

PODDAR DEVELOPERS LIMITED



**THIRTIETH ANNUAL REPORT
2011 - 2012**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dipak Kumar Poddar	- Executive Chairman
Mr. Dilip J. Thakkar	- Independent Director
Mr. Shrikant Tembey	- Independent Director
Mr. Brian Brown	- Independent Director
Mr. Ramakant Nayak	- Independent Director (From December 19, 2011)
Mr. Rohitashwa Poddar	- Managing Director

COMPANY SECRETARY

Mr. Jayshankar Menon (Up to March 15, 2012)
Mr. Deepak Agarwal (From March 15, 2012)

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 MG Road, Fort
Mumbai 400 023

30th Annual General Meeting
On Tuesday 24th July 2012 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
Corporate Governance Report	6
Auditors' Report on Standalone Financial Statements	10
Standalone Financial Statement	12
Auditors' Report on Consolidated Financial Statements...	31
Consolidated Financial Statements	32
Financial Information on Subsidiary Companies.....	52

PODDAR DEVELOPERS LIMITED**Notice of Annual General Meeting**

NOTICE IS HEREBY GIVEN THAT the **Thirtieth** Annual General Meeting of the members of **PODDAR DEVELOPERS LIMITED** will be held on **Tuesday 24th July, 2012** at 3.00 P.M. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chamber, Churchgate, Mumbai 400 020 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March 2012, the Balance Sheet as at that date and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend for the year ended 31st March, 2012
3. To appoint a Director in place of Mr. Dilip Thakkar who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Brian Brown who retires by rotation and is eligible for reappointment.
5. 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

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT in accordance with the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Ramakant Nayak, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retirement by rotation under the provisions of the Articles of Association of the Company."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311, read with Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the said Act' including any modification(s) or re-enactment(s) thereof for the time being in force), approval of members be and is hereby accorded for re-appointment of Mr. Rohitashwa Poddar as Managing Director of the Company for a period of three years from 31st March, 2012, as approved by the Remuneration Committee at its meeting held on 7th May, 2012 & Board of Directors at its meeting held on 14th May, 2012 on the terms and conditions set out in the Explanatory Statement hereto, with liberty to the Board of Directors, including any committee thereof, to vary or increase the remuneration and perks payable to Mr. Rohitashwa Poddar, including the monetary value thereof from time to time and to the extent the Board of Directors may consider appropriate and also to alter and vary the terms and conditions of the said appointment, as may be agreed to between the Board of Directors and Mr. Rohitashwa Poddar."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company, the remuneration and perquisites as agreed be paid to Mr. Rohitashwa Poddar, Managing Director as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other

allowances shall not exceed the ceiling provided in Section II of part II of Schedule XIII or such other amount and perquisites as may be provided from time to time or any equivalent statutory re-enactment thereof."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**By order of the Board
Poddar Developers Limited**

**Deepak Agarwal
Company Secretary**

Place: Mumbai

Date: 14th May, 2012

Notes:

1. **A Member entitled to attend and vote at the meeting is also 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. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 6 & 7 is enclosed herewith.
3. Corporate members intending to send their authorized representative to attend are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th July, 2012 to 24th July, 2012 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 31st July, 2012 but within the statutory timeline 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 17th July, 2012
 - b) As Beneficial Owners as at the end of the day on 17th July, 2012 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.
5. 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.
6. 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.

PODDAR DEVELOPERS LIMITED

7. The Annual Reports and Attendance slips will not be distributed at the Annual General Meeting. Shareholders are requested to bring the same along with them.
8. Shareholders desiring any information relating to the accounts are requested to write to Company at least 7 days prior to the date of Annual General Meeting or at an early date so as to enable the Management to keep the information ready.
9. Hard copy of the details of accounts of subsidiaries required by any shareholders can be obtained with a written request to the Company Secretary of the Company at the Registered Office of the Company and shall be available for inspection by any shareholders at the Registered Office of the Company.

**By Order of the Board
Poddar Developers Limited**

**Deepak Agarwal
Company Secretary**

Place: Mumbai
Date: 14th May, 2012

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

Item No. 6 of the Notice

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Ramakant Nayak was appointed as an Additional Director of the Company with effect from 19th December, 2011 and would hold office up to the date of this Annual General Meeting.

The Company has received a Notice in writing from a member proposing the candidature of Mr. Ramakant Nayak for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Ramakant Nayak is having extensive commercial banking experience of over four decades and has been Managing Director & Chief Executive Officer of The Lord Krishna Bank Limited & Chairman and Chief Executive Officer of The Lakshmi Vilas Bank Limited. Besides, he was part of top management of Bank of Maharashtra for over three decades and was also with Bank of India.

He has various degrees in Science and Law & has done diploma in Marketing and Advertising. He is also a Certified Associate of Indian Institute of Banking(I) and was member of various Committees of IBA.

A brief resume of Mr. Ramakant Nayak and nature of his expertise in specific functional area is provided in Report of Corporate Governance forming part of the Annual Report.

The Board of Directors is confident that his vast knowledge and experience will be of great value to the Company and hence recommends the resolution set out at item no.6 of the notice for your approval.

Save and except Mr. Ramakant Nayak, none of the other Directors of the Company is in any way, concerned or interested in the resolution.

Item No. 7 of the Notice

The Board of Directors of the Company at its meeting held on 28th April, 2008 had appointed Mr. Rohitashwa Poddar as the Managing Director of the Company for a period of 5 years with effect from 31st March, 2008 in terms of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956 (the Act) read with Schedule XIII to the Act and his appointment was approved by the Shareholders at the 26th Annual General Meeting of the Company held on 20th June, 2008.

The Board is of the view that Mr. Rohitashwa Poddar has vast experience and knowledge and his re-appointment as the Managing Director on fresh terms & conditions as mentioned below including remuneration, will be in the interest of the Company.

1. Salary/ Remuneration : ₹. 1,50,000/- per month
2. Perquisite : In addition to above he shall also be eligible to perquisites and allowances like rent free furnished/ semi-furnished accommodation/ House Rent Allowance/; Medical Reimbursement; Leave travel concession for the self and the family, Personal Accident Insurance, Retirement benefits like Provident fund, Gratuity etc. as per the laws applicable from time-to-time; club fees; a chauffeur driven car with maintenance cost of the car and reimbursement of fuel expenses at actuals; communication facility including phone at the residence (personal long distance calls will be borne by him), as per the Rules of Company, as applicable not exceeding ₹. 1,00,000/- per month.

Brief resume with the nature of expertise in specific functional areas and name of the other Companies in which Mr. Rohitashwa Poddar is holding directorships and the Chairmanships/ Memberships of Committee of the Board are given in the Corporate Governance section of the Annual Report.

The proposed resolution should also be constituted as an abstract of terms and conditions of appointment of Mr. Rohitashwa Poddar, which is required to be sent to every member pursuant to Section 302 of the Companies Act, 1956.

Mr. Rohitashwa Poddar and Mr. Dipak Kumar Poddar are deemed to be concerned/ interested in the resolution.

The Board of Directors recommends the resolution for the approval of the members.

**By Order of the Board
Poddar Developers Limited**

Place: Mumbai
Date: 14th May, 2012

**Deepak Agarwal
Company Secretary**

DIRECTORS' REPORT

- The Directors take pleasure in presenting the **Thirtieth** Annual Report on the business and operations of the Company, together with the Audited Statements of Accounts for the year ended 31st March, 2012.

2. FINANCIAL RESULTS

PARTICULARS	2011-2012 (₹)	2010-2011 (₹)	2011-2012 (₹)	2010-2011 (₹)
	STANDALONE		CONSOLIDATED	
TOTAL REVENUE	199336742	78607194	187921634	220417075
PROFIT/ BEFORE DEPRECIATION/ INTEREST & EXCEPTIONAL ITEM	48992981	13896079	31323389	25217082
DEPRECIATION & INTEREST	8147212	2552588	8409445	4602255
PROFIT/ (LOSS) BEFORE EXCEPTIONAL ITEM & TAX	40845769	11343491	22913944	20614827
EXCEPTIONAL ITEMS	(24019552)	-	(24019552)	-
PROFIT/ (LOSS) BEFORE TAXATION	16826217	11343491	(1105608)	20614827
PROVISION FOR TAXATION CURRENT DEFERRED	(7600000) 408865	(1050000) (220051)	(7600000) 408865	(1050000) (220051)
LESS: MINORITY INTEREST	-	-	62812	(936571)
NET PROFIT AFTER TAX	9635082	10073440	(8233931)	18408205
PROFIT / (LOSS) BROUGHT FORWARD FROM PREVIOUS YEAR	229229474	228859388	274641833	265936982
SURPLUS AVAILABLE FOR APPROPRIATION	238864556	238932828	266407902	284345187
TRANSFER TO GENERAL RESERVE	(500000)	(600000)	(500000)	(600000)
PROPOSED DIVIDEND (INCL DIVIDEND DISTRIBUTION TAX	(9073200)	(9103354)	(9073200)	(9103354)
BALANCE CARRIED TO BALANCE SHEET	229291356	229229474	256834702	274641833

3. DIVIDEND

Considering the Company's performance during the financial year and to appropriately reward the members while conserving the resources to meet the future requirements, the Board of Directors have pleasure in recommending for consideration of the Members at the Annual General Meeting, payment of Dividend of ₹. 1.50 per Equity Share (15%) (Previous Year 15%), for the year ended 31st March, 2012. The total dividend outgo including tax thereon will be ₹. 90.73 Lacs (Previous Year ₹. 91.03 Lacs.)

4. TRANSFER TO RESERVES

Pursuant to Companies (Transfer of Profits to Reserves) Rules, 1975, it is proposed to transfer ₹ 5 lacs (5.18 % of the net profit for the year) to the general reserve.

5. PERFORMANCE DURING THE YEAR

The Company's First Affordable Housing Project at Bhivpuri, near Karjat, which was launched on 16th March, 2010 is running as per schedule. All the 1136 flats open for booking were sold out by November 2010.

In addition to the possession given last year, Company has given possession of another 25 buildings during the year making total possession of 32 buildings consisting of 512 flats.

On 3rd April, 2011 the Company had launched its Second Housing Project at Badlapur, near Kalyan. As regards the first phase of this project out of 32 buildings consisting of 468 flats, 12 buildings are in stage of completion of more than 50% of work.

The Company also commenced Second phase of the project consisting of 39 buildings (589 flats) from 2nd April, 2012 and the Company estimate to complete the work as per schedule

The Company achieved a Consolidated Turnover and Other Income of ₹ 18.79 Crores as against ₹ 22.04 Crores during the previous year. The Company incurred Net loss of ₹. 0.82 Crores for the year ended after providing depreciation and Tax as against a profit of ₹. 1.84 Crores during the previous year.

6. PARTICULARS OF EMPLOYEES

There were no employee whose information is required to be disclosed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 as amended from time to time.

7. SUBSIDIARY COMPANY

The Company has five subsidiaries viz. as follows:

Sr. No.	Name of the Subsidiary	Country of Incorporation	Proportion of Ownership
1.	Wearology (FZC)	U.A.E	90%
2.	Poddar Natural Resources & Ores Limited	India	100%
3.	Poddar Habitat Private Limited	India	100%
4.	Poddar Leisure Infrastructure Private Limited	India	100%
5.	Poddar Infrastructure Private Limited	India	100%

Above list does not includes name of one of the subsidiaries as the investment in that Company is intended to be temporary in nature.

In accordance with the general exemption granted by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any members of the Company who may be interested in obtaining the same. The Annual Report of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statement of your Company includes the financial results of its subsidiary companies.

8. **DIRECTORS RESPONSIBILITY**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- In preparation of the Annual Accounts for the financial year 2011-12, 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 as at 31st March, 2012 and of the profit of the Company for the accounting year ended on that date.
- 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 Annual Accounts for the year ended 31st March, 2012 are prepared 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' to this report.

10. **FIXED DEPOSIT**

During the year under review, the Company had neither accepted nor renewed any deposit from public within the meaning of Section 58-A of the Companies Act, 1956.

11. **DIRECTORS**

The Board of Directors vide circular Resolution dated 19th December, 2011 approved the appointment of Mr. Ramakant Nayak as Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and would hold Office up to the date of ensuing Annual General Meeting.

The Company has received notices in writing from member

proposing the candidature of above Director.

Mr. Dilip Thakkar and Mr. Brian Brown retires by rotation and being eligible offer themselves for reappointment.

The Board of Directors of the Company at its meeting held on 28th April, 2008 had appointed Mr. Rohitashwa Poddar as the Managing Director of the Company for a period of 5 years with effect from 31st March, 2008 in terms of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956 (the Act) read with Schedule XIII to the Act and his appointment was approved by the Shareholders at the 26th Annual General Meeting of the Company held on 20th June, 2008.

The Board is of the view that Mr. Rohitashwa Poddar has vast experience and knowledge and his re-appointment as the Managing Director on fresh terms & conditions including remuneration, will be in the interest of the Company. So the Remuneration Committee held on 7th May, 2012 & Board of Director at its meeting held on 14th May, 2012 have approved the re-appointment of Mr. Rohitashwa Poddar subject to approval of shareholders at Annual General Meeting for a tenure of 3 years with effect from 31st March 2012 on revised terms and conditions as stated in the explanatory statement annexed to Notice to Annual General Meeting.

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 retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 224(1B) of the Companies Act, 1956, and have indicated their willingness to continue in the said office.

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.

14. **ACKNOWLEDGEMENTS**

The Directors wish to place on record their appreciation for the continued support and co-operation by Bankers, Customers, Business Associates and to the Shareholders and Investors for the confidence reposed in the Company's management.

The Directors also convey their appreciation to the employees at all levels for their dedicated services, efforts and collective contribution.

**For and on Behalf of the Board
Poddar Developers Limited**

Place: Mumbai
Date: 14th May, 2012

**DIPAK KUMAR PODDAR
EXECUTIVE CHAIRMAN**

ANNEXURE 'A' TO THE DIRECTORS REPORT

A. FOREIGN EARNINGS & OUTGO

Particulars	2011-2012 (₹)	2010-2011 (₹)
Total Earning in Foreign Exchange	17214795	-
FOB Value of Exports	-	1134216
Services	-	4980251
Total Outgo in Foreign Exchange	-	237936
Other Expenses	-	

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

Indian real estate sector has seen an unprecedented boom in the last few years. This was fueled by two main forces. First, the expanding industrial sector has created a surge in demand for office-buildings and dwellings. Second, the liberalisation policies of government have decreased the need for permissions and licenses before taking up mega construction projects. Opening the doors to foreign investments is a further step in this direction.

The real estate sector in India involves the development of residential housing, commercial building, office space, industrial facilities, warehouses and other commercial spaces, purchase and sale of land and its development rights. In recent years, the real estate sector has exhibited greater maturity and value due to economic compulsions, regulatory reforms and active consumerism. This trend has made it possible for the sector to obtain organized investments by both private and public financial institutions thus improving its liquidity and planned investments.

Outlook

The real estate is an emerging sector in India and the scope is simply unlimited. A Number of real estate companies now have access to organized financing through primary and secondary markets, financial institutions and alternative financing routes such as private equity.

The growth is attributed to the large population base, rising income level, and rapid urbanization. The construction industry is expected to overtake other industrial sectors in terms of contribution to the GDP growth in the next few years. Presently, affordable housing is basically targeting at economically weaker class and low-income groups and constitutes majority of the Indian Real Estate Industry, both in terms of value and volume.

Since the Company is into construction of Low Cost/ Affordable housing it expect further marking its presence in the industry as renowned developer.

Discussion on Financial Condition

Inspite of a repressed economic development, our Company performed reasonably well mainly due to effective cost control and favorable input cost.

The financial performance based on the consolidated financial results for the year ended 31st March 2012 is as under:

- Company's gross turnover including other incomes for the year ended 31st March, 2012 is ₹ 18.79 Crores compared to ₹. 22.04 Crores in the previous year.
- Earnings before tax, depreciation and amortization, interest for the year ended 31st March, 2012 were ₹. 3.13 Crores as compared to ₹ 2.52 Crores for the previous year.

- Interest and finance charges for the year ended 31st March, 2012 were ₹. 8.67 lacs as against ₹. 24.57 for the same period last year.

Segment 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 Consolidated Turnover of ₹ 18.79 Crores during the current year as against a Turnover of ₹. 22.04 Crores in the previous year.

Internal Control System and Its Adequacy

The Company has system of internal controls and necessary checks and balances which are being strengthened so as to ensure:

- That its assets are authorized, recorded and reported properly;
- That transactions are authorized, recorded and reported properly; and
- That the accounting records are properly maintained as per policy framed by the Company.

The Company has an extensive system of internal controls which ensures optimal utilization and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations.

Risk and Concern

- Economic slowdown may impact the growth of Real Estate Sector.
- Competitive pricing by peers may affect margins in the long run.
- Poor Infrastructure may impact proper development of the projects.
- Rising interest rates and credit squeeze for realty sector may create financial bottlenecks in the long run.

Human Resources

The Company considers its organizational structure to be evolving consistently over time while continuing with its efforts to follow good HR practices. Adequate efforts of the staff and management personnel are directed on imparting continuous training to improve the management practices. Our Passion is to improve daily living and to create a workplace where every person can achieve his or her full potential.

We encourage individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn, and contribute innovative ideas in meeting goals of the Company. The Company strongly believes that its intrinsic strength lies in the quality of its dedicated and motivated employees.

Cautionary Statement

This Report contains forward-looking statements that involve risks and uncertainties. The Management's Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be forward looking statements within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations including, among other, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, change in the Government regulations, tax laws and other statutes and incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

PODDAR DEVELOPERS LIMITED

REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchange)

Company's philosophy on Corporate Governance

Corporate Governance is the system by which companies are directed and controlled. More specifically it is the framework by which the various stakeholder interests is balanced. The Company's philosophy on Corporate Governance is to ensure that resources are utilized in a manner that meets stakeholders' aspirations and society at large. Through the Governance mechanism in the Company, the Board together with its Committees undertakes its fiduciary responsibilities to all its stakeholders, including shareholders, employees, the government, lenders and societal by ensuing trusteeship, transparency, accountability and equality, in all phase of its operations and decision making. 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.

Composition of Board of Directors and particulars thereof

The Board has an ideal combination of Executive and Non Executive Directors, which is in conformity with the requirement of Clause 49 of the Listing Agreement with the Stock Exchange in this regards. As on 31st March, 2012 the Board consists of 6 Directors of whom, 4 are Non-Executive Independent Directors, 1 Executive Chairman and 1 Managing Director. 4 out of the 6 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.

Sr. No.	Name	Position	No. of Board Meetings attended during the year	Whether attended last AGM	Relationship with other Directors	Shareholding in the Company in Number & Percentage
1.	Mr. Dipak Kumar Poddar	Chairman Executive	5	Yes	Father of Mr. Rohitashwa Poddar	1,12,000; 2.15%
2.	Mr. Rohitashwa Poddar	Managing - Director Executive	4	No	Son of Mr. Dipak Kumar Poddar	2,70,920; 5.20%
3.	Mr. Dilip J. Thakkar	Non Executive, Independent	2	No	-	-
4.	Mr. Shrikant Tembey	Non Executive, Independent	5	Yes	-	-
5.	Mr. Brian Brown	Non Executive, Independent	1	No	-	-
6.	Mr. Ramakant Nayak	Non Executive, Independent	1	No	-	-

Other Directorships and Memberships of Board Committees

Sr. No.	Name of Director	No of other Directorship in Public Ltd. Companies	No. of Board Committee position held
1.	Mr. Dipak Kumar Poddar	7	3
2.	Mr. Rohitashwa Poddar	4	-
3.	Mr. Dilip J. Thakkar	13	10
4.	Mr. Shrikant Tembey	-	-
5.	Mr. Brian Brown	1	-
6.	Mr. Ramakant Nayak	7	8

Notes:

- Directorship held by Directors in other Companies does not include Alternate Directorship, Directorship in Foreign Companies, Private Limited Companies, and Companies under Section 25 of the Companies Act, 1956
- In accordance with Clause 49, Chairmanships/ Memberships only in Audit Committee & Shareholders Grievance Committee of Public Limited Companies have been considered for Committee positions

Number of Board Meetings held during 2011-2012 and the dates on which held:

Sr. No.	Board Meeting dates
1.	3rd April, 2011
2.	18th May, 2011
3.	28th July, 2011
4.	1st November, 2011
5.	14th February, 2012

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 31st March 2012. A declaration to this effect signed by the Managing Director is given in this Annual Report.

Brief Resume of Directors offering for appointment / reappointment:

Mr. Dilip Thakkar is Senior Partner of M/s. Jayantilal Thakkar & Co. and a well known FEMA expert. He is also on the Board of number of Companies including Panasonic Battery India Co. Ltd, Essar Oil Limited, Garware Polyester Ltd, Walchandnagar Industries Ltd, The Ruby Mills Ltd, PAE Ltd etc.

He holds nil equity shares of the Company.

Mr. Brian Brown has been associated with our Company since 2009. He is on the Board of various Companies including Indico Ventures Limited, Bluestream India Advisory Private Limited. He was also associated with Citigroup Global Markets India Private Limited in capacity of Director from 2000 to 2009.

He holds nil equity shares of the Company.

Mr. Rohitashwa Poddar has B.Sc. (Hons) degree in Engineering and Business Management from Kings College, UK. He has been associated with our Company for more then 15 years. He is also on the Board of various Companies including Suvijay Exports Ltd, Janpriya Traders Ltd, Knitrite Apparelco Ltd etc.

He holds 2,70,920 Equity Shares (5.21% paid up capital) of the Company.

Mr. Ramakant Nayak is having extensive commercial banking experience of over four decades and has been Managing Director & Chief Executive Officer of The Lord Krishna Bank Limited & Chairman and Chief Executive Officer of The Lakshmi Vilas Bank Limited. Besides, he was part of top management of Bank of Maharashtra for over three decades and was also with Bank of India.

He has various degrees in Science and Law & has done diploma in Marketing and Advertising. He is also a Certified Associate of Indian Institute of Banking(I) and was member of various Committees of IBA.

He holds nil 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.

The Audit Committee of Directors as on 31st March, 2012 consists of three directors viz Mr. Shrikant Tembey, Mr. Ramakant Nayak 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 the financial year 2011-2012, on 16th May, 2011, 28th July, 2011, 1st November, 2011 and 14th February, 2012. The gap between any two meetings is less than 4 months, thus complying with Clause 49 requirement.

Remuneration Committee

The Board of Directors vide Circular Resolution dated 19th April, 2012 had formed Remuneration Committee of the Board consisting of following Non Executive Directors:

- a) Mr. Shrikant Tembey – Chairman
- b) Mr. Brian Brown – Member
- c) Mr. Ramakant Nayak – Member

The terms of reference of Remuneration Committee are as follows:

1. Framing suitable policies and systems to ensure that there is no violation by any employee of any applicable laws in India or overseas, including:
 - a) The Securities and Exchange Board of India (Insider Trading) Regulations, 1992;
 - Or
 - b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995
2. Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment;
3. Perform such functions as are required to be performed by the Remuneration Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
4. Such other matters as may, from time to time, be required by any Statutory, contractual or other regulatory requirements to be attended by such committee.

Remuneration of Directors

Name of Director	Sitting fees (₹)	Salaries and perquisites (₹)	Total (₹)
Mr. Dipak Kumar Poddar	-	28,04,481	28,04,481
Mr. Dilip J Thakkar	20,000	-	20,000
Mr. Shrikant Tembey	55,000*	-	55,000
Mr. Brian Brown	30,000	-	30,000
Mr. Rohitashwa Poddar	-	6,26,628	6,26,628
Mr. Ramakant Nayak**	30,000*	-	30,000

*Also includes sitting fees for attending Committee Meetings

** Mr. Ramakant Nayak has been appointed as Additional Director of the

Company vide circular resolution dated 19th December, 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, 2012 consisted of Mr. Dipak Kumar Poddar and Mr. Rohitashwa Poddar

Name and designation of Compliance Officer:

Mr. Deepak Agarwal, Company Secretary

Number of Pending Share Transfers as on March 31, 2012 : Nil

General Body Meetings

Location and time of last three Annual General Meetings held:

Year	Location	Date
27th Annual General Meeting	Kilachand Conference Room, Indian Merchant Chambers, Churchgate, Mumbai 400 020	25th June, 2009
28th Annual General Meeting	Kilachand Conference Room, Indian Merchant Chambers, Churchgate, Mumbai 400 020	7th September, 2010
29th Annual General Meeting	Kilachand Conference Room, Indian Merchant Chambers, Churchgate, Mumbai 400 020	11th July, 2011

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

Subsidiary Companies

Following companies are subsidiaries of the Company

Name of the Company	% of Holding
Poddar Natural resources and Ores Limited	100%
Poddar Infrastructure Private Limited	100%
Poddar Leisure Infrastructure Private Limited	100%
Poddar Habitat Private Limited	100%
Wearology FZC, Sharjah UAE	90%

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 given the necessary certificate to the Board in the prescribed format.

PODDAR DEVELOPERS LIMITED

Means of Communication

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

General Shareholder Information

30th Annual General Meeting: Date : 24th July, 2012
Time : 3.00 P.M.
Venue : Kilachand Conference Room
Indian Merchants Chamber,
Churchgate, Mumbai 400 020

Financial Calendar (tentative)

Unaudited results for the Quarter ended 30th June 2012	4th week of July 2012
Annual General Meeting	24th July, 2012
Unaudited results for the Quarter ended 30th September 2012	4th week October 2012
Unaudited results for the Quarter ended 31st December 2012	4th week January 2013
Audited results for the year ended March 2013	2nd week May 2013

Date of Book closure : 17th July, 2012 to 24th July, 2012

Dividend Payment Date : On or after 31st July 2011 but within the statutory time limit

Listing on Stock Exchanges

The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001

Stock Code : 523628
Demat ISIN for NSDL and CDSL : INE888B01018

Annual Listing Fees for the year 2012-13 has been paid to the above Stock Exchange

Market Information

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

Months	High (₹)	Low (₹)	Volume(Nos)
April 2011	121.70	105.40	8500
May 2011	116.60	96.10	3361
June 2011	119.00	97.55	2419
July 2011	110.00	93.50	2489
August 2011	99.00	88.00	2009
September 2011	119.00	84.50	7279
October 2011	118.00	87.95	758
November 2011	105.00	94.45	135
December 2011	108.00	80.00	1559
January 2012	115.10	80.00	24954
February 2012	117.00	102.50	8205
March 2012	123.45	105.00	2,77,988

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, M.G Road, Fort, Mumbai 400023
Tel: 022 - 22635000 / 22635001
E-mail: helpdesk@compuetechsharecap.com
Web site: www.compuetechsharecap.com

Distribution of Shareholding (As on 31st March, 2012)

Range of Holding	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total shares
Upto 500	1801	90.59	260642	5.01
501 - 1000	72	3.62	59311	1.14
1001 - 2000	39	1.96	61391	1.18
2001 - 3000	16	0.80	43990	0.85
3001- 4000	5	0.25	17906	0.34
4001- 5000	5	0.25	24904	0.48
5001 - 10000	17	0.86	144175	2.77
10001 and above	33	1.66	4592181	88.23
Total	1988	100.00	5204500	100.00

Shareholding Pattern (As on 31st March, 2012)

Category	No. of Shares held	% of total shares
Promoters	6,78,120	13.03
Persons acting in Concert	26,22,575	50.39
Others	19,03,805	36.58
Total	52,04,500	100.00

Dematerialization of shares and liquidity

The Equity Shares of your Company are traded in compulsory dematerialization form.

As on 31st March, 2012 – 49,37,190 Equity Shares (94.86%) 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: deepak.agarwal@poddardevelopers.com

Name of Company Secretary/Compliance Officer : Mr. Deepak Agarwal

Mr. Jayshanker Menon, Company Secretary and Compliance Officer resigned with effect from 15th March, 2012 and Mr. Deepak Agarwal was appointed as Company Secretary & Compliance Officer with effect from 15th March, 2012.

Additional Information

1. 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 2012 as required by Clause 49(1D) of the Listing Agreement with the Stock exchange.

Place: Mumbai
Date: 14th May, 2012

Rohitashwa Poddar
Managing Director