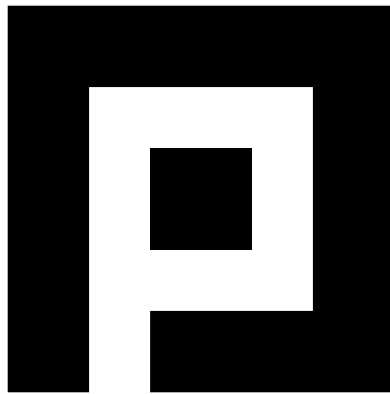


PODDAR DEVELOPERS LIMITED



**THIRTY SECOND ANNUAL REPORT
2013- 2014**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dipak Kumar Poddar
Mr. Dilip J. Thakkar
Mr. Shrikant Tembey
Mr. Ramakant Nayak
Mr. Rohitashwa Poddar

– Executive Chairman
– Independent Director
– Independent Director
– Independent Director
– Managing Director

COMPANY SECRETARY

Mr. Chandrakant Sharma

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

32nd Annual General Meeting
On Tuesday 5th August 2014 at 3.00 P.M.
At the Kilachand Conference Room, IMC,
Churchgate, Mumbai 400020.

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PODDAR DEVELOPERS LIMITED
[CIN: L51909MH1982PLC143066]

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the **Thirty Second** Annual General Meeting of the members of **PODDAR DEVELOPERS LIMITED** will be held on **Tuesday 5th August, 2014 at 3.00 P.M.** at Kilachand Conference Room, 2nd Floor, Indian Merchant Chamber, Churchgate, Mumbai 400020 for the transact of the following business:

Ordinary Business

1. To consider and adopt
 - a. the audited financial statement of the Company for the financial year ended 31st March 2014, the Reports of the Board of Directors' and Auditors' thereon.
 - b. the audited consolidated financial statement of the Company for the financial year ended 31st March 2014
2. To declare dividend for the year ended 31st March, 2014.
3. To appoint Statutory 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

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 198, 199 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the appointment of Shri Dipak Kumar Poddar as Whole Time Director designated as Executive Chairman of the Company for a further period of 3 years with effect from 31st March 2014 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 V to the Companies Act, 2013, as amended from time to time."

1. Salary:

Rs.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.
- (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 official 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 V to the Companies Act, 2013 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, deem fit and within the maximum amount payable to the Executive Chairman in accordance with the provisions of the Companies Act, 2013 or any amendments made therein or with the approval of the Central Government, if required.

"RESOLVED FURTHER THAT Mr. Dipak Kumar Poddar shall be liable to retire by rotation from the date of the annual general meeting, the retirement and re-appointment in the AGM of the director shall not constitute of break of tenure of appointment as Chairman.

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

"RESOLVED THAT in accordance with the provisions of Sections 152(6), 203 and all other applicable provisions of the Companies Act, 2013 (the Act) or any statutory modification or re-enactment thereof, approval of the members of the Company is hereby given for the change in the terms of appointment of Mr. Rohitashwa Poddar – Managing Director of the Company from non-retiring director to director whose period of office shall be subjected to retirement of director by rotation from the date of the Annual General Meeting, the retirement and re-appointment in the AGM of the director shall not constitute of break of tenure of appointment as Managing Director.

RESOLVED FURTHER THAT all other existing Terms and conditions of the appointment remain unchanged."

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

"RESOLVED THAT in accordance with the provisions of Sections 152(6), 203 and all other applicable provisions of the Companies Act, 2013 (the Act) or any statutory modification or re-enactment thereof, approval of the members of the Company is hereby given for the change in the terms of appointment of Mr. Dilip J. Thakkar – Independent Director of the Company from retiring director to non-retiring director whose period of office shall not be subjected to retirement of director by rotation from the date of the Annual General Meeting.

RESOLVED FURTHER THAT the appointment will be for 5 years from the date of commencement of the Companies Act 2013 i.e. 1st April 2014."

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

"RESOLVED THAT in accordance with the provisions of Sections 152(6), 203 and all other applicable provisions of the Companies Act, 2013 (the Act) or any statutory modification or re-enactment thereof, approval of the members of the Company is hereby given for the change in the terms of appointment of Mr. Shrikant Tembey – Independent Director of the Company from retiring director to non-retiring director whose period of office shall not be subjected to retirement of director by rotation from the date of the Annual General Meeting.

RESOLVED FURTHER THAT the appointment will be for 5 years from the date of commencement of the Companies Act 2013 i.e. 1st April 2014. "

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

"RESOLVED THAT in accordance with the provisions of Sections 152(6), 203 and all other applicable provisions of the Companies Act, 2013 (the Act) or any statutory modification or re-enactment thereof, approval of the members of the Company is hereby given for the change in the terms of appointment of Mr. Ramakant Nayak – Independent Director of the Company from retiring director to non-retiring director whose period of office shall not be subjected to retirement of director by rotation from the date of the Annual General Meeting.

RESOLVED FURTHER THAT the appointment will be for 5 years from the date of commencement of the Companies Act 2013 i.e. 1st April 2014. "

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

**Chandrakant Sharma
Company Secretary**

Place: Mumbai

Date: 12th May, 2014

Notes:**1. A MEMBER ENTITLED TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.

2. The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
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. Government of India in Ministry of Corporate Affairs has announced "Green initiative in the Corporate Governance" by permitting the Companies to send the Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. to their members through email instead of mailing physical copies.

Members are requested to support the Green Initiative by the Government and get their email addresses registered with their Depository Participants in case of shares held in demat form or with Computech Sharecap Limited. (Registrars) in case of shares held in physical form.

5. As required by clause 49 IV (G) of the Listing Agreement, a brief profile of Directors seeking appointment or re-appointment at ensuing Annual General Meeting is required to be given. However as per Section 152(6) of the Companies Act, 2013, independent directors are not eligible for retirement by rotation and as per the current Terms of appointment, the Chairman and the Managing Director are not eligible for retirement by rotation. The Company therefore proposes, to modify the Terms and conditions of the appointment of the Chairman and the Managing Director for which Special Resolutions are being passed.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 29th July, 2014 to 5th August, 2014 both days inclusive for the purpose of Annual General Meeting and payment of Dividend.
7. The dividend for the year ended 31st March, 2014 as recommended by the Board, if sanctioned at the Annual General Meeting, will be paid to those members whose names appear on the Company's Register of Members on 5th August, 2014. In respect of shares held in demat form, the dividend will be paid to the beneficial owners of shares as per details furnished by the Depositories for the purpose. The dividend will be paid on and from 11th August, 2014.
8. 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.
9. Pursuant to Section 205A of the Companies Act, 1956 and incorporation of Section 205C to 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.

Dividends for the financial years 2006-2007 and thereafter which remain unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred by the Company to IEPF. Members who have not yet encashed their dividend warrants for financial year 2006-07 onwards and seek revalidation of their warrants are requested to write to Company's Registrars without any delay.

Members are requested to note that any sum transferred to IEPF shall stand forfeited and no claims shall lie against the Company for the amounts of dividends transferred to IEPF.

10. 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.
11. 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.
12. 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.
13. Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is providing its members with the option of voting by electronic means in the following manner:
 - (a) Each member can cast their vote electronically from <https://www.evotingindia.com>
 - (b) The electronic voting shall be permitted between 30th July 2014 to 1st August 2014.
 - (c) The login details and password for electronically voting shall be provided by CDSL in case of demat share-holding and by Computech Sharecap Limited, 147 MG Road, Mumbai 400001 - Registrar and Share Transfer Agent appointed by Company, to you in case of physical form shareholding.
 - (d) In both the cases, the e voting has to be done online by all the shareholders. Once the vote on a resolution is cast by the member electronically, he/she shall not be allowed to change it subsequently.
 - (e) The Board of Directors have appointed Mr. Dinesh Kumar Deora, Practising Company Secretary, who shall scrutinize the electronic voting process at the Thirty Second Annual General Meeting and provide its report to the Chairman by August 4, 2014.
 - (f) Irrespective of the date of the report of Mr. Dinesh Kumar Deora, Practising Company Secretary, the resolutions passed at the Thirty Second Annual General Meeting shall be deemed to be passed on the date of the Thirty Second Annual General Meeting.

14. The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|--|--|
| PAN* | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB# | <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> |
| Dividend Bank Details# | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field. |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the Podar Developers Limited

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who

would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on 30th July 2014 09.00am and ends on 1st August 2014 05.00pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th June 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board

Poddar Developers Limited

Chandrakant Sharma
Company Secretary

Place: Mumbai

Date: 12th May, 2014

Statement pursuant to Section 102 of the Companies Act, 2013**Item No. 4 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 20014. His re-appointment and remuneration fixed in accordance with schedule V to the Companies Act, 2013 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 V to the companies Act, 2013.

Shri Dipak Kumar Poddar 70, 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 Finserv Limited, VIP Industries Limited, Bajaj Allianz General Insurance Co. Ltd

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

As Shri Dipak Kumar Poddar has attained the age of 70 years, your approval for his re-appointment is required by way of Special Resolution.

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

Item No. 5, 6, 7, 8

Section 152(6) of the Companies Act, 2013 ("Act") provides that not less than two thirds of total number of directors of a public company shall be persons whose period of office is liable to determination of retirement by rotation. The Section also by way of explanation states

that the total number of directors for the purpose of this sub-section shall not include independent directors. Hence as per the provisions of this section, the independent directors of your company are not eligible for retirement by rotation.

Under the provisions of the erstwhile Companies Act, 1956, Independent directors were subjected to retirement by rotation. Since under the Companies Act, 2013, Independent directors are not to be considered for retirement by rotation, the composition of remaining directors is now not in accordance with the provisions of Sec.152 of the Act. Hence, to make the composition of the board in line with the provisions of this section, it is now proposed to modify/ alter the terms of appointment of existing executive directors of the company from the present non-retiring directors to directors retiring by rotation and that of the Independent Directors from retiring directors to non retiring directors.

As per the provisions of the New Companies Act, 2013, the Chairman and Managing Director are now liable to retire by rotation. However as per their term of the appointment, they are not liable to retirement by rotation. It is therefore proposed to amend the Terms of the appointment of the Managing Director Mr. Rohitashwa Poddar to make him liable to retire by rotation. Similarly Mr. Dilip J. Thakkar, Mr. Shrikant Tembey and Mr. Ramakant Nayak are not liable to retire by rotation. Accordingly, the resolutions have been put up for approval.

All the Directors, are concerned or interested in the resolution.

The Board commends the resolution set out at item No. 5, 6, 7 and 8 for the approval by the members.

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

Place: Mumbai
Date: 12th May, 2014

**Chandrakant Sharma
Company Secretary**

DIRECTORS' REPORT

1. The Directors take pleasure in presenting the Thirty Second Annual Report on the business and operations of the Company, together with the Audited Statements of Accounts for the year ended 31st March, 2014.

₹ in Lacs

| PARTICULARS | 2013-2014 (₹) | 2012-2013 (₹) | 2013-2014 (₹) | 2012-2013 (₹) |
|---|------------------|-------------------|------------------|-------------------|
| | STANDALONE | | CONSOLIDATED | |
| TOTAL REVENUE | 6993.49 | 3096.47 | 6918.92 | 3075.54 |
| PROFIT/BEFORE DEPRECIATION/ INTEREST & EXCEPTIONAL ITEM | 1357.76 | 829.49 | 1322.08 | 678.42 |
| DEPRECIATION & INTEREST | 60.76 | 95.10 | 63.04 | 95.93 |
| PROFIT/ (LOSS) BEFORE EXCEPTIONAL ITEM & TAX | 1297.43 | 734.39 | 1259.04 | 582.49 |
| EXCEPTIONAL ITEMS | 5.83 | 539.60 | 5.83 | 539.60 |
| PROFIT/ (LOSS) BEFORE TAXATION | 1303.26 | 1273.99 | 1264.87 | 1122.09 |
| PROVISION FOR TAXATION | | | | |
| CURRENT DEFERRED | (481.43) 3.17 | (382.96) 12.55 | (481.43) 3.17 | (382.96) 12.55 |
| LESS: MINORITY INTEREST | 0 | 0 | 2.01 | 14.85 |
| NET PROFIT AFTER TAX | 825.00 | 903.58 | 788.62 | 766.53 |
| PROFIT / (LOSS) BROUGHT FORWARD FROM PREVIOUS YEAR | 2420.92 | 2220.92 | 3123.06 | 2550.16 |
| SURPLUS AVAILABLE FOR APPROPRIATION | 3830.76 | 3196.49 | 3911.68 | 3316.69 |
| TRANSFER TO GENERAL RESERVE | (200.00) | (100.00) | (200.00) | (100.00) |
| PROPOSED DIVIDEND (INCL DIVIDEND DISTRIBUTION TAX) | (89.54) | (90.73) | (90.73) | (90.73) |
| DIVIDEND PAID TO MINORITY SHAREHOLDERS | 0 | 0 | 0 | 0 |
| BALANCE CARRIED TO BALANCE SHEET | 3541.22 | 3005.76 | 3617.81 | 3123.06 |

2. FINANCIAL RESULTS
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 Rs. 1.50 per Equity Share (15%) (Previous Year 15%), for the year ended 31st March, 2014. The total dividend outgo including tax thereon will be Rs. 89.54 Lacs (Previous Year Rs. 90.73 Lacs.)

4. TRANSFER TO RESERVES

Pursuant to Companies (Transfer of Profits to Reserves) Rules, 1975, it is proposed to transfer Rs. 2 Crore (24.24 % of the net profit for the year) to the general reserve.

5. PERFORMANCE DURING THE YEAR

The year under consideration has been very eventful for the Company.

In the Bhivpuri Project, the Company has given possession of all 79 buildings consisting of 1264 flats as on March 2014.

In the Badlapur Project, Phase I has been sold out and possession given of all 492 flats as on March 2014. In the Badlapur Project, Phase II Company has sold 560 flats and 11 shops out of 582 flats and 45 Shops respectively as on March 2014 and almost 90% of the construction work has been completed. In the Badlapur Project, Phase III Company has also sold 329 flats out of 680 flats as on March 2014.

The Company's subsidiary Poddar Habitat Pvt. Ltd. Project "Poddar Navjeevan" at Atgaon near Shahpur is running in full swing and 15% construction completed till March 2014. The First Phase has 36 buildings consisting 1 RK and BHK Flats. The response for this Project has also been very encouraging and Company has sold 274 flats out of 576 flats.

The Company achieved a Consolidated Turnover and Other Income of Rs. 69.18 Crores as against Rs. 30.75 Crores during the previous year. The Company has earned Net Profit of Rs. 7.88 Crores for the year ended after providing depreciation and Tax as against a profit of Rs. 7.66 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% |

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 2013-14, 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, 2014 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, 2014 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**

Your Directors have proposed to alter the terms of appointment of Mr. Rohitashwa Poddar, Managing Director, Mr. Dipak Kumar Poddar, Whole-Time Director designated as Executive Chairman so as to make them Directors retiring by rotation for reasons as stated in the Statement pursuant to Section 102 of the Companies Act, 2013.

This has been proposed to make the composition of the Board in line with the Section 152 of the Companies Act, 2013 as, as per Section 152(6) of the Companies Act, 2013, independent Directors are now not eligible to retire by rotation. Therefore, there are no Directors in the Current meeting who will be retire by rotation.

The information on the particulars of Director 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 read with Section 139 of the Companies Act, 2013. They have also conveyed their willingness to accept the office as Auditors, if re-appointed. The Audit Committee of the Board has recommended their 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.

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**

**DIPAK KUMAR PODDAR
EXECUTIVE CHAIRMAN**

Place: Mumbai

Date: May 12, 2014

ANNEXURE 'A' TO THE DIRECTORS REPORT

A. FOREIGN EARNINGS & OUTGO

| | (₹ In Lac) | |
|--|------------------|------------------|
| | 2013-2014 (₹) | 2012-2013 (₹) |
| a) Total Earning for Foreign Exchange FOB Value of Exports Services | 22.20 NIL | NIL NIL |
| b) Total Outgo in Foreign Exchange | NIL | NIL |
| Other Expenses | NIL | NIL |

MANAGEMENT DISCUSSION AND ANALYSIS**Industry Structure and Development**

Real estate in India continues to be a favoured destination globally for investors, developers and non-resident Indians (NRIs), driven largely by investor-friendly government policies and increasing globalisation. The second largest employment generation sector after agriculture, real estate contributes about 6.3 per cent to India's gross domestic product (GDP).

The sector's progress is driven by factors such as rapid urbanisation, a growing trend towards nuclear families, positive demographics, rural-urban migration, ever-developing infrastructure, higher income levels and housing demand. The real estate sector, with its growing investment opportunities, is expected to post annual revenues of US\$ 180 billion by 2020.

The real estate sector in India is witnessing rapid growth in the residential, commercial and industrial segments. Real estate development, once restricted to bigger cities, have shown marked progress in smaller cities and towns owing to availability of banks loans, higher earnings and improved standard of living.

According to the existing FDI policy, 100 per cent FDI in the construction development sector is permitted through the automatic route. DIPP is looking at relaxing FDI norms further to encourage investment. It has also proposed a reduction in the minimum capitalisation for wholly-owned subsidiaries from US\$ 10 million to US\$ 5 million, and from US\$ 5 million to US\$ 2.5 million for joint ventures with Indian partners.

One of the major initiatives of the Ministry of Housing and Urban Poverty Alleviation (MHUPA) is to provide affordable housing for poor people living in urban areas. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is one its flagship schemes, a reform driven investment programme which started with the objective of creating economically productive, efficient, responsive and inclusive cities.

The Real Estate (Regulation and Development) Bill, 2013, as approved by the Union Cabinet is a pioneering initiative aimed at delivering a uniform regulatory environment to protect the consumer, help in quick verdicts of disputes and ensure systematic growth of the sector.

Outlook

Demand for space from sectors such as education and healthcare has opened up opportunities in the real estate sector. Also, growth in the number of tourists has led to demand for service apartments. This demand in the tourism sector is expected to generate 50,000 new hotel rooms over the next four to five years, across India's major cities.

The scope of Affordable Housing in India 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. Favorable property market and real estate boom has made property investment in India look safe.

The Indian construction market is expected to be the world's third largest by 2020. It is currently the fourth largest sector in the country in terms of FDI inflows. Real estate contributes about 5 per cent to India's GDP.

The Government on India has shown support for the industry. It has allowed foreign direct investment (FDI) of up to 100 per cent in development projects for townships and settlements, as well as formally approved 577 special economic zones (SEZs).

There is vast opportunity for the real estate sector to grow. The

healthcare sector is estimated to touch US\$ 100 billion by 2015. Also, emergence of nuclear families and growing urbanisation has given rise to several townships that are developed to take care of the elderly. Further, growth in the number of tourists has resulted in demand for service apartments.

Looking at the response of the public, the Affordable Housing Projects of the company has proved to be successful. The Company desires in creating a geographical footprints around Mumbai with its Affordable Housing Projects. Since the Company is into construction of Low Cost/ Affordable housing it expects to further mark its presence in the industry as renowned developer.

Discussion on Financial Condition

In spite 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 March 31, 2014 is as under:

- Company's gross turnover including other incomes for the year ended 31st March, 2014 is Rs. 69.18 Crores compared to Rs. 30.75 Crores in the previous year.
- Earnings before tax, depreciation and amortization, interest for the year ended 31st March, 2014 were Rs. 13.22 Crores as compared to Rs. 6.78 Crores for the previous year.
- Interest and finance charges for the year ended 31st March, 2014 were Rs. 5.49 lacs as against Rs. 6.22 for the same period last year.

Segment wise Performance

The Company is in the Affordable sector of the Real Estate business. The Company achieved a Consolidated Turnover of Rs. 69.18 Crores during the current year as against a Turnover of Rs. 30.75 Crores in the previous year.

Internal Control System and Its Adequacy

Poddar Developers Limited has a well defined and well laid out control system in all the functional and operational areas. The Company believes in formulating adequate and effective internal control systems and implementing the same to ensure that assets and interest of the Company are safeguarded and reliability of accounting data and its accuracy are ensured with proper checks and balances. The Company has system of internal controls and necessary checks and balances which are being strengthened so as to ensure:

- a) That its assets are authorized, recorded and reported properly;
- b) That transactions are authorized, recorded and reported properly; and
- c) 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

The Company is exposed to a variety of risks in its business operations. To ensure its long-term success, risks are regularly identified, analysed and appropriately mitigated. Our financial condition and results of operation are affected by numerous factors. We believe that following are particular importance:

- a) Economic slowdown may impact the growth of Real Estate Sector.
- b) Competitive pricing by peers may affect margins in the long run.