

PODDAR DEVELOPERS LIMITED

**TWENTY SEVENTH ANNUAL REPORT
2008 - 2009**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Dipak Kumar Poddar – Executive Chairman

Shri Dilip J. Thakkar

Shri Shishir K. Diwanji

Shri Shrikant Tembey

Shri Brian Brown (wef 10th February 2009)

Shri Rohitashwa Poddar – Managing Director

COMPANY SECRETARY

Shri Jayshankar Menon

AUDITORS:

R.S.SHAH & COMPANY

Chartered Accountants, Mumbai.

BANKERS:

State Bank of India

Kotak Mahindra 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 400023.

27th Annual General Meeting
On Thursday 25th June 2009 at 3.00 p.m.
At the Kilachand Conference Room, IMC,
Churchgate, Mumbai 400020.

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PODDAR DEVELOPERS LIMITED**Notice**

Notice is hereby given that the **Twenty Seventh Annual General Meeting of the members of PODDAR DEVELOPERS LIMITED** will be held on Thursday 25th June 2009 at 3.00 p.m. at Kilachand Conference Room, 2nd Floor, India Merchant Chamber, Churchgate, Mumbai 400020 to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended 31st March 2009 and the Directors' and Auditors' Reports thereon.
2. To declare a dividend
3. To appoint a Director in place of Shri 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 an **Ordinary Resolution**

"RESOLVED THAT Shri Brian Brown who was appointed as an Additional Director of the company by the Board of Directors and who holds office as per Section 260 of the Companies Act, 1956 upto the date of the Annual General Meeting and in the respect of whom the Company has in pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of the director, be and is hereby appointed as a director of the company, liable to retire by rotation."

By order of the Board

**Jayshankar Menon
Company Secretary**

Place: Mumbai
Date: 28th April 2009

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. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item No. 5 is annexed hereto
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 15th June 2009 to 25th June 2009 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 25th June 2009 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 14th June 2009.

b) As Beneficial Owners as at the end of the day on 14th June 2009, 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. 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:

Shri Brian Brown	Nil
Shri Shrikant Tembey	1500 Equity Shares
7. 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 years 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: 28th April 2009

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 5 of the Notice**

Shri Brian Brown was appointed by the Board of Directors as an Additional Director of the Company. In accordance with Section 260 of the Companies Act, 1956, Shri Brian Brown holds office till date of the ensuing Annual General Meeting. Shri Brian Brown, aged 47 was formerly the Managing Director of Citigroup Global Markets (formerly Salomon Smith Barney). He was also director of Indo Suez W. I. Carr Securities Limited, Merrill Lynch (Asia Pacific) Ltd. He has a rich experience in the Indian capital market.

The company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 along with the requisite deposit proposing the candidature of Shri Brian Brown to the office of director liable to retire by rotation. Shri Brian Brown has given his consent to act as Director of the Company, if appointed at the forthcoming Annual General Meeting.

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

None of the Directors of the Company 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: 28th April 2009.

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DIRECTORS' REPORT

1. The Directors present their **Twenty Seventh** Annual Report and Audited Statements of Accounts for the year ended 31st March 2009.

2. FINANCIAL RESULTS

	2008-2009 (Rupees) (Consolidated)	2008-2009 (Rupees) (Stand-alone)	2007-2008 (Rupees) (Consolidated)	2007-2008 (Rupees) (Stand-alone)
Turnover & Other Income	37,13,24,717	14,84,98,870	47,16,12,334	47,16,12,334
Gross Profit Before Depreciation	4,59,13,375	1,89,48,254	31,36,73,397	31,36,98,574
Depreciation	20,20,012	20,20,012	19,60,185	19,60,185
Profit Before Taxation	4,38,93,363	1,69,28,242	31,17,13,212	31,17,38,389
PROVISION FOR TAXATION				
Current	46,90,367	11,00,000	7,15,00,000	7,15,00,000
Deferred	(22,93,678)	(22,93,678)	(63,94,289)	(63,94,289)
Fringe Benefit	4,60,000	4,60,000	3,38,399	3,38,399
ADD/(LESS) PRIOR YEAR ADJUSTMENT	38,635	38,635	(32,107)	(32,107)
NET PROFIT AFTER TAX	4,10,75,309	1,77,00,555	24,62,36,995	24,62,62,172
PROFIT BROUGHT FORWARD From Previous Year	22,40,60,233	22,40,74,233	13,69,30,568	13,69,45,568
Surplus Available for Appropriation	26,51,35,542	24,17,74,788	38,31,93,740	38,32,07,740
Transfer To General Reserve	25,00,000	25,00,000	15,00,00,000	15,00,00,000
Transfer To Statutory Reserve	9,50,498	-	-	-
Proposed Dividend	78,06,750	78,06,750	78,06,750	78,06,750
Dividend Distribution Tax	13,26,757	13,26,757	13,26,757	13,26,757
Balance Carried to Balance Sheet	25,25,51,537	23,01,41,281	22,40,60,233	22,40,74,233

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 2009. The total dividend outgo including tax thereon will be Rs. 91.34 Lacs (previous year Rs. 91.34 Lacs.)

4. PERFORMANCE DURING THE YEAR

The Company achieved a consolidated Turnover of Rs. 37.13 crores as against Rs. 47.16 crores during the previous year. The company ended the year with a Net Profit of Rs. 4.11 crores after providing depreciation and Tax as against a profit of Rs. 24.62 crores during the previous year.

During the year the Company's Two 100% subsidiaries – One in the USA and one in Sharjah, UAE increased the garment business for the company.

FUTURE OUTLOOK

The Company had during the year after obtaining the members approval, sold of its manufacturing unit at Rabale. The Garment Division now consists of its Trading Division and business generated by its two overseas subsidiaries. The Garment business in India has been affected to a large extent by the global slowdown. Our Company also will feel the effect and the order intake can be affected during the current year. However the management is confident that our foray into export of new garments will help the Company grow.

The Company's Real Estate business was to commence during the 3rd Quarter of 2008-2009. However the slowdown in the Real Estate sector and the company's judicious decision to build up its land bank by purchasing at the lowest possible price has delayed the proposed Low Cost Housing Project, which your Company was venturing into. The Management is hopeful to commence Real Estate activities by the 2nd Quarter of 2009-2010.

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. No employee of the company is covered under section 217(2A) of the Companies Act, 1956.

6. SUBSIDIARY COMPANY

For the purpose of Real Estate business, during the year the Company purchased 100% shares of Poddar Habitat Pvt. Limited, Poddar Leisure Infrastructure Private Limited and Poddar Infrastructure Private Limited. Also for the improvement of the Garment business, the company purchased 100% shares of Wearology LLC USA. In addition the company also set up a 100% subsidiary in Sharjah UAE called Wearology FZE. The Audited statement of Accounts of the above subsidiary companies along with that of Makara Real Estate Limited are annexed as required u/s 212 of the Companies Act, 1956.

7. 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

8. CONSERVATION OF ENERGY AND TECHNOLOGIES

Information as per the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and out go are furnished in Annexure 'A'

9. FIXED DEPOSIT

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

10. INSURANCE

All insurable interest of the company including Inventories, Plant and Machineries and Buildings are insured

11. DIRECTORS

The Board of Directors appointed Shri Brian Brown as an Additional Director during the year. Shri Brian Brown will hold office as director upto the date of the ensuing Annual General Meeting. The company has received a notice under Section 257 of the Companies Act, 1956 proposing his appointment as director, subject to retirement by rotation.

Shri Pradeep Malu resigned from the Directorship of the Company with effect from 9th February 2009. The Board places on record their appreciation of the services rendered by him during his tenure as a Director of the Company.

Shri. 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 eligible 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: 28th April 2009

DIPAK KUMAR PODDAR
EXECUTIVE CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo.

A] CONSERVATION OF ENERGY:

The Company is well aware of the need to conserve energy, both in its own interest and also in the interest of the economy. It is constantly taking efforts in improving methods of energy conservation and utilisation. The total energy consumption and energy consumption per unit of production is given in Form "A".

FORM "A"

Form for disclosure of particulars with respect to conservation of energy.

A) POWER AND FUEL CONSUMPTION

	2008-2009	2007-2008
1. Electricity Purchased		
Units	21,404	1,56,901
Total Amount (Rs.)	1,08,910	7,47,059
Average Rate per Unit (Rs.)	5.09	4.76
2. Own Generation through Diesel Generator Set.		
Unit	-	1,461
Total Amount (Rs.)	-	90,942
Average Rate/Unit (Rs.)	-	62.25
3. Diesel / Oil Consumption		
Quantity (Ltr)	-	2,600
Total Amount (Rs.)	-	90,942
Average Rate (Rs.)	-	34.98

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B) CONSUMPTION PER UNIT OF PRODUCTION

Production

Garment (Pcs)

Units consumed
(Per Garment)

	2008-2009	2007-2008
Garment (Pcs)	29,634	3,17,485
Units consumed (Per Garment)	0.72	0.50

B] TECHNOLOGY ABSORPTION:

FORM "B"

Form for disclosure of particulars with respect to technology absorption

- Research & development:**
The company does not have a Research & development setup and therefore there is no expenditure under this head
- Technology Absorption, Adoption & Innovation:**
Continuous efforts are being made to reduce cost and improve product qualities

C] FOREIGN EARNINGS & OUTGO:

a) Total Earning for Foreign Exchange
FOB Value of Exports

b) Total Outgo in Foreign Exchange
CIF Value of Imports

Commission

Other Expenses

	2008-2009 (Rupees)	2007-2008 (Rupees)
Total Earning for Foreign Exchange FOB Value of Exports	8,50,04,072	11,38,19,633
Total Outgo in Foreign Exchange CIF Value of Imports	4,98,53,463	4,49,15,690
Commission	10,51,107	34,22,626
Other Expenses	20,02,657	12,74,025

For and on Behalf of the Board

Place: Mumbai
Date: 28th April 2009

Dipak Kumar Poddar
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development:

During the year under consideration, the slowdown in the Global economy affected the Indian economy also. While the continued downfall of the Stock Market affected the Real Estate Sector, the global recession affected the garment division.

Outlook

In continuation of the previous year the company increased its Turnover during the year. The company has diversified in to new garments for which there is a good export potential. Hence inspite of the recessionary conditions in the US, the Company is confident that the performance during the current year will continue to improve.

The company plans to embark on construction of affordable Housing. There is a tremendous demand for this type of housing despite the slowdown in the real estate sector. Your company is confident that its venture in to this new business will be profitable.

Financial Performance:

TURNOVER & OTHER INCOME

GROSS PROFIT BEFORE DEPRECIATION

DEPRECIATION

PROFIT BEFORE TAXATION

	2008-2009 (Rupees)	2007-2008 (Rupees)
TURNOVER & OTHER INCOME	37,13,24,717	47,16,12,334
GROSS PROFIT BEFORE DEPRECIATION	4,59,13,375	31,36,98,574
DEPRECIATION	20,20,012	19,60,185
PROFIT BEFORE TAXATION	4,38,93,363	31,17,38,389

Unit wise Performance:

The Company has Two Divisions - Garment Division and Real Estate Division.

The Garment Division has two departments viz Local Sales and Export Division. The Company also exports through two of its subsidiaries i.e. Wearology LLC, USA and Wearology FZE, Sharjah, UAE. The Company achieved a Turnover of Rs. 10.61 crores during the current year as against a Turnover of Rs. 7.07 crores in the previous year. The subsidiary companies achieved a Turnover of Rs. 22.25 crores during the current year (Previous Year NIL). The Company has made a consolidated Net Profit before tax of Rs. 4.11 crores as against Rs. 24.62 crores in the previous Year. During the year the company closed its in-house manufacturing Division. The Company proposes to continue to concentrate on the Trading business where the returns are higher.

The Company began operation of its Real Estate Division during the year. In this connection taking advantage of the fall in real estate prices, the company has commenced the process of building a land bank. The company proposes to set up a low Cost Housing Project in and around the MMRDA limits. There is huge potential for these type of housing. Once the company commences the Low Cost Housing Project, it will also set up a factory for the manufacture of Hollow Blocks and Paver Blocks which will be captively consumed in the Housing Project thereby reducing the cost of construction.

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

The continued recessionary trend in the world market, can affect the fortunes of the Garment industry. The policies of the new Government which will be elected after the General Election, will greatly influence the Real Estate industry. Recessionary trends and economic slowdown will slow down the off take of Home Loans and this could result in a slowdown in purchase of residential houses

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 strongly believes in fair, efficient and transparent business operations, fairness to all stakeholders in the company, proper disclosure of relevant financial and non-financial information and enhancing shareholder value on a continuous basis.

Board of Directors

Composition and Category of Directors

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.

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	9	6
Shri. Rohitashwa Poddar	Managing Director – Executive	4	3
Shri. Dilip J. Thakkar	Non Executive, Independent	15	9
Shri. Shishir Diwanji	Non Executive, Independent	6	5
Shri Shrikant Tembey	Non Executive, Independent	Nil	1
Shri Brian Brown	Non Executive, Independent	Nil	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 AGM
Shri. Dipak Kumar Poddar	5	Yes
Shri. Rohitashwa Poddar	4	Yes
Shri. Dilip J. Thakkar	4	No
Shri. Shishir Diwanji	3	No
Shri. Pradeep Malu*	3	Yes
Shri Shrikant Tembey	5	Yes
Shri Brian Brown*	NA	NA

* Shri Brian Brown was appointed as Director wef 9th February 2009

* Shri Pradeep Malu resigned from the Board wef 9th February 2009

Number of Board Meetings held during 2008-2009 and the dates on which held:

5 Board meetings were held during the year 2008-2009.

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

28th April 2008, 30th June 2008, 28th July 2008, 23rd October 2008 and 23rd January 2009

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 2009. 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, 51, 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 Brian Brown, 47 was formerly the Managing Director of Citigroup Global Markets (formerly Salomon Smith Barney). He was also director of Indo Suez W. I. Carr Securities Limited, Merrill Lynch (Asia Pacific) Ltd. He has a rich experience in the Indian capital market. He holds no 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.

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	Attendance at the Audit Meeting
Shri. Pradeep Malu*	3
Shri Dipak Kumar Poddar	4
Shri Shrikant Tembey	4
Shri Brian Brown*	NA

* Shri Brian Brown was appointed to the Audit Committee on 9th February 2009

* Shri Pradeep Malu resigned from the Board wef 9th February 2009

The Audit committee of Directors as on 31st March 2009, consists of three directors viz Shri Shrikant Tembey, Shri Brian Brown and Shri 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 2008-2009, on 28th April, 2008, 28th July 2008, 23rd October 2008 and 23rd January 2009. 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 Shri Rohitashwa Poddar and Executive Chairman Shri Dipak Kumar Poddar is taken by the Board of Directors. Remuneration of Directors (during 2008-2009)

Name of Director	Sitting Fees Rupees	Salaries & perquisites Rupees	Total Rupees
Shri Dipak Kumar Poddar	Nil	27,10,315	27,10,315
Shri Dilip J Thakkar	20,000	-	20,000
Shri Shishir Diwanji	15,000	-	15,000
Shri Pradeep Malu	40,000*	-	40,000
Shri Shrikant Tembey	45,000*	-	45,000
Shri Rohitashwa Poddar	Nil	6,60,360	6,60,360
Shri Brian Brown	NA	NA	NA

Shri Brian Brown has been appointed wef 9th February 2009.

* Also includes sitting fees for attending Committee Meetings

The Company has not paid any Sitting Fees to Shri Rohitashwa Poddar, Managing Director and Shri 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 2009, consisted of Shri Dipak Kumar Poddar and Shri Rohitashwa Poddar

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

Number of Pending Share Transfers as on 31st March 2009:
Nil

General Body Meetings

Location and time of last three Annual General Meetings held:

Year	Location	Date
24 th Annual General Meeting	Unit 3-5 Neeru Silk Mills, Mathuradas Mill Compound, NM Joshi Marg, Lower Parel West, Mumbai 400013	12th August 2006
25 th Annual General Meeting	Kilachand Conference Room, Indian Merchant Chambers, Churchgate, Mumbai 400021	20th September 2007
26 th Annual General Meeting	Kilachand Conference Room, Indian Merchant Chambers, Churchgate, Mumbai 400021	20th June 2008

Postal ballots were used/invited for voting for passing Resolution U/s 17 and U/S 372A of the Companies Act, 1956 on 21st February 2007.

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

Details of voting pattern of Postal Ballot

	Votes in favour	Votes against
Under Section 372A	100%	0%
Under Section 17	100%	0%

Subsidiary Companies:

Following companies are 100% subsidiaries of the Company
Wearology LLC USA
Wearology FZE, Sharjah UAE
Makara Real Estate Limited
Poddar Infrastructure Private Limited
Poddar Leisure Infrastructure Private Limited
Poddar Habitat Private 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**

PODDAR DEVELOPERS LIMITED

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

27th Annual General Meeting: Date: 25th June 2009
Time: 3.00 P.M.
Venue:
Kilachand Conference Room,
Indian Merchants Chamber,
Churchgate, Mumbai 400020.

Financial Calendar (tentative)

Annual General Meeting	25 th June 2009
Unaudited results for the Quarter ended 30 th June 2009	4 th week of July 2009
Unaudited results for the Quarter ended 30 th September 2009	4 th week October 2009
Unaudited results for the Quarter ended 31 st December 2009	4 th week January 2010
Audited results for the year ended March 2010	4 th week April 2010

Date of Book closure: 15th June 2009 to 25th June 2009

Dividend Payment Date: On or after 3rd August 2009 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 2010.

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

	High (Rs.)	Low (Rs.)	Volume(Nos)
April 2008	143.70	84.20	272915
May 2008	167.00	103.50	134553
June 2008	108.00	82.30	136648
July 2008	92.10	67.00	251577
August 2008	82.50	65.55	49089
September 2008	69.00	45.00	102911
October 2008	61.00	32.05	123029
November 2008	49.40	21.60	44791
December 2008	39.10	23.25	65228
January 2009	33.90	20.10	152676
February 2009	30.90	23.15	21757
March 2009	51.00	23.25	256375

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
web site: www.computechsharecap.com

Distribution of Shareholding (as on 31st March 2009)

Range of Holding	No. of Share-holders	% of total Share-holders	No. of Shares held	% of total shares
Upto 500	2382	89.25	356199	6.84
501 – 1000	134	5.02	110263	2.12
1001 – 2000	57	2.14	83948	1.61
2001 – 3000	13	0.49	34586	0.66
3001- 4000	9	0.34	31250	0.60
4001- 5000	12	0.45	57210	1.10
5001 – 10000	20	0.75	144871	2.78
10001 and above	42	1.57	4386173	84.28
Total	2669	100.00	5204500	100.00

Shareholding Pattern (as on 31st March, 2009)

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

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Dematerialisation of shares and liquidity

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

The company has entered into agreements with both the depositories viz National Securities Depository Ltd. (NSDL), and Central Depository Services (India) Ltd (CDSL) enabling the investors to hold shares of the company in electronic form through the depository of their choice. As on 31st March 2009 – 49,04,990 Equity Shares (94.25%) 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

Name of Company Secretary/Compliance Officer:
Shri Jayshankar Menon

Additional Information:

- Report on relatives of Directors**
Shri Dipak Kumar Poddar, Executive Chairman is related to the following Director:
- Shri 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 2009-2010.

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 2009 as required by Clause 49(1D) of the Listing Agreement with the Stock exchange.

Place: Mumbai
Date: 28th April 2009

Rohitashwa Poddar
Managing Director

DECLARATION ON FINANCIAL STATEMENTS

We hereby certify that:

- We have reviewed financial statements and the cash flow statement for the Twelve months period ended 31st March 2009 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading
 - 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.

- 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
- 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.
- We have indicated to the auditors and the Audit committee that
 - There have been no significant changes in internal control over financial reporting during the year
 - There has been no significant change in accounting policies during the year
 - 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: 28th April 2009

To the Members of
Wearology 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, 2009, 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.

Place: Mumbai
Date: 28th April 2009

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

R. S. Shah
Proprietor

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 (Formerly known as WEAROLOGY LIMITED) as at 31st March 2009, 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. However, the liability in respect of retirement benefits are not actuarially determined and provision has not been made for impairment of the assets.
 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 as 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 2009 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 'N' 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. 5 regarding short / non-provision for doubtful debts of Rs. 7.71 lacs and doubtful advances of Rs. 25 lacs.
 - c) Note no. 6 regarding non-provision of employees' benefits as required under AS-15.
 - d) Note no. 8 regarding recovery of stagnant advances of Rs. 26.88 lacs given for Tisgaon project.
 - e) Note no. 9 regarding the accrual of the benefits on disbursements amounting to Rs. 384.53 lacs for Bhivpuri Project.

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 2009 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

Place : MUMBAI
Dated : 28th April, 2009

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

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in Paragraph 3 of the Auditors Report of Even date to the Members of PODDAR DEVELOPERS LIMITED (Formerly known as WEAROLOGY LIMITED)

- i) 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.

TWENTY SEVENTH ANNUAL REPORT

- c) In our opinion and according to information and explanation given to us, the Company has disposed off all the Fixed Assets of the manufacturing unit during the year. However, the going concern status of the Company is not affected as the Company is continuing its activity by outsourcing its products and by diversifying its business in the real estate.
- ii) a) The inventory has been physically verified by the management during the year and also obtained the confirmations for the goods lying with the third parties. 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.
- c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 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. However, the Company had given advances of Rs. 171.80 lacs to a subsidiary for purchase of Land which have since been recovered.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods & services. During the course of our audit, no major weakness has been noticed in the internal controls.
- 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 register maintained under section 301 of the Act for the value exceeding Rs. 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. However as per the information verbally provided to us, Income Tax liabilities of Rs. 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. 3b & 3c of Notes on accounts.
- 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 2009. However, reference is invited to Note No.3a in Schedule 'N' 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 2009.
- 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 neither taken any loan from Financial Institution nor issued any debentures.
- 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)
Membership No.30108

Place : MUMBAI
Dated : 28th April, 2009

PODDAR DEVELOPERS LIMITED

PODDAR DEVELOPERS LIMITED (Formerly known as WEAROLOGY LIMITED)

BALANCE SHEET AS AT 31ST MARCH 2009

		AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	A	52045000	52045000
Reserves & Surplus	B	442429145	432065934
LOAN FUNDS			
Secured Loans	C	6104153	14940695
Deferred Tax Liability (See Note No. 14 in Schedule 'N')		1088295	3381973
TOTAL		<u>501666593</u>	<u>502433602</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	D	22635582	47912536
Less: Depreciation		3630768	17020406
Net Block		19004814	30892130
Add : Capital WIP		1300888	-
		<u>20305702</u>	<u>30892130</u>
INVESTMENTS	E	420792369	468204053
CURRENT ASSETS LOANS AND ADVANCES			
Inventories	F	4250797	7068896
Loans and advances		60260849	41340120
Sundry Debtors		1268989	26964748
Cash & Bank Balances		15614126	38574184
		<u>81394761</u>	<u>113947948</u>
Less: CURRENT LIABILITIES AND PROVISIONS	G	20826239	110610529
NET CURRENT ASSETS		<u>60568522</u>	<u>3337419</u>
TOTAL		<u>501666593</u>	<u>502433602</u>

NOTES ON ACCOUNTS N
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

PLACE : MUMBAI
DATED : 28th April 2009

J. MENON- Secretary

PODDAR DEVELOPERS LIMITED (Formerly known as WEAROLOGY LIMITED)

PROFIT AND LOSS ACCOUNT FOR THE

		2008-2009 (Rs.)	2007-2008 (Rs.)
INCOME			
Sales & Services	H	106068213	153317636
Profit on sale of Investment in Subsidiary		-	293724625
Other Income	I	42430657	24570073
Increase/(Decrease)in stocks	J	(1179942)	(2943195)
TOTAL		<u>147318928</u>	<u>468669139</u>
EXPENDITURE			
Raw Materials consumed		12907436	24934980
Manufacturing Expenses	K	14909851	31316742
Purchase for Resales		52765511	49805843
Administrative Expenses	L	41873372	38435055
Selling and distribution Expenses	M	4854200	8195202
Interest		1060304	2282743
Depreciation		2020012	1960185
TOTAL		<u>130390686</u>	<u>156930750</u>
Profit before Taxation		16928242	311738389
Provision for Taxation			
Income Tax (including Rs. 4 lacs for earlier year)		(1100000)	(71500000)
Deferred Tax		2293678	6394289
Fringe Benefit Tax		(460000)	(338399)
Profit for the year		17661920	246294279
Prior years Adjustment (Net)		38635	(32107)
Profit After Tax		17700555	246262172
Profit B/F from previous year		224074233	136945568
Surplus available for Appropriation		241774788	383207740
Less : Transferred to General Reserve		(2500000)	(150000000)
Proposed Dividend		(7806750)	(7806750)
Tax on Proposed Dividend		(1326757)	(1326757)
Balance carried to Balance Sheet		<u>230141281</u>	<u>224074233</u>
Earning per Share (in Rs.) Basic & Diluted E.P.S.		3.40	47.32

NOTES ON ACCOUNTS N
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

PLACE : MUMBAI
DATED : 28th April 2009

J. MENON- Secretary

TWENTY SEVENTH ANNUAL REPORT

PODDAR DEVELOPERS LIMITED
(Formerly known as WEAROLOGY LIMITED)

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	YEAR ENDED 31st March 2009	YEAR ENDED 31st March 2008
A. Cash Flow from operating Activities		
Net Profit after Tax and Extra-Ordinary Items	17700555	246262172
Adjustments For		
Depreciation	2020012	1960185
(Profit) / Loss on Sale of Fixed Assets	(14649574)	(306264)
Interest Paid / (Received)	(1870249)	488914
(Profit) / Loss on sales of Investment	(1094995)	(6333932)
Dividend Received	(21558929)	(7308038)
Deferred Tax	(2293678)	(6394289)
Profit on sales of investment in Subsidiary	-	(293724625)
Loss in Equity Derivatives	369118	3250392
Diminution in value of short term Investments	98322	-
Discarded Assets written off	642264	-
Foreign Currency Translation Reserve on Foreign Investments	1796163	-
Share of Loss/(Profit) in Partnership LLC (Associates)	(1553198)	(306870780)
Operating Profit(Loss) before Working Capital changes	<u>(20394189)</u>	<u>1496877</u>
Adjustments For		
Trade & Other Receivables	6775030	95096309
Inventories	2818099	3400394
Trade Payable	(89784290)	54680740
Net Cash from Operating Activity (A)	<u>(80191161)</u>	<u>153177443</u>
	(100585350)	92568835
B. Cash Flow from Investing Activities		
(Purchase) / Sales of Fixed Assets	8566416	(8901158)
(Purchase) / Sales of Investments	47411684	(299713279)
Profit / (Loss) on Sale of Fixed Assets	14649574	306264
Profit / (Loss) on sales of Investment	1094995	6333932
Profit on sales of Investment in Subsidiary	-	293724625
Loss in Equity Derivatives	(369118)	(3250392)
Diminution in value of short term Investments	(98322)	-
Discarded Assets Written Off	(642264)	-
Share of Profit/(Loss) in Partnership LLC (Associates)	1553198	(1496877)
Dividend Received	21558929	7308038
Receivable	<u>93725092</u>	<u>(5688847)</u>
Net cash flow from Investing Activities (B)	<u>93725092</u>	<u>(5688847)</u>
C. Cash Flow from Financing Activities		
Proceeds from Borrowing	(8836542)	(58432690)
Dividend Paid including Tax thereon	(9133507)	(9133507)
Interest (Paid)/Received	1870249	(488914)
Net cash used in Financing Activity (C)	<u>(16099800)</u>	<u>(68055111)</u>
Net increase (Decrease) in Cash & Cash Equivalents (A+B+C)	<u>(22960058)</u>	<u>18824877</u>
Cash & Cash Equivalents (Opening Balance)	38574184	19749307
Cash & Cash Equivalents (Closing Balance)	15614126	38574184

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

PLACE : MUMBAI
DATED: 28th April, 2009

For and on behalf of the Board

Dipak Kumar Poddar - Executive Chairman

Rohitashwa Poddar - Managing Director

Shrikant Tembey - Director

PODDAR DEVELOPERS LIMITED

PODDAR DEVELOPERS LIMITED
(Formerly known as WEAROLOGY LIMITED)

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	<u>AS AT</u> <u>31.03.2009</u> <u>(Rs.)</u>	<u>AS AT</u> <u>31.03.2008</u> <u>(Rs.)</u>
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED		
70,00,000 Equity Shares of Rs. 10/- each	<u>70000000</u>	<u>70000000</u>
ISSUED, SUBSCRIBED AND PAID UP		
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.		
SCHEDULE 'B'		
RESERVES & SURPLUS		
GENERAL RESERVE		
Balance as per Last Balance Sheet	207991701	57991701
Add : Transferred from Profit & Loss Account	<u>2500000</u>	<u>150000000</u>
	<u>210491701</u>	<u>207991701</u>
Foreign Currency Translation Reserve		
Balance as per Last Balance Sheet	-	-
Add : During the year	<u>1796163</u>	-
	<u>1796163</u>	-
Balance in Profit & Loss Account	<u>230141281</u>	<u>224074233</u>
	<u>442429145</u>	<u>432065934</u>
SCHEDULE 'C'		
SECURED LOANS		
From a Bank		
Bill Discounting	-	7484482
Packing Credit	-	4252
(The above facilities were secured by hypothecation of Stocks and the receivables of the Company and also secured by equitable mortgage of Company's flat. The above loan was also collaterally secured by personal guarantee of a director of the Company.)		
From Others		
Under Hire Purchase schemes from different parties	<u>6104153</u>	7451961
(Secured by hypothecation of specific vehicles		
Payable within one year Rs. 14,45,925)		
(Prev. Yr. Rs. 12,54,240/-)	<u>6104153</u>	<u>14940695</u>

PODDAR DEVELOPERS LIMITED
(Formerly known as WEAROLOGY LIMITED)

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'D'

FIXED ASSETS

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2008 RS.	Additions During the Year RS.	Deductions During the Year RS.	Total as at 31.03.09 RS.	Up to 01.04.2008 RS.	For the Year RS.	Deduction For the Year RS.	Up to 31.03.09 RS.	As at 31.03.2009 RS.	As at 31.03.2008 RS.
1	Leasehold land	1032330	-	1032330	-	163944	4463	168407	-	-	868386
2	Factory Building	5889006	-	5889006	-	2849364	80294	2929658	-	-	3039642
3	Building	7147764	-	-	7147764	814642	116509	-	931151	6216613	6333122
4	Plant & Machinery	15837871	737492	15375870	1199493	8308547	342162	8589796	60913	1138580	7529324
5	Vehicles *	12093862	-	380150	11713712	1195501	1089523	375470	1909554	9804158	10898361
6	Furniture & Fixture	3003597	279496	2032519	1250574	1699821	174258	1733602	140477	1110097	1303776
7	Data Processing Machine	2908106	28650	1612717	1324039	1988587	212803	1612717	588673	735366	919519
	TOTAL	47912536	1045638	26322592	22635582	17020406	2020012	15409650	3630768	19004814	30892130
	Previous Year	39513884	10726171	2327519	47912536	15562727	1960185	502506	17020406	30892130	

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

During the year, the following assets, having insignificant net value have been written off as the same are discarded as approved by the Board.

	Particulars	Gross Block	Depreciation up to date	Net Written off
1.	Furniture & Fixtures	2032519	1733602	298917
2.	Equipment	821173	482506	338667
3.	Vehicles	380150	375470	4680
4.	Data Processing Machine	1612717	1612717	-
		4846559	4204295	642264

PODDAR DEVELOPERS LIMITED

PODDAR DEVELOPERS LIMITED (Formerly known as WEAROLOGY LIMITED)

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE 'E'		
INVESTMENT (AT COST)		
QUOTED SHARES - LONG TERM		
24000 Equity Shares of Rs. 10/- each fully paid up of Janpriya Traders Ltd. (Prev. Yr. 24000 Sh.)	50652	50652
22550 Equity Shares of Rs. 10/- each fully paid up of Brite Merchants Ltd. (Prev. Yr. 22550 Sh.)	45553	45553
5000 Equity Shares of Rs. 10/- each fully paid up of Bharat Earth Movers Ltd. (Prev. Yr. 5000 Sh.)	6680656	6680656
95000 Equity Shares of Rs. 10/- each fully paid up of GTL Ltd. (Prev. Yr. 95000 Sh.)	23952145	23952145
Cost of Quoted Shares (A)	30729006	30729006
MUTUAL FUNDS - SHORT TERM UNLESS SPECIALLY STATED		
2302615.910 Birla Sun Life Dynamic Bond Fund Retail Quarterly Dividend Payout (Prev. Yr. Nil units)	25185552	-
8800000.000 Birla Sun Life Fixed Term Plan Series BH Institutional - Growth (Long Term) (Prev. Yr. Nil Units)	88000000	-
- Reliance Fixed Horizon Fund VII Series 5 - Institutional Growth Plan (Long Term) (Prev. Yr. 4000000 units)	-	40000000
- Reliance Liquid Fund Weekly Dividend Reinvestment Option. (Prev. Yr. 407147.396 units)	-	4075256
15465862.311 Reliance Medium Term Fund Daily Dividend Plan (Prev. Yr. Nil units)	264396649	-
- Reliance Monthly Interval Fund-Series-I Institutional Dividend Plan. (Prev. Yr. 20846520.168 units)	-	208640105
- Reliance Liquid Plus Fund - Institutional Option-Daily Dividend. (Prev. Yr. 44666.722 units)	-	44717481
- Reliance Monthly Interval Fund-Series-II Institutional Dividend Plan. (Prev. Yr. 8995412.340 units)	-	90000000
- SBI Arbitrage Opportunities Fund-Dividend (Prev. Yr. 3414493.773 units)	-	36940510
- SBI Arbitrage Opportunities Fund-Growth (Prev. Yr. 555108.385 units)	-	6000000
Cost of Mutual Funds (B)	377582201	430373352
Total Cost of Quoted Investments (A + B)	408311207	461102358

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UNQUOTED SHARES - LONG TERM

I) IN SUBSIDIARY

50000	Equity Shares of Rs. 10/- * each fully paid up of Makara Real Estate Ltd. (Prev. Yr. 50000 Sh)	500000	500000
10000	Equity Shares of Rs. 10/-** each fully paid up of Poddar Habitat P. Ltd. (100% ownership) (Prev. Yr. Nil Sh)	100000	-
10000	Equity Shares of Rs. 10/-*** each fully paid up of Poddar Leisure Infrastructure P. Ltd. (100% ownership) (Prev. Yr. Nil Sh)	100000	-
10000	Equity Shares of Rs. 10/-**** each fully paid up of Poddar Infrastructure P. Ltd. (100% ownership) (Prev. Yr. Nil Sh)	100000	-
1	Wearology Limited LLC (\$ 500/- twds 100% ownership) (Prev. Yr. Nil Sh.)	25245	-
1	Wearology Limied FZE (AED 150000/- twds 100% ownership) (Prev. Yr. Nil SH.)	2022000	-

II) OTHERS

500	Equity Shares of Rs. 100/- each fully paid up of The Janta Sahakari Bank Ltd. (Prev. Yr. 500 Sh)	50000	50000
19000	Equity Shares of Rs. 10/- each fully paid up of Santosh Trading & Invest. P. Ltd. (Prev. Yr. 20000 Sh)	95475	100500
1900	Equity Shares of Rs. 10/- each fully paid up of Kamdhenu Technologies P. Ltd. (Prev. Yr. 2400 Sh)	19000	24000
Total Cost of Unquoted Investments		3011720	674500

III) INVESTMENT IN PARTNERSHIP LLC

Organic Grown LLC Refer Note No. 11 in Schedule 'N'	8479442	6427195
Nav Nirman Agro Refer Note No. 11 in Schedule 'N'	990000	-
Total Cost of Investment in Partnership	9469442	6427195
Total Cost of Quoted/Unquoted Investments	420792369	468204053
Market Value of Quoted Investment	406487816	459714345

* 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.

PODDAR DEVELOPERS LIMITED
(Formerly known as WEAROLOGY LIMITED)

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE 'F'		
CURRENT ASSETS, LOANS AND ADVANCES INVENTORIES (As taken, valued & Certified by the management)		
Raw Materials	1096827	2197648
Accessories & Packing Materials	-	537336
Work in Progress	-	488620
Semi finished Goods	3112417	3401145
Finished Goods	41553	444147
	4250797	7068896
SUNDRY DEBTORS (Refer Note No. 5 of Schedule 'N') (Unsecured)		
Outstanding for the period of more than six months		
Considered Good	52090	285627
Considered Doubtful	1036623	266261
Less : Provision	266261	266261
	770362	-
Other Debtors - Considered Good	446537	26679121
	1268989	26964748
CASH AND BANK BALANCES		
Cash on hand	213798	123804
With Scheduled Banks		
Current A/c.	13939373	36551572
Term Deposit	1460955	1898808
	15400328	38450380
	15614126	38574184
LOANS AND ADVANCES (Unsecured, considered good)		
Loans	1955000	6371000
Deposits	359278	511858
Advances recoverable in cash or kind or for value to be received		
Considered Doubtful	2500000	-
(Refer Note No. 5 of Schedule 'N')		
Considered Good	10916814	34457262
	13416814	34457262
Advance and Other Incidentals for Bhivpuri Project (Refer Note No. 9 of Schedule 'N')	38452691	-
Advance against Capital Goods	6077066	-
	60260849	41340120

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PODDAR DEVELOPERS LIMITED
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SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	<u>AS AT</u> <u>31.03.2009</u> <u>(Rs.)</u>	<u>AS AT</u> <u>31.03.2008</u> <u>(Rs.)</u>
SCHEDULE 'G'		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	3734470	14269993
Other Liabilities	7544116	86288957
Book Overdraft	-	722075
Unclaimed Dividend	414146	195997
	<u>11692732</u>	<u>101477022</u>
PROVISIONS		
Proposed Dividend	7806750	7806750
Tax Payable on Proposed Dividend	1326757	1326757
	<u>20826239</u>	<u>110610529</u>
 SCHEDULE 'H'		
	<u>2008-2009</u>	<u>2007-2008</u>
SALES & SERVICES		
Sales-Export & Export Incentives	82110137	111620204
Sales-Local	16848677	28155599
Service charges received	7109399	-
Job Charges Received	-	992081
Design & Developing Income	-	12549752
	<u>106068213</u>	<u>153317636</u>
 SCHEDULE 'I'		
OTHER INCOME		
Lease Rent Received	28000	48000
Miscellaneous Income	311063	46072
Dividend Received	21558929	7308038
Profit on sales of Fixed Assets	14649574	306264
Profit on Sales of Investments	1094995	6333932
Profit from Realities	-	8042006
Sundry Balances written back	-	338049
Profit on Sales of Shares (Trading)	-	353883
Share of profit in Partnership LLC (Associate)	1553198	-
Insurance Claim Received	304345	-
Interest Received	2930553	1793829
	<u>42430657</u>	<u>24570073</u>
 SCHEDULE 'J'		
Increase/(Decrease) in stocks		
Closing Stocks		
Finished goods	41553	444147
Semi finished goods	3112417	3401145
Work in progress	-	488620
	<u>3153970</u>	<u>4333912</u>
Less : Opening Stocks		
Finished goods	444147	2511722
Semi finished goods	3401145	4740081
Work in progress	488620	25304
	<u>4333912</u>	<u>7277107</u>
	<u>(1179942)</u>	<u>(2943195)</u>
 SCHEDULE 'K'		
MANUFACTURING EXPENSES		
Processing & Packing Charges	12673633	23922493
Accessories & Packing Materials	2127308	6555897
Power & Fuel	108910	838352
	<u>14909851</u>	<u>31316742</u>

PODDAR DEVELOPERS LIMITED

PODDAR DEVELOPERS LIMITED
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SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	2008-2009	2007-2008
	(Rs.)	(Rs.)
SCHEDULE 'L'		
ADMINISTRATIVE EXPENSES		
Payments to & provisions for employees		
- Salaries & Bonus	12199339	12123974
- Company's Contribution to Provident & other Funds	742510	798461
- Staff Welfare Expenses	185544	125236
	<u>13127393</u>	<u>13047671</u>
Managerial Remuneration	3370675	321360
Board Meeting Fees	120000	185000
Travelling Expenses	3007437	2127062
Telephone & Postage Expenses	2017260	2312741
Repairs & Maintenance		
- Plant & Machinery	3930	78387
- Building	-	815
- Others	378973	1074791
	<u>382903</u>	<u>1153993</u>
Rent	507000	269244
Rates & Taxes	243095	395728
Service Tax	1668452	1473204
Printing & Stationery	768074	989581
Conveyance Expenses	474235	698294
Securities Exp	212237	303336
Insurance Expenses	280332	454378
Legal & Professional Charges	7833665	4609593
Internal Audit Fees	90000	90000
Auditors remuneration :		
Audit fee	420000	420000
Tax Audit	90000	90000
Other Services	59986	36620
	<u>569986</u>	<u>546620</u>
Miscellaneous Expenses	3518670	2389207
Service Charges	564080	485110
Bank Charges & Overseas Bank Chgs	1550584	868259
Sundry Debit Balance written off	158373	-
Discarded Assets written off	642264	-
Bad Debts	190994	-
Provision for Doubtful Debts	-	266261
Security Transaction Tax	108223	256018
Loss in Equity Derivatives	369118	3250392
Diminution in value of short term investments	98322	-
Share of Loss in Partnership LLC	-	1496877
Loss by Fire (Refer Note No. 8 of Schedule 'O')	-	445126
	<u>41873372</u>	<u>38435055</u>
SCHEDULE 'M'		
SELLING AND DISTRIBUTION EXPENSES		
Freight & Forwarding	609093	1985043
Sample Expenses	910590	952081
Insurance	79375	109085
Business Promotion	765228	223771
E.C.G.C. Premium	82084	129427
Warehousing & Loading Unloading Charges	510	1180
Commission Paid	2407320	4794615
	<u>4854200</u>	<u>8195202</u>

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PODDAR DEVELOPERS LIMITED
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SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'N'

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 on Margin Money/Term deposits given to the bank.
- 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. 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.

C. 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.

D. Exchange Fluctuations

Sundry Debtors and credit balance in debtors in foreign currencies, which were outstanding as on the date of Balance Sheet, have been converted on the basis of rates prevailing at the year-end. Net difference due to such conversion has been adjusted to sales. Similarly, the Current Liabilities in foreign currency which were outstanding as on the date of balance sheet have been 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 have been converted on the basis of rates prevailing at the year-end. Exchange differences for the same have been credited / debited to Foreign currency translation reserve and effect to the Profit & Loss is given only when the investment is actually realized.

E. Inventories

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.

F. Revenue Recognition

- a) Sales are accounted for on the basis of the date of Bill of Lading/Airway bill.
- b) Services are accounted for on time proportion basis which are covered under agreement. Other services are accounted for as and when rendered.
- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable except the Interest on Margin money/Term deposits given to the bank.
- d) Dividend income is recognized when the shareholders' right to receive the payment is established.

G. Gratuity, Leave Encashment & Retirement Benefits

- a) Provision in respect of gratuity liability has been made on the basis of amount as calculated as per payment of Gratuity Act, 1972. The same is however not actuarially determined.
- 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.

H. Taxation

Tax expenses include current, deferred and fringe benefit tax. Provision for Income tax and fringe benefit tax is made on the basis of the taxable income/fringe benefit 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 substantively 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.

I. 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.

J. Equity Derivative instruments

- a) **Initial Margin** - Equity Derivative instruments represent the initial margin paid and additional margin paid over and above the initial margin for entering into a contract for Equity Derivative instruments. These are released on final settlement/squaring up of underlying contracts and also appropriated against 'Mark-to-Market' losses which are disclosed under Loans and Advances.
- b) **Equity Stock Futures** – As on balance sheet date for ascertaining the profit or loss on account of open stock futures, where the net 'Mark-to-Market' is negative, the anticipated loss is charged to profit and loss account under the head 'Administrative expenses' and where the net 'Mark-to-Market' is positive, the same is treated as income.

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 2009:

1. Contingent liabilities not provided for:

- a) Bills Discounted with Bank Rs. NIL (Pr.Yr. Rs. 74,84,482/-).
- b) Bank guarantee outstanding Rs. NIL (Pr.Yr. Rs. 19,00,000/-).
- c) Letter of Credit outstanding Rs. NIL (Pr.Yr. Rs. 83,14,397/-)
- d) Claims against the Company not acknowledged as debt Rs. 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 Rs. 1.00 lac as earnest money.
- e) Outstanding 40 contracts in Equity Derivative Instruments amounting to Rs. 144.66 lacs against which margin provided Rs. 52.78 lacs.
- f) Capital Contracts remaining to be executed not provided for Rs. 1,03,56,950/- against which a sum of Rs. 60,77,066/ advanced paid.

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

3. Income Tax

- a) During the year, for A.Y. 1993-94, the CIT (Appeals) has 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 has decided to make a provision of Rs. 4 lacs against which Rs. 3 lacs has already been paid. The balance payment 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 appellat tribunal and fresh orders were passed raising aggregating demand of Rs.455770/- net of refund which has been provided in accounts.

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- c) In respect of A.Y. 2001-02 Income tax authorities have raised the demand for Rs. 155424/- against which company has requested the income tax authorities to appropriate the refund of Rs. 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.
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 of the assets since the Company has sold its manufacturing unit during the year.
5. a) The Company has doubtful debts of Rs. 10.37 lacs against which Rs. 2.66 lacs has been provided for as the company is hopeful of recovering the same either in cash or by return of merchandise.
- b) Similarly, no provision has been made for doubtful advance of Rs. 25 lacs. The company is negotiating the allotment of built-up area in the party's project - Tuscany Terraces located at Karjat.
- Effect if any will be given in the subsequent year.
6. The Company has not provided for employee benefit such as Gratuity, Leave Encashment and other retirement benefits as per AS-15 on "Employee benefits" (revised 2005) in view of insignificant impact on the profit as most of the employees have been retrenched on account of the sale of the manufacturing unit. However, the Company proposes to contribute to the scheme of LIC after determining the exact liability actuarially. Necessary effects would be given in the subsequent year.

7. Segment Information

(Figures in Rs.)

Particulars	Garment	Realty	Unallocated	Total
	Business Segment			
REVENUE				
External Revenue	106683621 (150712490)	– (8042006)	41815249 (308120814)	148498870 (466875310)
RESULT				
Segment Result before Unallocated Expenses	8947798 (8446307)	–10599175 (3421370)	41815249 (303117527)	40163872 (314985204)
Less : Unallocated Expenses				23196995 (3278922)
Taxes				733678 (65444110)
Net Profit after Tax				17700555 <u>(246262172)</u>
OTHER INFORMATION				
Segment Assets	1119662 (41127376)	50062395 (2985174)	– –	51182057 (44112550)
Other Unallocated Assets				450484536 (458321052)
TOTAL Assets				501666593 <u>(502433602)</u>
Segment Liabilities	–	–	–	– (7488734)
Other Unallocated Liabilities				7192448 (10833934)
Total Liabilities				7192448 <u>(18322668)</u>

(Figures in Rs.)

Particulars	Outside India	Within India	Total
	Geographical Segment		
Segment Revenue	88899126 (119151472)	59599744 (347723838)	148498870 (466875310)

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 manufacturing by outsourcing, supply against Back-to-Back L/Cs from one country to another and providing services to its subsidiaries towards merchandising and documentations.
- ii. Realty segment has just commenced. It would comprise of Land bank and Land development and construction of township. It also comprises of Realty finance.
- iii. Others segment mainly comprises of income from investments of surplus funds and profit on sale of fixed assets.

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.

8. The Company has given advances aggregating to Rs. 26,87,759/- (Pr Yr. Rs. 26,62,758/-) in the previous year for procurement of land at Tisgaon-Dombivali, Maharashtra. There is no significant development on such procurements during the year. The recovery thereof would depend upon further development of the project and market conditions.

9. Bhivpuri Project - Construction of special Township for LIG / MIG Hsg.

- a) The Board has approved the above project to be constructed in the area of 130 acres of the land, proposed to be procured, for which Magus Consultants Pvt. Ltd. has been appointed as the project consultants as per the terms of the agreement dated 12/12/2008.
- b) In the meantime, the Company has disbursed the following payments, the benefit thereof would finally depend on the actual execution of the projects, which have been presently treated as Advances / Pre-Operative Expenses and grouped under the head Loans and Advances.

Nature of Disbursements	Amount Rs. in Lacs
i) Advances / Token for purchase of Land* (Including Incidentals Charges)	302.13
ii) Advances for Land development	25.80
iii) Advances to Project Consultants	24.78
iv) Legal & Professional Charges	30.17
v) Other Expenses	1.65
Grand Total	384.53

*Including Rs. 228.68 lacs paid towards purchase of Land covered by agreements of sale duly registered with the appropriate authority and also covered by supplementary agreement dated 25th February 2009. The conveyance thereof would be made in favour of the Company after obtaining necessary statutory approvals.

10. Pursuant to the Board resolution, the Company has decided to set up the unit for manufacture of Hollow and Paver Blocks for an estimated project cost of Rs. 3.00 crores and has incurred the following expenses which have either been grouped under Capital WIP or Loans and Advances.

Description	Amount Rs. in Lacs
i) Borwell Charges	1.30
ii) Land Development & Build Material	11.71
iii) Advances for Purchase of Machinery	60.77
v) Others	0.20
Grand Total	73.98

Certain portion of the land, out of the land shown in Note No. 9 (b) above, will be used for setup of the aforesaid unit.

The above project is in the initial stage and the implementation thereof would finally depend on the requirement of the housing projects being developed by the Company including the Bhivpuri project as referred above.

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

Name of Firm	Ownership (%)	Capital as on 31-3-09	Company's Share Profit/(Loss)	Year Ending
A) Organically Grown LLC, USA Partners 1) Poddar Developers Ltd. 2) MJIR Inc., USA	50% 50%	84,79,442	15,53,198*	31-12-2008
B Nav Nirman Agro ** Partners 1) Poddar Developers Ltd. 2) Six Individuals	99% 1%	9,90,000	NIL	31-03-2009

* Equivalent of USD 35588/-

** Activity yet to be commenced.

12. On account of non-viability of its manufacturing unit, the Company has closed its operations pursuant to resolution passed by the shareholders on 20th June 2008 and all the fixed assets of the same have been sold during the year. However, the Company continues its outsourcing activity. This closure would have no impact on the going concern status as the Company is diversifying its main activity in the business of real estate.
13. a) Total Outstanding Dues of Small Scale Industrial Undertaking Rs.1414/- (Pr. Yr. Rs.20,998/-).The name of the Small Scale Industrial Undertaking, to whom the Company owes a sum, outstanding for more than 30 days is 'Industrial Box Co.'. The information regarding the small scale industrial undertakings have been determined to the extent such parties have been identified on the basis of information available with the Company and the Auditors have relied thereon.
- b) 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.
14. The Deferred Tax Liability / (Asset) comprises of tax effect of timing differences on account of:

	Up to 31.03.2008 Rs.	For the Current Year Rs.	As at 31-03-2009 Rs.
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	4856442	(2207190)	2649252
Deferred Tax (Asset)-			
Provision for Gratuity	(885074)	(92921)	(977995)
Provision for Leave Encashment	(388509)	9075	(379434)
Provision for Bonus	(200886)	(2642)	(203528)
TOTAL	3381973	(2293678)	1088295

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

15. Related Party Disclosures

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

- (i) List of Subsidiaries
Makara Real Estate Ltd
Poddar Infrastructure Pvt. Ltd
Poddar Habitat Pvt. Ltd
Poddar Leisure Infrastructure Pvt. Ltd
Wearology Ltd – LLC
Wearology Ltd - FZE
- (ii) List of Partnership Firms (Associates)
Organically Grown LLC
Nav Nirman Agro
- (iii) Enterprises over which Key Management personnel/Relatives have significant influence
Suvijay Exports Ltd
Tiara Trading & Investment Pvt. Ltd
Gleam Trading & Investment Pvt. Ltd
Sapphire Advisors Pvt. Ltd.
Brite Merchants Ltd
Citron Finlease Pvt. Ltd
Knitrite Apparelco Ltd
Santosh Trading & Investment Pvt. Ltd
- (iv) Key Managerial Person:
Shri Dipak Kumar Poddar – Executive Chairman
Shri Rohitashwa Poddar - Managing Director

PODDAR DEVELOPERS LIMITED

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

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

(Figures in Rs.)

Particulars	A		B		C		Total A + B + C	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Subsidiary		Investment in Joint Ventures/ Partnership		Enterprise over which key management personnel/Relatives have significant influence			
Opening Balance	-	10699128	-	-	10367043	(56464212)	10367043	(45765084)
Loan Repaid	-	-	-	-	-	61300000	-	61300000
Loan Given	-	-	-	-	-	12000000	-	12000000
Loan Repaid by Party	-	(9100000)	-	-	(5000000)	(7000000)	(5000000)	(16100000)
Interest Payable	-	-	-	-	-	(486112)	-	(486112)
Payment against Int. Payable	-	-	-	-	-	486112	-	486112
Interest Receivable	-	-	-	-	173220	158484	173220	158484
Receipt against int. Receivable	-	-	-	-	(331704)	-	(331704)	-
Advance Received	(177600)	-	-	-	-	(180)	(177600)	(180)
Advance repaid	-	-	-	-	-	180	-	180
Advance Given	17191978	8440000	25000000	-	6448949	8561000	48640927	17001000
Advance Recovered	(17191978)	(8440000)	(23918049)	-	(4851881)	(790000)	(45961908)	(9230000)
Expenses incurred on our behalf	-	-	-	-	(414679)	11935	(414679)	11935
Amt. paid against Exp. incurred on our behalf.	-	-	-	-	393226	(145870)	393226	(145870)
Expenses incurred by us on behalf of others	8383420	4608825	81480	-	15355	612657	8480255	5221482
Amount recovered against exp. incurred on behalf of others	(8264372)	(4739056)	(56947)	-	-	(125000)	(8321319)	(4864056)
Rent Receivable/(Payable)	-	-	-	-	(80000)	(60000)	(80000)	(60000)
Paid/(Received) against Rent	-	-	-	-	99042	108000	99042	108000
Sales fabrics/Garment/ Job work	1304397	-	174548	-	-	-	1478945	-
Amt. paid / (received) against Garment Purchase/Sale	(1299632)	-	(174548)	-	-	-	(1474180)	-
Purchase of Investments	-	-	-	-	-	(125000)	-	(125000)
Paid against Purchase of Investment	-	-	-	-	-	125000	-	125000
Processing chgs done by others	-	-	-	-	(6818571)	(7910109)	(6818571)	(7910109)
Sales of Fixed Assets	-	-	-	-	-	2034286	-	2034286
Amt. received against sales of Fixed Assets	-	-	-	-	-	(2000000)	-	(2000000)
Amt. receivable/payable last year (received)/Paid during the year.	-	(1468897)	-	-	-	75872	-	(1393025)
Balance Receivable/payable as at year end	(53787)	-	1106484	-	-	10367043	1052697	10367043

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(b) Details relating to parties referred to in Items 15 (1) (iv) above

Amt. in Rs.

Managerial Remuneration	Executive Chairman	Managing Director
Salary & Allowances	2376000 -	546000 (312000)
Perquisites	334315 -	105000 -
Contribution to PF	- -	9360 (9360)
Total	2710315 -	660360 (321360)

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.

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

Rs.

Nature of Provision	Leave Encashment	Gratuity
Opening Balance	1143011	2603924
Additions	367985	950660
Utilization	260319	492671
Reversal	134364	184612
Closing Balance	1116313	2877301

17. 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 (Rs.)
Garments	Pcs	3258 (15475)	444147 (2511722)

b) Details of Purchases for Resale

Class of Product	Unit	Qty	Value (Rs.)
Garments including Samples	Pcs	98348 (126963)	51940490 (48332721)
Fabric	Mtrs	6367.90 (10449.20)	825021 (1473122)
Total			52765511 (49805843)

Including 1603.02 mtrs. Returned from shop floor.

Including free samples of 755 Pcs and 20 mtrs.(Prev. yr.1180 pcs) received by the Company as certified by management and relied upon by the Auditors without the verification of the same.

c) Production

Class of Product	Unit	Licensed Capacity	Installed Capacity (Rs)	Actual Production
Garments	Pcs	N.A.	N.A.	173039* (305932)
Power	Kwh	N.A.	N.A.	- (149202)

*Excluding 571 Pcs (Pr. Yr. 102 Pcs.) used for samples, 5050 Pcs (Pr. Yr.4286 Pcs) rejected and NIL Pcs produced on Job work basis (Pr.Yr. 42603 PCs.) for others.

d) Details of Sales

Class of Product	Unit	Qty	Value (Rs.)
Garments including Samples	Pcs	272618 (445112)	95704275 ** (132489202)
Fabric	Mtrs	6367.90 (10449.20)	1070110 (1819700)
Power	Kwh	- (149202)	- (402845)
Total			96774385 (134711747)

** Excluding Export incentives of Rs.2184429/- (Pr.Yr. Rs.50,64,056/-)

e) Details of Closing Stock

Class of Product	Unit	Qty	Value (Rs.)
Garments	Pcs	2027 (3258)	41553 (444147)

f) Raw Materials Consumed

Class of Product	Unit	Qty	Value (Rs.)
Fabrics & Yarn	Mtrs/Kgs.	96629.08 (186916.55)	12907436 (24934980)

g) Imported and Indigenous Raw material consumption,

	%	Rs.
Imported	Nil (Nil)	Nil (Nil)
Indigenous	100 (100)	12907436 (24934980)

Imported and indigenous Accessories and Packing Material Consumption,

	%	Rs.
Imported	3.29 (2.46)	69910 (161296)
Indigenous	96.71 (97.54)	2057398 (6394601)

h) Earning in Foreign Exchange

F.O.B. Value of Exports	Rs.
I) Garments	77894673 (100979140)
II) Services	7109399 (12840493)

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i) C.I. F. Value of Import	49853463 (44915690)
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j) Expenditure in Foreign Currency

For Commission	1051107 (3422626)
For Others	2002657 (1274025)

18. 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.	Reliance Liquid Fund - Cash Plan-Weekly Dividend	-	2261273.523	2940.847	2264214.370	-
2.	Reliance Liquid Fund - Weekly Dividend Reinvestment option	407147.396	-	2987.661	410135.057	-
3.	Reliance Liquidity Fund - Institutional Option Daily dividend	44666.722	119699.782	1229.645	165596.149	-
4.	Reliance Medium Term Fund Daily Dividend	-	17926926.570	440284.048	2901348.307	15465882.311
5.	Reliance Monthly Interval Fund - Srs. I - Dividend Plan	20846520.168	985167.016	-	21831687.184	-
6.	Tata Floater Fund Weekly Dividend	-	2479986.509	27687.551	2507674.06	-
7.	HSBC Fixed Term Series 52 Inst. Gr- Tenure - 1 yr.	-	5000000.000	-	5000000.00	-

19. Consumption of Raw materials has been arrived at after deducting the sales proceeds of stock of unusable Raw materials of Fents/Regs etc.
20. 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 were mainly opened 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 2009. 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.
21. Profit on sale of Raw material & Accessories remains adjusted in consumption
22. The figure in the bracket represents the figures of the previous year.
23. Previous year figures are regrouped/re-arranged wherever necessary.
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 'N'

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: 28th April, 2009

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	0	9
---	---	--	---	---	--	---	---	---	---

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

Public Issue <table border="1" style="margin: auto;"><tr><td>Nil</td></tr></table>	Nil	Rights Issue <table border="1" style="margin: auto;"><tr><td>Nil</td></tr></table>	Nil	Private Placement <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 Rs.)

Total Liabilities <table border="1" style="margin: auto;"><tr><td>501666593</td></tr></table>	501666593	Total Assets <table border="1" style="margin: auto;"><tr><td>501666593</td></tr></table>	501666593
501666593			
501666593			
Sources of Funds			
Paid-up Equity Share Capital <table border="1" style="margin: auto;"><tr><td>52045000</td></tr></table>	52045000	Paid-up Preference Share Capital <table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL
52045000			
NIL			
Advance against Share Application Money <table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL	Reserve & Surplus <table border="1" style="margin: auto;"><tr><td>442429145</td></tr></table>	442429145
NIL			
442429145			
Unsecured Loan <table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL	Secured Loan <table border="1" style="margin: auto;"><tr><td>6104153</td></tr></table>	6104153
NIL			
6104153			
Deferred Tax Liability <table border="1" style="margin: auto;"><tr><td>1088295</td></tr></table>	1088295		
1088295			
Application of Funds			
Net Fixed Assets <table border="1" style="margin: auto;"><tr><td>20305702</td></tr></table>	20305702	Investments <table border="1" style="margin: auto;"><tr><td>420792369</td></tr></table>	420792369
20305702			
420792369			
Net Current Assets <table border="1" style="margin: auto;"><tr><td>60568522</td></tr></table>	60568522	Miscellaneous Exp. <table border="1" style="margin: auto;"><tr><td>NIL</td></tr></table>	NIL
60568522			
NIL			

4. Performance of the Company (Amount in Rs.)

Turnover <table border="1" style="margin: auto;"><tr><td>106068213</td></tr></table>	106068213	Other Income <table border="1" style="margin: auto;"><tr><td>42430657</td></tr></table>	42430657	Total Expenditure <table border="1" style="margin: auto;"><tr><td>131570628</td></tr></table>	131570628
106068213					
42430657					
131570628					
Profit Before Tax <table border="1" style="margin: auto;"><tr><td>16928242</td></tr></table>	16928242		Profit After Tax <table border="1" style="margin: auto;"><tr><td>17700555</td></tr></table>	17700555	
16928242					
17700555					
Earning per Share <table border="1" style="margin: auto;"><tr><td>3.40</td></tr></table>	3.40		Dividend Rate % <table border="1" style="margin: auto;"><tr><td>15%</td></tr></table>	15%	
3.40					
15%					

5. Generic Names of Principal Products of the Company

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

Place: Mumbai
Date: 28th April, 2009

For and on behalf of the Board

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

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

Name of Subsidiary	Wearology LLC, USA	Wearology FZE, UAE	Makara Real Estate Ltd.	Poddar Infrastructure Pvt. Ltd.	Poddar Habitat Pvt. Ltd.	Poddar Leisure Infrastructure Pvt. Ltd.
Financial Year of Subsidiary ended	31st March '09	31st March '09	31st March '09	31st March '09	31st March '09	31st March '09
Holding Company's Interest						
No. of Shares	1	1	50000	10000	10000	10000
Extent of Holding	100%	100%	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	4041685	19412389	(29699)	(27082)	(11373)	(11196)
for previous year	NA	NA	(25177)	NA	NA	NA
Net Aggregate amount of Subsidiary's profit/(loss) dealt within the Holding Co. A/c's						
for subsidiary FY	Nil	Nil	Nil	Nil	Nil	Nil
for previous year	Nil	Nil	Nil	Nil	Nil	Nil
Material changes between end of subsidiary FY and 31st March 2009						
Subsidiary's F. Asset	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiary's Investment	Nil	Nil	Nil	Nil	Nil	Nil
Monies Lent by subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Money borrowed by subsidiary	Nil	Nil	Nil	Nil	Nil	Nil

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 (formerly known as WEAROLOGY LIMITED) and its subsidiaries as at 31st March 2009, 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 two foreign subsidiaries, whose financial statements reflect total assets of Rs. 352.37 lacs as at 31st March 2009 and total profit (after tax) of Rs. 234.54 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 'N' 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. 5 regarding short / non-provision for doubtful debts of Rs7.71 lacs and doubtful advances of Rs.25 lacs.
- c) Note no. 6 regarding non-provision of employees' benefits as required under AS-15.
- d) Note no. 8 regarding recovery of stagnant advances of Rs. 26.88 lacs given for Tisgaon project.
- e) Note no. 9 regarding the accrual of the benefits on disbursements amounting to Rs. 384.53 lacs for Bhivpuri Project.

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

- (5) 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 2009 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

Place : MUMBAI
Dated : 28th April, 2009

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

TWENTY SEVENTH ANNUAL REPORT

PODDAR DEVELOPERS LIMITED (Formerly known as WEAROLOGY LIMITED)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	SCHEDULE	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	A	52045000	52045000
Reserves & Surplus	B	474744901	432051934
LOAN FUNDS			
Secured Loans	C	6104153	14940695
Unsecured Loans		742074	-
Deferred Tax Liability (See Note No. 14 in Schedule 'N')		1088295	3381973
TOTAL		534724423	502419602
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	D	22635582	47938713
Less: Depreciation		3630768	17020406
Net Block		19004814	30918307
Add : Capital WIP		1300888	-
		20305702	30918307
INVESTMENTS	E	437733764	467704053
CURRENT ASSETS LOANS AND ADVANCES			
Inventories	F	4250797	7068896
Loans and advances		61373415	41340120
Sundry Debtors		23720271	26964748
Cash & Bank Balances		36369601	39013154
		125714084	114386918
Less: CURRENT LIABILITIES AND PROVISIONS	G	49117398	110634883
NET CURRENT ASSETS		76596686	3752035
Miscellaneous Expenditure (To the extent not written off)		88271	45207
TOTAL		534724423	502419602

NOTES ON ACCOUNTS
Schedules Attached form part
of the Accounts

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

For and on behalf of the Board
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 : 28th April 2009

PODDAR DEVELOPERS LIMITED (Formerly known as WEAROLOGY LIMITED)

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	SCHEDULE	2008-2009 (Rs.)	2007-2008 (Rs.)
INCOME			
Sales & Services	H	328549334	153317636
Profit on sale of Investment in Subsidiary		-	293724625
Other Income	I	41222185	24570073
Share of profit in Partnership LLC (Associate)		1553198	-
Increase/(Decrease)in stocks	J	(1179942)	(2943195)
TOTAL		370144775	468669139
EXPENDITURE			
Raw Materials consumed		12907436	24934980
Manufacturing Expenses	K	14909851	31316742
Purchase for Resales		236478252	49805843
Administrative Expenses Selling and distribution Expenses	L	50911373	38455209
Interest	M	7934007	8195202
Depreciation		1065973	2282743
Preliminary Expenses W/Off		2020012	1960185
		24508	5023
TOTAL		326251412	156955927
Profit before Taxation		43893363	311713212
Provision for Taxation			
Income Tax (including Rs. 4 lacs for earlier year)		(4690367)	(71500000)
Deferred Tax		2293678	6394289
Fringe Benefit Tax		(460000)	(338399)
Profit for the year		41036674	246269102
Prior year Adjustment (Net)		38635	(32107)
Profit After Tax		41075309	246236995
Profit B/F from previous year		224060233	136930568
Adjustment of Loss of the Subsidiary prior to acquisition		-	26177
Surplus available for Appropriation		265135542	383193740
Less : Transferred to General Reserve		(2500000)	(150000000)
Transferred to Statutory Reserve		(950498)	-
Proposed Dividend		(7806750)	(7806750)
Tax on Proposed Dividend		(1326757)	(1326757)
Balance carried to Balance Sheet		252551537	224060233
Earning per Share (in Rs.) Basic & Diluted E.P.S.		7.89	47.31

NOTES ON ACCOUNTS
Schedules Attached form part
of the Accounts

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
Executive Chairman

Rohitashwa Poddar
Managing Director
Shrikant Tembey - Director
J. MENON - Secretary

PLACE : MUMBAI
DATED : 28th April 2009

PODDAR DEVELOPERS LIMITED

PODDAR DEVELOPERS LIMITED
(Formerly known as WEAROLOGY LIMITED)

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	YEAR ENDED 31st March 2009	YEAR ENDED 31st March 2008
A. Cash Flow from operating Activities		
Net Profit after Tax and Extra-Ordinary Items	41075309	246236995
Adjustments For		
Depreciation	2020012	1960185
(Profit) / Loss on Sale of Fixed Assets	(14649574)	(306264)
Interest Paid / (Received)	(1864580)	488914
(Profit) / Loss on sales of Investments	(1094995)	(6333932)
Dividend Received	(21558929)	(7308038)
Deferred Tax	(2293678)	(6394289)
Profit on sales of Investment in Subsidiary	-	(293724625)
Loss in Equity Derivatives	369118	3250392
Diminution in value of short term Investments	98322	-
Discarded Assets written off	642264	-
Forein Currency Translation Reserve on Forein Investments	3835135	-
Capital Reserve on Consolidation	6916030	-
Share of Loss/(Profit) in Partnership LLC (Associates)	-	1496877
Preliminary expenses incurred	(67572)	(15210)
Preliminary expenses written off	24508	5023
	<u>(27623939)</u>	<u>5023</u>
Operating Profit(Loss) before Working Capital changes	13451370	(60643972)
Adjustments For		
Trade & Other Receivables	(16788818)	95096309
Inventories	2818099	3400394
Trade Payable	(61517485)	54655074
	<u>(75488204)</u>	<u>54655074</u>
Net Cash from Operating Activity (A)	(62036834)	92507805
B. Cash Flow from Investing Activities		
(Purchase) / Sales of Fixed Assets	8592593	(8901158)
(Purchase) / Sales of Investments	29970289	(299713279)
Profit / (Loss) on Sale of Fixed Assets	14649574	306264
Profit / (Loss) on Sale of Investments	1094995	6333932
Profit on sales of Investment in Subsidiary	-	293724625
Loss in Equity Derivatives	(369118)	(3250392)
Diminution in value of short term Investments	(98322)	-
Discarded Assets Written Off	(642264)	-
Share of Profit/(Loss) in Partnership LLC (Associates)	-	(1496877)
Dividend Received	21558929	7308038
	<u>74756676</u>	<u>7308038</u>
Net cash flow from Investing Activities (B)	74756676	(5688847)
C. Cash Flow from Financing Activities		
Proceeds from Borrowing	(8094468)	(58432690)
Dividend Paid including Tax thereon	(9133507)	(9133507)
Interest (Paid)/Received	1864580	(488914)
	<u>(15363395)</u>	<u>(488914)</u>
Net cash used in Financing Activity (C)	(15363395)	(68055111)
Net increase (Decrease) in Cash & Cash Equivalents (A+B+C)	(2643553)	18763847
Cash & Cash Equivalents (Opening Balance)	39013154	20249307
Cash & Cash Equivalents (Closing Balance)	36369601	39013154

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: 28th April, 2009

TWENTY SEVENTH ANNUAL REPORT

PODDAR DEVELOPERS LIMITED
(Formerly known as WEAROLOGY LIMITED)

CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED 70,00,000 Equity Shares of Rs. 10/- each	70000000	70000000
ISSUED, SUBSCRIBED AND PAID UP		
52,04,500 Equity Shares of Rs. 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 RESERVE		
Balance as per Last Balance Sheet	207991701	57991701
Add : Transferred from Profit & Loss Account	2500000	150000000
	210491701	207991701
Foreign Currency Translation Reserve		
Balance as per Last Balance Sheet	-	-
Add : During the year	3835135	-
	3835135	-
Balance in Profit & Loss Account	252551537	224060233
Capital Reserve on consolidation as per AS-21	6916030	-
Statutory Reserve	950498	-
	474744901	432051934
SCHEDULE 'C'		
SECURED LOANS		
<u>From a Bank</u>		
Bill Discounting	-	7484482
Packing Credit	-	4252
(The above facilities were secured by hypothecation of Stocks and the receivables of the Company and also secured by equitable mortgage of Company's flat. The above loan was also collaterally secured by personal guarantee of a director of the Company.)		
<u>From Others</u>		
Under Hire Purchase schemes from different parties (Secured by hypothecation of specific vehicles Payable within one year Rs. 14,45,925) (Prev. Yr. Rs. 12,54,240/-)	6104153	7451961
	6104153	14940695

PODDAR DEVELOPERS LIMITED
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SCHEDULE 'D'

FIXED ASSETS

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2008 RS.	Additions During the Year RS.	Deductions During the Year RS.	Total as at 31.03.09 RS.	Up to 01.04.2008 RS.	For the Year RS.	Deduction For the Year RS.	Up to 31.03.09 RS.	As at 31.03.2009 RS.	As at 31.03.2008 RS.
1	Goodwill as per AS-21 on consolidation	26177	-	26177	-	-	-	-	-	-	26177
2	Leasehold land	1032330	-	1032330	-	163944	4463	168407	-	-	868386
3	Factory Building	5889006	-	5889006	-	2849364	80294	2929658	-	-	3039642
4	Building	7147764	-	-	7147764	814642	116509	-	931151	6216613	6333122
5	Plant & Machinery	15837871	737492	15375870	1199493	8308547	342162	8589796	60913	1138580	7529324
6	Vehicles *	12093862	-	380150	11713712	1195501	1089523	375470	1909554	9804158	10898361
7	Furniture & Fixture	3003597	279496	2032519	1250574	1699821	174258	1733602	140477	1110097	1303776
8	Data Processing Machine	2908106	28650	1612717	1324039	1988587	212803	1612717	588673	735366	919519
	TOTAL	47938713	1045638	26348769	22635582	17020406	2020012	15409650	3630768	19004814	30918307
	Previous Year	100787904	10752348	63601539	47938713	15562727	1960185	502506	17020406	30918307	

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

During the year, the following assets, having insignificant net value have been written off as the same are discarded as approved by the Board.

	Particulars	Gross Block	Depreciation up to date	Net Written off
1.	Furniture & Fixtures	2032519	1733602	298917
2.	Equipment	821173	482506	338667
3.	Vehicles	380150	375470	4680
4.	Data Processing Machine	1612717	1612717	-
		4846559	4204295	642264

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		AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE 'E'			
INVESTMENT (AT COST)			
QUOTED SHARES - LONG TERM			
24000	Equity Shares of Rs. 10/- each fully paid up of Janpriya Traders Ltd. (Prev. Yr. 24000 Sh.)	50652	50652
22550	Equity Shares of Rs. 10/- each fully paid up of Brite Merchants Ltd. (Prev. Yr. 22550 Sh.)	45553	45553
5000	Equity Shares of Rs. 10/- each fully paid up of Bharat Earth Movers Ltd. (Prev. Yr. 5000 Sh.)	6680656	6680656
95000	Equity Shares of Rs. 10/- each fully paid up of GTL Ltd. (Prev. Yr. 95000 Sh.)	23952145	23952145
	Cost of Quoted Shares (A)	30729006	30729006
MUTUAL FUNDS - SHORT TERM UNLESS SPECIALLY STATED			
2302615.910	Birla Sun Life Dynamic Bond Fund Retail Quarterly Dividend Payout (Prev. Yr. Nil units)	25185552	-
8800000.000	Birla Sun Life Fixed Term Plan Series BH Institutional - Growth (Long Term) (Prev. Yr. Nil Units)	88000000	-
	- Reliance Fixed Horizon Fund VII Series 5 - Institutional Growth Plan (Long Term) (Prev. Yr. 4000000 units)	-	40000000
	- Reliance Liquid Fund Weekly Dividend Reinvestment Option. (Prev. Yr. 407147.396 units)	-	4075256
15465862.311	Reliance Medium Term Fund Daily Dividend Plan (Prev. Yr. Nil units)	264396649	-
	- Reliance Monthly Interval Fund-Series-I Institutional Dividend Plan. (Prev. Yr. 20846520.168 units)	-	208640105
	- Reliance Liquid Plus Fund - Institutional Option-Daily Dividend. (Prev. Yr. 44666.722 units)	-	44717481
	- Reliance Monthly Interval Fund-Series-II Institutional Dividend Plan. (Prev. Yr. 8995412.340 units)	-	90000000
	- SBI Arbitrage Opportunities Fund-Dividend (Prev. Yr. 3414493.773 units)	-	36940510
	- SBI Arbitrage Opportunities Fund-Growth (Prev. Yr. 555108.385 units)	-	6000000
	Cost of Mutual Funds (B)	377582201	430373352
	Total Cost of Quoted Investments (A + B)	408311207	461102358

UNQUOTED SHARES - LONG TERM

II) OTHERS

500	Equity Shares of Rs. 100/- each fully paid up of The Janta Sahakari Bank Ltd. (Prev. Yr. 500 Sh)	50000	50000
19000	Equity Shares of Rs. 10/- each fully paid up of Santosh Trading & Invest. P. Ltd. (Prev. Yr. 20000 Sh)	95475	100500
1900	Equity Shares of Rs. 10/- each fully paid up of Kamdhenu Technologies P. Ltd. (Prev. Yr. 2400 Sh)	19000	24000
	UBS AG Liquid Fund (Prev. Yr. Nil Units)	19788640	-
	Total Cost of Unquoted Investments	19953115	174500

III) INVESTMENT IN PARTNERSHIP LLC

	Organic Grown LLC Refer Note No. 11 in Schedule 'N'	8479442	6427195
	Nav Nirman Agro Refer Note No. 11 in Schedule 'N'	990000	-
	Total Cost of Investment in Partnership	9469442	6427195
	Total Cost of Quoted/Unquoted Investments	437733764	467704053
	Market Value of Quoted Investment	406487816	459714345

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SCHEDULE 'F'	<u>AS AT 31.03.2009 (Rs.)</u>	<u>AS AT 31.03.2008 (Rs.)</u>
CURRENT ASSETS, LOANS AND ADVANCES INVENTORIES		
(As taken, valued & Certified by the management)		
Raw Materials	1096827	2197648
Accessories & Packing Materials	-	537336
Work in Progress	-	488620
Semi finished Goods	3112417	3401145
Finished Goods	41553	444147
	<u>4250797</u>	<u>7068896</u>
SUNDRY DEBTORS		
(Refer Note No. 5 of Schedule 'N')		
(Unsecured)		
Outstanding for the period of more than six months		
Considered Good	52090	285627
Considered Doubtful	1036623	266261
Less : Provision	<u>266261</u>	<u>266261</u>
	770362	-
Other Debtors - Considered Good	22897819	26679121
	<u>23720271</u>	<u>26964748</u>
CASH AND BANK BALANCES		
Cash on hand	222131	123804
With Scheduled Banks in		
Current A/c.	34686515	36990542
Term Deposit	1460955	1898808
	<u>36369601</u>	<u>38889350</u>
	<u>36369601</u>	<u>39013154</u>
LOANS AND ADVANCES		
(Unsecured, considered good)		
Loans	2712350	6371000
Deposits	406458	511858
Advances recoverable in cash or kind or for value to be received		
Considered Doubtful	2500000	-
(Refer Note No. 5 of Schedule 'N')		
Considered Good	<u>11224850</u>	<u>34457262</u>
	13724850	34457262
Advance and Other Incidentals for Bhivpuri Project (Refer Note No. 9 of Schedule 'N')	38452691	-
Advance against Capital Goods	6077066	-
	<u>61373415</u>	<u>41340120</u>

PODDAR DEVELOPERS LIMITED

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CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	<u>AS AT</u> <u>31.03.2009</u> <u>(Rs.)</u>	<u>AS AT</u> <u>31.03.2008</u> <u>(Rs.)</u>
SCHEDULE 'G'		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	24842487	14294347
Other Liabilities	14727258	86288957
Book Overdraft	-	722075
Unclaimed Dividend	414146	195997
	<u>39983891</u>	<u>101501376</u>
PROVISIONS		
Proposed Dividend	7806750	7806750
Tax Payable on Proposed Dividend	1326757	1326757
	<u>49117398</u>	<u>110634883</u>
SCHEDULE 'H'		
	<u>2008-2009</u>	<u>2007-2008</u>
SALES & SERVICES		
Sales-Export & Export Incentives	311700657	111620204
Sales-Local	16848677	28155599
Job Charges Received	-	992081
Design & Developing Income	-	12549752
	<u>328549334</u>	<u>153317636</u>
SCHEDULE 'I'		
OTHER INCOME		
Lease Rent Received	28000	48000
Miscellaneous Income	655789	46072
Dividend Received	21558929	7308038
Profit on sales of Fixed Assets	14649574	306264
Profit on Sales of Investments	1094995	6333932
Profit from Realities	-	8042006
Sundry Balances written back	-	338049
Profit on Sales of Shares (Trading)	-	353883
Insurance Claim Received	304345	-
Interest Received	2930553	1793829
	<u>41222185</u>	<u>24570073</u>
SCHEDULE 'J'		
Increase/(Decrease) in stocks		
Closing Stocks		
Finished goods	41553	444147
Semi finished goods	3112417	3401145
Work in progress	-	488620
	<u>3153970</u>	<u>4333912</u>
Less : Opening Stocks		
Finished goods	444147	2511722
Semi finished goods	3401145	4740081
Work in progress	488620	25304
	<u>4333912</u>	<u>7277107</u>
	<u>(1179942)</u>	<u>(2943195)</u>
SCHEDULE 'K'		
MANUFACTURING EXPENSES		
Processing & Packing Charges	12673633	23922493
Accessories & Packing Materials	2127308	6555897
Power & Fuel	108910	838352
	<u>14909851</u>	<u>31316742</u>

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CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	2008-2009	2007-2008
	(Rs.)	(Rs.)
SCHEDULE 'L'		
ADMINISTRATIVE EXPENSES		
Payments to & provisions for employees		
- Salaries & Bonus	12199339	12123974
- Company's Contribution to Provident & other Funds	742510	798461
- Staff Welfare Expenses	185544	125236
	<u>13127393</u>	<u>13047671</u>
Managerial Remuneration	3370675	321360
Board Meeting Fees	120000	185000
Travelling Expenses	3007437	2127062
Telephone & Postage Expenses	2029385	2312741
Repairs & Maintenance		
- Plant & Machinery	3930	78387
- Building	-	815
- Others	378973	1074791
	<u>382903</u>	<u>1153993</u>
Rent	799753	269244
Rates & Taxes	258425	395728
Service Tax	1668452	1473204
Printing & Stationery	772474	991281
Conveyance Expenses	474235	698294
Securities Expenses	212237	303336
Insurance Expenses	280332	454378
Legal & Professional Charges	11520121	4609593
Internal Audit Fees	90000	90000
Auditors remuneration :		
Audit fee	706354	429354
Tax Audit	90000	90000
Other Services	59986	36620
	<u>856340</u>	<u>555974</u>
Miscellaneous Expenses	3648665	2396857
Service Charges	2914426	485110
Bank Charges & Overseas Bank Chgs	3719223	869709
Sundry Debit Balance written off	158373	-
Discarded Assets written off	642264	-
Bad Debts	282597	-
Provision for Doubtful Debts	-	266261
Security Transaction Tax	108223	256018
Loss in Equity Derivatives	369118	3250392
Diminution in value of short term investments	98322	-
Share of Loss in Partnership LLC	-	1496877
Loss by Fire (Refer Note No. 8 of Schedule 'O')	-	445126
	<u>50911373</u>	<u>38455209</u>
SCHEDULE 'M'		
SELLING AND DISTRIBUTION EXPENSES		
Freight & Forwarding	609093	1985043
Sample Expenses	910590	952081
Insurance	79375	109085
Business Promotion	765228	223771
E.C.G.C. Premium	82084	129427
Warehousing & Loading Unloading Charges	510	1180
Commission Paid	5487127	4794615
	<u>7934007</u>	<u>8195202</u>

PODDAR DEVELOPERS LIMITED
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CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'N'

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
Wearology (FZE)	U.A.E.	100%	31-03-2009
Wearology Ltd. LLC	U.S.A.	100%	31-03-2009
Makara Real Estate Ltd.	India	100%	31-03-2009
Poddar Habitat Pvt. Ltd.	India	100%	31-03-2009
Poddar Leisure Infrastructure Pvt. Ltd.	India	100%	31-03-2009
Poddar Infrastructure Pvt. Ltd.	India	100%	31-03-2009

- 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 31-03-2009.
- 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 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) :-

Name of Firm	Ownership (%)	Capital as on 31-3-09	Company's Share Profit/(Loss)	Year Ending
A. Organically Grown LLC, USA Partner 1) Poddar Developers Ltd. 2) MJIR Inc., USA	50% 50%	84,79,442	15,53,198 *	31-12-2008
B. Nav Nirman Agro ** Partner 1) Poddar Developers Ltd. 2) Six Individuals	99% 1%	9,90,000	Nil	31.03.2009

* Equivalent to US \$ 35588/-

** 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 on Margin Money/Term deposits given to the bank.
- 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.

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B. 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.

C. 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.

D. Exchange Fluctuations

Sundry Debtors and credit balance in debtors in foreign currencies, which were outstanding as on the date of Balance Sheet, have been converted on the basis of rates prevailing at the year-end. Net difference due to such conversion has been adjusted to sales. Similarly, the Current Liabilities in foreign currency which were outstanding as on the date of balance sheet have been 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 have been converted on the basis of rates prevailing at the year-end. Exchange differences for the same have been credited / debited to Foreign currency translation reserve and effect to the Profit & Loss is given only when the investment is actually realized.

E. Inventories

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.

F. Revenue Recognition

- a) Sales are accounted for on the basis of the date of Bill of Lading/Airway bill.
- b) Services are accounted for on time proportion basis which are covered under agreement. Other services are accounted for as and when rendered.
- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable except the Interest on Margin money/Term deposits given to the bank.
- d) Dividend income is recognized when the shareholders' right to receive the payment is established.

G. Gratuity, Leave Encashment & Retirement Benefits

- a) Provision in respect of gratuity liability has been made on the basis of amount as calculated as per payment of Gratuity Act, 1972. The same is however not actuarially determined.
- 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.

H. Taxation

Tax expenses include current, deferred and fringe benefit tax. Provision for Income tax and fringe benefit tax is made on the basis of the taxable income/fringe benefit 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 substantively 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.

I. 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.

J. Equity Derivative instruments

- a) **Initial Margin** - Equity Derivative instruments represent the initial margin paid and additional margin paid over and above the initial margin for entering into a contract for Equity Derivative instruments. These are released on final settlement/squaring up of underlying contracts and also appropriated against 'Mark-to-Market' losses which are disclosed under Loans and Advances.
- b) **Equity Stock Futures** – As on balance sheet date for ascertaining the profit or loss on account of open stock futures, where the net 'Mark-to-Market' is negative, the anticipated loss is charged to profit and loss account under the head 'Administrative expenses' and where the net 'Mark-to-Market' is positive, the same is treated as income.

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 2009:

1. Contingent liabilities not provided for:
 - a) Bills Discounted with Bank Rs. NIL (Pr.Yr. Rs. 74,84,482/-).
 - b) Bank guarantee outstanding Rs. NIL (Pr.Yr. Rs. 19,00,000/-).
 - c) Letter of Credit outstanding Rs. NIL (Pr.Yr. Rs. 83,14,397/-)
 - d) Claims against the Company not acknowledged as debt Rs. 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 Rs. 1.00 lac as earnest money.
 - e) Outstanding 40 contracts in Equity Derivative Instruments amounting to Rs. 144.66 lacs against which margin provided Rs. 52.78 lacs.
 - f) Capital Contracts remaining to be executed not provided for Rs. 1,03,56,950/- against which a sum of Rs. 60,77,066/- advanced paid.
2. Sundry Debtors, Creditors and Loans & Advances are subject to confirmation and reconciliation.
3. Income Tax
Parent - Company
 - a) During the year, for A.Y. 1993-94, the CIT (Appeals) has 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 has decided to make a provision of Rs. 4 lacs against which Rs. 3 lacs has already been paid. The balance payment 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 aggregating demand of Rs. 455770/- net of refund which has been provided in accounts.
 - c) In respect of A.Y. 2001-02 Income tax authorities have raised the demand for Rs.155424/- against which company has requested the income tax authorities to appropriate the refund of Rs. 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.
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 of the assets since the Company has sold its manufacturing unit during the year.
5. a) The Company has doubtful debts of Rs. 10.37 lacs against which Rs. 2.66 lacs has been provided for as the company is hopeful of recovering the same either in cash or by return of merchandise.

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- b) Similarly, no provision has been made for doubtful advance of Rs. 25 lacs. The company is negotiating the allotment of built-up area in the party's project - Tuscany Terraces located at Karjat.

Effect if any will be given in the subsequent year.

6. The Company has not provided for employee benefit such as Gratuity, Leave Encashment and other retirement benefits as per AS-15 on "Employee benefits" (revised 2005) in view of insignificant impact on the profit as most of the employees have been retrenched on account of the sale of the manufacturing unit. However, the Company proposes to contribute to the scheme of LIC after determining the exact liability actuarially. Necessary effects would be given in the subsequent year.

7. Segment Information

(Figures in Rs.)

Particulars				Total
	Garment	Realty	Unallocated	
Business Segment				
REVENUE				
External Revenue	329509468 (150712490)	– (8042006)	41815249 (308120814)	371324717 (466875310)
RESULT				
Segment Result before Unallocated Expenses	38711099 (8446307)	–10599175 (3421370)	41815249 (303117527)	69927173 (314985204)
Less : Unallocated Expenses				25995175 (3304099)
Taxes				–2856689 (65444110)
Net Profit after Tax				41075309
				(246236995)
OTHER INFORMATION				
Segment Assets	16568444 (41127376)	50062395 (2985174)	– –	66630839 (44112550)
Other Unallocated Assets				468093584 (458307052)
TOTAL Assets				534724423 (502419602)
Segment Liabilities				– (7488734)
Other Unallocated Liabilities				7934522 (10833934)
Total Liabilities				7934522 (18322668)

(Figures in Rs.)

Particulars			
	Outside India	Within India	Total
Geographical Segment			
Segment Revenue	311724973 (119151472)	59599744 (347723838)	371324717 (466875310)

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 manufacturing by outsourcing, supply against Back-to-Back L/Cs from one country to another and providing services to its subsidiaries towards merchandising and documentations.

- ii. Realty segment has just commenced. It would comprise of Land bank and Land development and construction of township. It also comprises of Realty finance.
- iii. Others segment mainly comprises of income from investments of surplus funds and profit on sale of fixed assets.

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.

8. The Company has given advances aggregating to Rs.26,87,759/- (Pr Yr.Rs.26,62,758/-) in the previous year for procurement of land at Tisgaon-Dombivali, Maharashtra. There is no significant development on such procurements during the year. The recovery thereof would depend upon further development of the project and market conditions.

9. Bhivpuri Project - Construction of special Township for LIG / MIG Hsg.

- a) The Board has approved the above project to be constructed in the area of 130 acres of the land, proposed to be procured, for which Magus Consultants Pvt. Ltd. has been appointed as the project consultants as per the terms of the agreement dated 12/12/2008.
- b) In the meantime, the Company has disbursed the following payments, the benefit thereof would finally depend on the actual execution of the projects, which have been presently treated as Advances / Pre-Operative Expenses and grouped under the head Loans and Advances.

Nature of Disbursements	Amount Rs. in Lacs
i) Advances / Token for purchase of Land* (Including Incidentals Charges)	302.13
ii) Advances for Land development	25.80
iii) Advances to Project Consultants	24.78
iv) Legal & Professional Charges	30.17
v) Other Expenses	1.65
Grand Total	384.53

*Including Rs.228.68 lacs paid towards purchase of Land covered by agreements of sale duly registered with the appropriate authority and also covered by supplementary agreement dated 25th February 2009. The conveyance thereof would be made in favour of the Company after obtaining necessary statutory approvals.

10. Pursuant to the Board resolution, the Company has decided to set up the unit for manufacture of Hollow and Paver Blocks for an estimated project cost of Rs.3.00 crores and has incurred the following expenses which have either been grouped under Capital WIP or Loans and Advances.

Description	Amount Rs. in Lacs
i) Borwell Charges	1.30
ii) Land Development & Build Material	11.71
iii) Advances for Purchase of Machinery	60.77
v) Others	0.20
Grand Total	73.98

Certain portion of the land, out of the land shown in Note no. 9 (b) above, will be used for setup of the aforesaid unit.

The above project is in the initial stage and the implementation thereof would finally depend on the requirement of the housing projects being developed by the Company including the Bhivpuri project as referred above.

11. In case of Wearology FZE, (UAE), the Company has transferred such amount to Statutory Reserve so as to make balance in reserve account equivalent to 50% of share capital as per the provisions for U.A.E. Commercial Law No. 8 of 1984 (as

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amended by Law No. 13 of 1988). Further appropriation to Statutory Reserve shall be discontinued. Statutory Reserve is not a free reserve and is not available for distributions.

12. On account of non-viability of its manufacturing unit, the Company has closed its operations pursuant to resolution passed by the shareholders on 20th June 2008 and all the fixed assets of the same have been sold during the year. However, the Company continues its outsourcing activity. This closure would have no impact on the going concern status as the Company is diversifying its main activity in the business of real estate.
13. a) Total Outstanding Dues of Small Scale Industrial Undertaking Rs.1414/- (Pr. Yr. Rs.20,998/-). The name of the Small Scale Industrial Undertaking, to whom the Company owes a sum, outstanding for more than 30 days is 'Industrial Box Co.'. The information regarding the small scale industrial undertakings have been determined to the extent such parties have been identified on the basis of information available with the Company and the Auditors have relied thereon.
- b) 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.
14. The Deferred Tax Liability / (Asset) comprises of tax effect of timing differences on account of:

	Up to 31.03.2008 Rs.	For the Current Year Rs.	As at 31-03-2009 Rs.
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	4856442	(2207190)	2649252
Deferred Tax (Asset)-			
Provision for Gratuity	(885074)	(92921)	(977995)
Provision for Leave Encashment	(388509)	9075	(379434)
Provision for Bonus	(200886)	(2642)	(203528)
TOTAL	3381973	(2293678)	1088295

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

15. 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 LLC
Nav Nirman Agro

(ii) Enterprises over which Key Management personnel/Relatives have significant influence
Suvijay Exports Ltd
Tiara Trading & Investment Pvt. Ltd
Gleam Trading & Investment Pvt. Ltd
Sapphire Advisors Pvt. Ltd.
Brite Merchants Ltd
Citron Finlease Pvt. Ltd
Knitrite Apparelco Ltd
Santosh Trading & Investment Pvt. Ltd

(iv) Key Managerial Person:
Shri Dipak Kumar Poddar – Executive Chairman
Shri Rohitashwa Poddar - Whole time Director

PODDAR DEVELOPERS LIMITED

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 Rs.)

Particulars	A		B		Total A + B	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Investment in Joint Ventures/ Partnership		Enterprise over which key management personnel/Relatives have significant influence			
Opening Balance	-	-	10367043	(56464212)	10367043	(56464212)
Loan Repaid	-	-	-	61300000	-	61300000
Loan Given	-	-	-	12000000	-	12000000
Loan Repaid by Party	-	-	(5000000)	(7000000)	(5000000)	(7000000)
Interest Payable	-	-	-	(486112)	-	(486112)
Payment against Int. Payable	-	-	-	486112	-	486112
Interest Receivable	-	-	173220	158484	173220	158484
Receipt against int. Receivable	-	-	(331704)	-	(331704)	-
Advance Received	-	-	-	(180)	-	(180)
Advance repaid	-	-	-	180	-	180
Advance Given	25000000	-	6448949	8561000	31448949	8561000
Advance Recovered	(23918049)	-	(4851881)	(790000)	(28769930)	(790000)
Expenses incurred on our behalf	-	-	(414679)	11935	(414679)	11935
Amt. paid against Exp. incurred on our behalf.	-	-	393226	(145870)	393226	(145870)
Expenses incurred by us on behalf of others	81480	-	15355	612657	96835	612657
Amount recovered against exp. incurred on behalf of others	(56947)	-	-	(125000)	(56947)	(125000)
Rent Receivable/(Payable)	-	-	(80000)	(60000)	(80000)	(60000)
Paid/(Received) against Rent	-	-	99042	108000	99042	108000
Sales fabrics/Garment/Job work	174548	-	-	-	174548	-
Amt. paid / (received) against Garment Purchase/Sale	(174548)	-	-	-	(17458)	-
Purchase of Investments	-	-	-	(125000)	-	(125000)
Paid against Purchase of Investment	-	-	-	125000	-	125000
Processing chgs done by others	-	-	(6818571)	(79010109)	(6818571)	(7910109)
Sales of Fixed Assets	-	-	-	2034286	-	2034286
Amt. received against sales of Fixed Assets	-	-	-	(2000000)	-	(2000000)
Amt. receivable/payable last year (received)/Paid during the yr.	-	-	-	75872	-	75872
Balance Receivable/payable as at year end	1106484	-	-	10367043	1106484	10367043

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b) Details of Related party transactions of Subsidiary :-

Name of Subsidiary : Wearology FZE (UAE).

Name of Related Party : Organically Grown LLC (USA)

	Rs.
Loan Taken	742074
Interest on Loan	5676
Sales	96621

(c) Details relating to parties referred to in Items 15 (1) (iii) above.

Amt. in Rs.

Managerial Remuneration	Executive Chairman	Managing Director
Salary & Allowances	2376000 -	546000 (312000)
Perquisites	334315 -	105000 -
Contribution to PF	- -	9360 (9360)
Total	2710315 -	660360 (321360)

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.

16. 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	Rs. Gratuity
Opening Balance	1143011	2603924
Additions	367985	950660
Utilization	260319	492671
Reversal	134364	184612
Closing Balance	1116313	2877301

17. 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.	Reliance Liquid Fund - Cash Plan-Weekly Dividend	-	2261273.523	2940.847	2264214.370	-
2.	Reliance Liquid Fund - Weekly Dividend Reinvestment option	407147.396	-	2987.661	410135.057	-
3.	Reliance Liquidity Fund - Institutional Option Daily dividend	44666.722	119699.782	1229.645	165596.149	-
4.	Reliance Medium Term Fund Daily Dividend	-	17926926.570	440284.048	2901348.307	15465862.311
5.	Reliance Monthly Interval Fund - Srs. I - Dividend Plan	20846520.168	985167.016	-	21831687.184	-
6.	Tata Floater Fund Weekly Dividend	-	2479986.509	27687.551	2507674.06	-
7.	HSBC Fixed Term Series 52 Inst. Gr- Tenure - 1 yr.	-	5000000.000	-	5000000.00	-

19. Consumption of Raw materials has been arrived at after deducting the sales proceeds of stock of unusable Raw materials of Fents/Regs etc.
20. 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 2009. 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.
21. Profit on sale of Raw material & Accessories remains adjusted in consumption
22. The figure in the bracket represents the figures of the previous year.
23. Previous year figures are regrouped/re-arranged wherever necessary.
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 'N'

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: 28th April, 2009

Wearology (FZE)

MANAGER'S REPORT

The Manager of the Company has pleasure in submitting this report along with the financial statement of Wearology (FZE), SAIF Zone, Sharjah (U.A.E.) for the period 1st September 2008 (date of incorporation) to 31st March 2009.

Legal Status and Shareholders :

Wearology (FZE) is registered as a Free Zone Establishment with limited liability with Sharjah Airport International Free Zone (SAIF Zone) Authority in the Emirate of Sharjah under commercial license No. 01-01-06596.

M/s. Poddar Developers Ltd., a limited company registered under certificate of incorporation No. PLC 143066 under Indian Companies Act of 1956, India, is the sole shareholder of the company holding 1 share of AED 150,000/-. The registered address of M/s. Poddar Developers Ltd. is Unit No. 3-5, Neeru Silk Mills, Mathuradas Mills Compound, 126, N. M. Joshi Marg, Lower Parel (W), Mumbai 400 013, Maharashtra, India.

Operation of the Company :

The Company holds a commercial license and is engaged in import & export of ladies, gents & children's garments. During the period under review, the Company has achieved turnover of AED 7,952,251/- and carried total comprehensive income of AED 1,549,498/-.

Results & Dividend :

The total comprehensive income for the period amounted to AED 1,549,498/-. The Company has restricted its transfer to Statutory Reserve of AED 75,000/-, being 50% of the paid up share capital. Further transfer is discontinued since the balance in reserve account has reached 50% of the paid up 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 Date of Statement of Financial Position :

There were no important events occurring after the date of statement of financial position 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 2009-10 and to fix their remuneration be put up before the shareholders at the Annual General Meeting.

For Wearology (FZE)

Rohitashwa Poddar
Manager

Place : Sharjah (U.A.E.)
Date : 4th April 2009

INDEPENDENT AUDITOR'S REPORT

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

1. Scope :

We have audited the accompanying financial statements of Wearology (FZE), Sharjah (U.A.E.), for the financial period ended 31st March 2009 comprising of Statement of Financial Position as at 31st March 2009, related Statement of Income, Changes in Equity and Cash Flows for the period ended 31st March 2009 as set out on pages 4 to 7 read along with notes to the financial statements on pages 8 to 13.

2. 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.

3. 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.

- #### 4. a.
- a. Balance of Loan from Related Party (Organically Grown, U.S.A.) is subject to confirmation.
 - b. Investments represents investments in funds which are stated at cost. No provision for appreciation (depreciation) in value of same has been made in the accounts & profit (loss) will be charged to income statement on sale of said investments. Income from investments will be recognised when received.

5. Opinion :

In our opinion, the aforesaid financial statements subject to para 4 above and changes, if any, arising as a result of same and read along with the enclosed notes to the statements represent fairly, in all material respects, the financial position of Wearology (FZE), Sharjah (U.A.E.) as at 31st March 2009, the results of its operations, changes in equity and cash flows for the period ended 31st March 2009 and were prepared in conformity with International Financial Reporting Standards applied on consistent basis.

6. Other Matters :

- a. We confirm that, in our opinion proper books of accounts have been maintained by the company and these financial statement and the contents of the Manager's Report are in agreement with the books of accounts.
- b. We have obtained all information & explanations necessary for our audit and to the best of our knowledge and belief, there was no violation of the provisions of the U.A.E. Commercial Companies Law No. 8 of 1984 (as amended by Law No. 13 of 1988), Free Zone Regulations and Memorandum of Association of the Company and that would effect materially the working or the financial statements of the Company.

Date : 4th April 2009
Place : Sharjah (U.A.E.)

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

**Statement of Financial Positions
as at 31st March 2009**

**Statement of Comprehensive Income
for the period 1-9-2008 to 31-3-2009**

Amount in U.A.E. Dhs. (AED)			
Sr.	Particulars	Note No.	31-3-2009
Assets Employed :			
i.	Current Assets		
	Cash & Bank Balances	5	1,244,213
	Deposits, Prepayments & Advances	6	34,844
	Receivables	7	268,933
			<u>1,547,990</u>
ii.	Investments	8	1,468,000
	Total Assets Employed		<u>3,015,990</u>
Liabilities & Equity :			
iii.	Current Liabilities :		
	Payables	9	268,583
	Loan from Related Parties	10	953,895
	Accrued Expenses		94,014
			<u>1,316,492</u>
iv.	Shareholders' Equity :		
	Share Capital	11	150,000
	Reserves & Surplus	12	1,549,498
			<u>1,699,498</u>
	Total Liabilities & Equity		<u>3,015,990</u>

Amount in U.A.E. Dhs. (AED)			
Sr.	Particulars	Note No.	1-9-2008 to 31-3-2009
i.	Sales		7,952,251
ii.	Less : Direct Costs	14	(6,757,141)
iii.	Gross Profit		1,195,110
iv.	Other Operating Income	15	522,956
v.	Less : Administrative Expenses :		
	Rent		(23,100)
	General Administrative Expenses	16	(65,624)
	Bad Debts		(7,228)
			<u>(95,952)</u>
vi.	Profit (Loss) from Operations		1,622,114
vii.	Non Operating Items :		
	Less : Finance Charges	17	(72,616)
viii.	Net Income		<u>1,549,498</u>
ix.	Add : Other Comprehensive Income		-
x.	Total Comprehensive Income		<u>1,549,498</u>
xi.	Appropriations :		
	Opening Balance of Retained Earnings		-
	Less : Transferred to Statutory Reserve		(75,000)
xii.	Closing Balance of Retained Earnings.		<u>1,474,498</u>

The attached note nos. 1 to 18 form an integral part of these financial statements. Auditor's Report is on Pages 1 & 2. The Shareholders has authorised the Manager to issue these financial statements on 4th April 2009.

The attached note nos. 1 to 18 form an integral part of these financial statements. Auditor's Report is on Pages 1 & 2. The Shareholders has authorised the Manager to issue these financial statements on 4th April 2009.

For Wearology (FZE)

For Wearology (FZE)

Rohitashwa Poddar
Manager

Rohitashwa Poddar
Manager

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Statement of Changes in Equity for the period 1-9-2008 to 31-3-2009

Particulars	Amount in U.A.E. Dhs. (AED)			
	Share Capital	Statutory Reserve	Retained Earnings	Total
As at 1-9-2008	--	--	--	--
Total Comprehensive Income	--	--	1,549,498	1,549,498
Transfers	--	75,000	(75,000)	--
Net Movements	150,000	--	--	150,000
As at 31-3-2009	150,000	75,000	1,474,498	1,699,498

The attached note nos. 1 to 18 form an integral part of these financial statements. Auditor's Report is on Pages 1 & 2. The Shareholders has authorised the Manager to issue these financial statements on 4th April 2009.

For Wearology (FZE)

Rohitashwa Poddar
Manager

Statement of Cash Flows for the period 1-9-2008 to 31-3-2009

Sr. No.	Particulars	Note No.	Amount in U.A.E. Dhs. (AED)
			1-9-2008 to 31-3-2009
i	Cash Flows from Operating Activities :		
	Total Comprehensive Income		1,549,498
	Operating Profit		1,549,498
	Changes in Operating Assets & Liabilities :		
	Decrease (Increase) in Deposit, Prepayments & Advances		(34,844)
	Decrease (Increase) in Receivables		(268,933)
	Decrease (Increase) in Payables & Advances		268,583
	Increase (Decrease) in Accrued Expenses		94,014
	Cash Generated from Operations		1,608,318
ii	Cash Flow from Investing Activities :		
	(Increase) in Investments		(1,468,000)
	Cash (Used in) Investing		(1,468,000)
iii	Cash Flow from Financing Activities :		
	Increase (Decrease) in Share Capital		150,000
	Increase (Decrease) in Loan from Related Parties		953,895
	Cash Generated from Financing		1,103,895
	Add : Surplus (Deficit) for the period		1,244,213
	Opening Balance of Cash & Cash Equivalents		--
	Closing Balance of Cash & Cash Equivalents	5	1,244,213

The attached note nos. 1 to 18 form an integral part of these financial statements. Auditor's Report is on Pages 1 & 2. The Shareholders has authorised the Manager to issue these financial statements on 4th April 2009.

For Wearology (FZE)

Rohitashwa Poddar
Manager

Notes to Financial Statements for the period ended 31-3-2009

1. Status and Activity :

- 1.1 Wearology (FZE) is registered as a Free Zone Establishment with limited liability with Sharjah Airport International Free Zone (SAIF Zone) Authority in the Emirate of Sharjah under commercial license No. 01-01-06596.
- 1.2 M/s. Poddar Developers Ltd., a limited company registered under certificate of incorporation No. PLC 143066 under Indian Companies Act of 1956, India, is the sole shareholder of the company holding 1 share of AED 150,000/-. The registered address of M/s. Poddar Developers Ltd., is Unit No. 3-5, Neeru Silk Mills, Mathuradas Mills Compound, 126, N. M. Joshi Marg, Lower Parel (W), Mumbai-400 013, Maharashtra, India.
- 1.3 The registered address of the company is Post Box 122093, SAIF Zone, Sharjah (U.A.E.).
- 1.4 The company holds a commercial license and is engaged in import & export of ladies, gents & children's garments.

2. Accounting Period & Currency :

The financial statements enclosed covers the period 1st September 2008 (date of incorporation) to 31st March 2009. This being the first reporting period, previous period figures are not applicable.

The figures of the statements are in UAE Dirhams and have been rounded off to the nearest UAE Dirham.

3. 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 Accounting Convention :

The enclosed financial statements have been prepared under historical cost convention and on going concern basis in accordance with International Financing Reporting Standards. The company follows accrual basis of accounting wherein transactions and events are recognised as & when they occur and are recorded & reported in the financial statements of the year to which they relate to.

3.2 Property, Plant & Equipment :

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

3.3 Investments :

Investments represents investments in funds which are stated at cost. No provision for appreciation (depreciation) in value of same has been made in the accounts & profit (loss) will be charged to income statement on sale of said investments. Income from investments will be recognised when received.

3.4 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 slow/non-moving inventory, if any.

3.5 Receivables :

Receivables are carried at anticipated realisable values. Bad Debts are being written off as and when same arises.

3.6 Provisions :

Provisions are recognised 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 will required to settle these obligations and a reliable estimate of the same can be made.

3.7 Employee Benefits :

Staff benefits, if any, have been provided for in accordance with UAE Labour Law requirements.

3.8 Statutory Reserves :

The company has transferred such amount to Statutory Reserve so as to make balance in the reserve account equivalent to 50% of Share Capital as per the provisions for UAE Commercial Law No. 8 of 1984 (as amended by Law No. 13 of 1988). Further appropriation to Statutory Reserve shall be discontinued. Statutory Reserve is not a free reserve and is not available for distributions.

3.9 Revenue Recognition :

Revenue represents sales income, net of discounts & returns, if any. Sales income is recognised as and when goods are sold and the title of the goods passes on to the buyer. Other Income includes commission received and is recognised when due.

3.10 Foreign Currency Transactions :

- a. Transactions in foreign currency are converted into UAE Dhs. at prevailing exchange rate on the date such transactions are entered into.
- b. Foreign currency assets and/or liabilities outstanding as at the close of the year are recorded at exchange rate prevailing at the close of business on the statement of financial position date.
- c. Resultant loss or gain has been accounted in the year in which such assets are realized or liabilities are discharged.

3.11 Cash & Cash Equivalents :

Cash & Cash Equivalents for the purpose of cash flow statement comprise of cash on hand & balances with bank in current account.

4. Other Significant Disclosures :

4.1 Related Party Transactions :

The company enters into transactions with another firm or persons that fall within the definitions of related party as contained in International Financial Reporting Standards. Related Parties comprises of the shareholders, Wearology Ltd. LLC U.S.A., Organically Grown, U.S.A., Poddar Developers Ltd., 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 period under review, following transactions were entered into with related party.

Nature of Transaction		2008-09
Sales	AED	7,624/-
Commission Income	AED	495,755/-
Purchases	AED	96,905/-
Service Charges Expenses	AED	230,100/-
Interest on Loan from Related Party	AED	19,478/-

The company has advanced funds to related party which is free of interest, short tenure nature and is shown under the head 'Deposit, Prepayments & Advances'.

4.2 Financial Instruments :

A. Credit, Interest & Exchange Rate Risk :

1. Credit Risk :

Financial assets which potentially subject to the company to credit risk comprising mainly of bank balances, receivables from related parties, other trade receivables, deposits & advances.

Bank balances are with regulated financial institutions.

Receivables are presented net of bad & doubtful debts.

Advances & Deposits are expected to be settled in the normal course of business.

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<p>2. Interest Risk :</p> <p>Loan from related parties are @ interest rate of 3% p.a.</p> <p>3. Exchange Rate Risk : 2008-09 Bank Current A/c. in Euro 103,059/-</p> <p>Any fluctuation in the above currency would effect the profitability and net worth of the company.</p> <p>Except for the above, there were no significant exchange rate risks as most of the financial assets and financial liabilities are denominated in UAE Dirhams/US Dollars.</p> <p>B. Fair Value Information :</p> <p>Fair Value represents the amount at which an asset could be exchanged or a liability settled in an arm's length transaction. In respect of all the company financial assets viz. cash & bank balances, receivables, deposits and liabilities viz. payable in the opinion of the management, the book value approximates to their carrying value.</p> <p>4.3 Number of Employees :</p> <p>Number of employees as on date of statement of financial position was Nil.</p> <p>5. Cash & Bank Balances / Cash & Cash Equivalents :</p> <p style="text-align: right;">31-3-2009</p> <p>Cash on Hand -</p> <p>Balance with Bank in Current Account 1,244,213</p> <p style="text-align: right;"><u>1,244,213</u></p> <p>6. Deposits, Prepayments & Advances :</p> <p>Deposits 3,500</p> <p>Prepayments 24,000</p> <p>Advance to Related Party -</p> <p style="padding-left: 20px;">Wearology Ltd. LLC, U.S.A. -</p> <p style="padding-left: 20px;">Poddar Developers Ltd., Mumbai, India 6,264</p> <p>Advance to Others 1,080</p> <p style="text-align: right;"><u>34,844</u></p> <p>Advance to Related Party is short term in nature and free of interest.</p> <p>Advance to Others represents advance paid to SAIF Zone which is short term in nature and free of interest.</p> <p>7. Receivables :</p> <p>Trade Receivables 268,537</p> <p>Related Party Receivables-Organically Grown, USA 396</p> <p style="text-align: right;"><u>268,933</u></p> <p>Agewise Analysis of Receivables :</p> <p>Less than 3 months 178,170</p> <p>More than 3 months but less than 6 months 90,763</p> <p style="text-align: right;"><u>268,933</u></p> <p>Geographical Analysis of Receivables :</p> <p>From U.S.A. 143,036</p> <p>From Australia 124,780</p> <p>From Canada 1,117</p> <p style="text-align: right;"><u>268,933</u></p> <p>8. Investments :</p> <p>Investment represent investments in UBS AG Liquid Funds of USD 400,000/-. These are held in the name of the company and used exclusively for the purpose of business and benefit of the company.</p>	<p>9. Payables :</p> <p>Trade Payables 267,661</p> <p>Related Party Payables - Poddar Developers Ltd., Mumbai, India 355</p> <p>Advance from Customers 567</p> <p style="text-align: right;"><u>268,583</u></p> <p>10. Loan from Related Parties :</p> <p>Wearology Ltd. LLC, U.S.A. 898,845</p> <p>Organically Grown, U.S.A. 55,050</p> <p style="text-align: right;"><u>953,895</u></p> <p>Loan from Related Party is short term in nature and carries interest @ 3% p.a.</p> <p>11. Share Capital :</p> <p>Share Capital comprises of 1 fully paid up equity share of AED 150,000/-.</p> <p>12. Reserves & Surplus :</p> <p>Statutory Reserve 75,000</p> <p>Retained Earnings 1,474,498</p> <p style="text-align: right;"><u>1,549,498</u></p> <p style="text-align: right;">1-9-2008 to 31-3-2009</p> <p>13. Direct Costs</p> <p>Opening Stock -</p> <p>Purchases 6,406,456</p> <p>Service Charges 230,100</p> <p>Commission 120,585</p> <p>Closing Stock -</p> <p style="text-align: right;"><u>6,757,141</u></p> <p>14. General Administrative Expenses :</p> <p>Fees & Charges 27,255</p> <p>Office & Other Expenses 38,369</p> <p style="text-align: right;"><u>65,624</u></p> <p>15. Other Operating Income :</p> <p>Commission Income 495,755</p> <p>Other Miscellaneous Income 27,201</p> <p style="text-align: right;"><u>522,956</u></p> <p>16. Finance Charges :</p> <p>Bank Charges 53,138</p> <p>Interest on Loan from Related Party 19,478</p> <p style="text-align: right;"><u>72,616</u></p> <p>17. Contingent Liabilities :</p> <p>Except for ongoing business commitments against which no loss is expected, there has been no known contingent liability or commitments as on date of Statement of Financial Position.</p> <p>18. Significant Events after the Date of Statement of Financial Position :</p> <p>There were no significant events occurring after the date of statement of financial position which will have any material effect on the working or the financial statements of the company.</p> <p>Signature to notes to financial statements. For Wearology (FZE)</p> <p>Rohitashwa Poddar Manager</p>
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Wearology Limited LLC, USA

AUDITOR'S REPORT

To the Board of Directors of Wearology Limited LLC

We have audited the accompanying balance sheets of Wearology Ltd-LLC and the related statements of earnings, cash flow and changes in shareholders' equity for the year ended March 31, 2009. 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 audits.

We conducted our audits 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 a 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 audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Wearology Limited LLC as of March 31, 2009 and the results of their operations and their cash flows for year ended March 31, 2009 in conformity with accounting principles generally accepted in the United States of America.

For **MZS & Associates**

Chartered Accountants

Abuali Darukhanawala

Partner

Mumbai : April 6, 2009

Balance Sheet as on March 31, 2009

Particulars	As of 31-Mar-09 USD	As of 31-Mar-08 USD
Current Assets		
Cash and Cash	66,172	270,569
Trade receivables	372,964	309,714
Advance recoverable	265,102	-
Total Current Assets	704,238	580,283
Total Assets	704,238	580,283
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts Payables	311,246	348,865
Advance from Customer	34,000	-
Income Tax Payable	106,338	66,160
Other Accrued Liabilities	18,220	15,543
Total Current Liabilities	469,804	430,567
Total Liabilities	469,804	430,567
Stock Holder's Equity		
Common Stock - Par value Rs. 100 (*USD 5) per Equity Shares	500	-
Retained Earnings	233,934	149,716
Total Equity Fund	234,434	149,716
Total Liabilities and Equity Fund	704,238	580,283

Accompanying Notes form an integral part of these Financial Statements.

The Audit Report is set forth on Page 1

For Wearology Limited LLC

For MZS & Associates

Authorised Signatory

Authorised Signatory

Mumbai : April 6, 2009

Income Statement for the year ended March 31, 2009

Particulars	For the year 1-Apr-08 To 31-Mar-09 USD	For the period 24-Sept-07 To 31-Mar-08 USD
Revenue	2,800,847	1,200,236
Cost Revenue	(2,233,342)	(924,128)
Gross Profit	567,505	276,107
Operating Expenses		
S & D and Administrative Expenses	(377,787)	(54,100)
Operating Income	189,717	222,007
Other Income	5,185	-
Income before Interest and Depreciation	194,903	222,007
Finance Charges	(33,397)	(6,638)
Income Before Income Tax	161,506	215,370
Income Taxes	(77,287)	(65,654)
Net Income	84,219	149,716
Earning Per Share		
Basic	84,219	-
Diluted	84,219	-

Accompanying Notes form an integral part of these Financial Statements.

The Audit Report is set forth on Page 1

For Wearology Limited LLC

For MZS & Associates

Authorised Signatory

Authorised Signatory

Mumbai : April 6, 2009

TWENTY SEVENTH ANNUAL REPORT

Cash Flow Statement for the year ended March 31, 2009

Particulars	For the year	For the period
	1-Apr-08 To 31-Mar-09 USD	24-Sept-07 To 31-Mar-08 USD
Cash Flow from Operating Activities		
Net Income	84,219	149,716
Adjustments to reconcile net income to net cash from operating activities :		
Interest Income	(5,185)	-
Charges in assets & liabilities :		
Trade Receivables	(63,250)	(309,714)
Advance from customer	34,000	-
Accounts Payable	(37,619)	348,865
Advance Recoverable	(259,917)	-
Accrued Expenses and Other Current Liabilities	2,677	15,543
Taxes Paid	40,178	66,160
Net Cash (Used for) / From Operating Activities	(204,897)	270,569
Cash Flows from Financing Activities		
Issue of Share Capital	500	-
Net Cash from Financing Activities	500	-
Net Change in Cash and Cash Equivalents	(204,397)	270,569
Cash and cash equivalents at the beginning of the year/period	270,569	-
Cash and cash equivalents at the end of the year	66,172	270,569

The Audit Report is set forth on Page 1.

Statement of Shareholders' Equity and Comprehensive Income

Particulars	Common Stock		Retained Earnings	Total Shareholders' Equity
	Shares	Par Value		
	No.	USD	USD	USD
Net Income for the year	-	-	149,716	149,716
Balance as of March 31, 2008	-	-	149,716	149,716
Issue of shares	1	500	-	500
Net Income for the year	-	-	84,219	84,219
Balance as of March 31, 2009	1	500	233,934	234,434

The Audit Report is set forth on Page 1.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

1. Background

Wearology Limited LLC ('the Company') is a Limited Liability Company incorporated on 24th of September 2007 under section 18-201 of the Delaware Limited Liability Company Act. The Company is into the business of garment trading.

The registered office of the Company is situated at 3422, Old Capital Trail, Suite 700, Wilmington, DE 19808.

The Company is 100% owned by Poddar Developers Limited (Erstwhile Wearology Limited) situated in Mumbai, India with effect from April 2008.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles applicable in the United States for unlisted small and medium enterprises ("U.S. GAAP") as at the date of preparation.

b) Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Such estimates include, but are not limited to, allowance for doubtful accounts, impairment of long-lived assets and goodwill, contingencies and litigation, the recognition of revenues and profits based on the proportional performance method and potential tax liabilities. Actual results could differ from those estimates and assumptions used in the preparation of the accompanying financial statements.

c) Revenue Recognition

The Company derives its revenue from sale of Garments. The revenues of the Company are recognized on the basis of terms of contracts with their customers and are net of taxes and discount.

Interest Income is recognized on a time proportion basis.

d) Cash and Cash Equivalents

Cash equivalents are stated at cost, which approximates their fair value due to the short maturity of the investments. Cash and claims to cash that are restricted as to withdrawal or use in the ordinary course of business are classified as other receivables under current assets, unless they are to be utilized for other than current operations in which case they are classified as other assets, non-current.

e) Earning Per Share

In accordance with the provisions of SFAS 128, "Earning Per Share", basic earnings per share is computed on the basis of the weighted average number of shares outstanding during the period. Diluted Earnings per Share is computed on the basis of the weighted average number of common and diluted common equivalent shares outstanding during the period.

f) Income Taxes

In accordance with the provisions of SFAS 109, "Accounting for Income Taxes", income taxes are accounted for under the assets and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the Financial Statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Income Statement in the period of enactment. Based on management's judgement, the measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits for which it is more likely than not that some portion or all of such benefits will not be realized.

g) Fair value of financial instruments

The fair value of the Company's current assets and current liabilities approximately their carrying values because of their short maturities. Such financial instruments are classified as current and are expected to be liquidated within the next twelve months.

3. Selling and Distribution and other Administrative Expenses :

(Amount in USD)

Particulars	year ended 31-Mar-09	period ended 31-Mar-08
Audit Fees	2,000	-
Commission	168,483	35,000
Consultancy and Management Fees	201,750	19,100
Professional Fees	2,178	-
Others	3,376	-
Total	377,787	54,100

4. Earning per Share

Basic and Diluted earning per share is computed on the basis of the weighted average number of shares outstanding.

The components of basic and diluted earnings per share were as follows :-

(Amount in USD)

Particulars	year ended 31-Mar-09	period ended 31-Mar-09
Net Income	84,219	149,716
Equity Shares :		
Average No. of outstanding shares	1	-
Earning Per Share		
Basic	84,219	-
Diluted	84,219	-

5. Related Party Transactions

The Company has transactions with following related parties during the year. The transactions with related parties are within the normal course of business and at terms which correspond to those on normal arm's length transactions with third parties.

At the Balance Sheet date, balances with related parties were as follows :-

(Amount in USD)

Sr.	Related Party	Nature of transaction	As at 31-Mar-09	As at 31-Mar-08
1.	Poddar Developers Limited (erstwhile Wearology Limited, India)	Advance received	595	-
2.	Wearology FZE, UAE	Advance recoverable	250,104	-

Significant transactions with related parties during the year were as follows :-

(Amount in USD)

Sr.	Related Party	Nature of transaction	Year Ended 31-Mar-09	Year Ended 31-Mar-08
1.	Poddar Developers Limited (erstwhile Wearology Limited, India)	Service Charges	90,000	-
2.	Wearology FZE, UAE	Commission Paid	135,083	-

6. The figures for the previous period are not comparable with the current year figures, since the previous period figures are for the period September 24, 2007 to March 31, 2008 i.e. around six months only.

7. The previous year figures are regrouped / rearranged to conform to the presentation in the current year.

Makara Real Estate Limited

DIRECTORS' REPORT

The Shareholders,
Makara Real Estate Limited
Your Directors have pleasure to submit their 3rd Annual Report of your company along with the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account for the period ended 31st March 2009.

OPERATING RESULTS

The company has incurred Loss of Rs. 29,669/- during the year under consideration. The same along with the carried forward loss of Rs. 40,177/- 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 judgements 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 2009 and of the loss for the year ended 31st March 2009.
- 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

The Board of Directors appointed Shri Lakhi Prasad Kheradi as an Additional Director during the year. Shri Lakhi Prasad Kheradi will hold office as director upto the date of the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his appointment as director, subject to retirement by rotation.

Shri Jinendra Nahar resigned from the Directorship of the Company with effect from 7th May 2008. The Board places on record their appreciation of the services rendered by him during his tenure as a Director of the Company.

Shri Rohitashwa 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 : 10-04-2009

Rohitashwa 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
MAKARA REAL ESTATE LTD.

- (1) We have audited the attached Balance Sheet of **MAKARA REAL ESTATE LIMITED** as at 31st March 2009, and Profit and Loss Account and the 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 to 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 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 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 2009 from being appointed as a director in terms of clause (g) of 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

PODDAR DEVELOPERS LIMITED

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 2008 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)
Membership No. 30108

PLACE : MUMBAI
DATED: 10th April, 2009

BALANCE SHEET AS AT 31ST MARCH 2009

	SCHEDULES	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
SOURCES OF FUNDS			
SHARE HOLDER'S FUND			
Share Capital	A	<u>5,00,000</u>	<u>5,00,000</u>
		<u>5,00,000</u>	<u>5,00,000</u>
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS & ADVANCES			
Cash and Bank Balances	B	<u>4,29,437</u>	<u>4,38,970</u>
Loans and Advances		<u>5,450</u>	<u>-</u>
		<u>4,34,887</u>	<u>4,38,970</u>
Less : Current Liabilities and Provisions	C	<u>40,899</u>	<u>24,354</u>
Net Current Assets		<u>3,93,988</u>	<u>4,14,616</u>
MISCELLANEOUS EXPENDITURE			
Preliminary Expenses	D	<u>36,166</u>	<u>45,207</u>
Profit & Loss A/c.		<u>69,846</u>	<u>40,177</u>
		<u>5,00,000</u>	<u>5,00,000</u>
NOTES ON ACCOUNT Schedules Attached form part of the Account	F		

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 : 10th April, 2009

PROFIT AND LOSS A/C. FOR THE YEAR ENDED 31ST MARCH 2009

	SCHEDULES	For the Year Ended 31-03-2009 (RS.)	For the Period Ended 31-03-2008 (RS.)
INCOME			
Income from Operation		-	-
		<u>-</u>	<u>-</u>
TOTAL		<u>-</u>	<u>-</u>
EXPENDITURE			
Administrative Expenses	E	<u>20,628</u>	<u>20,154</u>
Preliminary Expenses W/off		<u>9,041</u>	<u>5,023</u>
		<u>29,669</u>	<u>25,177</u>
TOTAL		<u>29,669</u>	<u>25,177</u>
Loss for the year		<u>(29,669)</u>	<u>(25,177)</u>
Add: Balance brought forward from previous year		<u>(40,177)</u>	<u>(15,000)</u>
Loss carried to Balance Sheet		<u>(69,846)</u>	<u>(40,177)</u>
Earning per Share (in Rs.) Basic & Diluted E.P.S.		<u>(0.59)</u>	<u>(0.50)</u>
NOTES ON ACCOUNT Schedules Attached form part of the Account	F		

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 : 10th April, 2009

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CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	YEAR ENDED 31st March 2009 Rs.	PERIOD ENDED 31st March 2008 Rs.
A. Cash Flow from operating Activities		
Net Profit / (Loss) after Tax and Extra-Ordinary Items	(29669)	(25177)
Adjustments For		
Preliminary expenses incurred	-	(15210)
Preliminary expenses written off	9041	5023
Operating Profit/(Loss) before Working Capital Charges	(20628)	(35364)
Adjustments For		
Loans and Advances	(5450)	-
Trade Payable	16545	-
Net Cash from Operating Activity (A)	(9533)	(61030)
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)	(9533)	(61030)
Cash & Cash Equivalents (Opening Balance)	438970	500000
Cash & Cash Equivalents (Closing Balance)	429437	438970

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: 10th April 2009

For and on behalf of the Board

Dipak Kumar Poddar - Director

Rohitashwa Poddar - Director

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNT

SCHEDULE 'F'

NOTES ON ACCOUNTS :

	AS AT 31.03.09 (RS.)	AS AT 31.03.08 (RS.)
SCHEDULE 'A'		
SHARE CAPITAL AUTHORISED		
50000 Equity Shares of Rs. 10/- each	<u>500000</u>	<u>500000</u>
	<u>500000</u>	<u>500000</u>
ISSUED, SUBSCRIBED AND PAID UP		
50000 Equity Shares of Rs. 10/- each fully paid up	<u>500000</u>	<u>500000</u>
	<u>500000</u>	<u>500000</u>
SCHEDULE 'B'		
CURRENT ASSETS, LOANS AND ADVANCES		
CASH AND BANK BALANCE		
Cash in Hand	4004	-
Balance with Banks in Current Accounts	<u>425433</u>	<u>438970</u>
	<u>429437</u>	<u>438970</u>
LOANS AND ADVANCES		
Statutory Advances	<u>5450</u>	-
	<u>5450</u>	-
SCHEDULE 'C'		
CURRENT LIABILITIES AND PROVISIONS		
Other Liabilities	<u>40899</u>	<u>24354</u>
	<u>40899</u>	<u>24354</u>
SCHEDULE 'D'		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off)		
Preliminary Expenses	45207	50230
Preliminary Expenses W/off	<u>9041</u>	<u>5023</u>
	<u>36166</u>	<u>45207</u>
SCHEDULE 'E'		
ADMINISTRATIVE EXPENSES		
Legal & Professional Fees	2247	-
Auditors Remuneration	16545	9354
Bank Charges	-	1450
Filing Fees	-	7650
Printing and Stationery	-	1700
Fees & Stamps	<u>1836</u>	-
	<u>20628</u>	<u>20154</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 period the Company has not yet commenced any commercial activities.
3. All the shares of the Company have been acquired by Poddar Developers Limited on 01-02-2008 and thus, the Company is wholly owned Subsidiary of the same.
4. **Related Party Disclosure**
 Related party disclosures, as required by AS-18, "Related Party Disclosures" are given below :-
 - i) Holding Company : Poddar Developers Ltd.

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

(Figures in Rs.)

Particulars	Total Holding Company	
	2008-09	2007-08
Opening Balance	-	-
Advance Received	(17180000)	-
Advance Repaid	17180000	-
Expenses incurred on our behalf	(70355)	-
Amount paid against Exp. incurred on our behalf	70355	-
Balance Receivable/ payable as at year end	-	-

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 : 10th April, 2009

TWENTY SEVENTH ANNUAL REPORT

Poddar Infrastructure Private Limited (Formerly Poddar Old Lane Infrastructure Private Limited)

DIRECTORS' REPORT

The Shareholders,

Your Directors have pleasure to submit their 2nd Annual Report of your company along with the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account for the period ended 31st March 2009.

OPERATING RESULTS

The company has incurred Loss of Rs. 27,349/- during the year under consideration. The same along with the carried forward loss of Rs. 12,583/- is proposed to be carried forward to the balance sheet.

CHANGE IN NAME OF THE COMPANY

The Members at the EGM held on 13th December 2008 approved the change in the name of the company from Poddar Old Lane Infrastructure Pvt. Ltd. to Poddar Infrastructure Pvt. Ltd.

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 judgements 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 2009 and of the loss for the year ended 31st March 2009.
- 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.

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 : 10-04-2009

Rohitashwa 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. (Previously known as Poddar Old Lane Infrastructure Pvt. Ltd.)** as at 31st March 2009, and Profit and Loss Account and the 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 to 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 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 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 2009 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

PODDAR DEVELOPERS LIMITED

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 2009 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: 10th April, 2009

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

BALANCE SHEET AS AT 31ST MARCH 2009

PROFIT AND LOSS A/C. FOR THE YEAR ENDED 31ST MARCH 2009

SCHEDULES	AS AT 31.03.2009 Amount (Rs.)	AS AT 31.03.2008 Amount (Rs.)
SOURCES OF FUNDS		
Share Capital A	1,00,000	1,00,000
	<u>1,00,000</u>	<u>1,00,000</u>
APPLICATION OF FUNDS		
CURRENT ASSETS, LOANS & ADVANCES B	41,826	1,00,000
	<u>41,826</u>	<u>1,00,000</u>
Less : Current Liabilities and Provisions C	11,082	51,681
	<u>11,082</u>	<u>51,681</u>
Net Current Assets	30,744	48,319
MISCELLANEOUS EXPENDITURE (To the extent not written off)	29,324	39,098
	<u>29,324</u>	<u>39,098</u>
Profit & Loss A/c.	39,932	12,583
	<u>39,932</u>	<u>12,583</u>
	<u>1,00,000</u>	<u>1,00,000</u>

NOTES ON ACCOUNT E

Schedules 'A' to 'E' 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 : 10th April, 2009

SCHEDULES	For the Year Ended 31-03-2009 (RS.)	For the Period Ended 31-03-2008 (RS.)
INCOME		
Income from Operation	-	-
	<u>-</u>	<u>-</u>
TOTAL	-	-
EXPENDITURE		
Administrative Expenses D	9,302	-
Preliminary Expenses W/off	9,774	9,774
Audit Fees	8,273	2,809
	<u>27,349</u>	<u>12,583</u>
TOTAL	27,349	12,583
Profit / (Loss) for the year	(27,349)	(12,583)
Add: Loss brought forward from earlier year	(12,583)	-
	<u>(39,932)</u>	<u>(12,583)</u>
Loss carried to Balance Sheet	(39,932)	(12,583)
	<u>(39,932)</u>	<u>(12,583)</u>

NOTES ON ACCOUNT E

Schedules 'A' to 'E' 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 : 10th April, 2009

TWENTY SEVENTH ANNUAL REPORT

CASH FLOW FOR THE PERIOD ENDED 31ST MARCH, 2009

PARTICULARS	YEAR ENDED 31st March 2009 Rs.	PERIOD ENDED 31st March 2008 Rs.
A. Cash Flow from operating Activities		
Net Profit / (Loss) after Tax and Extra-Ordinary Items	(27349)	(12583)
Adjustments For		
Preliminary expenses incurred	-	(48872)
Preliminary expenses written off	9774	9774
Operating Profit/(Loss) before Working Capital Charges	(17575)	(51681)
Adjustments For		
Trade Payable	(40599)	51681
Net Cash from Operating Activity (A)	(58174)	-
B. Cash Flow from Investing Activities		
Net cash flow from Investing Activities (B)	-	-
C. Cash Flow from Financing Activities		
Proceeds from Issue of Shares	-	100000
Net cash Flow from Financing Activity (C)	-	100000
Net increase (Decrease) in Cash &Cash Equivalents (A+B+C)	(58174)	100000
Cash & Cash Equivalents (Opening Balance)	100000	-
Cash & Cash Equivalents (Closing Balance)	41826	100000

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: 10th April 2009

For and on behalf of the Board

Dipak Kumar Poddar - Director

Rohitashwa Poddar - Director

J. Menon - Secretary

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNT

SCHEDULE 'E'

NOTES ON ACCOUNTS :

	AS AT 31.03.09 (RS.)	AS AT 30.11.08 (RS.)
SCHEDULE 'A'		
SHARE CAPITAL AUTHORISED		
1000000 Equity Shares of Rs. 10/- each	10000000	10000000
	<u>10000000</u>	<u>10000000</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>
SCHEDULE 'B'		
CURRENT ASSETS, LOANS AND ADVANCES		
Cheque in Hand	-	100000
Cash in Hand	3833	-
Bank Balance	37993	-
	<u>41826</u>	<u>100000</u>
SCHEDULE 'C'		
CURRENT LIABILITIES AND PROVISIONS		
Other Liabilities	11082	51681
	<u>11082</u>	<u>51681</u>
SCHEDULE 'D'		
ADMINISTRATIVE EXPENSES		
Fees & Stamps	1167	-
Filing Fees	3535	-
Printing and Stationery	4400	-
Bank Charges	200	-
	<u>9302</u>	<u>-</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 period 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 'E'

For R. S. SHAH & CO.
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

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

Rohitashwa Poddar - Director

PLACE : MUMBAI
DATED : 10th April, 2009

TWENTY SEVENTH ANNUAL REPORT

Poddar Habitat Private Limited

DIRECTORS' REPORT

The Shareholders,
Poddar Habitat Private Limited

Your Directors have pleasure to submit their 1st Annual Report of your company along with the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account for the period ended 31st March 2009.

OPERATING RESULTS

The company has incurred Loss of Rs. 11,373/- during the period under consideration. The same 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 judgements 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 2009 and of the loss for the year ended 31st March 2009.
- 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.

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 : 10-04-2009

Rohitashwa 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 HABITAT PVT. LTD.

- (1) We have audited the attached Balance Sheet of **PODDAR HABITAT PVT. LTD.** as at 31st March 2009, Profit and Loss Account and the 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 to 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 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 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 2009 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

PODDAR DEVELOPERS LIMITED

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 2009 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: 10th April, 2009

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

BALANCE SHEET AS AT 31ST MARCH 2009

	SCHEDULES	AS AT 31.03.2009 (RS.)
SOURCES OF FUNDS		
SHARE HOLDER'S FUND		
Share Capital	A	1,00,000
		<u>1,00,000</u>
APPLICATION OF FUNDS		
CURRENT ASSETS, LOANS & ADVANCES		
Cash and Bank Balances	B	85,133
		<u>85,133</u>
Less : Current Liabilities and Provisions	C	8,273
Net Current Assets		<u>76,860</u>
MISCELLANEOUS EXPENDITURE		
Preliminary Expenses Profit & Loss A/c.	D	11,767
		<u>11,373</u>
		<u>1,00,000</u>
NOTES ON ACCOUNT Schedules attached form part of the account	F	

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 : 10th April, 2009

PROFIT & LOSS A/C. FOR THE PERIOD ENDED 31ST MARCH 2009

	SCHEDULES	FOR THE PERIOD ENDED 31.03.2009 (RS.)
INCOME		
Income from Operation		-
TOTAL		<u>-</u>
EXPENDITURE		
Administrative Expenses	E	8,433
Preliminary Expenses written off		2,940
TOTAL		<u>11,373</u>
Loss for the Period Carried to Balance Sheet		<u>(11,373)</u>

NOTES ON ACCOUNT Schedules attached form part of the account

F

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 : 10th April, 2009

TWENTY SEVENTH ANNUAL REPORT

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2009

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNT

PARTICULARS	PERIOD ENDED 31st March 2009 Rs.
A. Cash Flow from Operating Activities	
Net Profit / (Loss) after Tax and Extra-Ordinary Items	(11373)
Adjustments For	
Preliminary expenses incurred	(14707)
Preliminary expenses written off	2940
Operating Profit/(Loss) before Working Capital Charges	(23140)
Adjustments For	
Trade Payable	8273
Net Cash from Operating Activity (A)	(14867)
B. Cash Flow from Investing Activities	
Net cash flow from Investing Activities (B)	-
C. Cash Flow from Financing Activities	
Proceeds from Issue of Shares	100000
Net cash Flow from Financing Activity (C)	100000
Net increase (Decrease) in Cash & Cash Equivalents (A+B+C)	85133
Cash & Cash Equivalents (Opening Balance)	-
Cash & Cash Equivalents (Closing Balance)	85133

SCHEDULE 'B'

CURRENT ASSETS, LOANS AND ADVANCES

CASH AND BANK BALANCES

Bank Balance in Current Accounts	84850
Cash in Hand	283
	85133

SCHEDULE 'C'

CURRENT LIABILITIES AND PROVISIONS

Other Liabilities	8273
	8273

SCHEDULE 'D'

MISCELLANEOUS EXPENSES

Preliminary Expenses	14707
Preliminary Expenses W/off	2940
	11767

SCHEDULE 'E'

ADMINISTRATIVE EXPENSES

Auditor's Remuneration	8273
Bank Charges	160
	8433

SCHEDULE 'F'

NOTES ON ACCOUNTS :

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 period the Company has not commenced any activities. The Company's accounts are for the period of 06-10-2008 to 31-03-2009
3. Previous year figures are not been given since this is the first year of the Company.

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 and on behalf of the Board

For R. S. SHAH & CO.
CHARTERED ACCOUNTANTS

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

PLACE : MUMBAI
DATED : 10th April, 2009

Dipak Kumar Poddar- Director

Rohitashwa Poddar - Director

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNT

	AS AT 31.03.09 (RS.)
SCHEDULE 'A'	
SHARE CAPITAL AUTHORISED	
10000 Equity Shares of Rs. 10/- each	100000
	100000
ISSUED, SUBSCRIBED AND PAID UP	
10000 Equity Shares of Rs. 10/- each fully paid up	100000
(All Shares are held by Poddar Developers Ltd.)	100000

Signature to Schedules 'A' to 'F'

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 : 10th April, 2009

Poddar Leisure Infrastructure Private Limited

DIRECTORS' REPORT

The Shareholders,
Poddar Leisure Infrastructure Private Limited

Your Directors have pleasure to submit their 1st Annual Report of your company along with the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account for the period ended 31st March 2009.

OPERATING RESULTS

The company has incurred Loss of Rs. 11,196/- during the period under consideration. The same 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 judgements 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 2009 and of the loss for the year ended 31st March 2009.
- 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.

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 : 10-04-2009

Rohitashwa 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 31st March 2009, Profit and Loss Account and the 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 to 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 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 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 2009 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

TWENTY SEVENTH 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 2009 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: 10th April, 2009

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

BALANCE SHEET AS AT 31ST MARCH 2009

	SCHEDULES	AS AT 31.03.2009 (RS.)
SOURCES OF FUNDS		
SHARE HOLDER'S FUND		
Share Capital	A	1,00,000
		<u>1,00,000</u>
APPLICATION OF FUNDS		
CURRENT ASSETS, LOANS & ADVANCES		
Cash and Bank Balances	B	86,063
		<u>86,063</u>
Less : Current Liabilities and Provisions	C	8,273
		<u>77,790</u>
Net Current Assets		
MISCELLANEOUS EXPENDITURE		
Preliminary Expenses	D	11,014
Profit & Loss A/c.		11,196
		<u>1,00,000</u>
NOTES ON ACCOUNT		
Schedules attached form part of the account	F	

PROFIT & LOSS A/C. FOR THE PERIOD ENDED 31ST MARCH 2009

	SCHEDULES	FOR THE PERIOD ENDED 31.03.2009 (RS.)
INCOME		
Income from Operation		-
		<u>-</u>
TOTAL		
		<u>-</u>
EXPENDITURE		
Administrative Expenses	E	8,443
Preliminary Expenses written off		2,753
		<u>11,196</u>
TOTAL		
		<u>11,196</u>
Loss for the Period Carried to Balance Sheet		(11,196)
		<u>(11,196)</u>
NOTES ON ACCOUNT		
Schedules attached form part of the account	F	

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 : 10th April, 2009

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 : 10th April, 2009

PODDAR DEVELOPERS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2009

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNT

PARTICULARS	PERIOD ENDED 31st March 2009 Rs.	AS AT 31.03.09 (RS.)	
A. Cash Flow from Operating Activities		SCHEDULE 'B'	
Net Profit / (Loss) after Tax and Extra-Ordinary Items	(11196)	CURRENT ASSETS, LOANS AND ADVANCES	
Adjustments For		CASH AND BANK BALANCES	
Preliminary expenses incurred	(13767)	Balance with Banks in Current Accounts	85850
Preliminary expenses written off	2753	Cash in Hand	213
	(11014)		<u>86063</u>
Operating Profit/(Loss) before Working Capital Charges	(22210)	SCHEDULE 'C'	
Adjustments For		CURRENT LIABILITIES AND PROVISIONS	
Trade Payable	8273	Other Liabilities	8273
Net Cash from Operating Activity (A)	<u>(13937)</u>		<u>8273</u>
B. Cash Flow from Investing Activities		SCHEDULE 'D'	
Net cash flow from Investing Activities (B)	-	MISCELLANEOUS EXPENSES	
C. Cash Flow from Financing Activities		(To the extent not written off)	
Proceeds from Issue of Shares	100000	Preliminary Expenses	13767
Net cash Flow from Financing Activity (C)	<u>100000</u>	Preliminary Expenses W/off	2753
Net increase (Decrease) in Cash & Cash Equivalents (A+B+C)	<u>86063</u>		<u>11014</u>
Cash & Cash Equivalents (Opening Balance)	-	SCHEDULE 'E'	
Cash & Cash Equivalents (Closing Balance)	<u>86063</u>	ADMINISTRATIVE EXPENSES	
		Audtor's Remuneration	8273
		Bank Charges	170
			<u>8443</u>

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 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 : 10th April, 2009

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNT

	AS AT 31.03.09 (RS.)
SCHEDULE 'A'	
SHARE CAPITAL AUTHORISED	
10000 Equity Shares of Rs. 10/- each	100000
	<u>100000</u>
ISSUED, SUBSCRIBED AND PAID UP	
10000 Equity Shares of Rs. 10/- each fully paid up	100000
(All Shares are held by Poddar Developers Ltd.)	<u>100000</u>

SCHEDULE 'F'

NOTES ON ACCOUNTS :

- Significant Accounting Policies.
 - Income and Expenditure are recognized and accounted on accrual basis.
 - 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.
- During the period the Company has not commenced any activities. The Company's accounts are for the period of 10-10-2008 to 31-03-2009
- Previous year figures are not been given since this is the first year of the Company.

Signature to Schedules 'A' to 'F'

As per our report on even date.

For R. S. SHAH & CO.
CHARTERED ACCOUNTANTS

Dipak Kumar Poddar - Director

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

Rohitashwa Poddar - Director

PLACE : MUMBAI
DATED : 10th April, 2009

PODDAR DEVELOPERS LIMITED

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

ATTENDANCE CARD

27TH ANNUAL GENERAL MEETING - THURSDAY, 25TH JUNE 2009

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

27TH ANNUAL GENERAL MEETING - THURSDAY, 25TH JUNE 2009

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 _____

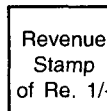
of _____ in the district of _____

or failing him _____ of _____ in the district of _____

as my/our proxy to vote for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on Thursday 25th June, 2009 at 3.00 p.m. at Kilachand Confererence Room, 2nd Floor, Indian Merchant Chambers, Churchgate, Mumbai 400 020.

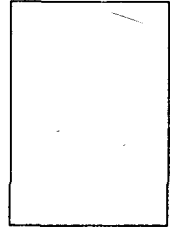
Signed this _____ day of _____ 2009

Signature of Shareholder _____



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

BOOK-POST.



If undelivered, please return to :

PODDAR DEVELOPERS LIMITED

Unit 3-5, Neeru Silk Mills

Mathuradas Mill Compound

126 N. M. Joshi Marg

Lower Parel (W), Mumbai - 400 013.