

DRASHTI DEVELOPERS PRIVATE LIMITED

All Correspondence to:

Shapoorji Pallonji Centre, 41/44, Minoo Desai Marg, Colaba, Mumbai - 400 005. • Tel.: 67490000 Fax : 6633 8176

Director's Report

To the Shareholders

Your directors have pleasure in submitting their Annual Report and Audited Accounts of the Company for the year ended 31st March, 2010.

	For the year ended 31.03.10	For the year ended 31.03.09
	(Rs.)	(Rs.)
WORKING RESULTS		
Profit /(Loss) for the year	(516,314)	(235,076)
Balance Profit/ (Loss) Brought Forward from Previous year	(247,424)	(12,348)
Balance carried to Balance Sheet	(763,738)	(247,424)

Operations

There are no significant transactions during the year under report except for administrative and other expenses incurred.

Particulars of Employees

There was no employee in receipt of remuneration prescribed under Section 217(2A) of the Companies Act, 1956.

Directors

Mr. Adil Khambata and Mr. Manikant Shah continue as the directors of the company.

Directors Responsibility Statement

As required under section U/s 217 (2AA) of the Companies Act 1956, ("the Act") we hereby state :

1. that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper disclosure of departures, if any;
2. that the accounting policies are applied consistently and reasonable and prudent judgments and estimates are made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and its Loss for the year under review;
3. that proper and sufficient care has been taken to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts have been prepared on a going concern basis.

Auditors

The Auditors, Naresh N. Shah, Chartered Accountants, Mumbai retire as Auditors of the Company at the ensuing Annual General Meeting and are eligible for reappointment.

The information required under Section 217 (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in regard to conservation of Energy and Technology absorption is not relevant and no particulars arise in the Company's case.

The Company had no foreign exchange earnings and outgoing during the year under review.

On behalf of the Board

Sd/-

Sd/-

**(MANIKANT SHAH)
DIRECTOR**

**(ADIL KHAMBATA)
DIRECTOR**

Registered Office:

70, Nagindas Master Road, Fort,
Mumbai – 400 023.

12th July, 2010

NARESH N. SHAH

B.Com. (Hons) A. C. A

Naresh N. Shah & Co. Chartered Accountants

17, Mithila, Cama Lane,
Ghatkopar (West),
Mumbai – 400 086

AUDITOR'S REPORT

To,
The Members of,
DRASHTI DEVELOPERS PRIVATE LIMITED

We have audited the attached Balance Sheet of DRASHTI DEVELOPERS PRIVATE LIMITED as at 31st March 2010 and also the Profit and Loss Account 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.

An Audit is conducted in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in 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 and we believe that audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order 2003, as amended from time to time, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order;
2. Further to our comments in the Annexure referred to Paragraph 1 above; we report that:
 - a. 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.
 - b. 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 the books of accounts.

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- c. The Balance Sheet and Profit and Loss Account referred to this Report are in agreement with the books of accounts.
- d. In our opinion, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of the written representations received from the Directors as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on the balance sheet date, from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

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 therein, give the information required by the Companies Act, 1956, in the manner so required and give a true and a fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- b) In the case of the Profit & Loss Account, of the "LOSS" for the year ended on that date; and
- c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

MUMBAI
DATED: 1 2 JUL 2010



For NARESH N. SHAH & CO.,
CHARTERED ACCOUNTANTS


(NARESH N. SHAH)
PROPRIETOR

NARESH N. SHAH

B.Com. (Hons) A. C. A

Naresh N. Shah & Co. Chartered Accountants

17, Mithila, Cama Lane,
Ghatkopar (West),
Mumbai – 400 086

ANNEXURE "1" REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF DRASHTI DEVELOPERS PRIVATE LIMITED FOR THE YEAR ENDED 31ST MARCH, 2010.

- (i) The Company does not have any fixed assets.
- (ii) The Company does not have any inventory.
- (iii) (a) The Company has not granted any secured or unsecured loan to a company covered in the register maintained under Section 301 of the Companies Act, 1956.

(b) The Company has taken unsecured loan from a party listed in the register maintained under Section 301 of the Companies Act, 1956 involving maximum amount of loan taken during the year amounted to Rs. 46,74,071/-, which is year end balance and includes interest accrued on loan amounting to Rs. 6,24,071/-.
- (c) The other terms and conditions of the loan taken by the Company are not, prima facie, prejudicial to the interest of the Company.
- (d) In respect of loan taken by the Company no stipulations have been fixed for the repayment.
- (iv) In our opinion and according to 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 materials, fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) According to information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.

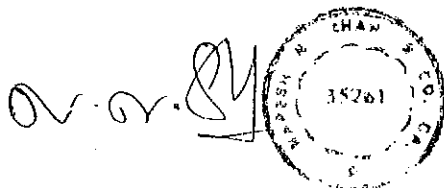
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- (vii) The Company does not have an internal audit system.
- (viii) The provisions of maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of services provided by Company are not applicable.
- (ix) (a) The Company is regular in depositing undisputed statutory dues, including Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it. According to the information and explanations given to us and the records examined by us, there are no undisputed amounts payable in respect of aforesaid dues which were outstanding as at 31st March, 2010 or a period of more than six months from the day they became payable.

(b) According to the information and explanations given to us, there are no statutory dues outstanding on account of any dispute.
- (x) The Company has accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not taken any loan from the bank.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to a chit fund and nidhi/ mutual benefit fund/ societies.
- (xiv) According to the information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised funds on short term basis.
- (xvii) The Company has not made any preferential allotment of shares to parties or companies covered under section 301 of the Act.

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- (xviii) The Company has not issued any debentures during the year.
- (xix) The Company has not raised any money through a public issue during the year.
- (xx) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For NARESH N. SHAH & CO.,
CHARTERED ACCOUNTANTS



MUMBAI
DATED: 12 JUL 2010

(NARESH N. SHAH)
PROPRIETOR

DRASHTI DEVELOPERS PRIVATE LIMITED

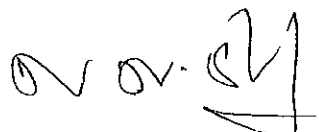
BALANCE SHEET AS AT 31ST MARCH, 2010

Schedule	31/03/2010 Rupees	31/03/2009 Rupees
SOURCES OF FUNDS:		
Shareholders' Funds :		
Share Capital :		
<u>Authorised :</u>		
10,000 Equity Shares of Rs. 10/- each	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>100,000</u>
<u>Issued and Subscribed :</u>		
10,000 Equity Shares of Rs. 10/- each fully paid up (The shares are held by Holding company Shapoorji Data Processing Pvt. Ltd.)	100,000	100,000
Loan Funds :		
Unsecured Loan		
Shapoorji Pallonji & Co. Ltd.	4,050,000	4,000,000
TOTAL :	<u><u>4,150,000</u></u>	<u><u>4,100,000</u></u>
APPLICATION OF FUNDS:		
Current Assets, Loans and Advances :		
Current Assets :		
Cash-in-Hand	17	1,502
Balance in Current Account with Scheduled Bank	<u>27,354</u>	<u>43,009</u>
	27,371	44,511
Loans & Advances:		
Advance Recoverable in Cash or in Kind or for Value to be received :		
Svadeshi Mills Co. Ltd. (in Liquidation)	<u>4,038,503</u>	<u>4,038,503</u>
	4,065,874	4,083,014
Less: Current Liabilities and Provisions :		
Interest Payable	624,071	178,204
Sundry Creditors (For Expenses)	6,000	6,000
Tax Liability	<u>49,541</u>	<u>46,234</u>
	<u>679,612</u>	<u>230,438</u>
Net Current Assets	3,386,262	3,852,576
Miscellaneous Expenditure :		
(To the extent not written off or adjusted)		
Profit and Loss Account	763,738	247,424
TOTAL :	<u><u>4,150,000</u></u>	<u><u>4,100,000</u></u>

NOTES ON ACCOUNTS

A

As per our Report attached
For NARESH N. SHAH & CO.
CHARTERED ACCOUNTANTS



(NARESH N. SHAH)
PROPRIETOR



For and on Behalf of the Board



(A. P. KHAMBATA)



(M. R. SHAH)
DIRECTORS

PLACE : MUMBAI
DATE : 12 JUL 2010

PLACE : MUMBAI
DATE : 12 JUL 2010

DRASHTI DEVELOPERS PRIVATE LIMITED

PROFIT LOSS FOR THE PERIOD ENDED 31ST MARCH, 2010

	2009-10 Rupees	2008-09 Rupees
<u>INCOME</u>	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<u>EXPENDITURE:</u>		
Audit Fees	6,000	6,000
Bank Charges	5,021	NIL
Filing Fees	1,400	1,800
Interest Paid	495,408	224,438
Printing & Stationery	NIL	1,571
Profession Tax	7,500	NIL
Professional Fees	900	1,200
Sundry Expenses	85	67
	<u>516,314</u>	<u>235,076</u>
Profit / (Loss) for the year	(516,314)	(235,076)
Balance Profit / (Loss) Brought Forward from Previous Year	(247,424)	(12,348)
Balance Profit/(Loss) carried to the Balance Sheet	<u>(763,738)</u>	<u>(247,424)</u>

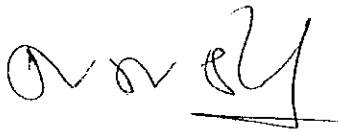
Earning Per Share, Basic & Diluted

Rs.(-)51.63

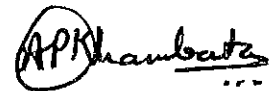
Rs.(-)23.51

As per our Report attached
For NARESH N. SHAH & CO.
CHARTERED ACCOUNTANTS

For and on Behalf of the Board



(NARESH N. SHAH)
PROPRIETOR



(A. P. KHAMBATA)



(M. R. SHAH)
DIRECTORS

PLACE : MUMBAI

DATE : 12 JUL 2010

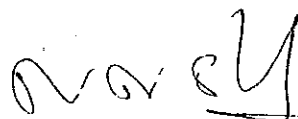
PLACE : MUMBAI

DATE : 12 JUL 2010

DRASHTI DEVELOPERS PRIVATE LIMITED

Cash Flow Statement for the year ended	As at 31st March,2010		As at 31st March,2009	
	Amount	Amount	Amount	Amount
(A) Cash from Operating Profit Activities :				
Profit & Loss as per Profit & Loss account before Taxation		(516,314)		(235,076)
Adjustments For :				
Operating Profit / Loss Before working capital changes		(516,314)		(235,076)
Adjustments For :				
Working Capital Changes				
(Increase) / Decrease in WIP		-		-
(Increase) / Decrease in Inventories		-		-
(Increase) / Decrease in Other Current Assets other than Tax		-		(3,938,503)
Increase / (Decrease) in Current Liabilities		449,174		221,521
Increase / (Decrease) in Miscellaneous Expenditure		-		-
Net Cash Flow from Operating Activities		(67,140)		(3,952,058)
(B) Cash Flow from Investing Activities				
Net Cash Flow from Investing Activities		-		-
(C) Cash Flow from Financing Activities				
Issue of Shares / Debentures		-		-
Redemption of Debentures		-		-
Proceeds / Repayments from Borrowings		50,000		3,996,000
Interest / Dividend Paid		-		-
Net Cash Flow from Financing Activities		50,000		3,996,000
Net Increase in Cash & Cash equivalents (A+B+C)		(17,140)		43,942
Cash & Cash Equivalents at beginning of Period		44,511		569
Cash & Cash Equivalents at end of period		27,371		44,511

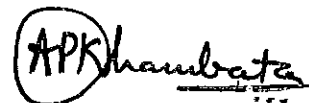
AS PER OUR REPORT OF EVEN DATED
For NARESH N. SHAH & CO.
CHARTERED ACCOUNTANTS



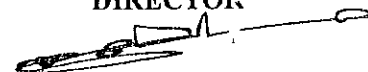
(NARESH N. SHAH)
PROPRIETOR



For and on behalf of the Board



(A. P. KHAMBATA)
DIRECTOR



(M. R. SHAH)
DIRECTOR

Place: Mumbai

Date: 12 JUL 2010

Place: Mumbai

Date: 12 JUL 2010

DRASHTI DEVELOPERS PRIVATE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE - A :

1. SIGNIFICANT ACCOUNTING POLICIES:

A. General:

The Company adopts the accrual concept in the preparation of the accounts, which is in accordance with the requirements of the Companies Act, 1956.

2. NOTES ON ACCOUNTS :

A. During the F.Y. 2008-09, the Company has entered into Deed of Assignment with Bio Tech Envirocare Systems Ltd. ('the Assignor'), whereby the Assignor has assigned its right to receive dues from The Svadeshi Mills Co. Limited in favour of the Company. Pursuant to the said Deed, the Company has paid a sum of Rs. 40,38,503/- to the Assignor on behalf of The Svadeshi Mills Co. Limited (in liquidation) ("The Svadeshi"). The amount so paid is classified as 'Advances recoverable in cash or in kind or for value to be received' in the Accounts. The Company has also informed The Official Liquidator of "The Svadeshi", regarding the discharge of dues to the Assignor and has requested the liquidator to replace the name of the Assignor with the name of the Company in the books of accounts of "The Svadeshi". Taking into account the revival plan of "The Svadeshi" as placed before the Board for Industrial and Financial Reconstruction, the management of the Company is of the opinion that the debt is good for recovery.

B. Figures have been rounded off to nearest rupee.

<u>C. Earning Per Share</u>	<u>2009-10</u>	<u>2008-09</u>
Face Value Per Share	Rs. 10/-	Rs. 10/-
Loss for the year	Rs. 5,16,314/-	Rs. 2,35,076/-
Number of shares used in computing earning per share	10,000	10,000
Earning Per Share, Basic & Diluted	Rs.(-)51.63	Rs.(-)23.51

D. Related Party Disclosure:

(i) List of Related Parties:

Parties where control exists:

Shapoorji Pallonji & Company Limited, Ultimate Holding Company

Shapoorji Data Processing Pvt. Ltd., Holding Company

(ii) Transactions during the year with related parties are as under:

<u>Name</u>	<u>Description of Transaction</u>	<u>Amount (Rs.)</u>	<u>Outstanding Balance as on 31st March '10</u>
Shapoorji Pallonji & Company Limited	Interest Paid	495,408	624,071
Shapoorji Pallonji & Company Limited	Intercompany Loan Received	50,000	4,050,000

(iii) No amounts were written off/back during the year in respect of amounts due from/to related parties.

E. Additional information as required under Part II of Schedule VI to the Companies Act, 1956, to the extent applicable : NIL

F. The Balance Sheet abstract and Company's general business profile as required by Part IV to Schedule VI of the Companies Act, 1956, are given in the annexure.

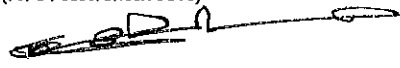
As per our Report attached
For NARESH N. SHAH & CO.
CHARTERED ACCOUNTANTS


(NARESH N. SHAH)
PROPRIETOR



For and on Behalf of the Board


(A. P. KHAMBATA)


(M. R. SHAH)
DIRECTORS

PLACE : MUMBAI

DATE :

7 JUL 2010

PLACE : MUMBAI

DATE :

7 2 JUL 2010

DRASHTI DEVELOPERS PRIVATE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

ANNEXURE TO SCHEDULE 'A' OF NOTES ON ACCOUNTS

Balance Sheet Abstract and Company's General Business Profile :

Registration Details :

Registration No.	:	U70109MH2007PTC166942
State Code	:	11
Balance Sheet Date	:	31.03.2010

Capital Raised during the Year (Amount in Thousands)

Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

Position of Mobilisation & Deployment of Funds (Amount in Thousands)

Total Liabilities	:	4,150
Total Assets	:	4,150

Sources of Funds :

Paid-up Capital	:	100
Reserves & Surplus	:	Nil
Secured Loans	:	Nil
Unsecured Loans	:	4,050

Application of Funds :

Net Fixed Assets	:	Nil
Investments	:	Nil
Net Current Assets	:	3,386
Miscellaneous Expenditure	:	Nil
Accumulated Losses	:	764

Performance of Company (Amount in Thousands)

Turnover	:	Nil
Total Expenditure	:	516
Profit Before Tax	:	(235)
Profit After Tax	:	(235)
Earnings Per Share (in Rupees)	:	Rs.(-)51.63
Dividend	:	Nil

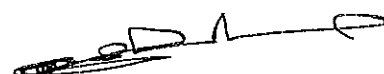
Item Code No. (ITC Code) : N.A.

Product Description : N.A.

For and on Behalf of the Board



(A. P. KHAMBATA)



(M. R. SHAH)
DIRECTORS

12 JUL 2010