Sh.)	100000	100000
10000	Equity Shares of ₹ 10/- *** each fully paid up of Poddar Leisure Infrastructure P. Ltd. 100% ownership (Prev. Yr. 10000 Sh.)	100000	100000
10000	Equity Shares of ₹ 10/- **** each fully paid up of Poddar Infrastructure P. Ltd. 100% ownership (Prev. Yr. 10000 Sh.)	100000	100000
-	W earology Limited LLC (\$ 500/- twds 100% ownership) (Prev. Yr. 1 Sh.)	-	22320
90	W earology Limited FZE (AED 150000/- twds 90% ownership)	1593000	1607850

#### II) OTHERS

500	Equity Shares of ₹ 100/- each fully paid up of The Janta Sahakari Bank Ltd. (Prev. Yr. 500 Sh)	50000	50000
19019	Equity Shares of ₹ 10/- each fully paid up of # Poddar Amalgamated Holdings P. Ltd (Formerly known as Santosh Trading & Invest. P. Ltd.) (Prev. Yr. 19000 Sh)	114475	95475
-	Equity Shares of ₹ 10/- each fully paid up of Kamdhenu Technologies P. Ltd. (Prev. Yr. 1900 Sh)	-	19000
Total Cost of Unquoted Investments		2557475	2594645

#### III) INVESTMENT IN PARTNERSHIP

	Organically Grown Group LLC Refer Note No. 14 in Schedule 'O'	7630202	7769235
	Nav Nirman Agro Refer Note No. 14 in Schedule 'O'	990000	990000
Total Cost of Investment in Partnership		8620202	8759235
Total Cost of Quoted/Unquoted Investments		116854087	212368541
Market Value of Quoted Investment		117596522	214866944

\* 6 Shares are held in the name of the nominee.

\*\* 2 Shares are held in the name of the nominee.

\*\*\* 2 Shares are held in the name of the nominee.

\*\*\*\* 2 Shares are held in the name of the nominee.

# 19 Shares received against 1900 shares of Kamdhenu Technologies P. Ltd. under the scheme of Amalgamation

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2011 (₹)		AS AT 31.03.2010 (₹)	
SCHEDULE 'F'				
CURRENT ASSETS, LOANS AND ADVANCES INVENTORIES (As taken, valued & Certified by the management)				
Garment				
- Raw Materials		-		2555570
- Finished Goods		-		3209761
Construction				
- Land Development Rights (Refer Note No. 11 a & b of Schedule 'O')		143254031		107525051
- Construction Material		22549006		2011097
- Work in Progress				
- Land & Related Expenses	25983005		28305021	
- Construction, Development, Administration Marketing & Finance cost	236025523	262008528	44772069	73077090
- Finished Goods		3685000		-
		431496565		188378569
SUNDRY DEBTORS (Unsecured)				
Outstanding for the period of more than six months Considered Good				
Considered Doubtful		-		-
Less : Provision			770362 (770362)	
Other Debtors - Considered Good		7365562		-
		7365562		-
CASH AND BANK BALANCES				
Cash on hand				
		531534		408198
With Scheduled Banks in Current A/c.				
	31672336		22536097	
Term Deposit (Including Rs. 6 crores with Citibank given as lien for opening Standby L/C on behalf of a subsidiary company)	60000000	91672336	61601723	84137820
		92203870		84546018
LOANS AND ADVANCES (Unsecured, considered good except stated otherwise)				
Loans				
Inter Corporate Deposits		17506800		1700000
Deposits		3000000		31250000
		794524		301278
Advances recoverable in cash or kind or for value to be received				
Considered Doubtful (Refer Note No. 6a of Schedule 'O')	2397750		2397750	
Considered Good	20491518		14228220	
		22889268		16625970
Advance and Other Incidentals for Bhivpuri Project (Refer Note No. 6 c of Schedule 'O')		4002278		6565747
Advances and Other Incidentals for Badlapur Project (Refer Note No. 11 b of Schedule 'O')		7876613		2454999
Advances and Other Incidentals for Mohili Project (Refer Note No. 12 of Schedule 'O')		49016804		-
Advances and Other Incidentals for Tisgaon Project (Refer Note No. 13 of Schedule 'O')		10885058		2027758
		115971345		60925752

**PODDAR DEVELOPERS LIMITED**

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
SCHEDULE 'G'		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	19670399	8014342
Other Liabilities	8707878	3272144
Unclaimed Dividend	958136	712182
Book Overdraft	664909	-
Amount payable against Land Development Rights	8580000	8580000
Advance against sales of Flat	240290128	4677180
Advance against Flat Cancellation.	88504	-
Deposit from Customers	1126667	-
MSEB Charges against Flat sales.	922500	-
Share Money & Society Formation against Flat sales.	133500	-
Advance Maintenance against Flat Sales	442800	-
	281585421	25255848
PROVISIONS		
Proposed Dividend	7806750	7806750
Tax Payable on Proposed Dividend	1296604	1296604
	290688775	34359202
	2010-2011 (₹)	2009-2010 (₹)
SCHEDULE 'H'		
SALES & SERVICES		
Sales of Flat	44808171	-
Sales-Export & Export Incentives	1142851	3206526
Sales-Local	13033957	197992
Service charges received	4980251	7826133
Design & Developing Charges Received	223500	-
	64188730	11230651
SCHEDULE 'I'		
OTHER INCOME		
Miscellaneous Income	2500	35000
Dividend Received	5926450	10944076
Profit on sales of Fixed Assets	-	655871
Profit on Sales of Investments	466455	9892524
Profit in Equity Derivatives	-	836724
Rent Received	-	85500
Sundry Balances written back	337767	621456
Share of profit in Partnership LLC (Associate)	-	272259
Insurance Claim Received	315279	-
Interest Received	6003504	5095479
Interest Received on overdue payments	45594	-
Liability no Longer required written back	842168	-
Net gratuity gain as per AS-15 (Note No. 8a)	341064	-
	14280781	28438889

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	2010-2011 (₹)	2009-2010 (₹)
SCHEDULE 'J'		
Increase/(Decrease) in stocks		
Closing Stocks		
<u>Finished goods</u>		
Garments	-	3209761
Completed Flats	3685000	-
	<u>3685000</u>	<u>3209761</u>
Less : Opening Stocks		
<u>Finished goods</u>		
Garments	5541022	1138380
(Incl. R. 2331281/- Prev. yr. Rs. 1096827/- trfd. from raw material)		
Semi finished goods	-	3112417
	<u>5541022</u>	<u>4250797</u>
	<u>(1856022)</u>	<u>(1041036)</u>
	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
SCHEDULE 'K'		
COST OF CONSTRUCTION		
Opening Work in Progress	73077090	-
Add : Expenses incurred during the Year		
Land / Land related cost	K1	28305021
Development & Construction Cost	K2	24798822
Administrative Cost	K3	7098091
Marketing Cost	K4	2990196
Finance Cost	K5	1022576
Project consultancy charges	13614144	8862384
	<u>300059245</u>	<u>73077090</u>
Less : Closing Work in Progress	<u>262008528</u>	<u>73077090</u>
	<u>38050717</u>	<u>-</u>
SCHEDULE 'K1'		
LAND / LAND RELATED COST		
- Land	-	26513211
- Land Related Expenses	-	1791810
	<u>-</u>	<u>28305021</u>
SCHEDULE 'K2'		
DEVELOPMENT & CONSTRUCTION COST		
Material Consumed		
Opening Stock of Materials	2011097	-
Add : Purchase during the year	140036766	11044104
	<u>142047863</u>	<u>11044104</u>
Less : Closing Stock of Material	<u>22549006</u>	<u>2011097</u>
	119498857	9033007
Labour cost	28671738	2329499
Other Construction Expenses	7567243	13436316
Infrastructure Cost	7015398	-
	<u>162753236</u>	<u>24798822</u>

**PODDAR DEVELOPERS LIMITED**

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SCHEDULE 'K3'</b>		
<b>ADMINISTRATION COST</b>		
Salaries	19516173	3265649
Contribution to Provident & other funds	986920	133185
Staff Welfare Expenses	352587	98148
Miscellaneous Expenses	3632457	709545
Legal & Professional Fees	1309491	1065703
Travelling & Conveyance	356342	174475
Postage, Telegram & Telephone	753457	196840
Printing & Stationary	232172	263665
Rent Paid	271780	148942
Bank Charges	19084	29889
Insurance	255103	57128
Rates & Taxes	36648	-
Motor Car Expenses	1425669	622212
Security Charges	1375614	332710
	30523497	7098091
<b>SCHEDULE 'K4'</b>		
<b>MARKETING COST</b>		
Salaries	2875695	-
Advertisements	2506593	1922058
Brokerage	4094467	53400
Sales Promotion Expenses	2099803	1014738
Conveyance Expenses	62292	-
Designing & Developing Expenses	277971	-
Printing & Stationary Expenses	7522	-
Sample Flat Expenses	455247	-
Telephone Expenses	271898	-
Sponsorship Expenses	1547149	-
Rates & Taxes	1800	-
Rent	427128	-
Miscellaneous Expenses	1268501	-
	15896066	2990196
<b>SCHEDULE 'K5'</b>		
<b>FINANCE COST</b>		
Interest and Other Finance Charges	4195212	1022576
	4195212	1022576
<b>SCHEDULE 'L'</b>		
<b>MANUFACTURING EXPENSES</b>		
Processing & Packing Charges	141442	1365374
Accessories & Packing Materials	52211	224954
	193653	1590328

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	31.03.2011 (₹)	31.03.2010 (₹)
SCHEDULE 'M'		
ADMINISTRATIVE EXPENSES*		
Payments to & provisions for employees**		
- Salaries & Bonus	2223672	8017662
- Company's Contribution to Provident & other Funds	118207	514678
- LIC Premium Gratuity	-	264984
- Staff Welfare Expenses	11651	108778
	<u>2353530</u>	<u>8906102</u>
Managerial Remuneration	3442960	3419104
Board Meeting Fees	65000	120000
Travelling Expenses	1072815	292915
Telephone & Postage Expenses	888979	1486902
Repairs & Maintenance		
- Plant & Machinery	-	-
- Others	590627	370594
	<u>590627</u>	<u>370594</u>
Rent	208486	182750
Rates & Taxes	-	4479
Service Tax	167117	135666
Printing & Stationery	727175	507467
Conveyance Expenses	346784	515758
Securities Expenses	197445	112100
Electricity Expenses	612595	568279
Insurance Expenses	180939	340847
Legal & Professional Charges	1500983	1453584
Internal Audit Fees	100000	100000
Auditors remuneration :		
Audit fees	750000	550000
Tax Audit Fees	100000	100000
Other Services	277500	135000
	<u>1127500</u>	<u>785000</u>
Miscellaneous Expenses	1214557	1293184
Service Charges	571534	391199
Bank Charges & Overseas Bank Chgs	32478	218433
Provision for Doubtful Debts	-	770362
Security Transaction Tax	-	46
Loss on Sale of Fixed Assets	13185	-
Share of Loss in Partnership LLC.	62455	-
	<u>15477144</u>	<u>21974771</u>
* Excluding the expenses related to construction debited to cost of construction in Schedule 'K3'		
** During the year, management has decided to apportion certain expenses to the respective project and debited to cost of construction in Schedule "K3"		

### SCHEDULE 'N'

#### SELLING AND DISTRIBUTION EXPENSES\*

Freight & Forwarding	10908	195523
Sample Expenses	12674	491277
Insurance	35120	-
Business Promotion	429695	232951
E.C.G.C. Premium	5000	1000
	<u>493397</u>	<u>920751</u>
* Excluding the expenses related to construction debited to cost of construction in Schedule 'K4'		

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**PODDAR DEVELOPERS LIMITED**

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE '0'

NOTES ON ACCOUNTS

I STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:

A. Method of Accounting

- a) The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except in case of Insurance claim and Interest income on overdue Installment.
- b) Financial statements are based on historical cost in accordance with the applicable mandatory accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of Companies Act, 1956. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities at the date of the financial statements and the reported accounts of revenue and expenses for the year presented. Actual results could differ from these estimates.

C. Fixed Assets and Depreciation

a) Fixed assets:

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working conditions for its intended use.

b) Depreciation:

Depreciation is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956.

D. Investments

Long-term Investments are valued at cost of acquisition (including cost of purchase, brokerage, and other related expenses incurred thereon). However, provision is made for any diminution in value, other than temporary, in which case the carrying value is reduced to recognize the decline. Short-term investments are valued at lower of the cost or market price at the end of the year.

E. Exchange Fluctuations

Sundry Debtors and credit balance in debtors in foreign currencies, which are outstanding as on the date of Balance Sheet, are converted on the basis of rates prevailing at the year-end. Net difference due to such conversion is adjusted to sales. Similarly, the Current Liabilities in foreign currency which are outstanding as on the date of balance sheet are converted on the basis of rates prevailing at the year-end. Exchange differences arising on settlement of monetary items during the year are recognized as Forex gain or loss of that year. Investments in Foreign Subsidiaries and Partnership Firms are converted on the basis of rates prevailing at the year-end. Exchange differences for the same are credited / debited to Foreign currency translation reserve and effect to the Profit & Loss is given only when the investment is actually realized.

F. Inventories

a) Garment Division

Finished Goods are valued at lower of cost (ascertained on first-in-first-out basis) or net realizable value. Raw Materials and Semi-finished goods are valued at direct cost.

b) Realty & Construction

- i) Land and Land Development Right in hand are valued at cost including incidental and development expenses.
- ii) Construction materials are valued at cost.
- iii) Work in progress are valued at cost consisting of Land, construction, development, administration, marketing and finance expenses and also effect of profit/loss where the construction is substantially completed, in respect of unit sold, as determined on technical estimates.

## TWENTY NINTH ANNUAL REPORT

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- iv) i Finished goods, which are unsold, are valued at cost, consisting of Land and Land development rights, construction, development, administration, marketing and finance expenses, or market value whichever is lower. For this purpose items of similar nature are compared in totality.
- ii Finished goods which are sold but possession of which could not be given on account of technical reasons are value at cost plus estimated profit / loss.

### G. Revenue Recognition

#### a) Garment Division

- i Export Sales are accounted for on the basis of the date of Bill of Lading/Airway bill and other sales are accounted for on the basis of actual dispatches.
- ii Services are accounted for on time proportion basis which are covered under agreement. Other services are accounted for as and when rendered.

#### b) Real Estate and Construction Division

- i The Company follows completed contract method of accounting in respect of its construction activity. Under this method, profit in respect of units sold is recognised only when the work in respect of the relevant units are completed or substantially completed, which is determined on technical estimates as certified by management.
- ii The completion status of a project at the end of accounting period, estimated construction and development cost for completion relating to the sold units, which are considered for profit are estimated on the basis of technical evaluation, as certified by management and relied to by the auditors.
- iii Revenue recognition in respect of property sale transaction is on the basis of agreement to sale and on the transfer of all significant risks and rewards of ownership to the buyers.

#### c) Others

- i Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- ii Dividend income is recognized when the shareholders' right to receive the payment is established.

### H. Gratuity, Leave Encashment & Retirement Benefits

- a) The Company has taken group insurance policy in respect of future Gratuity liability for all its employee and contributes annual premium on the basis of liability determined by LIC on actuarial basis.
- b) The Company provides for unutilised privilege leave available to its employees on the basis that as if all the employees will retire at the end of the year.

### I. Taxation

Tax expenses include current and deferred tax. Provision for Income tax is made on the basis of the taxable income as per the provisions of Income Tax Act, 1961 and the relevant Finance Act. Tax payments are set-off against provisions.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured on the basis of the tax rate and the tax laws enacted or subsequently enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### J. Earnings per Share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

### K. Provisions and contingent liabilities

Provisions are recognized when the company has a present obligation as a result of past events for which it is probable that cash outflow will be required 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 balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed when the company has a possible obligation and it is probable that a cash outflow will not be required to settle the obligation.

L. Other Accounting Policies

These are consistent with the generally accepted accounting policies.

II. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011:

1. Contingent liabilities not provided for:

- a) Company has provided a Guarantee by way of a Stand by Letter of Credit from Citibank N A, Mumbai on behalf of its subsidiary - Wearology FZC towards Working Capital Limits. The outstanding balance as at 31st March 2011 was AED 7,65,762 i.e. approx ₹ 91.59 lacs.
- b) Claims against the Company not acknowledged as debt ₹ 14.85 lacs. The matter was decided in favour of company. However, the bank has preferred an appeal against the order which is pending before the Debt Recovery Tribunal. The Company had deposited ₹ 1.00 lac as earnest money.

2. Sundry Debtors, Creditors and Loans & Advances are subject to confirmation and reconciliation.

3. Capital commitments

Estimated amount of contract remaining to be executed on capital account (net of advances) and not provided for ₹ 8.42 lacs.

4. The Company has not considered the effect of impairment loss on the fixed assets as required under AS - 28 on 'Impairment of assets' issued by the Institute of Chartered Accountants of India. However, in the opinion of the management, there would not be significant effect of the impairment as the major assets of the Company comprises of Building in addition to vehicles which have been procured in last two to three years.

5. Income Tax

- a) In respect of A.Y.1993-94, the CIT (Appeals) had decided the matter in favour of the Company and directed Income Tax Officer to give necessary effects of the said order which would result in significant reduction in the demand. However, the Company had made a provision of ₹ 4 lacs against which ₹ 3 lacs has already been paid. The balance payment if any will be made as and when final demand is received from the Department.
- b) Income tax order for the A.Y.1995-96 were set aside by the appellant tribunal and fresh orders were passed raising aggregate demand of ₹ 455770/-. This amount net of refund has been provided in accounts
- c) In respect of A.Y.2001-02 Income tax authorities have raised the demand for ₹ 155424/- against which company has requested to the income tax authorities to appropriate the refund of ₹ 138350/- in respect of TDS relating to A.Y.2004-05 and balance amount will be paid after necessary adjustment. However, the necessary provision has been made in the accounts
- d) In respect demand for the A.Y. 2007-08 ₹ 7,97,955/- & A.Y. 2008-09 ₹ 4,07,537/- aggregating to ₹ 12,05,492/-, the company has requested to the income tax authorities to adjust the same against refund due for the A.Y. 2009-10 of ₹13,12,268/- however the same have been provided for in the accounts

6. a) Loans and Advances include ₹ 23.98 lacs (Prev. Yr. ₹ 23.98 lacs) which is considered doubtful of recovery for which no provision has been made in the accounts as the management is hopeful to recover the same in due course of time.

b) The Company proposes to enter into an arrangement for re-development of building at Colaba along with another company & has given ₹ 36 lacs as initial startup / predevelopment cost for the said project. The said amount will not be recoverable in case the said proposal does not go through. The Company has also paid the legal charges of ₹ 5.63 lacs towards the same. The above amount aggregating to ₹ 41.63 lacs debited to Advance recoverable in cash or kind or for value to be received and considered good. However the recovery thereof would depend upon the future progress of the said project.

c) The Company had given advance of ₹ 40.02 lacs towards purchase of additional Land, includes certain Land are not useable for the purpose of construction, being in a hilly area. The Company is making necessary attempt to sell / recover the advances. The final recovery thereof would depend on final disposal of the same.

7. In absence of adequate building-wise consumption records of materials, the aggregate consumption has been arrived at on the basis of closing stock of the materials as physically verified by the management after deducting the same from the opening stock & total purchases made during the year and the same has been allocated to the respective buildings on the basis of consumption certificate issued by the architect.

8. a) An amount of ₹ 341064/- as contribution towards defined contribution plan is recognized as income in the Profit and Loss Account. The disclosures in respect of the Defined Benefit Gratuity plan (to the extent of information made available by LIC) are given below:

# TWENTY NINTH ANNUAL REPORT

2010-2011

(₹)

Change in present value of obligation :

Obligation at beginning of the year	3129247
Current Service Cost	580657
Interest Cost	250340
Actuarial (gain) / loss	(837024)
Benefit paid	(103633)
Obligation at the end of the year	3019587

Change in Plan Assets :

Fair value of Plan Assets at beginning of the year	3737128
Expected return on plan assets	335037
Actuarial gain / (loss)	4072165
Contributions	-
Benefit paid	(103633)
Fair value of plan Assets at the end of the year	3968532

Reconciliation of present value of the obligation and the fair value of Plan Assets and amounts recognized in the Balance Sheet :

Present value of the obligation at the end of the year	3019587
Fair Value of Plan Assets at the end of the year	3968532
Net Assets / (Liability) recognized in the Balance Sheet	948945

Gratuity cost recognized for the year :

Current Service Cost	580657
Interest Cost	250340
Expected return on Plan Assets	(335037)
Actuarial (gain) / Loss	(837024)
Net Gratuity (gain) / Loss	(341064)

Assumptions :

Interest rate	9.15
Rate of growth in salary levels*	5

\* The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Since the above disclosure are mandatory for the first time, previous year figures have not been compiled and given.

b) The Company has not provided for employee benefit such as, Leave Encashment and other retirement benefits as per AS-15 on "Employee benefits" (revised 2005) strictly. However, the Company has provided for accrued privileged leave on the basis as if all employees will retire at the end of the year. The overall liability in respect of employees' retirement benefit has been fully provided for in the accounts.

9. The Liability pertaining to service tax has not been provided in view of the stay granted by the Mumbai High Court. However, the relevant amount has been collected from the customers and shown under Current Liability, if the final liability arises the same would be paid to the government out of the above referred amount and would not have any impact on the profitability of the company.

10. Segment Information

(Figures in ₹)

Particulars				
	Garment	Realty	Unallocated	Total
Business Segment				
REVENUE				
External Revenue	20597605	45134433	12737473	78469511
	(11852107)	-	(27817433)	(39669540)
RESULT				
Segment Result before Unallocated Expenses	1186400	10768716	12737473	24692589
	(2118796)	(-)	(27817433)	(29936229)
Less : Unallocated Expenses				13349098
				(20405162)
Taxes				(1270051)
				(-1209606)
Net Profit after Tax				10073440
				(8321461)

Particulars				Total
	Garment	Realty	Unallocated	
OTHER INFORMATION				
Segment Assets	5097526 (12606920)	244130485 (176889493)	- -	249228011 (189496413)
Other Unallocated Assets				255489961 (340299006)
TOTAL Assets				504717972 (529795419)
Segment Liabilities		5727827 (30350343)	- -	5727827 (30350343)
Other Unallocated Liabilities				5616576 (6950165)
Total Liabilities				11344403 (37300508)

(Figures in ₹)

Particulars			
	Outside India	W ithin India	Total
Geographical Segment			
Segment Revenue	6346602 (1128980)	72122909 (28540560)	78469511 (39669540)

a) Business Segment

For Management reporting purposes, the Company is organized into two operating divisions - Garments and Realities. The divisions are on the basis of which the Company reports its primary segment information. The above segments have been identified taking into account the organization structure as well as the differing risk and returns of these segments

- i. Garments segment comprises of Export of the goods and trading in textiles and also providing services to its subsidiaries towards merchandising and documentations.
- ii. Realty segment comprises of Land bank and Land development Rights and construction of Low-Cost housing project.
- iii. Others segment mainly comprises of income from investments of surplus funds.

b) Geographical Segment

The Company caters to Indian as well as to export markets. The separate geographical segment information has already been given herein above.

11. Badlapur Project -

- a) In the previous year the Company had entered into agreements for purchase of Development rights on agricultural land at Badlapur site for aggregate consideration of ₹1075.25 lacs including incidental expenses Further the Company has also acquired Land Development Rights amounting to ₹ 357.29 lacs including incidental during the year. The aggregate amount of ₹ 1432.54 lacs are shown under the head Inventories. The Company has obtained necessary permission for construction of Housing project & would commence the construction shortly.
- b) The Company has also given advances/token of ₹ 78.77 lacs (Prev. Yr. ₹ 24.55 lacs) towards purchase of additional land, which is under process of registration in favour of the Company.

12. Mohili Project -

The Company has entered in to agreements for purchase of Development Rights / agriculture Land at Mohili - Kalyan & paid advances of ₹ 490.17 lacs including incidental expenses which is subject to approval / permission of various government authorities. The above amount is shown under the head Loans & Advances.

13. Tisgaon Project -

- a) Advances recoverable in cash/kind or for value to be received include advances aggregating to ₹ 20.28 lacs (Previous year ₹ 20.28 lacs) paid to aggregator for procurement and aggregation of land at Tisgaon-Dombivali, Maharashtra. The recovery thereof would depend upon the further development of the project & market conditions.
- b) During the year the Company has entered into Joint Development agreement with Land owners and given deposit of ₹ 88.57 lacs with the understanding that certain portion of constructed area would be given to them as a compensation towards the cost of Land and deposit amount would be appropriated against the sales proceeds of their rights

## TWENTY NINTH ANNUAL REPORT

### 14. List of Investments in Partnership Firms (Associates):-

The Company has entered into partnership arrangements with the following :-

Name of Firm	Ownership (%)	Capital as on 31-3-11	Company's Share Profit/(Loss)	Year Ending
Organically Grown LLC, USA Partners 1) Poddar Developers Ltd 2) MJIR Inc., USA	50% 50%	7630202	(62455) *	31-12-2010
Nav Nirman Agro ** Partners 1) Poddar Developers Ltd 2) Six Individuals	99% 1%	9,90,000	NIL	31-03-2011

\* Equivalent of USD 1413/-

\*\* Activity yet to be commenced.

15. The Company has not received any intimation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures, if any, relating to the amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

16. The Deferred Tax Liability / (Asset) comprises of tax effect of timing differences on account of:

	Up to 31.03.2010 ₹	For the Current Year ₹	As at 31-03-2011 ₹
Deferred Tax liability-			
Difference between the Net Block as per Books & Net Block after allowing the Depreciation U/s 32 of Income Tax Act, 1961	2782851	323195	3106046
Deferred Tax (Asset)-			
Provision for Leave Encashment	(360891)	(19945)	(380836)
Provision for Bonus	(184059)	(83199)	(267258)
TOTAL	2237901	220051	2457952

As per the prudent accounting principles, Deferred Tax Asset on carried forward loss for earlier years has not been recognized.

### 17. Related Party Disclosures

1. Related party disclosures, as required by AS-18, "Related Party Disclosures" are given below:

- (i) List of Subsidiaries
  - Poddar Natural Resources & Ores Ltd
  - Poddar Infrastructure Pvt. Ltd
  - Poddar Habitat Pvt. Ltd
  - Poddar Leisure Infrastructure Pvt. Ltd
  - W earology Ltd. - FZC
- (ii) List of Partnership Firms (Associates)
  - Organically Grown Group LLC
  - Nav Nirman Agro
- (iii) Enterprises over which Key Management personnel / Relatives have significant influence
  - Suvijay Exports Ltd
  - Brite Merchants Ltd
  - Knitrite Apparelco Ltd
  - Poddar Amalgamated Holdings Pvt. Ltd
  - Sivik Constructions P. Ltd
  - W earology Ltd. - LLC
- (iv) Key Managerial Person:
  - Shri Dipak Kumar Poddar - Executive Chairman
  - Shri Rohitashwa Poddar - Managing Director
  - Shri Kalyankumar Dey - President

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

(a) Details relating to parties referred to in Items 1(i), (ii) and (iii) above.

(Figures in ₹)

Particulars	A		B		C		Ttda A + B + C	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Subsidiary		Investment in Joint Ventures/ Partnership		Enterprise over which key Management personnel/Relatives have significant influence			
Opening Balance	2954733	(83829)	1106484	1106484	1158654	30042	5219871	1052697
Advance Received	-	-	-	-	1684068	-	1684068	-
Advance repaid	-	-	-	-	(1684068)	-	(1684068)	-
Advance Given	-	-	-	-	500000	-	500000	-
Advance Recovered	-	-	-	-	(500000)	-	(500000)	-
Expenses incurred on us on behalf of others	3106689	3593193	200	700	1036427	2522583	4143316	6116476
Amount recovered against exp. incurred on behalf of others	(2878037)	(2022299)	(200)	(700)	(1036427)	(2033529)	(3914664)	(4056528)
Sales fabrics/Garment/ Design and Developing Income	801667	478146	-	-	12255907	581568	13057574	1059714
Amt. paid / (received) against Garment Purchase/Sale	(578167)	(478146)	-	-	(9871233)	(581568)	(10449400)	(1059714)
Service Charges received	4263585	5891240	-	-	1386900	2850600	5650485	8741840
Amount received against service charges	(4263585)	(4423572)	-	-	-	(2181000)	(4263585)	(6604572)
Sales of Investments	-	-	-	-	22320	-	22320	-
Amount received against Sales of Investments	-	-	-	-	(22320)	-	(22320)	-
Project Consultancy Charges	-	-	-	-	8618067	-	8618067	-
Amount paid against Project Consultancy	-	-	-	-	(7114648)	-	(7114648)	-
Amt. receivable/payable last year (received)/Paid during the year.	(2954733)	-	(500000)	-	(1158654)	(30042)	(4613387)	(30042)
Balance Receivable/ payable as at year end	452152	2954733	606484	1106484	5274993	1158654	6333629	5219871

## TWENTY NINTH ANNUAL REPORT

(b) Details relating to parties referred to in Items 14 (1) (iv) above

Ant. in ₹

Managerial Remuneration	Executive Chairman*	Managing Director*	President
Salary & Allowances	2376000 (2376000)	546000 (546000)	5202000 -
Perquisites	440337 (416484)	70003 (70000)	222000 -
Contribution to PF & Other fund	- -	10620 (10620)	10620 -
Loan from Company (maximum Amt. outstanding ₹ 15 lacs)			900000
Total	2816337 (2792484)	626623 (626620)	6334620 -

\* The above payment has been made pursuant to Section II of Part II of Schedule XIII of the Companies Act, 1956, on account of inadequate profits, as passed by the shareholders in the general meeting.

18. Disclosure of provision as required under AS - 29 on 'Provisions, Contingent Liabilities and Contingent Assets' issued by the Institute of Chartered Accountants of India.

₹

Nature of provision	Leave Encashment
Opening Balance	1167935
Additions	289291
Utilization	209898
Reversal	14850
Closing Balance	1232478

19. Particulars required to be given pursuant to the provisions of Part II of the Schedule VI of the Companies Act, 1956 are given here below:

a) Details of Opening Stock

Class of Product	Unit	Qty	Value (₹)
Garments	Pcs	9707 (2027)	3209761 (41553)
Fabric*	Mtrs	17358.80 (7555)	2331261 (1096827)
Total			5541022 (1138380)

\* Transferred from opening stock of raw material.

b) Details of Purchases for Resale

Class of Product	Unit	Qty	Value (₹)
Garments	Pcs	584 (968)	217244 (206100)
Fabric	Mtrs	51361.55 (Nil)	5016163 (Nil)
Yarn	Kgs.	12700.80 (987)	2717971 (227011)
Total			7951378 (433111)

d) Production

Class of Product	Unit	Licensed Capacity	Installed Capacity (₹)	Actual Production
Garments	Pcs	N.A.	N.A.	7285* (11222)

\* Excluding 50 Pcs (Pr. Yr. 61 Pcs.) used for samples, 2485 Pcs (Pr. Yr. 1051 Pcs) rejected.

d) Details of Sales

Class of Product	Unit	Qty	Value (₹)
Garments	Pcs	17576 (4510)	3410316 ** (1451278)
Fabric	Mtrs	68720.35 (7555.00)	7908212 (1579310)
Yam	Kgs.	12700.80 (987.00)	2854627 (197992)
Total			14173155 (3228580)

\*\* Excluding Export incentives of ₹ 3,653/- (Pr. Yr. ₹ 1,75,938/-)

e) Details of Closing Stock

Class of Product	Unit	Qty	Value (₹)
Garments	Pcs	- (9707)	- (3209761)

f) Raw Materials Consumed

Class of Product	Unit	Qty	Value (₹)
Fabrics & Yam	Mtrs/Kgs.	631.70 (4675.68)	456394 (1084945)

g) Imported and Indigenous Raw material consumption,

	%	₹
Imported	Nil (Nil)	Nil (Nil)
Indigenous	100 (100)	456394 (1084945)

Imported and indigenous Accessories and Packing Material Consumption,

	%	₹
Imported	- -	- -
Indigenous	100 (100)	52211 (224954)

h) Quantitative details in respect of construction activity has not been given as required by paragraph 3 (ii) (a), (b) and paragraph 4c of part II of schedule VI to the Companies Act, 1956 as the same is not applicable for the said activities.

i) Earning in Foreign Exchange

F.O.B. Value of Exports	₹
I) Garments	1134216 (2592617)
II) Services	4980251 (7826133)

## TWENTY NINTH ANNUAL REPORT

j) Expenditure in Foreign Currency :

For Others	237936 -
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20. Details of Investments purchased, reinvested and sold during the year

	Name of the Fund	Opening Units	Purchase Units	Reinvested Units	Sales Units	Closing Balance Units
1.	Birla Sun Life Saving Fund Instl Daily Dividend Reinvestment	1255560.777	-	32909.848	1288470.625	-
2.	Birlal Sun Life Short Term FMP Series 3 Dividend Payout	-	25800581.01	-	25800581.01	-
3.	HDFC High Interest Fund - Short Term Plan Dividend Option Reinvest	1975213.712	-	74671.865	1178730.641	871154.936
4.	Templeton India Short Term Income Retail Plan Weekly Dividend.	19468.392	-	834.129	-	20302.521
5.	Tata Floater Fund Daily Dividend	136555.771	-	84.385	136640.156	-
6.	Reliance Medium Term Fund Daily Dividend	2102224.423	1696313.150	49249.758	3847787.331	-
7.	Reliance Short Term Fund Retail Plan Dividend Plan	4886017.400	-	149834.041	5035851.441	-
8.	Reliance Liquid Fund Cash Plan Daily Dividend Option	-	2748257.213	13968.189	1283277.566	1478947.836
9.	IDFC Money Manager Fund Treasury Plan Inst. Plan B Daily Dividend	-	2482547.69	5274.878	2482547.69	5274.878

21. The Company has not received bank statement from certain banks (outside Maharashtra) where there are either no transactions or very few transactions. Such bank accounts are mainly open for getting the credit of duty drawback in the past. The Company has already forwarded the written request to send the bank statement as well as balance confirmation as on 31st March 2011. Necessary effect if any will be given in the accounts as and when the same are received. In the opinion of the management impact of such transactions would not be material.
22. Profit on sale of Raw material & Accessories remains adjusted in consumption
23. The figure in the bracket represents the figures of the previous year.
24. Previous year figures are regrouped/re-arranged wherever necessary.
25. Other provisions of the said Part II of the Schedule VI of the Companies Act, 1956 are Either NIL or NOT APPLICABLE.

Signature to schedule 'A' to 'O'

As per our report of even date

FOR R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(PROPRIETOR)  
Membership No. 30108

J. Menon  
Secretary

For and on behalf of the Board

Dipak Kumar Poddar - Executive Chairman  
Rohitashwa Poddar - Managing Director  
Shrikant Tembey - Director

PLACE : MUMBAI  
DATED: 18th May 2011

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE

1. Registration Details

Registration No. 

L	5	1	9	0	9	M	H	1	9	8	2	P	L	C	1	4	3	0	6	6
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Balance Sheet Date 

3	1		0	3		2	0	1	1
---	---	--	---	---	--	---	---	---	---

2. Capital raised during the year (amount in ₹)

Public Issue	Rights Issue	Private Placement			
<table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL	<table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL	<table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL
NIL					
NIL					
NIL					
	Bonus Issue				
	<table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL			
NIL					

3. Position of Mobilisation and Deployment of Funds (Amount in ₹)

Total Liabilities	Total Assets		
<table border="1" style="margin: auto;"><tr><td>504717972</td></tr></table>	504717972	<table border="1" style="margin: auto;"><tr><td>504717972</td></tr></table>	504717972
504717972			
504717972			
Sources of Funds			
Paid-up Equity Share Capital	Paid-up Preference Share Capital		
<table border="1" style="margin: auto;"><tr><td>52045000</td></tr></table>	52045000	<table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL
52045000			
NIL			
Advance against Share Application Money	Reserve & Surplus		
<table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL	<table border="1" style="margin: auto;"><tr><td>441328569</td></tr></table>	441328569
NIL			
441328569			
Unsecured Loan	Secured Loan		
<table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL	<table border="1" style="margin: auto;"><tr><td>8886451</td></tr></table>	8886451
NIL			
8886451			
Deferred Tax Liability			
<table border="1" style="margin: auto;"><tr><td>2457952</td></tr></table>	2457952		
2457952			
Application of Funds			
Net Fixed Assets	Investments		
<table border="1" style="margin: auto;"><tr><td>31515318</td></tr></table>	31515318	<table border="1" style="margin: auto;"><tr><td>116854087</td></tr></table>	116854087
31515318			
116854087			
Net Current Assets	Miscellaneous Exp.		
<table border="1" style="margin: auto;"><tr><td>356348567</td></tr></table>	356348567	<table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL
356348567			
NIL			

4. Performance of the Company (Amount in ₹)

Turnover	Other Income	Total Expenditure			
<table border="1" style="margin: auto;"><tr><td>64188730</td></tr></table>	64188730	<table border="1" style="margin: auto;"><tr><td>14280781</td></tr></table>	14280781	<table border="1" style="margin: auto;"><tr><td>67031293</td></tr></table>	67031293
64188730					
14280781					
67031293					
Profit Before Tax		Profit After Tax			
<table border="1" style="margin: auto;"><tr><td>11438218</td></tr></table>	11438218		<table border="1" style="margin: auto;"><tr><td>10073440</td></tr></table>	10073440	
11438218					
10073440					
Earning per Share		Dividend Rate %			
<table border="1" style="margin: auto;"><tr><td>1.94</td></tr></table>	1.94		<table border="1" style="margin: auto;"><tr><td>15%</td></tr></table>	15%	
1.94					
15%					

5. Generic Names of Principal Products of the Company

Not applicable, since the company is not engaged in manufacturing activities.

Place : Mumbai  
Date : 18th May 2011

For and on behalf of the Board

Dipak Kumar Poddar - Executive Chairman  
Rohitashwa Poddar - Managing Director  
Shrikant Tembey - Director

**TWENTY NINTH ANNUAL REPORT**

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of Subsidiary	W earology FZC, UAE	Poddar Natural Resources & Ored Ltd.	Poddar Infrastructure Pvt. Ltd.	Poddar Habitad Pvt. Ltd.	Poddar Leisure Infrastructure Pvt. Ltd.
Financial Year of Subsidiary ended Holding Company's Interest	31st March '11	March '11	31st March '11	31st March '11	31st March '11
No. of Shares	90	50000	10000	10000	10000
Extent of Holding	90%	100%	100%	100%	100%
Net Aggregate amount of Subsidiary's profit/(Loss) not dealt with in the holding Co. A/c's.					
for subsidiary's FY	8429136	-42325	-22375	-14929	-14742
for Previous year FY	18797099	-34890	-22415	-15479	-15292
Net Aggregate amount of Subsidiary's profit/(Loss) dealt within the Holding Co. A/c's					
for subsidiary FY	NEL	NEL	NEL	NEL	NEL
for Previous year FY	NEL	NEL	NEL	NEL	NEL
Material changes between end of subsidiary FY and 31st March 2010					
Subsidiary's F. Asset	NEL	NEL	NEL	NEL	NEL
Subsidiary's Investment	NEL	NEL	NEL	NEL	NEL
Monies Lent by subsidiary	NEL	NEL	NEL	NEL	NEL
Money borrowed by subsidiary	NEL	NEL	NEL	NEL	NEL

R. S. SHAH & COMPANY  
Chartered Accountants  
217, Vardhaman Chambers,  
Cawasji Patel Street,  
Fort, MUMBAI - 400 001.  
Tel Nos: 22042469/ 22824736

AUDITORS REPORT TO THE BOARD OF DIRECTORS ON THE  
CONSOLIDATED FINANCIAL STATEMENTS OF PODDAR  
DEVELOPERS LIMITED

- (1) We have audited the attached Consolidated Balance Sheet of PODDAR DEVELOPERS LIMITED and its subsidiaries as at 31st March 2011, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) We did not Audit the financial statements of one foreign subsidiary, whose financial statements reflect total assets of ₹ 569.43 lacs as at 31st March 2011 and total profit (after tax) of ₹ 93.66 lacs for the year ended on that date. These financial statements and other financial information have been extracted from the audited financial statements which have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
- (4) We report that consolidated financial statements have been prepared by the Poddar Developers Ltd's management in accordance with the requirements of Accounting standards - 21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
- (5) We draw your attention to Schedule 'O' to the financial statement in respect of :-

- a) Note no. 4 regarding non-provision for impairment of assets as required under AS-28.
- b) Note no. 6 (a) regarding non-provision for doubtful advances of ₹ 23.98 lacs.
- c) Note no. 6 (b) regarding advances given for initial start-up for redevelopment project at Colaba, amounting to ₹ 41.63 lacs including incidentals.
- d) Note no. 6 (c) regarding the recovery/realization of advances of ₹ 40.02 lacs given for purchase of land at Bhivpuri.
- e) Note No. 12 regarding the acquisition of development rights / agriculture Land of ₹ 490.17 lacs pending approvals from statutory authorities.
- f) Note No. 13 (a) regarding stagnant advances of ₹ 20.28 lacs to the aggregator of land at Tisgaon - Dombivli.

We are unable to express the exact impact on the profit and the reserves of the Company for the points referred herein above.

- (6) Subject to above in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - (a) In case of the Consolidated Balance Sheet, of the state of affairs of Poddar Developers Ltd's and its subsidiaries as at 31st March 2011 and;
  - (b) In case of Consolidated Profit and Loss Account, of the profit of the Poddar Developers Ltd's and its subsidiaries for the year ended on that date.
  - (c) In case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For R. S. SHAH & COMPANY  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(PROPRIETOR)  
Membership No. 30108

Place : MUMBAI  
Dated : 18th May 2011

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

SCHEDULE	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDERS FUNDS</b>		
Share Capital	A 52045000	52045000
Reserves & Surplus	B 485996925	480282754
MINORITY INTEREST	1208386	271065
<b>LOAN FUNDS</b>		
Secured Loans	C 18044965	35062607
Unsecured Loans	-	655646
Deferred Tax Liability (See Note No. 12 in Schedule 'O')	2457952	2237901
<b>TO TAL</b>	<b>559753228</b>	<b>570554973</b>
<b>APPLICATION OF FUNDS</b>		
<b>FIXED ASSETS</b>		
Gross Block	D 38396484	22773780
Less: Depreciation	6881166	4771219
<b>Net Block</b>	<b>31515318</b>	<b>18002561</b>
INVESTMENTS	E 158468481	234852900
<b>CURRENT ASSETS LOANS AND ADVANCES</b>		
Inventories	431496565	188378569
Loans and advances	116753373	72288362
Sundry Debtors	22030611	9584129
Cash & Bank Balances	93022032	89735486
	663302581	359986546
Less: CURRENT LIABILITIES AND PROVISIONS	G 293572407	42350797
<b>NET CURRENT ASSETS</b>	<b>369730174</b>	<b>317635749</b>
Miscellaneous Expenditure (To the extent not written off)	39255	63763
<b>TO TAL</b>	<b>559753228</b>	<b>570554973</b>

NOTES ON ACCOUNTS O  
Schedules Attached form pat  
of the Accounts

As per our report of even date For and on behalf of the Board

For R. S. SHAH & CO.

CHARTERED ACCOUNTANTS

Dipak Kumar Poddar-  
Executive Chairman

R. S. SHAH  
(Proprietor)

Membership No. : 30108

Rohitashwa Poddar-  
Managing Director

Shrikant Tembey - Director

PLACE : MUMBAI

DATED : 18th May 2011

J. MENON - Secretary

## PODDAR DEVELOPERS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31ST MARCH 2011

SCHEDULE	2010-2011 (₹)	2009-2010 (₹)
<b>INCOME</b>		
Sales & Services	H 201566035	212226150
Other Income	I 18707907	32263828
Share of profit in Partnership LLC (Associate)	-	272259
Increase/(Decrease) in stocks	J (1856022)	(1041036)
<b>TO TAL</b>	<b>218417920</b>	<b>243721201</b>
<b>EXPENDITURE</b>		
Cost of Construction	K 38050717	-
Raw Materials consumed	456394	1084945
Manufacturing Expenses	L 193653	1590328
Purchase for Resales (incl. all direct cost)	134786802	178353718
Administrative Expenses	M 18294165	34476036
Selling and distribution Expenses	N 880301	2103761
Other Expenses	425021	-
Interest & Financial Charges	2456975	2653966
Depreciation	2145280	1560518
Preliminary Expenses W/Off	24508	24508
<b>TO TAL</b>	<b>197713816</b>	<b>221847780</b>
Profit/(Loss) before Taxation	20704104	21873421
Provision for Taxation		
Income Tax	(1050000)	(145155)
Deferred Tax	(220051)	(1149606)
Profit before prior years adjustment & Minority Interest	19434053	20578660
Prior year Adjustment (Incl. Income tax for earlier years)	(89277)	(487936)
Profit before Minority Interest	19344776	20090724
Less : Minority Interest	(936571)	(92415)
Profit for the year	18408205	19998309
Profit B/F from previous year	265936982	252551537
Surplus available for Appropriation	284345187	272549846
Less : Transferred to General Reserve	(600000)	(500000)
Proposed Dividend	(7806750)	(7806750)
Tax on Proposed Dividend	(1296604)	(1296604)
Balance carried to Balance Sheet	274641833	262946492
Earning per Share (in Rs.)		
Basic & Diluted E.P.S.	3.54	3.84

NOTES ON ACCOUNTS O  
Schedules Attached form pat  
of the Accounts

As per our report of even date For and on behalf of the Board

For R. S. SHAH & CO.

CHARTERED ACCOUNTANTS

Dipak Kumar Poddar-  
Executive Chairman

R. S. SHAH  
(Proprietor)

Membership No. : 30108

Rohitashwa Poddar-  
Managing Director

Shrikant Tembey - Director

PLACE : MUMBAI

DATED : 30<sup>th</sup> April 2010

J. MENON - Secretary

**PODDAR DEVELOPERS LIMITED**

**CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	YEAR ENDED 31st March 2011 (₹)	YEAR ENDED 31st March 2010 (₹)
<b>A. Cash Flow from operating Activities</b>		
Net Profit after Tax and Extra-Ordinary Items	19344776	20090724
<b>Adjustments For</b>		
Depreciation	2145280	1560518
(Profit) / Loss on Sale of Fixed Assets	13185	(655871)
Interest Received	(6049009)	(5095479)
Interest Paid	2456975	2653966
(Profit) / Loss on sales of Investments	(4124341)	(13103774)
Dividend Received	(5926450)	(10944076)
Deferred Tax	220051	1149606
(Profit) / Loss in Equity Derivatives	-	(836724)
Foreign Currency Translation Reserve on Foreign Investment	88862	(5299854)
Minority Interest	750	178650
Statutory Reserve	3750	(57248)
Preliminary expenses written off	24508	24508
Share of Loss / (Profit) in Partnership LLC (Associate)	62455	(30425778)
Operating Profit(Loss) before Working Capital changes	8260792	(10335054)
<b>Adjustments For</b>		
Trade & Other Receivables	(59561008)	3118945
Inventories	(243117996)	(184127772)
Trade Payable	250539323	(6664351)
<b>Net Cash from Operating Activity (A)</b>	<b>(43878889)</b>	<b>(198008232)</b>
<b>B. Cash Flow from Investing Activities</b>		
(Purchase) / Sales of Fixed Assets	(15724857)	742623
(Purchase) / Sales of Investments	76384419	202880864
Profit / (Loss) on Sale of Fixed Assets	(13185)	655871
Profit / (Loss) on Sale of Investments	4124341	13103774
Profit / (Loss) in Equity Derivatives	-	836724
Share of Profit / (Loss) in Parynership LLC (Associate)	(62455)	-
Interest Received	6049009	5095479
Dividend Received	5926450	10944076
<b>Net cash flow from Investing Activities (B)</b>	<b>76683722</b>	<b>234259411</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Borrowing	(17673288)	28872026
Dividend Paid including Tax thereon	(9103354)	(9103354)
Interest (Paid)	(2456975)	(2653966)
<b>Net cash used in Financing Activity (C)</b>	<b>(29233617)</b>	<b>17114706</b>
<b>Net increase (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>3571216</b>	<b>53365885</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>89450816</b>	<b>36369601</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>93022032</b>	<b>89735486</b>

Notes: The above cash flow statement has been prepared under the 'Indirect Method' as set out in the AS-3 on the cash flow statement issued by the ICAI.

As per our report of even date  
FOR R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(Proprietor)

J. Menon  
Secretary

For and on behalf of the Board

Dipak Kumar Poddar - Executive Chairman

Rohitashwa Poddar - Managing Director

Shrikant Tembey - Director

PLACE : MUMBAI  
DATED: 18th May 2011

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

### CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

		AS AT 31.03.2011 (₹)		AS AT 31.03.2010 (₹)
<b>SCHEDULE 'A'</b>				
<b>SHARE CAPITAL</b>				
AUTHORISED				
70,00,000 Equity Shares of Rs. 10/- each		<u>70000000</u>		<u>70000000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
52,04,500 Equity Shares of Rs. 10/- each fully paid up		<u>52045000</u>		<u>52045000</u>
		<u>52045000</u>		<u>52045000</u>
NOTE : 172450 Equity shares were allotted pursuant to schemes of amalgamation without payments being received in cash. 3240000 shares were allotted as bonus shares by capitalisation of reserves.				
<b>SCHEDULE 'B'</b>				
<b>RESERVES &amp; SURPLUS</b>				
GENERAL RESERVE				
Balance as per Last Balance Sheet	210991701		210491701	
Add : Transferred from Profit & Loss Account	600000	<u>211591701</u>	500000	210991701
Balance in Profit & Loss Account		<u>274641833</u>		<u>262946492</u>
Capital Reserve on consolidation as per AS-21		<u>(39027)</u>		6916030
Statutory Reserve		<u>897000</u>		893250
<b>Foreign Currency Translation Reserve</b>				
Balance as per Last Balance Sheet	(1161124)		3835135	
Add/(Less) : During the year	66542	<u>(1094582)</u>	(5299854)	(1464719)
		<u>485996925</u>		<u>480282754</u>
<b>SCHEDULE 'C'</b>				
<b>SECURED LOANS</b>				
<u>From a Bank</u>				
Working Capital Project Finance		-		30350343
(Mortgage of the Project Land, approx. 8.83 acres, located at village Garpoli-Bhivpuri, Taluka Karjat, District Raigad and aslo collaterally secured by personal guarantee of a director of the company)				
<u>Citi Bank</u>		<u>9158514</u>		-
From Others				
Secured by hypothecation of specific vehicles & Equipment payable within one year		<u>8886451</u>		4712264
- Vehicle ₹ 2056323/- (Prev. Yr. ₹ 1602938)				
- Construction Equipment ₹ 1505031/-		<u>18044965</u>		<u>35062607</u>

## PODDAR DEVELOPERS LIMITED

CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'D'

FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010 ₹	Additions During the Year ₹	Deductions During the Year ₹	Total as at 31.03.2011 ₹	Up to 01.04.2010 ₹	For the Year ₹	Deduction For the Year ₹	Up to 31.03.11 ₹	As at 31.03.2011 ₹	As at 31.03.2010 ₹
1 Building	7147764	-	-	7147764	1047660	116509	-	1164169	5983595	6100104
2 Office & Construction Equipments	833151	9448610	-	10281761	90343	221101	-	311444	9970317	742808
3 Vehicles *	11296255	3949001	78996	15166260	2586115	1253292	23810	3815597	11350663	8710140
4 Furniture & Fixture	1543683	1165407	-	2709090	222039	130265	-	352304	2356786	1321644
5 Data Processing Machine	1874584	1217025	-	3091609	813539	424113	-	1237652	1853957	1061045
TOTAL	22695437	15780043	78996	38396484	4759696	2145280	23810	6881166	31515318	17935741
Previous Year	22635582	1128612	990414	22773780	3630768	1560518	420067	4771219	18002561	

\* Certain vehicles are registered in the name of the Director &amp; Employee.

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'E'	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
INVESTMENT (AT COST)		
QUOTED SHARES - LONG TERM		
24000 Equity Shares of ₹ 10/- each fully paid up of Janpriya Traders Ltd. (Prev. Yr. 24000 Sh.)	50652	50652
22550 Equity Shares of ₹ 10/- each fully paid up of Brite Merchants Ltd. (Prev. Yr. 22550 Sh.)	45553	45553
5000 Equity Shares of ₹ 10/- each fully paid up of Bharat Earth Movers Ltd. (Prev. Yr. 5000 Sh.)	6680656	6680656
95000 Equity Shares of ₹ 10/- each fully paid up of GTL Ltd (Prev. Yr. 95000 Sh.)	23952145	23952145
37049 Equity Shares of ₹ 10/- each fully paid up of NHPC Ltd (Prev. Yr. 37049 Sh.)	1333764	1333764
Cost of Quoted Shares ( A )	<u>32062770</u>	<u>32062770</u>
MUTUAL FUNDS - SHORT TERM UNLESS SPECIFICALLY STATED		
- Birla Sun Life Dynamic Bond Fund Retail Quarterly Dividend Payout (Prev. Yr. 2302615.910 units)	-	25185552
- Birla Sun Life Savings Fund Inst. - Daily Dividend Reinvestment (Prev. Yr. 1255560.777 Units)	-	12564146
- Reliance Medium Term Fund Daily Dividend Plan (Prev. Yr. 12102224.423 units)	-	35938578
- Reliance Short Term Fund Retail Plan-Div. Plan (Prev. Yr. 4886017.400 Units)	-	51998115
1478947.836 Reliance Liquid Fund Cash Plan Daily Dividend (Prev. Yr. Nil Units)	16477697	-
- T&t Floater Fund Daily Dividend (Prev. Yr. 136555.771 Units)	-	1370419
796483.071 HDFC High Interest Fund Short Term Plan Div. Option (Long Term) (Prev. Yr. 1975213.712 Units)	8460875	20960234
74671.865 HDFC High Interest Fund Short Term Plan Div. Option (Prev. Yr. Nil Units)	789864	-
19468.392 Templeton India Short Term Income Retail Plan Weekly Dividend Reinvestment (Long Term) (Prev. Yr. 19468.392 Units)	20934847	20934847
834.129 Templeton India Short Term Income Retail Plan Weekly Dividend Reinvestment (Prev. Yr. Nil Units)	897237	-
100000.000 SBI Debt Fund Series - 90 Days - 38 Growth (Prev. Yr. Nil Units)	1000000	-
5274.878 IDFC Money Manager Fund - Treasury Plan Inst. Plan B - Daily Div/(Prev. Yr. Nil Units)	53120	-
2500000.000 IDFC Fixed Maturity 100 Days Series 3 Div. (Prev. Yr. Nil Units)	25000000	-
Cost of Mutual Funds ( B )	<u>73613640</u>	<u>168951891</u>
Total Cost of Quoted Investments ( A + B )	<u>105676410</u>	<u>201014661</u>

**PODDAR DEVELOPERS LIMITED**

## UNQUOTED SHARES - LONG TERM

## I OTHERS

500	Equity Shares of ₹ 100/- each fully paid up of The Janta Sahakari Bank Ltd. (Prev. Yr. 500 Sh)	50000	50000
19019	Equity Shares of ₹ 10/- each fully paid up of Poddar Amalgamated Holdings P. Ltd.# (formerly known as Santosh Trading & Invest. P. Ltd.) (Prev. Yr. 19000 Sh)	114475	95475
-	Equity Shares of ₹ 10/- each fully paid up of Kamdhenu Technologies P. Ltd. (Prev. Yr. 1900 Sh)	-	19000
	J. P. Morgan International Bank Ltd	27676397	24914529
	Capitoline Ventures Bridge Investments (Previous Yr. Nil)	16330997	-
	Total Cost of Unquoted Investments	<u>44171869</u>	<u>25079004</u>

## II INVESTMENT IN PARTNERSHIP

	Organically Grown Group LLC Refer Note No. 11 in Schedule 'O'	7630202	7769235
	Nav Nirman Agro Refer Note No. 11 in Schedule 'O'	990000	990000
	Total Cost of Investment in Partnership	<u>8620202</u>	<u>8759235</u>
	Total Cost of Quoted/Unquoted Investments	<u>158468481</u>	<u>234852900</u>
	Market Value of Quoted Investment	<u>117596522</u>	<u>214866944</u>

# 19 Shares received against 1900 shares of Kamdhenu Technologies P. Ltd. under the Scheme of Amalgamation.

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'F'	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
CURRENT ASSETS, LOANS AND ADVANCES INVENTORIES (As taken, valued & Certified by the management)		
Garment		
- Raw Materials	-	2555570
- Finished Goods	-	3209761
Construction		
- Land Development Rights (Refer Note No. 11 a of Schedule 'O')	143254031	107525051
- Construction Material	22549006	2011097
- Work in Progress		
- Land & Related Expenses	25983005	28305021
- Construction, Development, Administration Marketing & Finance cost	236025523	44772069
- Finished Goods	3685000	-
	<u>431496565</u>	<u>188378569</u>
SUNDRY DEBTORS (Unsecured)		
Outstanding for the period of more than six months		
Considered Good	4099984	87765
Considered Doubtful	-	770362
Less : Provision	-	(770362)
	<u>-</u>	<u>-</u>
Other Debtors - Considered Good	17930627	9496364
	<u>22030611</u>	<u>9584129</u>
CASH AND BANK BALANCES		
Cash on hand	539863	416531
With Scheduled Banks in		
Current A/c.	32482169	27717232
Term Deposit (Including Rs. 6 crores with Citibank given as lien for opening Standby L/C on behalf of a subsidiary company)	60000000	61601723
	<u>93022032</u>	<u>89735486</u>
LOANS AND ADVANCES (Unsecured, considered good except stated otherwise)		
Loans	18385238	1700000
Inter Corporate Deposits	3000000	31250000
Deposits	836384	342963
Advances recoverable in cash or kind or for value to be received		
Considered Doubtful (Refer Note No. 5 of Schedule 'O')	2397750	2397750
Considered Good	20353248	25549145
	<u>22750998</u>	<u>27946895</u>
Advance and Other Incidentals for Bhivpuri Project (Refer Note No. 6 c of Schedule 'O')	4002278	6565747
Advances and Other Incidentals for Badlapur Project (Refer Note No. 11 b of Schedule 'O')	7876613	2454999
Advances and Other Incidentals for Mohili Project (Refer Note No. 12 of Schedule 'O')	49016804	-
Advances and Other Incidentals for Tisgaon Project (Refer Note No. 13 of Schedule 'O')	10885058	2027758
	<u>116753373</u>	<u>72288362</u>

**PODDAR DEVELOPERS LIMITED**

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	<u>AS AT</u> <u>31.03.2011</u> <u>(₹)</u>	<u>AS AT</u> <u>31.03.2010</u> <u>(₹)</u>
SCHEDULE 'G'		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	22440052	13793499
Other Liabilities	8821857	5484582
Unclaimed Dividend	958136	712182
Book Overdraft	664909	-
Amount payable against Land Development Rights	8580000	8580000
Advance against sales of Flat	240290128	4677180
Advance against Flat Cancellation	88504	-
Deposit from Customers	1126667	-
MSEB Charges against Flat sales	922500	-
Share Money & Society Formation against flat sale	133500	-
Advance Maintenance against Flat Sales	442800	-
	<u>284469053</u>	<u>33247443</u>
PROVISIONS		
Proposed Dividend	7806750	7806750
Tax Payable on Proposed Dividend	1296604	1296604
	<u>293572407</u>	<u>42350797</u>
	<u>2010-2011</u> <u>(₹)</u>	<u>2009-2010</u> <u>(₹)</u>
SCHEDULE 'H'		
SALES & SERVICES		
Sale of Flats	44808171	-
Sales-(Incl. export incentives)	155500501	212226150
Service Charges Received	1257363	-
	<u>201566035</u>	<u>212226150</u>
SCHEDULE 'I'		
OTHER INCOME		
Miscellaneous Income	770671	920948
Dividend Received	5926450	10944076
Profit on sales of Fixed Assets	-	655871
Profit on Sales of Investments	4124341	13103774
Profit in Equity Derivatives	-	836724
Rent Received	-	85500
Sundry Balances written back	337767	621456
Insurance Claim Received	315279	-
Interest Received	6003994	5095479
Interest Received on overdue payment	45594	-
Liability no Longer required written back	842168	-
Net Actuarial Gain as per AS-15 (Note No. 8a)	341064	-
Interest on Loan to Related Party - Wearology LLC	579	-
	<u>18707907</u>	<u>32263828</u>

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	2010-2011 (₹)	2009-2010 (₹)
<b>SCHEDULE 'J'</b>		
Increase/(Decrease) in stocks		
Closing Stocks		
<u>Finished goods</u>		
Garments	-	3209761
Completed Flats	3685000	-
	<u>3685000</u>	<u>3209761</u>
Less : Opening Stocks		
<u>Finished goods</u>		
Garments	5541022	1138380
(Incl. ₹ 2331261/-, Prev. Yr. ₹ 1096827/- trfd. from raw material)		
Semi finished goods (Garments)	-	3112417
	<u>5541022</u>	<u>4250797</u>
	<u>(1856022)</u>	<u>(1041036)</u>
	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SCHEDULE 'K'</b>		
<b>COST OF CONSTRUCTION</b>		
Opening Work in Progress	73077090	-
Add : Expenses incurred during the Year		
Land / Land related cost	K1 -	28305021
Development & Construction Cost	K2 162753236	24798822
Administrative Cost	K3 30523497	7098091
Marketing Cost	K4 15896066	2990196
Finance Cost	4195212	1022576
Project consultancy charges	13614144	8862384
	<u>300059245</u>	<u>73077090</u>
Less : Closing Work in Progress	<u>262008528</u>	<u>73077090</u>
	<u>38050717</u>	<u>-</u>
<b>SCHEDULE 'K1'</b>		
<b>LAND / LAND RELATED COST</b>		
- Land	-	26513211
- Land Related Expenses	-	1791810
	<u>-</u>	<u>28305021</u>
<b>SCHEDULE 'K2'</b>		
<b>DEVELOPMENT &amp; CONSTRUCTION COST</b>		
<u>Material Consumed :</u>		
Opening Stock of Materials	2011097	-
Add : Purchase during the year	140036766	11044104
	<u>142047863</u>	<u>11044104</u>
Less : Closing Stock of raw Material	<u>22549006</u>	<u>2011097</u>
	119498857	9033007
Labour cost	28671738	2329499
Other Construction Expenses	7567243	13436316
Infrastructure Cost	<u>7015398</u>	<u>-</u>
	<u>162753236</u>	<u>24798822</u>

**PODDAR DEVELOPERS LIMITED**

CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
SCHEDULE 'K3'		
ADMINISTRATION COST		
Salaries	19516173	3265649
Contribution to Provident & other funds	986920	133185
Staff Welfare Expenses	352587	98148
Miscellaneous Expenses	3632457	709545
Legal & Professional Fees	1309491	1065703
Travelling & Conveyance	356342	174475
Postage, Telegram & Telephone	753457	196840
Printing & Stationary	232172	263665
Rent Paid	271780	148942
Bank Charges	19084	29889
Insurance	255103	57128
Rates & Taxes	36648	-
Motor Car Expenses	1425669	622212
Security Charges	1375614	332710
	30523497	7098091
SCHEDULE 'K4'		
MARKETING COST		
Salaries	2875695	-
Advertisements	2506593	1922058
Brokerage	4094467	53400
Sales Promotion Expenses	2099803	1014738
Conveyance Expenses	62292	-
Designing & Developing Expenses	277971	-
Printing & Stationary Expenses	7522	-
Sample Flat Expenses	455247	-
Telephone Expenses	271898	-
Sponsorship Expenses	1547149	-
Rates & Taxes	1800	-
Rent	427128	-
Miscellaneous Expenses	1268501	-
	15896066	2990196
SCHEDULE 'K5'		
FINANCE COST		
Interest and Other Finance Charges	4195212	1022576
	4195212	1022576
SCHEDULE 'L'		
MANUFACTURING EXPENSES		
Processing & Packing Charges	141442	1365374
Accessories & Packing Materials	52211	224954
	193653	1590328

# TWENTY NINTH ANNUAL REPORT

## PODDAR DEVELOPERS LIMITED

CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'M'	2010-2011 (₹)	2009-2010 (₹)
<b>ADMINISTRATIVE EXPENSES*</b>		
Payments to & provisions for employees**		
- Salaries & Bonus	2223672	8017662
- Company's Contribution to Provident & other Funds	118207	514678
- LIC Premium Gratuity	-	264984
- Staff Welfare Expenses	11651	108778
	<u>2353530</u>	<u>8906102</u>
Managerial Remuneration	3442960	3419104
Board Meeting Fees	65000	120000
Travelling Expenses	2941468	3859471
Telephone & Postage Expenses	888979	1590127
Repairs & Maintenance		
- Plant & Machinery	-	-
- Others	590627	370594
	<u>590627</u>	<u>370594</u>
Rent	308064	574625
Rates & Taxes	-	4479
Service Tax	167117	135666
Printing & Stationery	746655	507467
Conveyance Expenses	346784	515758
Securities Expenses	197445	112100
Electricity Expenses	612595	568279
Insurance Expenses	180939	340847
Legal & Professional Charges	1509257	1996818
Internal Audit Fees	100000	100000
Auditors remuneration :		
Audit fee	791364	694693
Tax Audit	100000	100000
Other Services	277500	135000
	<u>1168864</u>	<u>929693</u>
Miscellaneous Expenses	1218532	1631789
Service Charges	571534	391199
Bank Charges & Overseas Bank Chgs	35188	222833
Provision for Doubtful Debts	-	770362
Security Transaction Tax	-	46
Loss on Sale of Fixed Assets	13185	-
Share of Loss in Partnership LLC	62455	-
Others	-	2290335
Design & Development Expenses	-	1405200
Consultancy & Management Fees Paid	-	2684354
Office & Other Expenses	360531	1028788
Communication Cost	7037	-
Fees & Charges	405419	-
	<u>18294165</u>	<u>34476036</u>
* Excluding the expenses related to construction debited to cost of construction in Schedule 'K3'		
** During the year, management has decided to apportion certain expenses to the respective project and debited to cost of construction in Schedule "K3"		
<b>SCHEDULE 'N'</b>		
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Freight & Forwarding	10908	195523
Sample Expenses	12674	530254
Insurance	35120	-
Business Promotion	726798	413251
E.C.G.C. Premium	5000	1000
Commission Paid	-	963733
Impairment of Receivables	89801	-
	<u>880301</u>	<u>2103761</u>
* Excluding the expenses related to construction debited to cost of construction in Schedule 'K4'		

**PODDAR DEVELOPERS LIMITED**

CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'O'

NOTES ON ACCOUNTS

I BASIS OF CONSOLIDATION

- a) The Consolidated financial statement (CFS) relates to Poddar Developers Ltd, the Company and its following subsidiary companies collectively referred to as "the Group":-

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership	Year Ending
W earology (FZC)	U.A.E.	90%*	31-03-2011
Poddar Natural Resources & Ores Ltd	India	100%	31-03-2011
Poddar Habitat Pvt. Ltd	India	100%	31-03-2011
Poddar Leisure Infrastructure Pvt. Ltd	India	100%	31-03-2011
Poddar Infrastructure Pvt. Ltd	India	100%	31-03-2011

- b) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra-group balances and intra-group transactions and resulting unrealized profits and losses. The financial statements of subsidiaries used in preparation of CFS are drawn up to the same reporting date as that of the Company i.e. for the year ended 31.03.2011.
- c) The CFS have been prepared in accordance with Accounting Standard - 21 on 'Consolidated Financial Statements' and Accounting Standard - 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements'.
- d) In case of foreign subsidiaries being non-integral foreign operations, revenue items have been consolidated at the average of the rates prevailing during the year. All assets and liabilities are translated at the rates prevailing at the balance sheet date. The exchange difference arising on the translation is debited or credited to Foreign Currency Translation Reserve. The same is in accordance with Accounting Standard - 11 on 'The Effects of changes in Foreign Exchange Rates'.

II LIST OF ASSOCIATES

List of Investments in Partnership Firms (Associates):-  
The Company has entered into partnership arrangements with the following :-

Name of Firm	Ownership (%)	Capital as on 31-3-11	Company's Share Profit/(Loss)	Year Ending
A. Organically Grown LLC, USA Partner 1) Poddar Developers Ltd 2) MJIR Inc., USA	50 % 50 %	7630202	(62455) *	31-12-2010
B Nav Nirman Agro ** Partner 1) Poddar Developers Ltd 2) Six Individuals	99 % 1 %	9,90,000	Nil	31.03.2011

- \* Equivalent to US \$ 1413/-  
\*\* Activity yet to be commenced.

III STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:

A. Method of Accounting

- a) The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except in case of Insurance claim and Interest income on overdue Installment.
- b) Financial statements are based on historical cost in accordance with the applicable mandatory accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of Companies Act, 1956. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

## TWENTY NINTH ANNUAL REPORT

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### B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities at the date of the financial statements and the reported accounts of revenue and expenses for the year presented. Actual results could differ from these estimates.

### C. Fixed Assets and Depreciation

#### a) Fixed assets:

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working conditions for its intended use.

#### b) Depreciation:

Depreciation is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956.

### D. Investments

Long-term Investments are valued at cost of acquisition (including cost of purchase, brokerage, and other related expenses incurred thereon). However, provision is made for any diminution in value, other than temporary, in which case the carrying value is reduced to recognize the decline. Short-term investments are valued at lower of the cost or market price at the end of the year.

### E. Exchange Fluctuations

Sundry Debtors and credit balance in debtors in foreign currencies, which are outstanding as on the date of Balance Sheet, are converted on the basis of rates prevailing at the year-end. Net difference due to such conversion is adjusted to sales. Similarly, the Current Liabilities in foreign currency which are outstanding as on the date of balance sheet are converted on the basis of rates prevailing at the year-end. Exchange differences arising on settlement of monetary items during the year are recognized as Forex gain or loss of that year. Investments in Foreign Subsidiaries and Partnership Firms are converted on the basis of rates prevailing at the year-end. Exchange differences for the same are credited / debited to Foreign currency translation reserve and effect to the Profit & Loss is given only when the investment is actually realized.

### F. Inventories

#### a) Garment Division

Finished Goods are valued at lower of cost (ascertained on first-in-first-out basis) or net realizable value. Raw Materials and Semi-finished goods are valued at direct cost.

#### b) Realty & Construction

- i Land and Land Development Right in hand are valued at cost including incidental and development expenses.
- ii Construction materials are valued at cost.
- iii Work in progress are valued at cost consisting of Land, construction, development, administration, marketing and finance expenses, and also effect of profit/loss where the construction is substantially completed, in respect of unit sold, as determined on technical estimates.
- iv)
  - i Finished goods, which are unsold are valued at cost, consisting of Land and Land development rights, construction, development, administration, marketing and finance expenses, or market value whichever is lower. For this purpose items of similar nature are compared in totality.
  - ii Finished goods which are sold but possession of which could not be given on account of technical reasons are valued at cost plus estimated profit / loss.

### G. Revenue Recognition

#### a) Garment Division

- i Export Sales are accounted for on the basis of the date of Bill of Lading/Airway bill and other sales are accounted for on the basis of actual dispatches.
- ii Services are accounted for on time proportion basis which are covered under agreement. Other services are accounted for as and when rendered.

#### b) Real Estate and Construction Division

- i The Company follows completed contract method of accounting in respect of its construction activity. Under this method, profit in respect of units sold is recognised only when the work in respect of the relevant units are completed or substantially completed, which is determined on technical estimates as certified by management.

- ii) The completion status of a project at the end of accounting period, estimated construction and development cost for completion relating to the sold units, which are considered for profit are estimated on the basis of technical evaluation, as certified by management and relied to by the auditors.
- iii) Revenue recognition in respect of property sale transaction is on the basis of agreement to sale and on the transfer of all significant risks and rewards of ownership to the buyers.

c) Others

- i) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- ii) Dividend income is recognized when the shareholders' right to receive the payment is established.

H. Gratuity, Leave Encashment & Retirement Benefits

- a) The Company has taken group insurance policy in respect of future Gratuity liability for all its employee and contributes annual premium on the basis of liability determine by LIC on actuarial basis.
- b) The Company provides for unutilised privilege leave available to its employees on the basis that as if all the employees will retire at the end of the year.

I. Taxation

Tax expenses include current and deferred tax. Provision for Income tax is made on the basis of the taxable income as per the provisions of Income Tax Act, 1961 and the relevant Finance Act. Tax payments are set-off against provisions.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured on the basis of the tax rate and the tax laws enacted or subsequently enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

J. Earnings per Share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

K. Provisions and contingent liabilities

Provisions are recognized when the company has a present obligation as a result of past events for which it is probable that cash outflow will be required 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 balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed when the company has a possible obligation and it is probable that a cash outflow will not be required to settle the obligation.

L. Other Accounting Policies

These are consistent with the generally accepted accounting policies.

IV. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011:

1. Contingent liabilities not provided for:

- a) Company has provided a Guarantee by way of a Stand by Letter of Credit from Citibank N A, Mumbai on behalf of its subsidiary - Wearology FZC towards Working Capital Limits. The outstanding balance as at 31st March 2011 was AED 7,65,762 i.e. approx ₹ 91.59 lacs.
- b) Claims against the Company not acknowledged as debt ₹ 14.85 lacs. The matter was decided in favour of company. However, the bank has preferred an appeal against the order which is pending before the Debt Recovery Tribunal. The Company had deposited ₹ 1.00 lac as earnest money.

2. Sundry Debtors, Creditors and Loans & Advances are subject to confirmation and reconciliation.

3. Capital commitments

Estimated amount of contract remaining to be executed on capital account (net of advances) and not provided for ₹ 8.42 lacs.

4. The Company has not considered the effect of impairment loss on the fixed assets as required under AS - 28 on 'Impairment of assets' issued by the Institute of Chartered Accountants of India. However, in the opinion of the management, there would not be significant effect of the impairment as the major assets of the Company comprises of Building in addition to vehicles which have been procured in last two to three years.

## TWENTY NINTH ANNUAL REPORT

### 5. Income Tax

- a) In respect of A.Y.1993-94, the CIT (Appeals) had decided the matter in favour of the Company and directed Income Tax Officer to give necessary effects of the said order which would result in significant reduction in the demand. However, the Company had made a provision of ₹ 4 lacs against which ₹ 3 lacs has already been paid. The balance payment if any will be made as and when final demand is received from the Department.
- b) Income tax order for the A.Y.1995-96 were set aside by the appellant tribunal and fresh orders were passed raising aggregate demand of ₹ 455770/-. This amount net of refund has been provided in accounts
- c) In respect of A.Y.2001-02 Income tax authorities have raised the demand for ₹ 155424/- against which company has requested to the income tax authorities to appropriate the refund of ₹ 138350/- in respect of TDS relating to A.Y.2004-05 and balance amount will be paid after necessary adjustment. However, the necessary provision has been made in the accounts
- d) In respect demand for the A.Y.2007-08 ₹ 797955/- & A.Y.2008-09 ₹ 407537/- aggregating to ₹ 1205492/-, the company has requested to the income tax authorities to adjust the same against refund due for the A.Y.2009-10 of ₹13,12,268/- however the same have been provided for in the accounts
6. a) Loans and Advances include ₹ 23.98 lacs (Prev.Yr. ₹ 23.98 lacs) which is considered doubtful of recovery for which no provision has been made in the accounts as the management is hopeful to recover the same in due course of time.
- b) The Company proposes to enter in to an arrangement for re-development of building at Colaba along with another company & has given ₹ 36 lacs as initial startup / predevelopment cost for the said project. The said amount will not be recoverable in case the said proposal does not go through. The Company has also paid the legal charges of ₹ 5.63 lacs towards the same. The above amount aggregating to ₹ 41.63 lacs debited to Advance recoverable in cash or kind or for value to be received and considered good. However the recovery thereof would depend upon the future progress of the said project.
- c) Company had given advance of ₹ 40.02 lacs towards purchase of additional Land which includes certain Land which are not useable for the purpose of the construction being in a hilly area. The Company is making necessary attempt to sale / recover the advances. The final recovery thereof would depend on final disposal of the same.
7. In absence of adequate building-wise consumption records of materials, the aggregate consumption has been arrived at on the basis of closing stock of the materials as physically verified by the management after deducting the same from the opening stock & total purchases made during the year and the same has been allocated to the respective buildings on the basis of consumption certificate issued by the architect.
8. a) An amount of ₹ 341064/- as contribution towards defined contribution plan is recognized as income in the Profit and Loss Account. The disclosures in respect of the Defined Benefit Gratuity plan (to the extent of information made available by LIC) are given below:

	2010-2011 (₹)
Change in present value of obligation :	
Obligation at beginning of the year	3129247
Current Service Cost	580657
Interest Cost	250340
Actuarial (gain) / loss	(837024)
Benefit paid	(103633)
Obligation at the end of the year	3019587
Change in Plan Assets :	
Fair value of Plan Assets at beginning of the year	3737128
Expected return on plan assets	335037
Actuarial gain / (loss)	4072165
Contributions	-
Benefit paid	(103633)
Fair value of plan Assets at the end of the year	3968532
Reconciliation of present value of the obligation and the fair value of Plan Assets and amounts recognized in the Balance Sheet :	
Present value of the obligation at the end of the year	3019587
Fair Value of Plan Assets at the end of the year	3968532
Net Assets / (Liability) recognized in the Balance Sheet	948945
Gratuity cost recognized for the year :	
Current Service Cost	580657
Interest Cost	250340
Expected return on Plan Assets	(335037)
Actuarial (gain) / Loss	(837024)
Net gratuity cost (gain) / Loss	(341064)

Assumptions :

Interest rate

9.15

Rate of growth in salary levels\*

5

\* The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Since the above disclosure are mandatory for the first time, previous year figures have not been compiled and given.

b) The Company has not provided for employee benefit such as, Leave Encashment and other retirement benefits as per AS-15 on "Employee benefits" (revised 2005) strictly. However, the Company has provided for accrued privileged leave on the basis as if all employees will retire at the end of the year. The overall liability in respect of employees' retirement benefit has been fully provided for in the accounts

9. The Liability pertaining to service tax has not been provided in view of the stay granted by the Mumbai High Court. However, the relevant amount has been collected from the customers and shown under Current Liability, if the final liability arises the same would be paid to the government out of the above referred amount and would not have any impact on the profitability of the company.

10. Segment Information

(Figures in ₹)

Particulars				
	Garment	Realty	Unallocated	Total
Business Segment				
REVENUE				
External Revenue	158743081 (213733554)	45134433 -	16396428 (31028683)	220273942 (244762237)
RESULT				
Segment Result before Unallocated Expenses	6893642 (10360281)	10768716 -	16396428 (31028683)	34058786 (41388964)
Less : Unallocated Expenses				14380530 (20095894)
Taxes				(1270051) (-1294761)
Net Profit after Tax				18408205 (19998309)
OTHER INFORMATION				
Segment Assets	18033182 (30302538)	244130485 (176889493)	- -	262163667 (207192031)
Other Unallocated Assets				297589561 (363362942)
TOTAL Assets				559753228 (570554973)
Segment Liabilities	9158514 ( 655646)	5727827 (30350343)	- -	14886341 (31005989)
Other Unallocated Liabilities				6824962 (7221230)
Total Liabilities				21711303 (38227219)

(Figures in ₹)

Particulars			
	Outside India	W ithin India	Total
Geographical Segment			
Segment Revenue	148150543 (216221677)	72123399 (28540560)	220273942 (244762237)

## TWENTY NINTH ANNUAL REPORT

### a) Business Segment

For Management reporting purposes, the Company is organized into two operating divisions - Garments and Realities. The divisions are on the basis of which the Company reports its primary segment information. The above segments have been identified taking into account the organization structure as well as the differing risk and returns of these segments.

- i Garments segment comprises of Export of the goods and trading in textiles and also providing services to its subsidiaries towards merchandising and documentations.
- ii Realty segment comprises of Land bank and Land development Rights and construction of Low-Cost housing project.
- iii Others segment mainly comprises of income from investments of surplus funds.

### b) Geographical Segment

The Company caters to Indian as well as to export markets. The separate geographical segment information has already been given herein above.

### 11. Badlapur Project -

- a) In the previous year the Company had entered into agreements for purchase of Development rights on agricultural land at Badlapur site for aggregate consideration of ₹ 1075.25 lacs including incidental expenses. Further the Company has also acquired Land Development Rights amounting to ₹ 357.29 lacs including incidental during the year. The aggregate amount of ₹ 1432.54 lacs are shown under the head Inventories. The Company has obtained necessary permission for construction of Housing project & would commence the construction shortly.
- b) The Company has also given advances/token of ₹ 78.77 lacs (Prev. Yr. ₹ 24.55 lacs) towards purchase of additional land, which is under process of registration in favour of the Company.

### 12. Mohili Project -

The Company has entered in to agreements for purchase of Development Rights / agriculture Land at Mohili - Kalyan & paid advances of ₹ 490.17 lacs including incidental expenses which is subject to approval / permission of various government authorities. The above amount is shown under the head Loans & Advances.

### 13. Tisgaon Project -

- a) Advances recoverable in cash/kind or for value to be received include advances aggregating to ₹ 20.28 lacs (Prev. Yr. ₹ 20.28 lacs) paid for aggregation and procurement of land at Tisgaon-Dombivali, Maharashtra. The recovery thereof would depend upon the further development of the project & market conditions.
- b) During the year the Company has entered into Joint Development agreement with Land owners and given deposit of ₹ 88.57 lacs with the understanding that certain portion of constructed area would be given to them as a compensation towards the cost of Land and deposit amount would be appropriated against the sales proceeds of their rights.

14. The Company has not received any intimation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures, if any, relating to the amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

15. The Deferred Tax Liability / (Asset) comprises of tax effect of timing differences on account of:

	Up to 31.03.2010 ₹	For the Current Year ₹	As at 31-03-2011 ₹
<b>Deferred Tax liability-</b>			
Difference between the Net Block as per Books & Net Block after allowing the Depreciation U/s 32 of Income Tax Act, 1961	2782851	323195	3106046
<b>Deferred Tax (Asset)-</b>			
Provision for Leave Encashment	(360891)	(19945)	(380836)
Provision for Bonus	(184059)	(83199)	(267258)
<b>TOTAL</b>	<b>2237901</b>	<b>220051</b>	<b>2457952</b>

As per the prudent accounting principles, Deferred Tax Asset on carried forward loss for earlier years has not been recognized.

16. Related Party Disclosures

1. Related party disclosures, as required by AS-18, "Related Party Disclosures" are given below:

- (i) List of Partnership Firms (Associates)  
Organically Grown Group LLC  
Nav Nirman Agro
- (ii) Enterprises over which Key Management personnel / Relatives have significant influence  
Suvijay Exports Ltd  
Brite Merchants Ltd  
Knitrite Apparelco Ltd  
Poddar Amalgamated Holdings Pvt. Ltd  
Sivik Constructions P. Ltd  
W earology Ltd. - LLC
- (iii) Key Managerial Person:  
Shri Dipak Kumar Poddar - Executive Chairman  
Shri Rohitashwa Poddar - Managing Director  
Shri Kalyankumar Dey - President

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

(a) Details relating to parties referred to in Items 1(i), and (ii) above. (Figures in ₹)

Particulars	A		B		Total A + B	
	Investment in Joint Ventures/ Partnership		Enterprise over which key management personnel/Relatives have significant influence			
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Opening Balance	1106484	1106484	1158654	30042	2265138	1136526
Advance Received	-	-	1684068	-	1684068	-
Advance repaid	-	-	(1684068)	-	(1684068)	-
Advance Given	-	-	500000	-	500000	-
Advance Recovered	-	-	(500000)	-	(500000)	-
Expenses incurred by us on behalf of others	200	700	1036427	2522583	1036627	2523283
Amount recovered against expenses incurred on behalf of others	(200)	(700)	(1036427)	(2033529)	(1036627)	(2034229)
Sales fabrics/Garment/ Design and Developing income	-	-	12255907	581568	12255907	581568
Am. paid / (received) against Garment Purchase/Sale	-	-	(9871233)	(581568)	(9871233)	(581568)
Service Charges received	-	-	1386900	2850600	1386900	2850600
Amount received against service charges	-	-	-	(2181000)	-	(2181000)
Sales of Investments	-	-	22320	-	22320	-
Amount received against Sales of Investments	-	-	(22320)	-	(22320)	-
Project Consultancy Charges	-	-	8618067	-	8618067	-
Amount paid against Project Consultancy	-	-	(7114648)	-	(7114648)	-
Am. receivable/payable last year (received)/Paid during the year.	(500000)	-	(1158654)	(30042)	(1658654)	(30042)
Balance Receivable/ payable as at year end	606484	1106484	5274993	1158654	5881477	2265138

## TWENTY NINTH ANNUAL REPORT

b) Details of Related party transaction of Subsidiary :-

Name of Subsidiary : Wearology FZC (UAE)

Name of Related Party : Wearology Ltd., LLC, USA, Organically Grown U.S.A.

	₹
Sales	19397600
Interest on Loan from Related Party	78902

(c) Details relating to parties referred to in Items 14 (1) (iv) above

Amt. in ₹			
Managerial Remuneration	Executive Chairman*	Managing Director*	President
Salary & Allowances	2376000 (2376000)	546000 (546000)	5202000 -
Perquisites	440337 (416484)	70003 (70000)	222000 -
Contribution to PF & Other fund	-	10620 (10620)	10620
Loan from Company (maximum Amt. outstanding ₹ 15 lacs)	-	-	900000
<b>Total</b>	2816337 (2792484)	626623 (626620)	6334620 -

\* The above payment has been made pursuant to Section II of Part II of Schedule XIII of the Companies Act, 1956, on account of inadequate profits, as passed by the shareholders in the general meeting.

17. Disclosure of provision as required under AS - 29 on 'Provisions, Contingent Liabilities and Contingent Assets' issued by the Institute of Chartered Accountants of India.

₹	
Nature of provision	Leave Encashment
Opening Balance	1167935
Additions	289291
Utilization	209898
Reversal	14850
Closing Balance	1232478

18 Details of Investments purchased, reinvested and sold during the year

No.	Name of the Fund	Opening Units	Purchase Units	Reinvested Units	Sales Units	Closing Balance Units
1.	Birla Sun Life Saving Fund Instl Daily Dividend Reinvestment	1255560.777	-	32909.848	1288470.625	-
2.	Birlal Sun Life Short Term PMP Series 3 Dividend Payout	-	25800581.01	-	25800581.01	-
3.	HDFC High Interest Fund - Short Term Plan Dividend Option Reinvest	1975213.712	-	74671.865	1178730.641	871154.936
4.	Templeton India Short Term Income Retail Plan Weekly Dividend.	19468.392	-	834.129	-	20302.521
5.	T&a Floater Fund Daily Dividend	136555.771	-	84.385	136640.156	-
6.	Reliance Medium Term Fund Daily Dividend	2102224.423	1696313.150	49249.758	3847787.331	-
7.	Reliance Short Term Fund Retail Plan Dividend Plan	4886017.400	-	149834.041	5035851.441	-
8.	Reliance Liquid Fund Cash Plan Daily Dividend Option	-	2748257.213	13968.189	1283277.566	1478947.836
9.	IDFC Money Manager Fund Treasury Plan Inst. Plan B Daily Dividend	-	2482547.69	5274.878	2482547.69	5274.878

- 19 The Company has not received bank statement from certain banks (outside Maharashtra) where there are either no transactions or very few transactions. Such bank accounts are mainly open for getting the credit of duty drawback in the past. The Company has already forwarded the written request to send the bank statement as well as balance confirmation as on 31<sup>st</sup> March 2011. Necessary effect if any will be given in the accounts as and when the same are received. In the opinion of the management impact of such transactions would not be material.
- 20 Profit on sale of Raw material & Accessories remains adjusted in consumption
- 21 The figure in the bracket represents the figures of the previous year.
- 22 Previous year figures are regrouped/re-arranged wherever necessary.
- 23 Previous year figures are not comparable since Wearology Ltd. LLC ceased to be a subsidiary.
- 24 Other provisions of the said Part II of the Schedule VI of the Companies Act, 1956 are Either NIL or NOT APPLICABLE.

Signature to schedule 'A' to 'O'

As per our report of even date

FOR R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(PROPRIETOR)  
Membership No. 30108

J. Menon  
Secretary

For and on behalf of the Board

Dipak Kumar Poddar - Executive Chairman  
Rohitashwa Poddar - Managing Director  
Shrikant Tembey - Director

PLACE : MUMBAI  
DATED : 18th May 2011.

# Wearology (FZC)

## DIRECTORS' REPORT

The Directors' of the Company has pleasure in submitting this report along with the financial statement of Wearology (FZC), SAIF Zone, Sharjah (U.A.E.) for the year ended 31st March 2011.

Legal Status and Shareholders :

The Company is incorporated as a free zone company with limited liability at Sharjah Airport International Free Zone (SAIF Zone) in the Emirate of Sharjah under commercial license No. 01-04-06596.

The shareholders of the company as at 31st March 2011 and their interests on that date in the share capital of the company was as follows :-

Name & Nationality	Capital	
	%age	Value (AED)
M/s. Poddar Developers Ltd., India	90.00%	135,000/-
Mr. Mannan Mohammed Hussein, Indian National	10.00%	15,000/-
	<u>100.00%</u>	<u>1,50,000/-</u>

M/s. Poddar Developers Ltd. (India) registered in Mumbai - India under corporate identity No. 51909MH1982PLC143066, having its registered office at Unit No. 3-5, Neeru Silk Mills, Mathuradas Mill Compound, N.M. Joshi Marg, Lower Parel (W), Mumbai 400 013, Maharashtra, India is the major shareholder of the company.

Operation of the Company :

The company is licensed to carry on the business of import and export of ladies, gents & children's garments

During the year under review, the company has achieved a turnover of AED 11,756,575/- (previous period AED 14,692,345/-) and earned a net profit of AED 774,776/- (previous period AED 1,522,448/-)

Results & Dividends :

The net profit for the year amounted to AED 774,776/- (previous period AED 1,522,448/-). Appropriations to statutory reserve has been discontinued since the balance in the reserve account has reached 50% of share capital as per the provisions of UAE Commercial Companies Law.

Balance profit has been proposed to be carried forward as retained earnings.

Events Occurring after the Statement of Financial Position date :

There were no important events occurring after the statement of financial position date that would materially affect the working or the financial statements of the Company.

Auditors :

A resolution to appoint M/s. Kothari Auditors & Accountants, Post Box 4706, Sharjah (U.A.E.) as Auditors for the year 2011-12 and to fix their remuneration be put up before the shareholders at the Annual General Meeting.

For Wearology (FZC)

Rohitashwa Poddar  
Director

Place : Sharjah (U.A.E.)  
Date : 23rd April 2011

## INDEPENDENT AUDITOR'S REPORT

To  
The Shareholder,  
Wearology (FZC)  
SAIF Zone, Sharjah (U.A.E.)

- Scope :  
We have audited the accompanying financial statements of Wearology (FZC), SAIF Zone, Sharjah (U.A.E.), for the financial year ended 31st March 2011 comprising of statement of financial position as at 31st March 2011, related statement of comprehensive income, changes in equity and cash flows for the year then ended as set out on pages 4 to 7 read along with notes and schedule to the financial statements on pages 8 to 15.
- Respective Responsibilities :  
These statements are the responsibility of the management and our responsibility is to express an opinion on these financial statements based on our audit and information & explanations that were considered necessary for the purpose of our audit.
- Basis of Opinion :  
Our audit was conducted in accordance with International Auditing Standards, which requires that we carry out the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. Our audit thus included such tests of the accounting records and other auditing procedures, as we considered necessary in the circumstances. It also included assessment of the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
- Opinion :  
In our opinion, the aforesaid financial statements read along with the enclosed notes and schedule to the statements represent fairly, in all material respect, the financial position of Wearology (FZC), SAIF Zone, Sharjah (U.A.E.) as at 31st March 2011, financial performance, changes in equity and cash flows for the year then ended and were prepared in conformity with International Financial Reporting Standards for Small & Medium sized Entities (IFRS for SME's) applied on consistent basis.
- Other Matters :
  - We have obtained all information & explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - In our opinion, proper books of accounts have been maintained by the company as far as appears from our examination of those books.
  - We confirm, to the best of our knowledge and belief that these financial statements and the contents of the Directors' report are in agreement with the books of accounts
  - We confirm, to the best of our knowledge and belief, that there were no violation of the provisions of the U.A.E. Commercial Law No. 8 of 1984 (as amended by Law No. 13 of 1988) implementing Rules and Regulations of the Free Trade Zone authority and Memorandum of Association of the company that would affect materially the working of the financial statements of the company.

Date : 23rd April 2011  
Place : Sharjah (U.A.E.)

Kothari Auditors & Accountants  
Kothari Vipul R.  
Ministry of Economy Reg. No. 159

**Statement of Financial Positions for  
the year ended 31st March 2011**

**Statement of Comprehensive Income for  
the year ended 31st March 2010**

Particulars	Note No.	Amount in U.A.E. Dhs. (AED)	
		31-3-2011	31-3-2010
<b>Assets :</b>			
<b>Current Assets</b>			
Cash & Bank Balances	5	26,971	358,591
Deposits, Prepayments & Advances	6	11,057	1,299,412
Amount due from related parties	7	73,448	0
Accounts Receivables	8	1,244,862	476,382
		<u>1,356,338</u>	<u>2,134,385</u>
<b>Non Current assets :</b>			
Investments	9	3,679,548	2,091,900
		<u>3,679,548</u>	<u>2,091,900</u>
<b>Total Assets employed</b>		<u><u>5,035,886</u></u>	<u><u>4,226,285</u></u>
<b>Liabilities &amp; shareholder's Equity :</b>			
<b>Current Liabilities :</b>			
Borrowing from banks & Financial Institution	10	765,762	0
Accounts payable	11	227,426	361,353
Amounts due to related parties	12	36,446	461,459
Provisions, accrual & other liabilities	13	9,530	126,477
		<u>1,039,164</u>	<u>949,289</u>
<b>Non Current Liabilities</b>			
Amount due to related party	14	0	55,050
		<u>0</u>	<u>55,050</u>
<b>Total Liabilities</b>		<u>1,039,164</u>	<u>1,004,339</u>
<b>Shareholders' Equity :</b>			
Share Capital	15	150,000	150,000
Reserves & Surplus	16	3,846,722	3,071,946
		<u>3,996,722</u>	<u>3,221,946</u>
<b>Total Liabilities &amp; shareholders' equity</b>		<u><u>5,035,886</u></u>	<u><u>4,226,285</u></u>

The enclosed note nos. 1 to 25 form an integral part of these financial statements

Auditor's Report is on page 56. The director has authorised the issuance of these financial statements on 23rd April 2011.

For Wearology (FZC)

Rohitashwa Poddar  
Directors

Particulars	Note No.	Amount in U.A.E. Dhs. (AED)	
		1-4-2010 31-3-2011	1-4-2009 31-3-2010
Revenue		11,756,575	14,692,345
Direct Costs	17	(10,866,003)	(13,157,228)
<b>Gross Profit</b>		<u>890,572</u>	<u>1,535,117</u>
<b>Other Income</b>			
Other Income	18	348,397	397,074
<b>Selling &amp; Distribution costs</b>			
Selling & Distribution costs	19	(32,055)	(14,424)
<b>Administrative costs</b>			
Administrative costs	20	(227,110)	(274,178)
<b>Financial costs</b>			
Financial costs	21	(169,815)	(121,141)
<b>Other Expenses</b>			
Other Expenses	22	(35,213)	0
<b>Net Profit</b>		<u><u>774,776</u></u>	<u><u>1,522,448</u></u>

The enclosed note nos. 1 to 25 form an integral part of these financial statements

Auditor's Report is on page 56. The manager has authorised the issuance of these financial statements on 23rd April 2011.

For Wearology (FZC)

Rohitashwa Poddar  
Directors

# TWENTY NINTH ANNUAL REPORT

## Statement of Changes in Equity for the year ended 31st March 2011

Amount in U.A.E. Dhs. (AED)

Particulars	Share Capital	Statutory Reserve	Retained Earnings	Total
As at 31-03-2009	150,000	75,000	1,474,498	1,699,498
Net Profit	0	0	1,522,448	1,522,448
Transfers	0	0	0	0
Dividend paid / proposed	0	0	0	0
Net Movements	0	0	0	0
As at 31-3-2010	150,000	75,000	2,996,946	3,221,946
As at 31-3-2010	150,000	75,000	2,996,946	3,221,946
Net Profit	0	0	774,776	774,776
Transfers	0	0	0	0
Dividend paid / proposed	0	0	0	0
Net Movements	0	0	0	0
As at 31-3-2011	150,000	75,000	3,771,722	3,996,722

The enclosed note nos. 1 to 25 form an integral part of these financial statements

Auditor's Report is on page 56. The manager has authorised the issuance of these financial statements on 23rd April, 2011

For Wearology (FZC)

Rohitashwa Poddar  
Directors

## Statement of Cash Flows for the year ended 31st March 2011

Amount in U.A.E. Dhs. (AED)

Particulars	Note No.	1-4-2010 to 31-3-2011	1-4-2009 to 31-3-2010
<b>Cash Flows from Operating Activities :</b>			
Net profit		774,776	1,522,448
Adjustment for :			
(Profit) on Sale of Investments		0	(256,900)
Change in fair value of investments		(303,056)	0
Finance cost		169,815	121,141
Operating Profit		641,535	1,386,689
<b>No Changes in Operating Assets &amp; Liabilities :</b>			
Decrease / (Increase) in Deposit, Prepayments & Advances		1,288,355	(1,270,832)
Decrease / (Increase) in Accounts Receivables		(768,480)	(207,449)
Increase / (Decrease) in Account Payables		(133,927)	172,869
Increase / (Decrease) in Provisions, accrued & other liabilities		(116,947)	(47,636)
Cash Generated from Operations		910,536	33,641
<b>Cash Flow from Investing Activities :</b>			
Decrease / (Increase) in amount due from related party		(73,448)	239,510
Sale of Investments		0	1,724,900
Purchase of Investments		(1,587,648)	(2,091,900)
Change in fair value of investments		303,056	0
Cash (Used in) Investing		(1,358,040)	(127,490)
<b>Cash Flow from Financing Activities :</b>			
Increase / (decrease) in Loan from banks & financial institution		765,762	0
Increase / (Decrease) in amount due to related party		(480,063)	(670,632)
Outflow of Finance Charges		(169,815)	(121,141)
Cash generated from (used in) Financing		115,884	(791,773)
Surplus (Deficit) for the year		(331,620)	(885,622)
Cash & Cash Equivalents at beginning of year	5	358,591	1,244,213
Cash & Cash Equivalents at end of year	5	26,971	358,591
Non cash transactions	23		

The attached note nos. 1 to 25 & schedule form an integral part of these financial statements

Auditor's Report is on page 56. The manager has authorised the issuance of these financial statements on 23rd April 2011.

For Wearology (FZC)

Rohitashwa Poddar  
Directors

**Notes to Financial Statements for the year ended 31st March 2011**

1. Status and Activity :
- 1.1 Wearology (FZC) is registered as a free zone company with limited liability at Sharjah Airport International Free Zone (SAIF Zone) in the emirate of Sharjah under commercial license No. 01-04-06596
- 1.2 The shareholders of the company as at 31st March 2011 and their interests on that date in the Share Capital of the company was as follows :

Name & Nationality	Capital	
	%age	Value (AED)
M/s. Poddar Developers Ltd., India	90.00%	135,000/-
Mr. Mannan Mohammed Hussein, Indian National	10.00%	15,000/-
	<u>100.00%</u>	<u>1,50,000/-</u>

M/s. Poddar Developers Ltd. (India) is a company registered in Mumbai under corporate identity No. 51909MH1982PLC 143066, having its registered office at Unit No. 3-5, Neeru Silk Mills, Mathuradas Mill Compound, N. M. Joshi Marg, Lower Parel (W), Mumbai 400 013, Maharashtra, India is the major shareholder of the company.

- 1.3 The principle place of business is at Executive Suite, R4-36, SAIF Zone, Sharjah and registered address of the company is Post Box 122093, SAIF Zone, Sharjah (U.A.E.).
- 1.4 The company is licensed to carry on the business of import and export of ladies, gents and children's garments

2. Basis of preparation :

2.1 Statement of compliance :

These financial statements have been prepared in accordance with the international financial reporting standards for small and medium sized entities (IFRS for SMEs) issued by International Accounting Standards Board (IASB).

2.2 Basis of measurement :

These financial statements have been prepared under going concern assumption and historical cost convention except in respect of those financial instruments, which are presented at their fair values and properly disclosed elsewhere in the report.

2.3 Basis of accounting & coverage :

The company follows the accrual basis of accounting. Under accrual basis of accounting, transactions and events are recognized as and when they occur and are recorded in the financial statements for the year to which they relate to.

The financial statements enclosed cover the year from 1st April 2010 to 31st March 2011. Previous year figures are for the period 1st April 2010 to 31st March 2010 and have been regrouped whenever necessary.

2.4 Functional & presentation currency :

The financial statements are presented in United Arab Emirates Dirham (AED), which is also the company's functional currency. All financial information presented in AED has been rounded off to the nearest UAE Dirhams.

2.5 Use of estimates and judgements :

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

Actual results may differ from these estimates. The estimates

and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future year affected.

3. Summary of significant accounting policies :

The following accounting policies have been consistently applied by the management in preparation of the financial statements except where stated here under.

3.1 Receivables :

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivable is established where there is objective evidence that the company will not be able to collect all amounts due according to original terms of the receivables.

3.2 Inventory :

Stock of materials, if any has been valued at lower of the cost valued on first in first out method (including applicable associated costs) or net realizable value. Assessment of inventory is being carried out at the end of the year and value of inventory is being considered after providing for obsolete inventory, if any.

3.3 Investments :

Investments represent investments by the company, to enhance the company's business interest or to effectively utilize the surplus resources. Investments are classified as either long term or short-term, based on the intention of the management, at the time of their purchase.

Long term investments are stated at cost and provision is made to recognize any decline in value, other than temporary.

All investments held for sale are presented at fair value. Changes in fair value is recognized in the income statement of the year.

3.4 Property, plant and equipment :

The company does not have any property, plant and equipment as at statement of financial position date.

3.5 Impairment :

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. All impairment losses are recognized in the income statement. A non-financial asset is assessed for impairment (its recoverable amount being less than its carrying amount) and impairment loss is immediately recognized in the income statement.

3.6 Employee benefits :

Employee benefits, if any, have been provided for in accordance with the contractual terms with the employees, but is however subject to minimum of UAE Labour Law requirements

3.7 Provisions and contingencies :

Provisions are recognized when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits would be required to settle these obligations and a reliable estimate of the same can be made.

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

## TWENTY NINTH ANNUAL REPORT

### 3.8 Statutory reserve :

Appropriations to Statutory Reserve has been discontinued since the balance in the reserve account has reached 50% of Share Capital as per the provisions of UAE Commercial Companies Law No. 8 of 1984 (as amended by Law No. 13 of 1988).

Statutory reserve is not a free reserve and is not available for distributions.

### 3.9 Revenue recognition :

Sales, include the invoiced value of trading goods supplied during the year less returns and discounts, if any. Sales income is recognized when the significant risk and reward of ownership have transferred to the buyer and the entity loses effective control and ownership over the goods and the amount can be measured reliably.

Other income is recognized when right to receive is established or received whichever is earlier.

### 3.10 Expenditure :

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.

### 3.11 Foreign currency transactions :

a. Transactions in foreign currency, if any, are converted into UAE Dhs. at prevailing exchange rate on the date such transactions are entered into.

b. Monetary assets and liabilities denominated in foreign currencies are translated into AED at the foreign exchange rates prevailing at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost, are translated into AED at the foreign exchange rates ruling at the date of transaction.

c. Resultant loss or gain has been recognized in the income statement, in the year in which such assets are realized or liabilities are discharged.

## 4. Other significant disclosures :

### 4.1 Related party transactions :

The company enters into transactions with another firm and / or persons that falls within the definitions of related party as contained in International Financing Reporting Standards.

Related parties comprise of the shareholder, Wearology Ltd. LLC U.S.A., Organically Grown, U.S.A., India, Poddar Infrastructure Pvt. Ltd., India, Poddar Habitat Pvt. Ltd, India, Poddar Leisure Infrastructure Pvt. Ltd., India and Makara Real Estate Ltd., India.

During the year under review, following transactions were entered into with related party :

Name of transaction	2010-11		2009-10	
Sales	AED	1,607,092/-	AED	16,821/-
Commission income	AED	Nil	AED	61,553/-
Purchases	AED	45,976/-	AED	36,397/-
Service charges expenses	AED	343,790/-	AED	455,080/-
Interest on loan from related party	AED	6,537/-	AED	20,657/-
Business promotion expenses	AED	3,615/-	AED	179,615/-

The company has advanced funds to / received funds from related parties which are short term in nature, free of interest and shown under the head, 'Amount due from related parties' and 'Amount due to related parties' respectively.

### 4.2 Financial, capital risk management and fair value information :

#### 4.2.1 Credit, liquidity and market rate risk :

##### Credit risk :

Credit risk is the risk of financial loss to the company if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

The company's cash is placed with banks of repute.

The exposure to credit risk on trade receivable and amounts due from related parties is monitored on an ongoing basis by the management and these are considered recoverable by the company's management. However, 91.32% of total receivable is outstanding from 1 customer being related party and hence there is concentration of receivables and consequently risk to that extent.

##### Liquidity risk :

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when it falls due. The company's assets are sufficient to cover its financial obligations, and the shareholders have resolved to infuse necessary funds, in case of any short fall in liquidity.

##### Market risk :

Market risk is the risk that changes in market prices, such as investment prices, interest rates and currency rates will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

##### Investment price risk :

The company is exposed to the risk of fluctuation in the market price of quoted investment. Unquoted investments are measured on either cost model or equity model, where fair value measurement is not possible.

##### Interest rate risk :

The interest rate on the company's financial instruments is based on market rates.

Interest on loan from related party is being charged @ 3.00 % p.a. (previous period @ 3.00 % p.a.). Interest on bank borrowing carries interest rate of 4% p.a. (previous year Nil)

##### Currency risk :

Currency risk faced by the company is minimal as there are minimal foreign currency transactions. Most of the monetary assets and liabilities are denominated in UAE Dirhams or in United States Dollar (USD), which is pegged to AED. However the company is exposed to following foreign currency risk :

	2010-11	2009-10
Bank Current Account in Euro	350/-	47,045/-
Receivable in Euro	Nil	34,373/-
Payable in Euro	Nil	47,226/-

Any fluctuations in this currency would affect the profitability and net worth of the company.

##### Revenue risk :

92.96% of the revenue was from 2 customers including 1 related party and hence the company has revenue risk to that extent.

## PODDAR DEVELOPERS LIMITED

	Amount in U.A.E. Dhs (AED)		
	31-03-2011	31-03-2010	
4.2.2 Capital management :			
The company's policy is to maintain a strong base so as to maintain lender and creditor confidence and to sustain future development of the business. The company is not subject to externally imposed capital restrictions.			
4.2.3 Fair value information :			
Fair value represents the amount at which an asset could be exchanged or a liability settled in an arm's length transaction, between willing and knowledgeable parties. In respect of all the company's financial assets viz cash and bank balances, receivables, advances, deposits, accrued income and liabilities via dues to banks, payables, accruals and other non-current liabilities, in the opinion of the management, the book value approximates to their carrying value.			
	Amount in U.A.E. Dhs (AED)		
	31-03-2011	31-03-2010	
5. Cash and bank balances & Cash & cash equivalence			
Balance with bank in current A/c.	26,971	358,591	
	26,971	358,591	
6. Deposits & prepayments & advances:			
Deposits	3,500	3,500	
Prepayments	7,557	11,412	
Loan to others	0	1,284,500	
	11,057	1,299,412	
Loan to others represented loan to M/s. Westerman Ball Ederer Miller & Sharfstein LLC, which was short term in nature and free of interest.			
7. Advance due from related party :			
W earology Ltd., LLC, U.S.A.	73,448	0	
	73,448	0	
Amount due from related party is short term in nature and same is at an interest rate of 3.00% p.a. (previous year Nil)			
8. Amounts Receivables :			
Trade receivables	0	469,013	
Related party receivables -			
W earology LLC Ltd., U.S.A.	1,136,868	0	
Organically Grown, U.S.A.	107,994	7,369	
	1,244,862	476,382	
Age-wise analysis of receivables:			
Less than 3 months	268,076	469,013	
More than 3 months but less than 6 months	633,978	0	
More than 6 months but less than 12 months	342,808	7,369	
More than 12 months	0	0	
	1,244,862	476,382	
Geographical analysis of receivable is as follows :			
Due from America	1,244,862	304,515	
Due from European countries	0	171,867	
	1,244,862	476,382	
The company's exposure to credit risk and exchange rate risk relating to trade receivables is disclosed in note 4.2.1.			
9. Investments :			
J.P. Morgan International Bank Ltd			
Port folio	2,314,080	2,091,900	
Capitoline Centures II LLC	1,365,468	0	
	3,679,548	2,091,900	
10. Borrowings from banks & financial institutions:			
Bank overdraft	765,762	0	
	765,762	0	
Bank borrowings and facilities comprising of overdraft and letter of credit from Citi Bank is secured by Stand By Letter of Credit from Citibank, Mumbai, India for USD 1 MM.			
11. Accounts Payables :			
Trade payables	227,427	361,353	
	227,427	361,353	
12. Amount due to related parties :			
Poddar Developers Ltd,			
Mumbai, India	36,446	239,510	
W earology Ltd. LLC, U.S.A.	0	221,949	
	36,446	461,459	
Amount due to Poddar Developers Ltd., Mumbai, India is short term in nature and free of interest, whereas amount due to Wearology Ltd., LLC, U.S.A. was short term in nature and carried interest @ 3% p.a. (previous year @ 3% p.a.).			
13. Provisions, accruals and other liabilities :			
Accrued expenses	8,000	46,378	
Other liabilities	1,530	80,099	
	9,530	126,477	
14. Amount due to related party :			
Organically Grown, U.S.A.	0	55,050	
	0	55,050	
Amount due to related party was long term in nature and carries interest @ 3 % p.a. (previous year period 3% p.a.).			
15. Share Capital :			
Share capital	150,000	150,000	
	150,000	150,000	
Share capital comprises of 100 fully paid up equity shares of 1,500/- each. (previous year 100 fully paid equity shares of 1500/- each)			
16. Reserves & surplus :			
Statutory reserve	75,000	75,000	
Retained earnings	3,771,722	2,996,946	
	3,846,722	3,071,946	

## TWENTY NINTH ANNUAL REPORT

	Amount in U.A.E. Dhs (AED)			Amount in U.A.E. Dhs (AED)	
	1-4-2010 to 31-3-2011	1-9-2009 to 31-3-2010		1-4-2010 to 31-3-2011	1-9-2009 to 31-3-2010
17. Direct costs :			21. Finance cost :		
Opening stock	0	0	Bank charges	152,948	100,484
Purchases	9,049,754	11,726,262	Bank Interest	10,330	0
Service charges	1,649,008	1,204,817	Interest on loan from related party	6,537	20,657
Commission	164,905	205,384		<u>169,815</u>	<u>121,141</u>
Other direct expenses	2,336	20,765	22. Other expenses :		
Closing stock	0	0	Foreign exchange loss - net	35,213	0
	<u>10,866,003</u>	<u>13,157,228</u>		<u>35,213</u>	<u>0</u>
18. Other income :					
Change in the fair value of					
investment in securities	303,056	256,900	23. Non cash transactions :		
Other miscellaneous income	45,293	78,621	(Increase) in investments	(917,500)	0
Commission income	0	61,553	Decrease in investments	917,500	0
Interest on loan to related party	48	0		<u>0</u>	<u>0</u>
	<u>348,397</u>	<u>3,97,074</u>	24. Contingent liabilities :		
19. Selling & distribution costs :			Except for other ongoing business commitments against		
Advertisement and business			which no loss is expected, there has been no known contingent		
promotion expenses	24,615	14,424	liability or commitments as at statement of financial position		
Impairment of receivables	7,440	0	date.		
	<u>32,055</u>	<u>14,424</u>	25. Significant events after statement of financial position		
20. Administration cost :			date :		
Office Rent	8,250	31,350	There were no significant events occurring after the date		
Communication cost	583	8,258	of statement of financial position which will have any material		
Fees & charges	33,589	26,326	effect on the working or the financial statements of the		
Travelling & Conveyance Exp.	154,818	125,941	company.		
Office & other expenses	29,870	82,303	Signature to notes & schedule to the financial statements		
	<u>227,110</u>	<u>274,178</u>	For Wearology (FZC)		
			Rohitashwa Poddar		
			Directors		

**Poddar Natural Resources and Ores Limited**  
(Formerly Makara Real Estate Limited)

**DIRECTORS' REPORT**

The Shareholders,  
Poddar Natural Resources and Ores Limited

Your Directors have pleasure to submit their 5th Annual Report of your company along with the Audited Balance Sheet as at 31st March 2011 and Profit & Loss Account for the period ended 31st March 2011

**CHANGE OF NAME**

The Members at the EGM held on 30th October 2010, approved the change in the name of the Company to Poddar Natural Resources and Ores Limited.

**OPERATING RESULTS**

The company has incurred Loss of ₹ 42,325/- (PY Loss of ₹ 34,890/-) during the year under consideration. After adjusting the loss of earlier year, the Net Loss of ₹ 1,04,736/- (PY Net Loss of ₹ 69,846/-) is proposed to be carried forward to the balance sheet.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Amendment) Act, 2000 the Directors confirm that:

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- Appropriate accounting principles have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and of the loss for the year ended 31st March 2011
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis

**DIRECTORS**

Shri. Dipak Kumar Poddar retires by rotation and being eligible offer himself for reappointment.

**FIXED DEPOSIT**

The company has not accepted any deposits from public during the year under review.

**AUDITORS**

M/S R.S.SHAH & COMPANY Chartered Accountants auditors of the company retire at the conclusion of the Annual General Meeting and expressed their willingness to continue in the office, if appointed. You are requested to appoint them and fix their remuneration.

**PARTICULARS OF EMPLOYEES**

No employees of the company are covered under section 217(2a) of the companies act, 1956.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Date : 9th April 2011

DIPAK KUMAR PODDAR  
DIRECTOR

R. S. SHAH & COMPANY  
Chartered Accountants  
217, Vardhaman Chambers,  
Cawasji Patel Street, Fort,  
MUMBAI - 400 001.  
Tel Nos : 22042469

**AUDITORS' REPORT**

To,  
THE MEMBERS OF  
PODDAR NATURAL RESOURCES AND ORES LTD  
(FORMERLY KNOWN AS MAKARA REAL ESTATE LTD.)

- (1) We have audited the attached Balance Sheet of MAKARA REAL ESTATE LIMITED as at 31st March 2011 and Profit and Loss Account and Cash Flow Statement for the year ended on that date, all of which have been signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We have conducted our audit in accordance with auditing and assurance standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 are not applicable on the company.
- (4) Further to our comments in the Annexure referred to in paragraph (3) above we report that:
  1. 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.
  2. 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 books.
  3. The Balance Sheet, Profit and Loss Account dealt with by this report, are in agreement with the books of accounts
  4. In our opinion, the Balance Sheet, Profit & Loss Account, dealt with by this report complies with the Accounting Standard referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.
  5. On the basis of written representation received from the Directors and taken on records by the Board of Directors, we report that none of the Directors is disqualified as at 31st March 2011 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

## TWENTY NINTH ANNUAL REPORT

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

(a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and;

(b) In case of Profit and Loss Account, of the

Loss of the Company for the year ended on that date.

(c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR R. S. SHAH & COMPANY  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(PROPRIETOR)

PLACE : MUMBAI  
DATED: 9th April, 2011

Membership No. 30108

### BALANCE SHEET AS AT 31ST MARCH 2011

	SCHEDULES	AS AT	AS AT
		31.03.2011	31.03.2010
		(₹)	(₹)
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDER'S FUND</b>			
Share Capital	A	5,00,000	5,00,000
		<u>5,00,000</u>	<u>5,00,000</u>
<b>APPLICATION OF FUNDS</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Cash and Bank Balances	B	3,51,400	4,25,583
		<u>3,51,400</u>	<u>4,25,583</u>
Less : Current Liabilities and Provisions	C	16,545	57,444
Net Current Assets		<u>3,34,855</u>	<u>3,68,139</u>
<b>MISCELLANEOUS EXPENDITURE</b>			
Preliminary Expenses	D	18,084	27,125
Profit & Loss A/c.		<u>1,47,061</u>	<u>1,04,736</u>
		<u>5,00,000</u>	<u>5,00,000</u>
NOTES ON ACCOUNT	F		
Schedules Attached form part of the Account			

### PROFIT AND LOSS A/C. FOR THE YEAR ENDED 31ST MARCH 2011

SCHEDULES	For the	
	Year Ended	Period Ended
	31-03-2011	31-03-2010
	(₹)	(₹)
<b>INCOME</b>		
Income from Operation	-	-
Interest Received	490	-
	<u>490</u>	<u>-</u>
<b>TOTAL</b>	<b>490</b>	<b>-</b>
<b>EXPENDITURE</b>		
Administrative Expenses	E	39,224
Preliminary Expenses W/off		9,041
		<u>48,265</u>
<b>TOTAL</b>	<b>48,265</b>	<b>34,890</b>
Loss for the year	(47,775)	(34,890)
Tax for earlier year received	5,450	-
	<u>(42,325)</u>	<u>(34,890)</u>
Add : Balance brought forward from previous year	(1,04,736)	(69,846)
Loss carried to Balance Sheet	<u>(1,47,061)</u>	<u>(1,04,736)</u>
Earning per Share (in Rs.)		
Basic & Diluted E.P.S.	(0.98)	(0.70)
NOTES ON ACCOUNT	F	
Schedules Attached form part of the Account		

As per our report of even date For and on behalf of the Board

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar- Director

R. S. SHAH  
(Proprietor)  
Membership No. : 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED : 9th April, 2011

As per our report of even date For and on behalf of the Board

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar- Director

R. S. SHAH  
(Proprietor)  
Membership No. : 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED : 9th April, 2011

**CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	YEAR ENDED 31st March 2011 ₹		PERIOD ENDED 31st March 2010 ₹	
A. Cash Flow from operating Activities				
Net Profit / ( Loss ) after Tax and Extra-Ordinary Items		(42325)		(34890)
Adjustments For non operating / non cash expenses				
Tax for Earlier years	(5450)			
Preliminary expenses written off	9041	3591	9041	9041
Operating Profit/(Loss) before Working Capital Charges		(38734)		(25849)
Adjustments For changes in working capital				
Loans and Advances	-		(5450)	
Trade Payable	(40899)	(40899)	16545	21995
Tax for earlier year received		(79633) 5450		(3854) -
Net Cash from Operating Activity (A)		(74183)		(3854)
B. Cash Flow from Investing Activities				
Net cash flow from Investing Activities (B)		-		-
C. Cash Flow from Financing Activities				
Net cash used in Financing Activity (C)		-		-
Net increase (Decrease) in Cash &Cash Equivalents (A+B+C)		(74183)		(3854)
Cash & Cash Equivalents (Opening Balance)		425583		429437
Cash & Cash Equivalents (Closing Balance)		351400		425583

Notes: The above cash flow statement has been prepared under the 'Indirect Method' as set out in the AS-3 on the cash flow statement issued by the ICAI.

As per our report of even date

FOR R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(PROPRIETOR)  
Membership No. : 30108

For and on behalf of the Board

Dipak Kumar Poddar - Director

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED: 9th April 2011

# TWENTY NINTH ANNUAL REPORT

## SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNT

## SCHEDULE 'F'

### NOTES ON ACCOUNTS :

	AS AT 31.03.11 (₹)	AS AT 31.03.10 (₹)
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
50000 Equity Shares of Rs. 10/- each	500000	500000
	<u>500000</u>	<u>500000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
50000 Equity Shares of Rs. 10/- each fully paid up (All the shares are held by Poddar Developers Limited)	500000	500000
	<u>500000</u>	<u>500000</u>
<b>SCHEDULE 'B'</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>CASH AND BANK BALANCE</b>		
Cash in Hand	4000	4004
Balance with Banks in Current Accounts	347400	421579
	<u>351400</u>	<u>425583</u>
<b>SCHEDULE 'C'</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
Other Liabilities	16545	57444
	<u>16545</u>	<u>57444</u>
<b>SCHEDULE 'D'</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off)		
Preliminary Expenses	27125	36166
Preliminary Expenses W/off	9041	9041
	<u>18084</u>	<u>27125</u>
<b>SCHEDULE 'E'</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Auditors Remuneration	16545	16545
Printing & Stationary	19480	-
Fringe Benefit Tax for earlier year	-	5450
Bank Charges	1060	1100
Filing Fees	2135	2754
Office & General Expenses	4	-
	<u>39224</u>	<u>25849</u>

### 1. Significant Accounting Policies.

a) Income and Expenditure are recognized and accounted on accrual basis.

b) Assets and Liabilities are recorded at historical cost of the Company. These costs are not adjusted to reflect the changing values in purchasing power of money.

### 2. Related Party Disclosure

Related party disclosures, as required by AS-18, "Related Party Disclosures" are given below :-

i Holding Company : Poddar Developers Ltd

No transactions were carried out with the related party during the year.

### 3. Previous year figures have been regrouped / restated wherever necessary.

Signature to Schedules 'A' to 'F'

For R. S. SHAH & CO.

CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

R. S. SHAH

(Proprietor)

Membership No. : 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI

DATED : 9th April, 2011

**Poddar Infrastructure Private Limited**

**DIRECTORS' REPORT**

To,  
The Shareholders,

Your Directors have pleasure to submit their 4th Annual Report of your company along with the Audited Balance Sheet as at 31st March 2011 and Profit & Loss Account for the period ended 31st March 2011

**OPERATING RESULTS**

The company has incurred Loss of ₹ 22,375/- (P Y Loss of ₹ 22,415/-) during the year under consideration. After adjusting the loss of earlier year, the Net Loss of Rs. ₹ 84722/- (PY Net Loss of ₹ 62,347/-) is proposed to be carried forward to the balance sheet.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Amendment) Act, 2000 the Directors confirm that:

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- Appropriate accounting principles have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and of the profit for the period ended 31st March 2011.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis

**FIXED DEPOSIT**

The company has not accepted any deposits from public during the year under review.

**AUDITORS**

M/S R.S. SHAH & COMPANY chartered accountants auditors of the company retire at the conclusion of the Annual General Meeting and expressed their willingness to continue in the office, if appointed. You are requested to appoint them and fix their remuneration.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Date : 9th April 2011

DIPAK KUMAR PODDAR  
DIRECTOR

R. S. SHAH & COMPANY  
Chartered Accountants  
217, Vardhaman Chambers,  
Cawasji Patel Street, Fort,  
MUMBAI - 400 001.  
Tel Nos : 22042469

**AUDITORS' REPORT**

To,  
THE MEMBERS OF  
PODDAR INFRASTRUCTURE PVT LTD

- (1) We have audited the attached Balance Sheet of PODDAR INFRASTRUCTURE PVT LTD as at 31st March 2011, Profit and Loss Account and Cash Flow Statement for the year ended on that date, all of which have been signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We have conducted our audit in accordance with auditing and assurance standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 are not applicable on the company.
- (4) Further to our comments in the Annexure referred to in paragraph (3) above we report that:
  1. 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.
  2. 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 books.
  3. The Balance Sheet, Profit and Loss Account dealt with by this report, are in agreement with the books of account.
  4. In our opinion, the Balance Sheet, Profit & Loss Account, dealt with by this report complies with the Accounting Standard referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.
  5. On the basis of written representation received from the Directors and taken on records by the Board of Directors, we report that none of the Directors is disqualified as at 31st March 2011 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

# TWENTY NINTH ANNUAL REPORT

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

(a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and;

(b) In case of Profit and Loss Account, of the Loss of the Company for the year ended on that date.

(c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR R. S. SHAH & COMPANY  
CHARTERED ACCOUNTANTS

PLACE : MUMBAI  
DATED : 9th April, 2011

R. S. SHAH  
(PROPRIETOR)  
Membership No. 30108

## BALANCE SHEET AS AT 31ST MARCH 2011

SCHEDULES		AS AT	AS AT
		31.03.2011	31.03.2010
		(₹)	(₹)
<b>SOURCES OF FUNDS</b>			
Share Capital	A	1,00,000	1,00,000
		<u>1,00,000</u>	<u>1,00,000</u>
<b>APPLICATION OF FUNDS</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
	B	16533	40,216
		<u>16533</u>	<u>40,216</u>
Less : Current Liabilities and Provisions	C	11031	22,113
		<u>11031</u>	<u>22,113</u>
Net Current Assets		5502	18,103
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off)	D	9776	19550
		<u>9776</u>	<u>19550</u>
Profit & Loss A/c.		84722	62,347
		<u>84722</u>	<u>62,347</u>
		<u>1,00,000</u>	<u>1,00,000</u>
NOTES ON ACCOUNT	F		

Schedules 'A' to 'F' forming part of the Account

As per our report of even date For and on behalf of the Board

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

R. S. SHAH  
(Proprietor)  
Membership No.: 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED : 9th April, 2011

## PROFIT AND LOSS A/C. FOR THE YEAR ENDED 31ST MARCH 2011

SCHEDULES		For the	For the
		Year Ended	Period Ended
		31-03-2011	31-03-2010
		(₹)	(₹)
<b>INCOME</b>			
Income from Operation		-	-
		<u>-</u>	<u>-</u>
<b>TOTAL</b>		<u>-</u>	<u>-</u>
<b>EXPENDITURE</b>			
Administrative Expenses	E	4,328	4,368
Preliminary Expenses W/off		9,774	9,774
Audit Fees		8,273	8,273
		<u>22,375</u>	<u>22,415</u>
<b>TOTAL</b>		<u>22,375</u>	<u>22,415</u>
Profit / (Loss) for the year		(22,375)	(22,415)
Add: Loss brought forward from earlier year		(62,347)	(39,932)
		<u>(62,347)</u>	<u>(39,932)</u>
Loss carried to Balance Sheet		(84,722)	(62,347)
		<u>(84,722)</u>	<u>(62,347)</u>
NOTES ON ACCOUNT	F		

Schedules 'A' to 'F' forming part of the Accounts

As per our report of even date For and on behalf of the Board

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

R. S. SHAH  
(Proprietor)  
Membership No.: 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED : 9th April, 2011

**CASH FLOW FOR THE PERIOD ENDED 31ST MARCH, 2011**

PARTICULARS	YEAR ENDED	PERIOD ENDED
	31st March 2011	31st March 2010
	₹	₹
A. Cash Flow from operating Activities		
Net Profit / ( Loss ) after Tax and Extra-Ordinary Items	(22375)	(22415)
Adjustments For non operating / non cash expenses		
Preliminary expenses written off	9774	9774
Operating Profit/(Loss) before Working Capital Charges	(12601)	(12641)
Adjustments For changes in working capital		
Trade Payable	(11082)	11031
Net Cash from Operating Activity (A)	(23683)	(1610)
B. Cash Flow from Investing Activities		
Net cash flow from Investing Activities (B)	-	-
C. Cash Flow from Financing Activities		
Net cash Flow from Financing Activity (C)	-	-
Net increase (Decrease) in Cash &Cash Equivalents (A+B+C)	(23683)	(1610)
Cash & Cash Equivalents (Opening Balance)	40216	41826
Cash & Cash Equivalents (Closing Balance)	16533	40216

Notes: The above cash flow statement has been prepared under the 'Indirect Method' as set out in the AS-3 on the cash flow statement issued by the ICAI.

As per our report of even date

FOR R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(PROPRIETOR)  
Membership No.: 30108

For and on behalf of the Board

Dipak Kumar Poddar - Director

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED: 9th April 2011

# TWENTY NINTH ANNUAL REPORT

## SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNT

## SCHEDULE 'F'

### NOTES ON ACCOUNTS :

	AS AT 31.03.11 (₹)	AS AT 31.03.10 (₹)
SCHEDULE 'A'		
SHARE CAPITAL AUTHORISED		
10000 Equity Shares of Rs. 10/- each	100000	100000
	<u>100000</u>	<u>100000</u>
ISSUED, SUBSCRIBED AND PAID UP		
10000 Equity Shares of Rs. 10/- each fully paid up	100000	100000
(All Shares are held by Poddar Developers Ltd.)	<u>100000</u>	<u>100000</u>

1. Significant Accounting Policies.
  - a) Income and Expenditure are recognized and accounted on accrual basis.
  - b) Assets and Liabilities are recorded at historical cost of the Company. These costs are not adjusted to reflect the changing values in purchasing power of money.
2. During the year the Company has not commenced any activities.
3. The figure in the bracket represents the figures of the previous year
4. Previous year figures are re-grouped / re-arranged wherever necessary.

Signature to Schedules 'A' to 'F'

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

R. S. SHAH  
(Proprietor)  
Membership No. : 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED : 9th April, 2011

	AS AT 31.03.11 (₹)	AS AT 31.03.10 (₹)
SCHEDULE 'B'		
CURRENT ASSETS, LOANS AND ADVANCES		
Cash in Hand	3833	3833
Bank Balance	12700	36383
	<u>16533</u>	<u>40216</u>

	AS AT 31.03.11 (₹)	AS AT 31.03.10 (₹)
SCHEDULE 'C'		
CURRENT LIABILITIES AND PROVISIONS		
Other Liabilities	11031	22113
	<u>11031</u>	<u>22113</u>

	AS AT 31.03.11 (₹)	AS AT 31.03.10 (₹)
SCHEDULE 'D'		
MISCELLANEOUS EXPENDITURE (To the extent not written off)		
Preliminary Expenses	19550	29324
Less : Preliminary Expenses W/off	9774	9774
	<u>9776</u>	<u>19550</u>

	AS AT 31.03.11 (₹)	AS AT 31.03.10 (₹)
SCHEDULE 'E'		
ADMINISTRATIVE EXPENSES		
Filing Fees	1020	510
Legal & Professional Fees	2758	2758
Bank Charges	550	1100
	<u>4328</u>	<u>4368</u>

**Poddar Habitat Private Limited**

**DIRECTORS' REPORT**

To,  
The Shareholders,  
Poddar Habitat Private Limited

Your Directors have pleasure to submit their 3<sup>rd</sup> Annual Report of your company along with the Audited Balance Sheet as at 31<sup>st</sup> March 2011 and Profit & Loss Account for the period ended 31<sup>st</sup> March 2011

**OPERATING RESULTS**

The company has incurred Loss of ₹ 14,929/- (P Y Loss of ₹ 15,479/-) during the period under consideration. After adjusting the loss of earlier year, the Net Loss of ₹ 41,781/- (PY Net Loss of ₹ 26,852/- is proposed to be carried forward to the balance sheet.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Amendment) Act, 2000 the Directors confirm that:

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- Appropriate accounting principles have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2011 and of the profit for the period ended 31<sup>st</sup> March 2011.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis

**FIXED DEPOSIT**

The company has not accepted any deposits from public during the year under review.

**AUDITORS**

M/S R.S.SHAH & COMPANY Chartered Accountants auditors of the company retire at the conclusion of the Annual General Meeting and expressed their willingness to continue in the of fice, if appointed. You are requested to appoint them and fix their remuneration.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Date : 9th April 2011

DIPAK KUMAR PODDAR  
DIRECTOR

R. S. SHAH & COMPANY  
Chartered Accountants  
217, Vardhaman Chambers,  
Cawasji Patel Street, Fort  
MUMBAI - 400 001  
Tel Nos: 22042469

**AUDITORS' REPORT**

To,  
THE MEMBERS OF  
PODDAR INFRASTRUCTURE PVT LTD

- (1) We have audited the attached Balance Sheet of PODDAR HABITAT PVT.LTD. as at 31<sup>st</sup> March 2011, Profit and Loss Account and Cash Flow Statement for the period ended on that date, all of which have been signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We have conducted our audit in accordance with auditing and assurance standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 are not applicable on the company.
- (4) Further to our comments in the Annexure referred to in paragraph (3) above we report that:
  1. 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.
  2. 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 books.
  3. The Balance Sheet, Profit and Loss Account dealt with by this report, are in agreement with the books of account.
  4. In our opinion, the Balance Sheet, Profit & Loss Account, dealt with by this report complies with the Accounting Standard referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.
  5. On the basis of written representation received from the Directors and taken on records by the Board of Directors, we report that none of the Directors is disqualified as at 31st March 2011 from being appointed as a director in terms of clause (g) of

## TWENTY NINTH ANNUAL REPORT

Sub-section (1) of Section 274 of the Companies Act, 1956.

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

(a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and;

(b) In case of Profit and Loss Account, of the Loss of the Company for the year ended on that date.

(c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR R. S. SHAH & COMPANY  
CHARTERED ACCOUNTANTS

PLACE : MUMBAI  
DATED: 9th April, 2011

R. S. SHAH  
(PROPRIETOR)  
Membership No. 30108

### BALANCE SHEET AS AT 31ST MARCH 2010

	SCHEDULES	AS AT	AS AT
		31.03.2011	31.03.2010
		(₹)	(₹)
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDER'S FUND</b>			
Share Capital	A	1,00,000	1,00,000
		<u>1,00,000</u>	<u>1,00,000</u>
<b>APPLICATION OF FUNDS</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Cash and Bank Balances	B	63,363	83,625
		<u>63,363</u>	<u>83,625</u>
Less : Current Liabilities and Provisions	C	11,031	19,304
Net Current Assets		<u>52,332</u>	<u>64,321</u>
<b>MISCELLANEOUS EXPENDITURE</b>			
Preliminary Expenses	D	5,887	8,827
Profit & Loss A/c.		<u>41,781</u>	<u>26,852</u>
		<u>1,00,000</u>	<u>1,00,000</u>
NOTES ON ACCOUNT	F		
Schedules attached form part of the account			

As per our report of even date For and on behalf of the board

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

R. S. SHAH  
(Proprietor)  
Membership No. : 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED : 9th April, 2011

### PROFIT & LOSS A/C. FOR THE YEAR ENDED 31ST MARCH 2010

	SCHEDULES	For the	For the
		Year Ended	Period Ended
		31-03-2011	31-03-2010
		(₹)	(₹)
<b>INCOME</b>			
Income from Operation		-	-
		<u>-</u>	<u>-</u>
<b>TOTAL</b>		<u>-</u>	<u>-</u>
<b>EXPENDITURE</b>			
Administrative Expenses	E	11,989	12,539
Preliminary Expenses written off		2,940	2,940
		<u>14,929</u>	<u>15,479</u>
Profit/(Loss) for the year		(14,929)	(15,479)
Add : Balance brought forward from previous year		(26,852)	(11,373)
Loss for the period carried to Balance Sheet		<u>(41,781)</u>	<u>(26,852)</u>
NOTES ON ACCOUNT	F		
Schedules attached form part of the account			

As per our report of even date For and on behalf of the board

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

R. S. SHAH  
(Proprietor)  
Membership No. : 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED : 9th April, 2011

**CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	YEAR ENDED	PERIOD ENDED
	31st March 2011	31st March 2010
	₹	₹
A. Cash Flow from operating Activities		
Net Profit / ( Loss ) after Tax and Extra-Ordinary Items	(14929)	(15479)
Adjustments For Non Cash Item Preliminary expenses written off	2940	2940
Operating Profit/(Loss) before Working Capital Charges	(11989)	(12539)
Adjustments For Chages in Working Capital Trade Payable	(8273)	11031
Net Cash from Operating Activity (A)	(20262)	(1508)
B. Cash Flow from Investing Activities		
Net cash flow from Investing Activities (B)	-	-
C. Cash Flow from Financing Activities		
Net cash Flow from Financing Activity (C)	-	-
Net increase (Decrease) in Cash &Cash Equivalentents (A+B+C)	(20262)	(1508)
Cash & Cash Equivalentents (Opening Balance)	83625	85133
Cash & Cash Equivalentents (Closing Balance)	63363	83625

Notes: The above cash flow statement has been prepared under the 'Indirect Method' as set out in the AS-3 on the cash flow statement issued by the ICAI.

As per our report of even date

FOR R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(PROPRIETOR)  
Membership No.: 30108

PLACE : MUMBAI  
DATED: 9th April 2011

For and on behalf of the Board

Dipak Kumar Poddar - Director

Rohitashwa Poddar - Director

# TWENTY NINTH ANNUAL REPORT

## SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNT

## SCHEDULE 'F'

### NOTES ON ACCOUNTS :

	AS AT 31.03.2011 (₹)	AS AT 30.11.2010 (₹)
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
10000 Equity Shares of Rs. 10/- each	100000	100000
	<u>100000</u>	<u>100000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
10000 Equity Shares of Rs. 10/- each fully paid up	100000	100000
(All Shares are held by Poddar Developers Ltd.)	<u>100000</u>	<u>100000</u>
<b>SCHEDULE 'B'</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Cash and Bank Balances</b>		
Balance with Banks in Current Accounts	63080	83342
Cash in Hand	283	283
	<u>63363</u>	<u>83625</u>
<b>SCHEDULE 'C'</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
Other Liabilities	11031	19304
	<u>11031</u>	<u>19304</u>
<b>SCHEDULE 'D'</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off)		
Preliminary Expenses	8827	11767
Less : Preliminary Expenses W/off	2940	2940
	<u>5887</u>	<u>8827</u>
<b>SCHEDULE 'E'</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Auditors Remuneration	8273	8273
Bank Charges	550	1100
Filing Fees Paid	408	408
Legal & Professional Fees	2758	2758
	<u>11989</u>	<u>12539</u>

1. Significant Accounting Policies.
  - a) Income and Expenditure are recognized and accounted on accrual basis.
  - b) Assets and Liabilities are recorded at historical cost of the Company. These costs are not adjusted to reflect the changing values in purchasing power of money.
2. During the year the Company has not commenced any activities.
3. Previous year figures are re-grouped / re-arranged wherever necessary.

Signature to Schedules 'A' to 'F'

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

R. S. SHAH  
(Proprietor)  
Membership No. : 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED : 9th April, 2011

**Poddar Leisure Infrastructure Private Limited**

**DIRECTORS' REPORT**

The Shareholders,  
Poddar Leisure Infrastructure Private Limited

Your Directors have pleasure to submit their 3<sup>rd</sup> Annual Report of your company along with the Audited Balance Sheet as at 31<sup>st</sup> March 2011 and Profit & Loss Account for the period ended 31<sup>st</sup> March 2011.

OPERATING RESULTS

The company has incurred Loss of ₹ 14,742/- (P Y loss of ₹ 15,292/-) during the period under consideration. After adjusting the loss of earlier year, the Net Loss of ₹ 41,230/- (PY Net Loss of ₹ 26,488/-) is proposed to be carried forward to the balance sheet

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Amendment) Act, 2000 the Directors confirm that:

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- Appropriate accounting principles have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2011 and of the profit for the period ended 31<sup>st</sup> March 2011.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis

FIXED DEPOSIT

The company has not accepted any deposits from public during the year under review.

AUDITORS

M/S R. S. SHAH & COMPANY Chartered Accountants auditors of the company retire at the conclusion of the Annual General Meeting and expressed their willingness to continue in the of fice, if appointed. You are requested to appoint them and fix their remuneration.

For and on Behalf of the Board

Place : Mumbai  
Date : 9th April 2011

DIPAK KUMAR PODDAR  
Director

R. S. SHAH & COMPANY  
Chartered Accountants  
217, Vardhaman Chambers,  
Cawasji Patel Street, Fort  
MUMBAI - 400 001  
Tel Nos: 22042469

**AUDITORS' REPORT**

To,  
THE MEMBERS OF  
PODDAR LEISURE INFRASTRUCTURE PVT.LTD.

- (1) We have audited the attached Balance Sheet of PODDAR LEISURE INFRASTRUCTURE PVT.LTD. as at 31<sup>st</sup> March 2011, Profit and Loss Account and Cash Flow Statement for the period ended on that date, all of which have been signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We have conducted our audit in accordance with auditing and assurance standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 are not applicable on the company.
- (4) Further to our comments in the Annexure referred to in paragraph (3) above we report that:
  1. 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.
  2. 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 books.
  3. The Balance Sheet, Profit and Loss Account dealt with by this report, are in agreement with the books of account.
  4. In our opinion, the Balance Sheet, Profit & Loss Account, dealt with by this report complies with the Accounting Standard referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.
  5. On the basis of written representation received from the Directors and taken on records by the Board of Directors, we report that none of the Directors is disqualified as at 31st March 2011 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

## TWENTY NINTH ANNUAL REPORT

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

(a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and;

(b) In case of Profit and Loss Account, of the Loss of the Company for the year ended on

that date.

(c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR R. S. SHAH & COMPANY  
CHARTERED ACCOUNTANTS

PLACE : MUMBAI  
DATED: 9th April, 2011

R. S. SHAH  
(PROPRIETOR)  
Membership No. 30108

### BALANCE SHEET AS AT 31ST MARCH 2011

SCHEDULES	AS AT 31.03.2011	AS AT 31.03.2010
	(₹)	(₹)
<b>SOURCES OF FUNDS</b>		
<b>SHARE HOLDER'S FUND</b>		
Share Capital	A	1,00,000
		1,00,000
<b>APPLICATION OF FUNDS</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Cash and Bank Balances	B	64,293
		64,293
Less : Current Liabilities and Provisions	C	11,031
		19,304
Net Current Assets		53,262
		65,251
<b>MISCELLANEOUS EXPENDITURE</b>		
Preliminary Expenses	D	5,508
Profit & Loss A/c.		41,230
		1,00,000
		1,00,000
NOTES ON ACCOUNT	F	
Schedules attached form part of the account		

As per our report of even date For and on behalf of the board

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

R. S. SHAH  
(Proprietor)  
Membership No. : 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED : 9th April, 2011

### PROFIT & LOSS A/C. FOR THE YEAR ENDED 31ST MARCH 2011

SCHEDULES	For the Year Ended 31-03-2011	For the Period Ended 31-03-2010
	(₹)	(₹)
<b>INCOME</b>		
Income from Operation	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURE</b>		
Administrative Expenses	E	11,989
Preliminary Expenses written off		2,753
		14,742
Loss for the year	(14,742)	(15,292)
Add : Loss Brought Forward from earlier year	(26,488)	(11,196)
Loss for the Period Carried to Balance Sheet	(41,230)	(26,488)
NOTES ON ACCOUNT	F	
Schedules attached form part of the account		

As per our report of even date For and on behalf of the board

For R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

R. S. SHAH  
(Proprietor)  
Membership No. : 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED : 9th April, 2011

**PODDAR DEVELOPERS LIMITED****CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	YEAR ENDED	PERIOD ENDED
	31st March 2011	31st March 2010
	₹	₹
A. Cash Flow from operating Activities		
Net Profit / ( Loss ) after Tax and Extra-Ordinary Items	(14742)	(15292)
Adjustments For non operating / non cash expenses		
Preliminary expenses written off	2753	2753
Operating Profit/(Loss) before Working Capital Charges	(11989)	(12539)
Adjustments For changes in working capital		
Trade Payable	(8273)	11031
Net Cash from Operating Activity (A)	(20262)	(1508)
B. Cash Flow from Investing Activities		
Net cash flow from Investing Activities (B)	-	-
C. Cash Flow from Financing Activities		
Net cash Flow from Financing Activity (C)		
Net increase (Decrease) in Cash &Cash Equivalents (A+B+C)	(20262)	(1508)
Cash & Cash Equivalents (Opening Balance)	84555	86063
Cash & Cash Equivalents (Closing Balance)	64293	84555

Notes: The above cash flow statement has been prepared under the 'Indirect Method' as set out in the AS-3 on the cash flow statement issued by the ICAI.

As per our report of even date

FOR R. S. SHAH & CO.  
CHARTERED ACCOUNTANTS

R. S. SHAH  
(PROPRIETOR)  
Membership No. : 30108

For and on behalf of the Board

Dipak Kumar Poddar - Director

Rohitashwa Poddar - Director

PLACE : MUMBAI  
DATED: 9th April 2011

# TWENTY NINTH ANNUAL REPORT

## SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNT

## SCHEDULE 'F'

### NOTES ON ACCOUNTS :

	AS AT 31.03.2010 (₹)	AS AT 30.11.2009 (₹)
<b>SCHEDULE 'A'</b>		
SHARE CAPITAL AUTHORISED		
10000 Equity Shares of Rs. 10/- each	100000	100000
	<u>100000</u>	<u>100000</u>
ISSUED, SUBSCRIBED AND PAID UP		
10000 Equity Shares of Rs. 10/- each fully paid up	100000	100000
(All Shares are held by Poddar Developers Ltd.)	<u>100000</u>	<u>100000</u>
<b>SCHEDULE 'B'</b>		
CURRENT ASSETS, LOANS AND ADVANCES		
Cash and Bank Balances		
Balance with Banks in Current Accounts	64080	84342
Cash in Hand	213	213
	<u>64293</u>	<u>84555</u>
<b>SCHEDULE 'C'</b>		
CURRENT LIABILITIES AND PROVISIONS		
Other Liabilities	11031	19304
	<u>11031</u>	<u>19304</u>
<b>SCHEDULE 'D'</b>		
MISCELLANEOUS EXPENDITURE (To the extent not written off)		
Preliminary Expenses	8261	11014
Less : Preliminary Expenses W/off	2753	2753
	<u>5508</u>	<u>8261</u>
<b>SCHEDULE 'E'</b>		
ADMINISTRATIVE EXPENSES		
Auditors Remuneration	8273	8273
Bank Charges	550	1100
Filing Fees Paid	408	408
Legal & Professional Fees	2758	2758
	<u>11989</u>	<u>12539</u>

1. Significant Accounting Policies.

a) Income and Expenditure are recognized and accounted on accrual basis.

b) Assets and Liabilities are recorded at historical cost of the Company. These costs are not adjusted to reflect the changing values in purchasing power of money.

2. During the year the Company has not commenced any activities.

3. Previous year figures are re-grouped / re-arranged wherever necessary .

Signature to Schedules 'A' to 'F'

For R. S. SHAH & CO.

CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

R. S. SHAH

(Proprietor)

Membership No. : 30108

Rohitashwa Poddar - Director

PLACE : MUMBAI

DATED : 9th April, 2011

# PODDAR DEVELOPERS LIMITED

Unit 3-5, Neeru Silk Mills, Mathuradas Compound, N. M. Joshi Marg, Lower Parel (W), Mumbai 400 013.

## ATTENDANCE CARD

29TH ANNUAL GENERAL MEETING - MONDAY, 11TH JULY 2011

Mr./Mrs./Miss \_\_\_\_\_  
(Shareholder's Name in Block Letters)

**For Shares held in Physical Mode**

**For Shares held in Electronic Mode**

Regd. Folio No. : \_\_\_\_\_

DPIN No. : \_\_\_\_\_ Client ID No. \_\_\_\_\_

\* Please note that Folio No. must be provided \* Please note that both DPID No. & Client ID No. must be provided

(To be filled by the Member)

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

If signed by Proxy, his/her name should be written here in BLOCK letters .....

Member's/Proxy's Signature

### NOTES :

1. This Meeting is of Members only and you are requested not to bring with you any person who is not a Member.
2. If it is intended to appoint a proxy, the Form of Proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

# PODDAR DEVELOPERS LIMITED

Unit 3-5, Neeru Silk Mills, Mathuradas Compound, N. M. Joshi Marg, Lower Parel (W), Mumbai 400 013.

## PROXY FORM

29TH ANNUAL GENERAL MEETING - MONDAY, 11TH JULY 2011

**For Shares held in Physical Mode**

**For Shares held in Electronic Mode**

Regd. Folio No. : \_\_\_\_\_

DPIN No. : \_\_\_\_\_ Client ID No. \_\_\_\_\_

\* Please note that Folio No. must be provided \* Please note that both DPID No. & Client ID No. must be provided

(To be filled by the Member)

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

being a Member/Members of PODDAR DEVELOPERS LIMITED, hereby appoint \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on Monday 11th July, 2011 at 3.00 p.m. at Kilachand Conferernce Room, 2nd Floor, Indian Merchant Chambers, Churchgate, Mumbai 400 020.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Signature of Shareholder \_\_\_\_\_

Revenue  
Stamp  
of Re. 1/-

**NOTE :** This form duly completed should be deposited at the Registered Office of the Company at least 48 hours before the Meeting.

