



SHAPING  
TOMORROW,  
TODAY!



ANNUAL REPORT 09-10

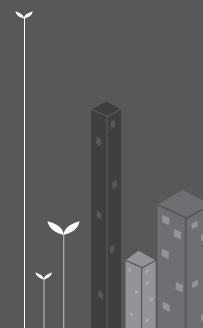
## Vision

“We have dreamt of enriching the lives of our brethren by creating world-class real estate solutions and redefining lifestyle standards”...

Quite aptly, we are headed towards this direction”.

## Our Mission defines our ethos, our goals

To be the leading Real Estate Development Company in the Corporate Sector and to fulfill the growing aspiration of our customers, stakeholders and public at large.



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Today!

As we see it has got the glorious opportunity.

Because tomorrow is not designed just yet! And that is where lies the challenge to make it more beautiful. To create better things, better infrastructure, to provide better facilities, to give better experiences. To make it better than today.

At Satra Properties (India) Ltd., that is exactly what we are doing for the past 5 years in the field of real estate and development - constructing better life.

We are looking forward to India becoming the economic centre point in coming financial years with development and growth in every aspect. The need for infrastructural development and urbanization will soar. So, here we are leaving no stone unturned to make the country and the commercial capital Mumbai look more attractive as real estate destination.

*We are shaping tomorrow, today!*

**As the economy is coming back to fast track again, it opens up new vistas for organised infrastructure & development in the whole country, especially in the commercial capital, Mumbai.**



## SHAPING DREAMS

If your daughter ever visited your office and says, 'Dad that's my future office', do not feel surprised. It means you are already in future.

The swanky and spacious elevation with sea view offices, high speed elevators and enchanting interiors definitely comes from the future.

Introducing Satra Plaza. Everything you ever wanted for your business in one place. It's no dream, it's happening.



Introducing  
the world of tomorrow,  
**SATRA PLAZA**  
Vashi, Navi Mumbai



Vashi is one of the most developed node of Navi Mumbai with 13 major wholesale APMC market and one of the top ten developed zone in the Mumbai Metropolitan area.

The project is a combination of Shops cum Office Spaces, strategically located on the Palm Beach road, which is aptly touted as the “MARINE DRIVE” of Navi Mumbai.

Provides 600 sq. ft. frontage which is one of the largest frontage on the Palm Beach road.

All shops enjoy a great advantage of a clear height of 14 feet.

Nano and Large offices to suit all Budget.

Gigantic tall entrance lobby with Eye Catching Elevation.

Ample car parking space.



## SHAPING EXPERIENCES

Whoever said experiences cannot be measured is probably wrong. Satra Galleria, is created to give such experiences in shopping and entertainment in Calicut which the place had never seen before. Multiplex, Supermarket, Speciality Restaurants; all under one roof. So the experience is definitely going to be more futuristic and world-ready.



Introducing  
the world of tomorrow,  
**SATRA GALLERIA**  
Calicut, Kerala



Calicut - one of the main commercial cities of Kerala, blessed with the cultural diversity of Malabar.

Strategically located on Mavoor Road, a place for business paradise.

Project is in combination of Shopping Mall cum Hotel.

The first and only project to have permission for multiplex in Kerala.

Classic Mall design with Supermarket and Departmental Store.



# SHAPING TENDERNESS

Your child needs a place where her innocence remains intact. Where she feels complete freedom. Where she can play around the bushes without fear. Where her nurturing happens in nature.

Satra Park has it all. A very well planned residential complex with all the ultra modern facilities, yet in a close proximity to nature's beauty and lap.





Introducing  
the world of tomorrow,  
**SATRA PARK**  
Borivali, Mumbai



Aesthetically designed residential towers having 3 wings and 16 storeys buildings - High Street Shops to fulfill all your day-to-day requirements.

Spacious 2 & 3 BHK Apartments, consisting of all the modern amenities.

Hi-Tech Gymnasium, Jogging Track, Azure Swimming Pool with Toddler's pool.

Podium Garden with Children Play Park, Lush green landscape Gardens, Jain Temple, etc. which will make life of the patrons cozy than ever.

Earthquake Resistant RCC Structure.

Proximity to School, Colleges, Hospital, Shopping Centers.

Ample Car Parking Space.



## SHAPING GENERATION

Is there anyplace where yesterday meets tomorrow? Tradition gives way to modernity! Where change happens for good!

Such change is happening at LBS Marg, Ghatkopar. Satra City is soon becoming the new face there with residential towers, landscape gardens and other class facilities. Change seems good from generation to generation.

Introducing  
the world of tomorrow.

**SATRA CITY**

Ghatkopar, Mumbai



Ghatkopar is a suburban neighborhood of Eastern Mumbai and one of the richest suburbs of Mumbai.

Recently it has turned out to be bustling and bursting town having huge demand for residential sector.

The hilly location of the project will add value and aesthetic touch to the project.

The proposed project is expected to have artistically designed interior and exteriors with Grand Entrance Lobby.

High Rise Buildings with High Speed Elevators.

Landscape gardens, Swimming pools, Gymnasium and it's even each & every amenity and specification will make customers to feel the liberty of life in itself.



## SHAPING BUSINESS

Everyone gets an opportunity to do something extraordinary to be someone in the future. Every achievement counts as it has cost hard work. Every night spent with late night food counts. Those moments missed in the process of making the future prosperous.

Problems would not seem problems if you have achieved the goal. SHRISHTI welcomes all entrepreneurs who have made it. We welcome you.



Introducing  
the world of tomorrow,  
**SHRISHTI**  
Bhopal, Madhya Pradesh



Bhopal, a capital city of Madhya Pradesh is also a second largest city of the state, famous for its moderate climate throughout the year.

A proposed township project strategically located at CBD in the vicinity of Bhopal, stretched over 15 Acres of Land.

The proposed project is being jointly developed with other developers under the Special Purpose Vehicle - "Deepmala Infrastructure Private Limited".

A project is mixture of all segments of Real Estate with all high end amenities and specifications.

An Eye Catching Elevation with High Rise Premium Residential for High Profiled Patrons with Ample space for Car Parking.

High Street Shopping Arcade, Shopping Mall and Commercial Office Complex with all amenities.

One of its kind of Five Star Hotel in the State of Madhya Pradesh.





## SHAPING CARE

She would never tell you what she wants.  
She would never tell you what to buy for  
her. But when it happens, the smile on her  
face says you care.

Introducing Satra Galleria in the heart of  
colorful Jodhpur. It's not just a shopping  
plaza. Its another tourist destination in the  
city which interacts with you. Where you  
can entertain, where you experience  
shopping in a new wonderful dimension.



Introducing  
the world of tomorrow,  
**SATRA GALLERIA**  
Jodhpur, Rajasthan



A well-known city for its handicrafts work and a tourist destination, featuring its forts, palaces, temples and a number of historical monuments which dot the city and its surrounding region.

Project is a intermingling of “Shopping Mall cum Hotel”.  
Grand Entrance Lobby with Imported Escalators and Elevators.

Ample Car Parking Space.

# CHAIRMAN'S COMMUNIQUÉ



“

OUR OUTLOOK FOR THE FUTURE CONTINUES TO BE OPTIMISTIC. PASSION, INNOVATION, OPERATIONAL EXCELLENCE, CUSTOMER CENTRIC APPROACH HAVE BEEN FEW OF THE PILLARS OF OUR BUSINESS

”

Dear Shareholders,

It gives me immense pleasure in presenting the **27th Annual Report** of your Company for the Financial Year 2009-10. Also I would like to take this opportunity to thank our shareholders for their confidence and their heightened interest in expanding our roles towards future development.

Although, the uncertainty in the shape of the global economic recovery is still persisting, however the situation has significantly improved as compared to first quarter of last year. Indian economy is bracing for higher economic growth backed by uninterrupted foreign inflows, inflation is threatening to slow-down the overall growth rate. A tighter monetary policy and higher interest rates present a challenge to India Inc., including the realty sector, to complete projects within stipulated cost and time.

The Union Budget for 2010-11 has begun the process of fiscal consolidation by budgeting lower fiscal deficit (5.5 per cent of GDP in 2010-11 as compared with 6.7 per cent in 2009-10) and revenue deficit (4.0 per cent of GDP in 2010-11 as compared with 5.3 per cent in 2009-10).

In spite of the uncertain market conditions and liquidity crises prevailing in the International and Indian economy during the first half of the Year 2009-10, we focused our efforts on gaining the knowledge and capabilities to build tomorrow's enterprise. Your Company had continued with expansion plans and development of its ongoing projects and the result being your Company could make a turnaround in the fourth quarter.

Foreseeing the huge demand in the residential sector, your Company has already changed the scope of two of its projects from Shopping Mall to Residential / Commercial Office Space and has planned a cautious approach towards its new launches. Further, it is decided to focus on Redevelopment and SRA Schemes. Though, the Demand for commercial property is still lukewarm, but with the pickup in the IT / ITES Sector, we expect that the demand for Office Space will improve in near future.

Our outlook for the future continues to be Optimistic. Passion, Innovation, Operational Excellence, Customer Centric approach have been few of the pillars of our business which will continue to be a driving force of our success in the years to come. As we stride towards 2011, we will optimize the opportunities that come our way, so that we can achieve the visions set that maximize the shareholders value.

#### **ACKNOWLEDGEMENTS**

I convey my deep gratitude to the Shareholders, Board of Directors, Customers, Suppliers, Bankers, Stakeholders and all well-wishers for their Constant Support, Patronage and Encouragement at all times. I wish to place on record my appreciation to the employees at all levels.

*With regards,*

**Praful Nanji Satra**

*Chairman and Managing Director*

August 12, 2010



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Praful N. Satra**  
*Chairman cum Managing Director*

**Rajan P. Shah**  
*Executive Director*

**Vidyadhar D. Khadilkar**  
*Independent Director*

**Vinayak D. Khadilkar**  
*Independent Director*

## CHIEF FINANCIAL OFFICER

Bhavesh V. Sanghavi

## COMPANY SECRETARY / COMPLIANCE OFFICER

Manan Y. Udani

## AUDITORS

B S R & Associates  
KPMG House, City Studio,  
Kamala Mills Compound,  
448, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013

Bhuta Shah & Co.  
901, Regent Chambers,  
Nariman Point,  
Mumbai - 400 021

## LEGAL ADVISORS & SOLICITORS

Bharat R. Zaveri

Vimla & Co.

## ARCHITECTS & ENGINEERS

Vivek Bhole Architects Private Limited  
Hiten Sethi & Associates  
Planwell Architects Private Limited  
Rein Profile Consulting Engineers  
Prashant & Associates

## BANKERS

Indian Bank  
Syndicate Bank  
Yes Bank Limited  
Bank of India  
Allahabad Bank  
Industrial Development Bank of India Limited  
The Cosmos Co-operative Bank Limited

## REGISTERED OFFICE

Dev Plaza, 2nd Floor,  
Opp. Andheri Fire Station, S.V. Road,  
Andheri (W), Mumbai - 400 058. INDIA  
Tel.: +91 022-2671 9999  
Fax: +91 022-2620 3999  
E-mail: [info@satraproperties.in](mailto:info@satraproperties.in)  
Website: [www.satraproperties.in](http://www.satraproperties.in)

## REGISTRAR & SHARE TRANSFER AGENT

Adroit Corporate Services Pvt. Ltd.  
19/20, Jaferbhoy Industrial Estate,  
Makwana Road, Marol Naka,  
Andheri (E), Mumbai - 400 059. INDIA  
Tel.: +91 022-2859 4060/6060  
Fax: +91 022-2850 3748  
E-mail: [investorgrievances@adroitcorporate.com](mailto:investorgrievances@adroitcorporate.com)  
Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)



## Notice

Notice is hereby given that the Twenty-Seventh Annual General Meeting of the Members of Satra Properties (India) Limited will be held on **WEDNESDAY, SEPTEMBER 29, 2010 at 5.00 P.M.** at **PRIME PARTY HALL, SHAFI MANSION, IRLA SOCIETY ROAD, VILE PARLE (WEST), MUMBAI – 400 056**, to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2010 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Preference Dividend on 8% Cumulative Redeemable Preference Shares for the Financial Year 2008-09.
3. To declare Preference Dividend on 8% Cumulative Redeemable Preference Shares for the Financial Year 2009-10.
4. To declare Final Dividend on Equity Shares for the Financial Year 2009-10.
5. To appoint a Director in place of Mr. Vinayak D. Khadilkar, who retires by rotation, and being eligible offers himself for re-appointment.
6. Appointment of Auditors

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956 M/s. B S R & Associates, Chartered Accountants and M/s. Bhuta Shah & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

### By Order of the Board of Directors

#### Manan Y. Udani

Company Secretary  
Mumbai, August 12, 2010

#### Registered Office:

Dev Plaza, 2nd Floor,  
Opp. Andheri Fire Station,  
S. V. Road, Andheri (West),  
Mumbai - 400 058.

#### Notes:

1. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment, re-appointment as Directors under Item No. 5 above is also annexed.
2. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of the Limited Companies, Societies, etc., must be supported by appropriate resolution/authority, as applicable.
3. The Register of Members and Transfer Books of the Company will be closed from September 22, 2010 to September 29, 2010 (both days inclusive). If the Final Dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after September 29, 2010 as under:
  - a. To all the Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the close of the business hours on September 21, 2010.
  - b. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of the business hours on September 21, 2010.

In respect of Cumulative Redeemable Preference Shares, dividend will be paid to the Shareholders on the Company's Register of Members as on September 21, 2010.

4. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, Adroit Corporate Services Pvt. Ltd. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend and such members are requested to intimate immediately any change in their address or bank mandates to their respective Depository Participant(s) with whom they are maintaining their demat accounts and not to the Company or the Company's Registrar and Share Transfer Agents.

5. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank Account details furnished by the Depositories for crediting dividend. The Company has made arrangements for crediting the dividends through National Electronic Clearing Services (NECS)/Electronic Clearing Services (ECS) to investors where NECS/ECS details are available. Members holding shares in electronic form may kindly note that their Bank details registered against their respective Depository Account as furnished by the respective Depositories to the Registrar and Share Transfer Agents will be used by the Company for payment of Dividend and that the Company / Registrar and Share Transfer Agents will not entertain any direct request from such Members for deletion of / change in such Bank details. Further, instructions, if any, already given by the Members in respect of Shares held in physical form will not be automatically applicable to Dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding Bank Accounts in which they wish to receive Dividend, directly to their Depository Participant/(s).
6. All documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days between 4.00 p.m. to 6.00 p.m. from the date hereof upto the date of the Annual General Meeting.
7. Queries on accounts of the Company, if any, may be sent to the Company Secretary, at least 10 days in advance of the Annual General Meeting so as to enable the Management to keep the information ready at the meeting.
8. Members are requested to :
  - Bring their copy of annual report and attendance slip at the venue of the meeting.
  - Quote their Folio/Depository Participant(s) & Client ID No. in all correspondence with the Company/Registrar and Share Transfer Agents.
  - Note that the attendance slip/proxy form should be signed as per the specimen signature registered with the Registrar and Share Transfer Agents/Depository Participant/(s).
  - Note that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Under Section 109A of the Companies Act, 1956, members are entitled to make nomination in respect of shares held by them in physical mode. Members desirous of making nominations are requested to send their request in Form 2B of Companies (Central Government's) General Rules & Forms, 1956 to the Company's Registrar and Share Transfer Agents.

**Details of Director Seeking Appointment/Re-appointment at the Annual General Meeting**

<b>Particulars</b>	<b>Mr. Vinayak D. Khadilkar</b>
Date of Birth	21/11/1955
First Date of Appointment as Director	26/05/2007
Qualifications	Bachelor of Commerce and Chartered Accountant
Expertise in specific Functional Areas	Wide experience in Finance, Accounts, Audit and Taxation
Directorships held in other Public Companies (excluding Foreign Companies and Section 25 Companies)	<b>NIL</b>
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committee)	<b>NIL</b>
Number of Shares held in the Company	<b>NIL</b>





## Directors' Report

To  
The Members,  
**SATRA PROPERTIES (INDIA) LIMITED**

Your Directors are pleased to present the 27th Annual Report and the Audited Accounts for the Financial Year Ended March 31, 2010.

### 1. FINANCIAL HIGHLIGHTS :

The Financial Performance of the Company for the Financial Year ended March 31, 2010 is summarized below:

(Currency – INR in Lacs)

FINANCIAL RESULTS		
Particulars	Current Year	Previous Year
<b>Net Profit before Tax</b>	<b>1,407.15</b>	493.35
<b>Less: Provision for Tax</b>		
- Current Year	<b>233.30</b>	332.09
- Prior Year Charge	<b>155.51</b>	190.29
- Deferred Tax Charge/(credit)	<b>160.88</b>	(201.56)
Fringe benefits Tax		
- Current Year	-----	4.39
- Prior Year Charge	-----	0.51
<b>Net Profit after Tax</b>	<b>857.46</b>	167.63
Add: Balance brought forward from previous year	<b>2,795.36</b>	2,672.17
<b>Profit available for appropriation</b>	<b>3,652.82</b>	2,839.80
<b>Less: Appropriation</b>		
Proposed Dividend on Preference Shares	<b>59.20</b>	59.20
Tax on Proposed Dividend on Preference Shares	<b>9.60</b>	10.06
Proposed Dividend on Equity Shares	<b>155.36</b>	-----
Tax on proposed Dividend on Equity Shares/credit availed on Dividend		
Distribution Tax paid by the Subsidiary Company	<b>25.81</b>	(24.82)
<b>Balance Profit c/f to Balance Sheet</b>	<b>3,402.85</b>	2,795.36

### 2. OPERATIONS :

The Market environment in the previous Financial Year was challenging on account of the global economic meltdown and overall recession in the economy, particularly in the Real Estate industry. However, your Company has successfully tackled the challenges and has made a remarkable performance.

During the year under review, your Company has achieved a substantial growth and registered a turnover of Rs. 206.70 Crores, an increase of 95.22% over previous years Rs. 105.88 Crores. Also, Profit after Tax has increased from Rs. 1.68 Crores to Rs. 8.57 Crores, a significant increase of 411.52%

Driven by tremendous increase in the turnover and profits, your Company has achieved an Earning Per Share (EPS) of Rs. 0.51 over previous years Rs. 0.06.

Now, your Company looks forward to strengthen its position further in the Real Estate scenario.

Your Company has of late started focusing on the residential segment of its business. It is of the opinion that this segment is comparatively less affected by the current fall in demand for the real estate projects. Also, demand-supply variances persist in this segment. The Company further views that the demand for such properties are expected to increase continuously with the growth in the Indian economy and urbanization, resulting in strong growth potential in the affordable price range.

With a view to meet its expansion plans, the Company is embarking on redevelopment and SRA projects in order to reduce the capital investments to minimal level.

**Status of the ongoing Projects as on March 31, 2010:**

**a. Satra Plaza, Vashi, Navi Mumbai:**

Navi Mumbai is organized, but not too large or crowded like “the big city”, has led to the continued growth of its resident and commuter population. Vashi is among the top ten most developed zones in the Mumbai Metropolitan area. A Business Paradise, keeping in view the current business culture the said project is being developed for shops and commercial offices. The project offers nano offices ideal for APMC Merchants and also organized markets for hardware & interior items. The total RCC work is completed and finishing work is on the verge of completion. Vashi has grown to become the commercial heart of Navi Mumbai.

**b. Satra Galleria, Mavoor Road, Calicut (Kozhikode):**

Calicut is one of the main commercial cities of Kerala. The economy is mainly business oriented. The Project situated at Mavoor Road, is being developed in combination of Hotel cum Shopping Mall keeping in view the patrons requirement. “Satra Galleria” is the only project to have permission for multiplex cinema in Kerala. Some of the leading Brands like Reliance Trendz, Reliance Vision Express, Puma, Archies, Navigator etc. have already tied up and other leading brands have shown keen interest in getting associated with the project. The RCC work of the said project has been already completed and the project is on the verge of completion.

**c. Satra Galleria, Nayi Sarak, Jodhpur:**

A well known city for its handicrafts work, after which tourism is the second largest industry of Royal City (JODHPUR), featuring its forts, palaces, temples and a number of historical monuments dot the city and surrounding region. Pursuing to the market trends of real estate industry, your Company have changed the scope of the project from “Shopping Mall” to “Shopping Mall cum Hotel”. The RCC work of the project is completed upto 35%.

**d. Satra Park, Borivali, Mumbai:**

A highly affluent residential locality at Shimpoli started out as a small village community which has now receded to a corner of the locality to accommodate the high-rise apartment blocks. Your Company changed the scope of work of said project from shopping mall to combination of shopping centre cum 3 residential towers which also comprises of a Jain Temple, keeping in view the burgeoning population in the said location.

The RCC work of Shopping Centre is completed and RCC work of the residential towers has been completed about 35%. Earlier, the said Project was in Joint Development with Satra having 65% stake in area available for sale. With a focus on the residential projects and a strong demand of residents in the surrounding locality your Company has during the Financial Year 2009-10, acquired the balance of 35% stake.

**3. DIVIDEND:**

Based on the Company’s remarkable performance, the Directors are pleased to recommend, for approval of the members, Preference Dividend of Re. 0.80 per share (@ 8% per share) on 74,00,000 Cumulative Redeemable Preference Shares of Rs. 10/- each for the Financial Years 2008-09 and 2009-10 respectively. The Final Dividend payout on Preference Shares, if declared as above, will result in outflow of Rs. 118.40 Lacs towards Dividend and Rs. 19.66 Lacs towards Dividend Tax, resulting in total outflow of Rs. 138.06 Lacs.

The Directors also recommend, for approval of the members, a Final Dividend of Re. 0.10 per share (@ 5% per share) on 15,53,58,000 Equity Shares of Rs. 2/- each of the Company for the Financial Year 2009-10. The Final Dividend payout on Equity Shares, if declared as above, will result in outflow of Rs. 155.36 Lacs towards Dividend and Rs. 25.80 Lacs towards Dividend Tax, resulting in total outflow of Rs. 181.16 Lacs.

**4. SUBSIDIARIES:**

Your Company has 6 subsidiaries, namely, Satra Property Developers Private Limited; Satra Buildcon Private Limited; Satra Infrastructure and Land Developers Private Limited; Satra Lifestyles Private Limited; Satra Estate Development Private Limited and Satra International Realtors Limited. Your Company has been exempted by the Central Government (Ministry of Corporate Affairs) vide their letter no. 47/324/2010–CL-III dated April 06, 2010 under Section 212 (8) of the Companies Act, 1956 from attaching the Annual Accounts i.e. Directors’ Report, Auditors’ Report, Balance Sheet, Profit & Loss A/c, Cash Flow Statement and Balance Sheet Abstract & Company’s General Business Profile thereon of its Subsidiary Companies for the year ended March 31, 2010. Shareholders who wish to have a copy of the Annual Accounts and detailed information on any Subsidiary Company may write to the Subsidiary Company and/or to your Company for the same. The Annual Accounts of the Subsidiary Companies will also be kept for inspection by any member at the respective registered offices of the Company and its Subsidiary Companies.

As directed by the Central Government, the summarized financials of all the Subsidiaries have been furnished under the heading “Financial Information of Subsidiary Companies” which forms part of the Annual Report.



Further, the audited Consolidated Financial Statements based on the Financial Statements received from Subsidiary Companies, as approved by their respective Board of Directors, have been prepared in accordance with the Accounting Standard – 21 – “Consolidated Financial Statements” and Accounting Standard – 23 – “Accounting for Investment in Associates”, notified under Section 211 (3C) of the Companies Act, 1956 read with Companies (Accounting Standards), Rules, 2006, as applicable. Your Company has presented the Consolidated Financial Statements which forms part of the Annual Report.

#### 5. DISINVESTMENT IN COMPANY:

During the year under review, your Company had disinvested its holding in an associate i.e. Shravan Developers Private Limited.

#### 6. RECONSTITUTION OF THE COMMITTEES:

Pursuant to the resignation tendered by Mr. K. Jawahar Mahi, an Independent Director of the Company during the year under review, the Board of Directors reconstituted the Board and Committees as follows:

##### (A) Audit Committee

Names of Members	Designation
Mr. Vinayak D. Khadilkar	Chairman
Mr. Vidyadhar D. Khadilkar	Member
Mr. Rajan P. Shah	Member

##### (B) Shareholders' Grievance Committee

Names of Members	Designation
Mr. Vidyadhar D. Khadilkar	Chairman
Mr. Vinayak D. Khadilkar	Member
Mr. Rajan P. Shah	Member

##### (C) Investment Committee

Names of Members	Designation
Mr. Praful N. Satra	Chairman
Mr. Rajan P. Shah	Member
Mr. Vinayak D. Khadilkar	Member

##### (D) Borrowing Committee

Names of Members	Designation
Mr. Praful N. Satra	Chairman
Mr. Rajan P. Shah	Member
Mr. Vidyadhar D. Khadilkar	Member

##### (E) Rights Issue Committee

Names of Members	Designation
Mr. Praful N. Satra	Chairman
Mr. Rajan P. Shah	Member
Mr. Vidyadhar D. Khadilkar	Member

#### 7. DIRECTORS:

During the year under review, Mr. K. Jawahar Mahi, Independent Director of the Company has resigned (w.e.f. January 6, 2010).

Mr. Vinayak D. Khadilkar, Independent Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The relevant details as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of the person seeking re-appointment as Director is set out in the Annexure to the Notice forming part of the Annual Report.



**8. COMPANY SECRETARY:**

During the year under review, Mr. Vicky M. Kundaliya, Company Secretary of the Company has resigned (w.e.f. November 30, 2009). Mr. Manan Y. Udani has been appointed as the Company Secretary of the Company (w.e.f. November 30, 2009).

**9. FIXED DEPOSITS:**

During the year under review the Company has not accepted deposits from the public and shareholders.

**10. INSURANCE:**

The Assets of the Company has been adequately insured, wherever necessary.

**11. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures except in case of Borivali project wherein the Management perception has been explained elsewhere in Report.
- b) That 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 or loss of the Company for the year.
- c) That 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.
- d) That the Directors have prepared the annual accounts for the year ended March 31, 2010 on a going concern basis.

**12. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT:**

Your Company has been practicing the principles of good Corporate Governance. A Report on Corporate Governance along with a certificate from M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, regarding compliance of requirements of Corporate Governance in line with Clause 49 of the Listing Agreement validating our claim is attached to this Report, as also a Management Discussion and Analysis Statement.

**13. AUDITORS' REPORT:**

The Auditors have made certain comments in their Report concerning the Accounts of the Company. The Management puts forth its explanations as below:

1. The Auditors have made a remark regarding the Borivali project wherein construction cost arising out of significant change in structural plan of the project have been provided in work in progress instead of charging to Profit and Loss Account. The Management is of the view that during the Financial Year ended 2008-09, the Company had changed the structural plan of the Borivali Project from Commercial complex to Commercial cum residential complex to improve the overall profitability of the project. As a result, in order to facilitate the construction as per revised plan, certain existing structures at the site had been demolished subsequent to the year ended March 31, 2009. Management has revised its estimated cost to complete the revised commercial cum residential project and still believes that the overall margins of the revised project will be adequate to recover the construction cost of demolished area. Hence, the construction cost of demolished area continues to be included in the construction work-in-progress and has not been charged to the Profit and Loss Account during the years ended March 31, 2009 and March 31, 2010 respectively.
2. The Auditors have made a remark regarding the Company not having an internal audit function. The Management have to state that there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and sale of commercial/residential premises. However, we are in the process of appointing an Internal Auditor.
3. The Auditors have made a remark regarding non-payment of undisputed statutory dues more than six months wherein the Company has not paid statutory dues of Rs. 1,053,834/- on account of Works Contract Tax, Rs. 24,26,658/- on account of Dividend Distribution Tax and Rs. 7,95,22,124/- on account of Income Tax. The Management have to state that during the year under review, the Company was recovering itself from previous year's recession in the economy, particularly in the Real Estate Industry, which had affected the business and performance of the Company in terms of generating fresh sales, completing the projects as per the scheduled time and liquidation of Debtors in time, etc. to a very large extent. Hence, your Company could not make its commitment towards payment of its statutory dues in time. However, the Management has taken effective steps to liquidate its debtors and it has paid the entire dues of Works Contract Tax and dues of Income Tax towards TDS amounting to Rs. 1,11,34,282/-. Your Company is confident to meet its other outstanding statutory liabilities very soon.



4. The Auditors have made a remark regarding defaults in certain cases wherein the Company has defaulted in repayment of dues to its bankers and financial institutions at various dates during the year which have also been made good as at the year end. The Management have to state that during the year under review, the Company was recovering itself from previous year's overall recession in the economy, particularly in the Real Estate Industry, which had affected the business and overall performance of the Company in terms of generating fresh sales, completing the projects as per the scheduled time and liquidation of Debtors in time, etc. to a very large extent. However as on date, your Company has already cleared all its dues that were outstanding as on March 31, 2010.

With reference to the other remarks of Auditors, the same are self explanatory and do not require further comments of the Management.

#### **14. AUDITORS:**

The Company's Auditors, M/s. B S R & Associates, Chartered Accountants, and M/s. Bhuta Shah & Co., Chartered Accountants, retire at the conclusion of the forthcoming 27th Annual General Meeting and are eligible for re-appointment. The retiring auditors have furnished a Certificate of their eligibility for re-appointment under Section 224(1)(B) of the Companies Act, 1956 and have indicated their willingness for re-appointment.

Pursuant to the recommendation of the Audit Committee at their meeting held on August 9, 2010 for re-appointment of M/s. B S R & Associates and M/s. Bhuta Shah & Co., as the Statutory Auditors of the Company for the Financial Year 2010-11 to hold office till the conclusion of next Annual General Meeting of the Company, the Board of Directors have, at their meeting held on August 12, 2010 approved re-appointment of M/s. B S R & Associates and M/s. Bhuta Shah & Co., as the Statutory Auditors of the Company for the Financial Year 2010-11 to hold office till the conclusion of the next Annual General Meeting of the Company. However, their re-appointment is subject to the approval of the Shareholders of the Company at the forthcoming Annual General Meeting of the Company.

#### **15. PERSONNEL:**

The Company is professionally managed and has very cordial relationship with all its employees. Highly qualified personnel from the field of engineering, finance and administration assist the top-level management. Your Directors wish to place on record their deep appreciation of the dedicated and efficient services rendered by them.

The Company has no employees drawing the remuneration more than the specified limit prescribed under Section 217(2A) of the Companies Act, 1956 (Particulars of Employees) Rules, 1975 during the year under review.

#### **16. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUTGO:**

The Company has no foreign exchange earnings and outgo during the year. Since the Company does not have any manufacturing activities, the other particulars as required by Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are not applicable to the Company.

#### **17. APPRECIATION:**

The Board of Directors expresses their deep gratitude for the assistance and guidance and support extended to the Company by its Customers, Vendors, Bankers, Professionals and various Government Authorities and to all of the Shareholders of Company. Your Directors also place on record the commitment and involvement of the employees at all levels and looks forward to their continued co-operation.

**For and on behalf of the Board of Directors**

**Praful N. Satra**  
*Chairman and Managing Director*

Mumbai, August 12, 2010

## Management Discussion & Analysis Statement

### INDUSTRY STRUCTURE AND DEVELOPMENT – AN OVERVIEW

#### WORLD GDP:

WORLD has witnessed a recessionary trend during the beginning of Year 2008 which continued till the end of Year 2009. During the said period all the countries have recorded a lower GDP Growth coupled with unemployment. With the initiation of various fiscal and monetary measures by various countries the position seems to have improved a bit though not totally out of it. However the stimulus packages have been keys to this process of recovery.

According to IMF, the world GDP (or more precisely GWP) is expected to have a growth of 2.5 per cent in 2010, i.e. is up from the 1.9 per cent growth forecast. It also comes on the heels of other upgrades, most recently that of the Wall St Journal, which forecast 2.4 per cent growth. Hence it is expected to improve in 2010. However, the recovery will continue to be weak into 2011 and could easily be derailed.

#### INDIAN REAL GDP:

Asia is set to become an increasingly important engine of growth even as it leads the world out of the worst recession in over half a century, enhancing Asia's role as an economic powerhouse over the next few decades, says a leading IMF economist. In most advanced economies, growth is likely to be sluggish, and still dependent on government support.

India's economy expanded by 7.4% for FY10 compared with 6.7% for FY09. The increase was driven by rises in industrial production, up 10.4% YoY. The new potential growth rate – especially as the gross domestic investment rate has risen to 36% at present (from 25% five years ago) on the back of an increase in investment, which is reflected in the continued strength of capital-goods output and imports over the past five years. The economic growth is visible, with hiring plans increasing across various industries, rising salaries and improving sentiment. Certain service sectors are also witnessing a revival, with the IT/ITES sector ramping up hiring plans and raising salaries. The strong pick-up in sales of consumer durables (26.1% YoY for FY10, compared with 4.5% YoY for FY09) suggests an improvement in overall consumer sentiment.

The improving outlook for the domestic economy and the pick-up in the IT/ITES sector have resulted in an improvement in sentiment due to rising salaries and increased job security, which usually drive residential sales. However, purchasers remain price-conscious and any price increases are being met with declines in sales volume. Optimism in the market about an improving domestic economy and sentiment towards Information Technology/Information Technology Enabled Services (IT/ITES) has led to a revival in demand for housing.

#### OPPORTUNITIES:

Your Company is Mumbai centric Company operating across various segments of Real Estate viz Commercial, Hospitality & Residential with renewed focus on Slum Rehabilitation (SRA) projects. Accordingly, Satra Property Developers Private Limited a Wholly Owned Subsidiary has undertaken SRA Project in Central Suburbs. The Company believes that its low cost land bank and strong in-house design and development capabilities will provide it with a competitive advantage in this segment of the housing market.

The overall demand for housing in India is likely to cross 75 lakh units within the next five years, while the same for commercial space will reach 195 million sq ft, indicating a revival in the realty sector. In 2013, the demand might touch 53.9 million sq ft. Out of the total commercial demand; about 42 per cent is expected to be generated in the Tier I and II cities.

According to a research, the Mumbai Metropolitan Region (MMR) has nearly 60 million sq ft of unsold office space, but developers are now planning to launch 120 million sq ft of new office space by 2016, in anticipation of a much better tomorrow. The growing corporate confidence has prompted many developers to put the oversupply concerns behind them and either launch new projects or put the unfinished ones on the fast track, with aggressive marketing efforts.

#### RISKS AND THREATS:

Some of the prominent risks faced by the organization as a whole are:

##### Market Recession:

Your Company might encounter demand recession due to International Macro Economic Slow Down that had led to lower hiring in the IT/ITES Sector and sentiment weakening. To mitigate this risk, your Company has created a diverse and comprehensive portfolio spanning residential, commercial and retail properties of various sizes, location and prices. In addition, the Management has a good experience in managing land banks, putting it in a strong position to counter any downtrend.

##### Change in Government Policies:

Your Company faces risks associated with changes in government policies. To mitigate this risk, your Company is consciously building a compliance system to ensure legal and regulatory compliance at each level.

**Project Execution:**

Your Company faces a risk of non-completion of existing projects with the given time frame, thereby affecting profit estimates. To mitigate this risk, your Company has enhanced project flexibility and control, improving the quality of real estate construction, appointing professional architect, engineers and contractors thereby reducing the time taken for completion of projects.

**Human Resources:**

Your Company's business growth is dependent on the availability & capability of its Human Resource. Business growth could be affected due to a scarcity/turnover of qualified professional. To mitigate this risk, the Company is in the process of recruiting qualified professionals and experienced personnel, implementing a human resource policy to attract and retain talent and provide incentives for self development.

**Financial Resources:**

Your Company may not be able to organize funds for execution of its project in the scheduled time hindering the growth of Company. Majority of ongoing projects are under construction and are financed through various Banks and Financial Institution. Further, your Company may be poised with the increasing rate of interest. Your Company has strong marketing network and investors helping to mitigate the risk.

**Land Availability:**

Inability to acquire land with proper legal title, due diligence and location of the property can hinder your Company's growth. For due diligence and proper legal title, your Company, timely hires Advocates and Solicitors to provide proper title certificate that helps in mitigating a risk of title clearance. Further most of the projects acquired by your Company are located at premium locations.

**Calamities & Disasters:**

Natural calamities like earthquake, floods, cyclone and disasters beyond our control like loss due to theft, fire that may hamper your Company's growth. To mitigate these risks, your Company has taken adequate insurance on the properties.

Your Company is well equipped to mitigate any such aforesaid situations.

**Future Plans and Outlook:**

- Intensifying focus on Redevelopment of Residential & SRA projects.
- Leveraging past experience in delivering quality, landmark & time bound projects for globally renowned companies to harness the growing opportunities across each of the sectors of our presence.
- For consistent development of prime residential and commercial spaces throughout Country, we identify locations with future developments on prime and upcoming locations.
- Identifying the projects at Prime Location.
- Acquiring Land Reserves at competitive prices.
- Creating the State-of-Art Projects of International Standards.
- To control the time & cost of the project by adopting innovative techniques and processes.
- Creating a dedicated and confident work force through continual development process.
- To Develop Customer Centric approach.
- To Develop Strong Marketing Network.

**SEGMENT WISE OR PRODUCT WISE PERFORMANCE:**

The Company is operating in single segment i.e. Real Estate and there is only one reportable segment.

**OUTLOOK:**

Given the prevalent sentiments, Company plans to follow a cautious approach towards new launches. However, as economic conditions have started stabilizing, Company has planned to make selective new launches based on targeted market research in different markets to catch the changing demand scenario.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Adequate internal control system is in place as commensurate with the size and operations of the Company. The Company ensures control over various functions in the field of designing, planning, execution and marketing of its business. The Internal



Control System has been designed to ensure that the financial and other records are reliable for preparing financial data and maintaining accountability of assets. The Internal Control Systems are supplemented by management, reviews, documents, policies, guidelines and procedures.

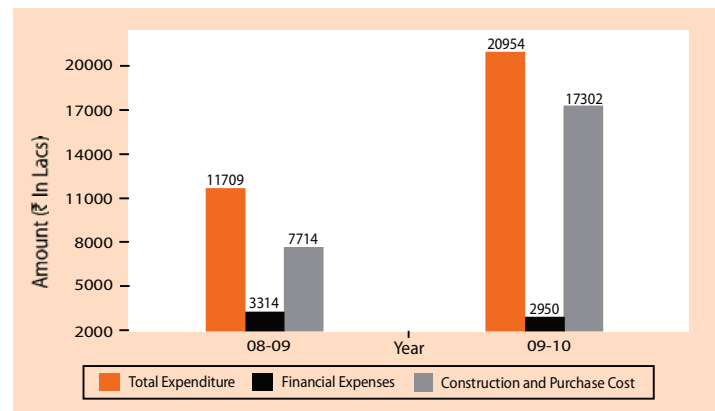
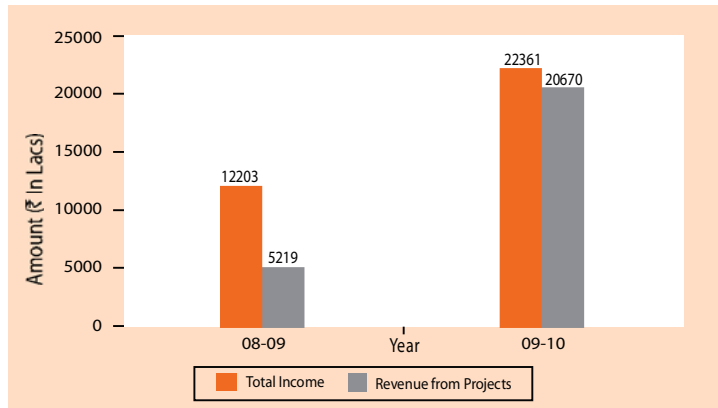
There exists a dynamic internal check system, which helps in improving the efficiency and effectiveness of Internal Control Systems. However, your Company is in the process of appointing an Internal Auditor.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :-**

**Profit & Loss Account:**

**1. Income**

Your Company is following prudent accounting policies in recognizing revenue. Revenue in respect of real-estate projects are recognized on percentage completion method. Revenue is recognized when significant cost has been incurred on the project as compared to total estimated cost of project. During the year 2009-10 there was significant rise in the completion percentage of various ongoing projects and further the company could close few big deals as regards sale of premises in some of the projects. The result being there was an increase of 296% in revenue from projects from Rs. 5,219 Lacs to Rs. 20,670 Lacs in current year. The tempo of growth is expected to be maintained in the coming year due to the improved business situation and better operating efficiency.



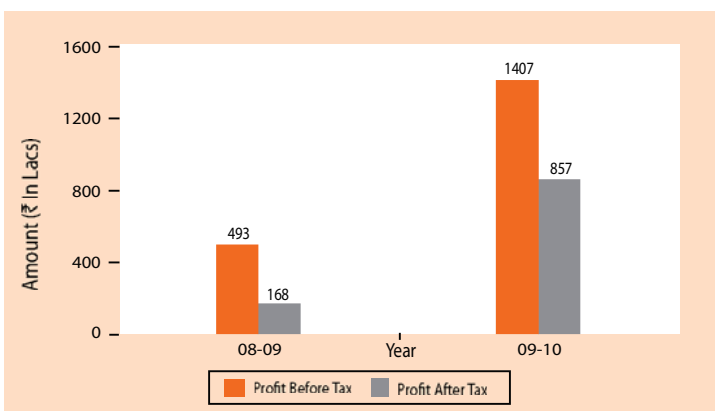
**2. Costs**

Cost of sales includes land cost, construction cost, finance cost and other incidental cost associated to a project. Amount paid for acquiring development rights on the land is transferred to Land cost. When revenue is not recognized for the undivided shares of land, it is transferred to Work in Progress. Construction cost mainly consists of contractor cost, materials purchased towards civil, electrical and finishing works. Due to higher sales volume and increase in the progress of the projects, the overall construction cost increased by 124% from Rs. 7,714 Lacs in fiscal 2009 to Rs. 17,302 Lacs in fiscal 2010. Financial expenses not attributable to a specific project are charged to profit & loss account

after capitalizing some portion to Inventories as per the Accounting Standards. Accordingly there was a reduction in the Financial expenses to Rs. 2,950 Lacs in current year as compared to Rs. 3,314 Lacs for the previous year. Other expenses were generally in line with increased operations.

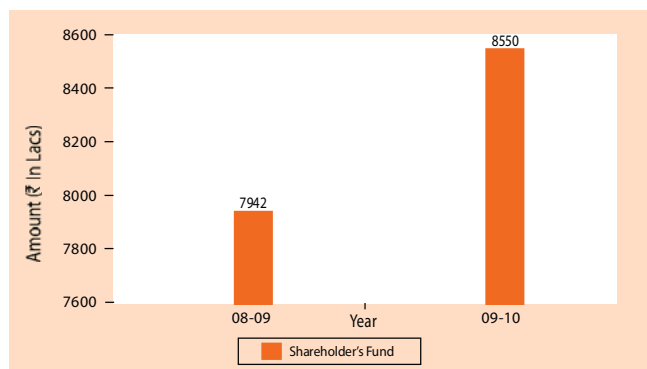
**3. Profit & Margin Growth:**

Due to an increase in the Sales volume and the overall operations of the Company, the profit from operations before tax increased by 185% from Rs. 493 Lacs to Rs. 1,407 Lacs in current year. The overall profit increased by 411% from Rs. 168 Lacs in fiscal year 2009 to Rs. 857 Lacs in fiscal year 2010. The Management is taking steps to improve overall performance of the Company.





## Balance Sheet

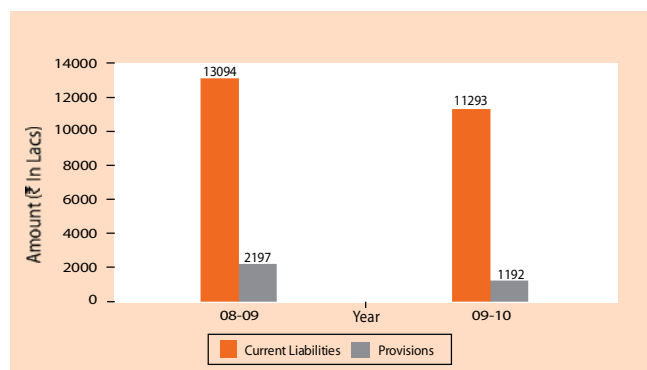
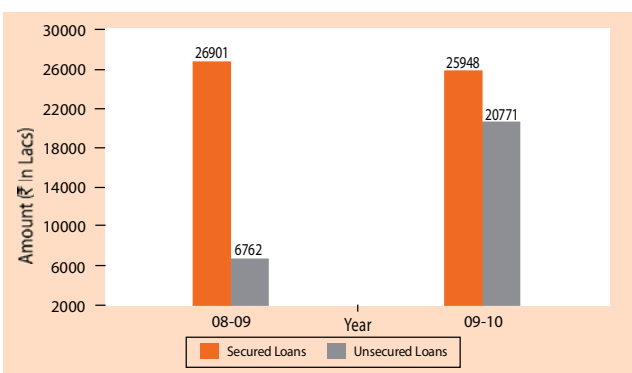


### 1. Shareholder's Fund

Shareholders' funds represent Equity Share Capital, Preference Share Capital and Reserves & Surplus. During the year, Company's Share Capital remained same as before at Rs. 3,847 Lacs, which includes 8% cumulative Redeemable Preference Share Capital of Rs. 740 Lacs. The said preference shares are due for redemption in the year 2011. Reserves and Surplus increased by 15% from Rs. 4,095 Lacs to Rs. 4,702 Lacs in current year due to marginal increase in current year's profit. Hence there was marginal increase in the Shareholders Fund after accounting for the amount of dividend payouts.

### 2. Loan funds

During the year under review, your company continued with the construction of its on-going projects and also continued investments in Subsidiaries for expansion and acquisitions. Hence to part finance these capital intensive activities, your company had raised funds by way of unsecured borrowings. This has led to increase in the Loan funds to Rs. 46,719 Lacs as compared to previous year Rs. 33,663 Lacs. Your management is taking effective steps to reduce its Loan funds by adhering to different marketing strategies for selling unsold stock for projects that are nearing schedule for completion.



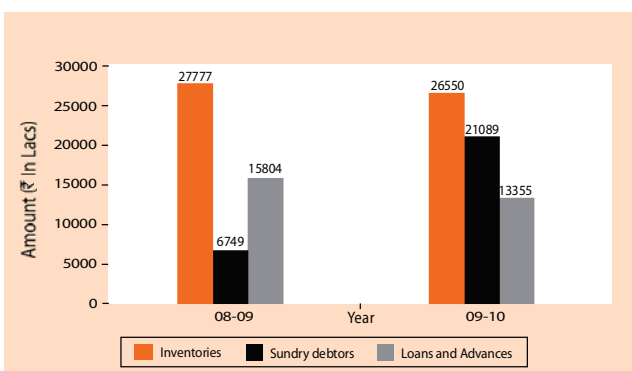
### 3. Current Liabilities and Provisions

During the year Current Liabilities decreased by 14% from Rs. 13,094 Lacs to Rs. 11,293 Lacs in current year. Sundry Creditors includes creditors for goods, services, expenses, advance from customers etc. This has increased by 172% to Rs. 3,273 Lacs from Rs. 1,203 Lacs in current year mainly due to increase in operations. Advance received from customers represents monies received for delivery of units / premises in on-going projects, the revenue of which is to be recognized at a future date depending on the percentage of work completed.

Whereas the provisions has decreased by 46% from Rs. 2,197 Lacs to Rs. 1,192 Lacs mainly due to payment of outstanding statutory dues.

### 4. Current Assets

Current Assets represent Inventories, Sundry debtors, Cash & bank balances and Loans and advances. During the year under review there was an increase in the total current assets by 22% from Rs. 50,385 Lacs to Rs. 61,484 Lacs as on March 31, 2010. This increase was mainly attributed to increase in Sundry Debtors by 213% from Rs. 6,749 Lacs to Rs. 21,089 Lacs. There was a marginally reduction in the carrying cost of Inventories. Inventories represent construction work in progress and stock of Materials, the said cost is transferred to cost of construction at the time of recognizing revenues. Accordingly the cost of Inventories decreased by 4% from Rs. 27,777 Lacs to Rs. 26,550 Lacs. Loans and advances represent loans given to Subsidiaries, other companies and advances given against acquiring new properties/TDR. The Company transfers the advances paid for acquisition of property to construction work in progress, when it acquires right / title against such properties/TDR. On account of the same, there was a net decrease of 15% from Rs. 15,804 Lacs to Rs. 13,355 Lacs in current year.



**Debt Management:**

In the beginning of 2009, the Company held discussion with its lenders and had undertaken a significant restructuring exercise to improve, its financial position. For this initiative, the Company was able to benefit from the relaxation of the restructuring norms of the RBI/Govt. of India pursuant to which restructured loans extended to real estate sector are permitted to be treated as Standard Account Loans instead of non-performing assets. This restructuring has been undertaken by extending the maturity of loans particularly loans which are of near term maturity replacing them with long term maturity period. Following the restructuring exercise, the Company was able to defer the repayment of principal under various loan agreements which were due from March 2009 till June 2010. Further in some cases, your Company managed to get an additional limit sanctioned which assisted in progressing the ongoing projects during liquidity crisis. This exercise has helped your Company to manage the Cash Flows judiciously.

**Unlocking the Values of Investments:**

During the fiscal year 2009-10, your management decided to complete the ongoing projects in scheduled time and apart from relying on Borrowed Funds, it decided to generate funds from Unlocking the value of investments and accordingly your Company disinvested its holding in M/s. Shravan Developers Private Limited. Further, also there was a Disinvestment of 35% stake in M/s. BKC Developers Private Limited, held by its wholly owned subsidiary, M/s. Satra Property Developers Private Limited.

**Penetrating Techniques for Marketing:**

Your Company focuses going forward on rapidly developing, marketing and selling projects on its existing land base. The focus of the Company is of tapping the unexplored housing market due to large gap of Demand and Supply Ratio. To take advantage of the said market potential your Company's wholly owned subsidiary, Satra Property Developers Private Limited has already undertaken SRA Project in Mumbai, wherein the Company has embarked on fulfilling the ambitions of local residents.

**Reduction in Capital Intensity businesses:**

Company has reduced its exposure into capital intensive business of trading in properties & TDR. Further your management has decided to undertake redevelopment projects specially identifying Slum Rehabilitation Scheme, this will enable the Company to generate the potential revenue from the project with minimal Capital Investment.

**Diversifying in the Scope of the Project:**

Your management has diversified scope of two of its project from Shopping Mall to Residential/Commercial Office Space Segment wherever it was found necessary taking into the consideration market perception.

**HUMAN RESOURCES DEVELOPMENT:**

The thrust of your Company's human resource development efforts therefore is to create a responsive and market-driven organization. Company believes that it has strong and good working relation with its employees and recognizes that they are the most invaluable resource of the Company. It is an article of profound faith in the Company that it is its people who constitute its most sustainable and invincible competitive business advantage. The organization cherishes its association and relationship with every single and valuable Member of an inspired Team at "SATRA".

Realizing the importance of the Company's HR assets, the Management has been paying special attention to various aspects like training, welfare and safety of its employees, thereby further strengthening the Human Resource Relations.

The Group has employee strength of 68 comprising of professionals possessing qualifications and experience in the field of engineering, finance, law and business management.

We intend to continue recruiting fresh talent to further enhance and grow our business.

**INFORMATION TECHNOLOGY:**

Increasing competitive business environment companies have become dependent on technology not only on day to day operations but also as a tool to enable them to construct business processes, restructuring regulatory and speed with the change in the construction areas.

Business process continues to become more complex which results in delaying in decision making process and also to correlate different project locations distributed in various geographical areas.

Your Company is in the process of installing Enterprise Resource Planning (ERP) system to run the business effectively and efficiently.

**CAUTIONARY STATEMENT:**

The statements in this Report, particularly which relate to Management Discussion and Analysis describing the Company's objectives, plans, projections, estimates, expectations or prediction, may constitute "forward looking statements" within the meaning of applicable Securities laws and regulations. These statements being based on certain assumptions and expectations of future events, actual results may differ substantially or materially from those expressed or implied in the statement depending on the circumstances, which are beyond the control of the Company like Economic Conditions, finished goods prices, change in government regulations and tax regime etc. The Company assumes no responsibility to publically amend, modify or revise in respect of forward looking statements on the basis of subsequent developments, information or events.



## Report on Corporate Governance

Corporate Governance is a systematic process by which an organization is directed, administered, managed and controlled. Corporate Governance encompasses adhering effectively to the governing laws, procedures, practices, and the implicit rule that determines a management's ability to take sound decisions in the best interest of all its stakeholders, viz. shareholders, the board of directors, employees, customers, creditors, suppliers, and the community at large. Corporate Governance is primarily based on the principles of transparency and fairness, integrity and ethical conduct, empowerment and accountability, full disclosure and compliances, stakeholders' interest, etc.

In the dynamic environment, shareholders across the globe evince keen interest in the performance in the Company and thus good Corporate Governance is of paramount importance for Companies seeking to distinguish themselves in the global footprint.

Pursuant to the provisions of the revised Clause 49 of the Listing Agreement, a report on Corporate Governance for the Financial Year ended March 31, 2010, is furnished below:

### 1. Philosophy of Company on Corporate Governance

The Company reiterates its commitment to adhere to the highest standards of Corporate Governance which is founded upon a rich legacy of integrity, fairness, transparency, equity and accountability. We believe that a good Corporate Governance practices should be enshrined in all the operations and functioning of the Company and thus pivotal to enhance and retain investors' trust. The Company's philosophy on Corporate Governance envisages attainment of highest level of integrity, fairness, transparency, equity and accountability in all facets of its functioning and in its interactions with shareholders, employees, government, regulatory bodies, listeners and the community at large. The Company recognizes good Corporate Governance practices as a key driver to sustainable growth and long term creation and thus encourages timely and accurate dissemination of information to all their stakeholders.

In compliances with the regulatory requirements and effective implementation of Corporate Governance practices, the Company has adopted the following codes of governance in accordance with the applicable regulations of Securities and Exchange Board of India;

- Code of Conduct for prevention of Insider Trading; or regulating the dealings of the Directors and Employees of the Company possessing or likely to possess price sensitive information, in the securities of the Company;
- Code of Conduct for Board of Directors and Senior Management.

### 2. Board of Directors

#### ● Composition of the Board:

The Company believes that an active, well informed and independent Board of Directors is vital to achieve the apex standard of Corporate Governance. The Board of Directors of the Company comprises of an optimal combination of executive, non-executive and independent directors so to preserve and maintain the independence of the Board and Composition as on March 31, 2010 is as follows:

Particulars	Composition of the Board	
	No. of Directors	% of Total Directors
Non-Executive & Independent Directors	2	50.00
Executive Directors	2	50.00
<b>Total</b>	<b>4</b>	<b>100.00</b>

The composition of the Board of Directors is in accordance with the requirements of the revised Clause 49 of the Listing Agreement, the Companies Act, 1956 and the Articles of Association.



DIRECTOR'S PROFILE



**Mr. Praful N. Satra**, our Promoter and Chairman cum Managing Director has a total experience of over 25 years in domestic and international business which includes 10 years of experience in Real Estate Development. Mr. Praful Satra has been the visionary behind the success of the Company. He has vast experience in execution and management of a wide variety of construction and development of projects. His main activities include Identification of Land, Business Planning & Marketing. He is the Chairman of Investment Committee, Borrowing Committee and Rights Issue Committee of our Company.

Mr. Satra holds Directorship in various Companies; Satra Property Developers Private Limited, Satra Buildcon Private Limited, Satra Estate Development Private Limited, Satra Lifestyles Private Limited, Satra Infrastructure & Land Developers Private Limited, Satra International Realtors Limited, Satra Reality & Builders Limited, Satra Re-Development Company Limited, Satra Infrastructure Development Private Limited, Satra Land Development Private Limited, Satra Property Development Private Limited, Satra Retail Private Limited, Shravan Developers Private Limited, Prime Multi Tiles Trading Private Limited, Sejal Architectural Glass Limited, C. Bhansali Developers Private Limited, Deepmala Infrastructure Private Limited, Savla Realtors & Developers Private Limited as on March 31, 2010. He is a Member of the Audit Committee of Sejal Architectural Glass Limited.

Mr. Satra holds 61,062,331 shares of the Company in his name as on March 31, 2010.



**Mr. Rajan P. Shah**, our Executive Director, has over 18 years of experience in the Real Estate Industry and construction activities. He has vast experience in the execution and management of a wide variety of construction projects. He joined our Company on May 13, 2006 as an Executive Director. His areas of responsibilities include Liaisoning with Government Authorities and Local Municipal Corporations, Purchases, & Project Execution. He also looks into the legal matters relating to our Company. He is a Member of the Shareholders'/Investors' Grievance Committee, Audit Committee, Investment Committee, Borrowing Committee & Rights Issue Committee of our Company.

Mr. Shah holds Directorship in various Companies; Alif International Private Limited, Satra Buildcon Private Limited, Satra Estate Development Private Limited, Satra Lifestyles Private Limited, Satra Infrastructure & Land Developers Private Limited, Satra Reality & Builders Limited, Satra Re-Development Company Limited, Satra Infrastructure Development Private Limited, Satra Property Development Private Limited, Satra Property Developers Private Limited as on March 31, 2010.

Mr. Shah does not hold any shares of the Company in his name as on March 31, 2010.



**Mr. Vidyadhar D. Khadilkar**, our Independent Director, holds a diploma in Civil and Sanitary Engineering from the Victoria Jubilee Technical Institute, Mumbai. Mr. Vidyadhar Khadilkar has a total work experience of over 30 years. He was in-charge of the prestigious Morbe Dam Project of Navi Mumbai Municipal Corporation as an Executive Engineer. He was appointed by the State Government of Maharashtra, WS & S Department as a Member of Committee for Interconnecting all the Water Sources in Mumbai Metropolitan Region Area. He was also appointed by Navi Mumbai Municipal Corporation as a Member Secretary of its Expert Committee to decide permanent Water Source for Navi Mumbai City. He was assigned the Job of preparing and implementing 24 x 7 water supply systems in Navi Mumbai Area with atomization to achieve savings in Energy Charges and Economizing Operational Cost. He has worked as an Engineer with state PWD of the Government of Maharashtra and also was associated with CIDCO Limited, a town planning authority of Navi Mumbai. Mr. Vidyadhar Khadilkar joined our Board on May 26, 2007. He is the Chairman of Remuneration Committee and Shareholders'/Investors' Grievance Committee and Member of the Audit Committee, Borrowing Committee & Rights Issue Committee of our Company.

Mr. Khadilkar holds Directorship in Satra Property Developers Private Limited in compliance of Clause 49 of Listing Agreement.

Mr. Khadilkar does not hold any shares of the Company in his name as on March 31, 2010.



**Mr. Vinayak D. Khadilkar**, our Independent Director holds a Bachelors degree in Commerce from University of Mumbai. He is a practicing Chartered Accountant and has over 27 years of experience in the field of Finance, Accounts, Audit and Taxation. Mr. Khadilkar joined our Company on May 26, 2007 and is the Chairman of the Audit Committee and a Member of the Remuneration Committee, Shareholders'/Investors' Grievance Committee & Investment Committee of our Company.

Mr. Khadilkar does not hold Directorship in any other Company.

Mr. Khadilkar does not hold any shares of the Company in his name as on March 31, 2010.



The attendance of Directors at the Board Meetings (BM) held during the Financial Year under review and at the last Annual General Meeting (AGM), number of Directorships, Memberships and Chairmanships in other Public Companies as on March 31, 2010 is as follows:

Name of Directors	Category	Attendance at Board Meetings held during F.Y. 2009-10		Attendance at last AGM held on 29.09.09	Number of Other Directorship - #	Other Committee positions in Public Ltd. Co's. - \$	
		Held	Attended			Member	Chairman
Mr. Praful N. Satra (Chairman cum Managing Director) (Executive Director)	Non- Independent	5	5	Yes	9	1	NIL
Mr. Rajan P. Shah (Executive Director)	Non- Independent	5	3	Yes	7	NIL	NIL
Mr. Vinayak D. Khadilkar (Non-Executive Director)	Independent	5	4	Yes	NIL	NIL	NIL
Mr. Vidyadhar D. Khadilkar (Non-Executive Director)	Independent	5	5	Yes	1	NIL	1
Mr. K. Jawahar Mahi* (Non-Executive Director) (Resigned w.e.f. 06.01.2010)	Independent	4**	1	No	1	NIL	NIL

# The Directorships held by Directors as mentioned above includes Private Limited Companies which are Subsidiaries of Public Limited Companies but do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

\$ In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committees & Shareholders'/Investors' Grievance Committees of all Public Limited Companies (including Private Limited Companies which is Subsidiary of the Public Limited Companies) have been considered.

\* Mr. K. Jawahar Mahi, Independent Director resigned w.e.f. January 06, 2010.

\*\* Details provided till the date of resignation of respective Directors.

Mr. Vinayak D. Khadilkar and Mr. Vidyadhar D. Khadilkar are related with each other (inter-se).

None of the other Directors are related with each other (inter-se) within the meaning of Clause 49 IV (G) (ia) of the Listing Agreement.

● **Board Meetings:**

Five Board Meetings were held during the year and the gap between two Meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

- June 29, 2009
- July 31, 2009
- October 31, 2009
- December 4, 2009
- January 29, 2010

The Board of Directors has passed Resolution through Circular Resolution dated November 30, 2009. The same has been confirmed by the Board in its next Meeting.

The Twenty-Sixth Annual General meeting was held on September 29, 2009.

● **Chief Executive Officer (CEO) Certification:**

Declaration by the Chairman cum Managing Director under Clause 49 (1)(D) of the Listing Agreement regarding adherence to the code of conduct is forming part of the Report on Corporate Governance.

In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there is no significant material departure.

### 3. Audit Committee

- **Brief description and terms of reference:**

The Company recognizes that the Audit Committee is indispensable for ensuring accountability amongst the Board, Management and the Auditors, who are responsible for sound and transparent financial reporting. The primary objective of the Audit Committee of the Company is to monitor and effectively supervise the financial reporting process of the Company with a view to ensure accurate, timely and proper disclosures and integrity of financial reporting.

The role and terms of reference of the Audit Committee inter-alia includes the following:

- Oversight of the Company's financial reporting process and disclosure of financial information.
- Recommend the appointment, re-appointment and, if required, replacement or removal of Statutory Auditors, fixation of Audit fees and approving payment for any other services.
- Review with the management the Annual and Quarterly Financial Statements before submission to the Board.
- Review with the management the performance of Statutory Auditors and adequacy of internal control systems.
- Discuss with the Statutory Auditors, before the Audit commences, of the nature and scope of the audit as well as have post audit discussion to ascertain any areas of concern.
- Look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- Review the following information:
  - Management discussion and analysis of financial condition and results of operations.
  - Statement of Significant related party transaction.
  - Management Letters/Letters of Internal Control Weaknesses issued by the Statutory Auditors.
  - The Financial Statements, in particular, the investments made by Un-Listed Subsidiary Company.

In addition to the above, the following disclosures are made to the Audit Committee, as and when applicable:

- Basis of related party transaction;
- Disclosure of Accounting treatment;
- Utilisation/application of proceeds from public issues, rights issues, preferential issues, etc., if any.

The Audit Committee is vested with the necessary powers, as defined in the Listing Agreement.

- **Composition of the Committee:**

The Audit Committee of the Company is constituted in conformity with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.

The Audit Committee comprises of the following Directors as on March 31, 2010, two-thirds of whom are Independent Directors:

Name	Tenure		Position	Category
	From	To		
Mr. Vinayak D. Khadilkar	May 26, 2007	-	Chairman	Non-Executive & Independent Director
Mr. Vidyadhar D. Khadilkar	Aug 29, 2008	-	Member	Non-Executive & Independent Director
Mr. Rajan P. Shah	Mar 20, 2009	-	Member	Executive Director
Mr. Vicky M. Kundaliya	May 26, 2007	Nov 30, 2009	Secretary	Company Secretary & Compliance Officer
Mr. Manan Y. Udani	Nov 30, 2009	-	Secretary	Company Secretary & Compliance Officer

All the Members of Audit Committee are financially literate and have relevant accounting and financial management expertise as required under Clause 49 of the Listing Agreement. Mr. Manan Y. Udani has been appointed as Company Secretary & Compliance Officer w.e.f. November 30, 2009 in place of Mr. Vicky M. Kundaliya. The Company Secretary acts as the Secretary to the Audit Committee.



- **Meetings and Attendance during the year:**

The Audit Committee met five times during the Financial Year 2009-2010. The gap between two Meetings did not exceed four months. The details of attendance of the Members and Secretary at these Meetings are as follows:

Name	Attendance at the Meeting held on				
	21.04.2009	29.06.2009	31.07.2009	31.10.2009	29.01.2010
Mr. Vinayak D. Khadilkar	Yes	Yes	Yes	Yes	Yes
Mr. Vidyadhar D. Khadilkar	Yes	Yes	Yes	Yes	Yes
Mr. Rajan P. Shah	Yes	Yes	Leave of Absence	Yes	Leave of Absence
Mr. Vicky M. Kundaliya (Resigned w.e.f. 30.11.2009)	Yes	Yes	Yes	Yes	N.A.
Mr. Manan Y. Udani (Appointed w.e.f. 30.11.2009)	N.A.	N.A.	N.A.	N.A.	Yes

The Chairman of the Audit Committee was present at 26th Annual General Meeting held on September 29, 2009.

#### 4. Remuneration Committee

- **Brief description of terms of reference:**

The Remuneration/Compensation Committee has been constituted to review and recommend the remuneration payable to the Executive Directors of the Company based on their performance and defined assessment criteria.

**Brief terms of reference of the Remuneration/Compensation Committee include:**

- Determine the Company's policy on specific remuneration packages for the Company's Managing/Whole time/ Executive Directors including any pension and any compensation, payment.
- Determining and/or recommending to the Board of Directors, the remuneration packages of the Company's Managing/Whole time/Executive Directors, including all elements of the remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives alongwith the performance criteria, service contracts, notice period, severance fees, etc.).
- Decide the Commission payable to Managing/Whole time Directors.
- Periodically review/suggest revision of the total remuneration package of the Managing/Whole time Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines, etc.
- Implementing, supervising and administering the present and future Employee Stock Option Scheme(s), if any.
- Any other matter duly specified under the applicable provisions of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

- **Composition of the Committee:**

The composition of the Remuneration/Compensation Committee is as follows:

Name of Directors	Tenure		Position	Category
	From	To		
Mr. Vidyadhar D. Khadilkar	May 26, 2007	-	Chairman	Non-Executive & Independent Director
Mr. Vinayak D. Khadilkar	May 26, 2007	-	Member	Non-Executive & Independent Director
Mr. K. Jawahar Mahi	May 26, 2007	Jan 06, 2010	Member	Non-Executive & Independent Director

- **Meetings and Attendance during the year:**

During the Financial Year under review, the Remuneration/Compensation Committee did not meet.

The Chairman of the Remuneration Committee was present at the 26th Annual General Meeting of the Company held on September 29, 2009.

- **Remuneration Policy:**

The Remuneration Policy of the Company is based upon well defined criteria such as success and performance of its managerial persons and the Company, industry benchmarks, the profile of the incumbent, the responsibilities shouldered etc. Through its Remuneration Policy, the Company endeavors to attract, retain, develop and motivate its high skilled and dedicated workforce.



The Non-Executive Directors did not draw any remuneration (other than sitting fees) from the Company during the Financial Year under review.

**a. Details of Remuneration paid to Managing & Executive Directors during the year 2009-2010 is given below:**

(Amount in Rs.)

Particulars	Mr. Praful N. Satra	Mr. Rajan P. Shah
Salary	24,00,000/-	12,00,000/-
Perquisites	NIL	NIL
Commission	47,04,813/-	NIL
<b>Total</b>	<b>71,04,813/-</b>	<b>12,00,000/-</b>

- Commission is determined on the basis of the Net Profits of the Company for the particular Financial Year, subject to the ceiling as stipulated in Sections 198 & 309 of the Companies Act, 1956.
- Commission payable to Managing Director is subject to approval of the Audited Annual Accounts for the Financial Year 2009-2010 by the Members at the 27th Annual General Meeting.
- Appointment, terms, conditions and payment of Remuneration to the Managing Director/Whole time Director/Executive Director is governed by the resolutions passed by the Remuneration/Compensation Committee, Board of Directors and Members of the Company, where necessary. The remuneration structure comprises salary, incentive allowances, perquisites and allowance, contribution to provident fund and superannuation, as per the Company's policy.
- The Company does not have any Employee Stock Option Scheme.

**b. Criteria for making payment to Non-Executive Directors:**

Non-Executive Directors of the Company were paid sitting fees per meeting during the Financial Year under review subject to applicable taxes, levies, etc., if any for attending:

- Meeting of the Board of Directors
- Meeting of the Audit Committee
- Meeting of the Shareholders' Grievance Committee
- Meeting of the Remuneration Committee, if any
- Meeting of the Investment Committee, if any
- Meeting of the Borrowing Committee
- Meeting of the Rights Issue Committee, if any

**c. Details of sitting fees paid to the Non-Executive Directors for the Financial Year 2009-2010:**

(Amount in Rs.)

Name of Directors	Sitting Fees
Mr. Vidyadhar D. Khadilkar	85,000/-
Mr. Vinayak D. Khadilkar	55,000/-
Mr. K. Jawahar Mahi	10,000/-

The Non-Executive Directors are paid sitting fees at the rate of Rs. 10,000/- for attending each Board Meeting and Rs. 2,500/- for attending other Committee Meetings of the Company.

**5. Shareholders' Grievance Committee**

**● Constitution and terms of reference of the Committee:**

The Company has always valued its investors and stakeholders relationships in order to ensure the proper and speedy redressal of Shareholders'/Investors' complaints, the Shareholders'/Investors' Committee was constituted. The constitution and terms of reference of the Shareholders'/Investors' Grievance Committee is in conformity with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchange. The Shareholders'/Investors' Grievance Committee is empowered to look into redressal of Shareholders' and Investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and other miscellaneous complaints. The Committee also ensures implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in conformity with SEBI (Prohibition of Insider Trading) Regulations, 1992.



- **Composition of the Committee:**

The Shareholders'/Investors' Committee is headed by a Non-Executive Director and comprises of the following Directors:

Name	From	To	Position	Category
Mr. K. Jawahar Mahi	May 26, 2007	Jan 06, 2010	Chairman (upto 06.01.2010)	Non-Executive & Independent Director
Mr. Vidyadhar D. Khadilkar	May 26, 2007	-	Chairman (w.e.f. 29.01.2010)	Non-Executive & Independent Director
Mr. Vinayak D. Khadilkar	Jan 29, 2010	-	Member	Non-Executive & Independent Director
Mr. Rajan P. Shah	May 26, 2007	-	Member	Executive Director
Mr. Vicky M. Kundaliya	May 26, 2007	Nov 30, 2009	Secretary	Company Secretary & Compliance Officer
Mr. Manan Y. Udani	Nov 30, 2009	-	Secretary	Company Secretary & Compliance Officer

**Note:** Mr. Manan Y. Udani has been appointed as Company Secretary & Compliance Officer w.e.f. November 30, 2009 in place of Mr. Vicky M. Kundaliya. The Shareholders' Grievance Committee was reconstituted in the Board Meeting dated January 29, 2010 by appointing Mr. Vinayak D. Khadilkar as a Member of the Committee. Mr. Vidyadhar D. Khadilkar was appointed as the Chairman of the Committee in place of Mr. K. Jawahar Mahi.

- **Name and Designation of Compliance officer:**

Mr. Manan Y. Udani – Company Secretary is the Compliance Officer of the Company.

- **Shareholders Complaints:**

Nature of Complaints	Received	Cleared	Pending
Non-receipt of Share Certificates duly transferred	NIL	NIL	NIL
Non-receipt of Dividend Warrants	NIL	NIL	NIL
Non-receipt of Annual Report	5	5	NIL
Letters from SEBI	NIL	NIL	NIL
Letters from Stock Exchanges	5	5	NIL
Correspondence construed as Complaint	NIL	NIL	NIL
<b>Total</b>	<b>10</b>	<b>10</b>	<b>NIL</b>

- **Meetings and attendance during the year:**

The Shareholders'/Investors' Grievances Committee met four times during the Financial Year. The details of attendance of the Members and Secretary at these Meetings are as follows:

Name	Attendance at the Meeting held on			
	29.06.2009	30.07.2009	31.10.2009	23.01.2010
Mr. Vidyadhar D. Khadilkar	Yes	Yes	Yes	Yes
Mr. Rajan P. Shah	Yes	Yes	Yes	Yes
Mr. K. Jawahar Mahi (Resigned w.e.f. 06.01.2010)	Leave of Absence	Leave of Absence	Leave of Absence	-
Mr. Vinayak D. Khadilkar (Appointed w.e.f. 29.01.2010)	-	-	-	-
Mr. Vicky M. Kundaliya (Resigned w.e.f. 30.11.2009)	Yes	Yes	Yes	-
Mr. Manan Y. Udani (Appointed w.e.f. 30.11.2009)	-	-	-	Yes

## 6. General Body Meetings

### a) Details of venue, date and time of the last three Annual General Meetings (AGM) held:

Financial Year	AGM No.	Venue	Day and Date	Time
2008-09	26th	Prime Party Hall,	Tuesday, September 29, 2009	5.00 P.M.
2007-08	25th	Shafi Mansion, Irla Society Road,	Monday, September 29, 2008	5.00 P.M.
2006-07	24th	Vile Parle (W), Mumbai - 400056	Tuesday, September 11, 2007	5.00 P.M.

**b) Special Resolutions passed at the last three AGMs:**

Special Resolutions passed in the previous three Annual General Meetings are as follows:

**At the 26th AGM held on September 29, 2009**

➤ No Special Resolution was passed and only Ordinary Resolutions were passed.

**At the 25th AGM held on September 29, 2008**

➤ No Special Resolution was passed and only Ordinary Resolutions were passed.

**At the 24th AGM held on September 11, 2007**

- Increase in the Sitting Fees payable to Non-Executive and Independent Director for Attending Meetings.
- Increase in the limit of Remuneration payable to Executive Directors of the Company.

**c) Passing of Resolutions by Postal Ballot:**

No Resolution was passed by Postal Ballot during the year under review.

**7. Subsidiary Companies**

Mr. Vidyadhar D. Khadilkar, Independent Director of the Company holds a position as Director in Satra Property Developers Private Limited, a material non listed Indian Wholly Owned Subsidiary Company, as required under Clause 49 III (i) of the Listing Agreement.

The Audit Committee of the Company reviews inter-alia the financial statements etc. of the Subsidiary Companies as stipulated under Clause 49 of the Listing Agreement. The minutes of the Board Meetings of Unlisted Subsidiary Companies have been placed at the Board Meetings of the Company and other relevant provisions of the said Clause 49 of the Listing Agreement are duly complied with, to the extent applicable.

**8. Disclosures**

**a. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

During the year under review, there was no materially significant related party transactions with the Promoters, Directors, etc. that may have potential conflict with the interests of the Company at large.

**b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years:**

There has been no non-compliance of any legal requirements nor have there been any strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

**c. Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. However, a formal Whistle Blower policy is not in place.

**d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the clause:**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges. Compliance/Non-Compliance of the non-mandatory requirements of this clause has been detailed hereof.

**9. Means of Communication**

**• Quarterly/Half Yearly/Annual results:**

Quarterly/Half Yearly/Annual results are regularly submitted to the Stock Exchanges where the securities of the Company are listed pursuant to the provisions of the Listing Agreement and are published in the newspapers. The Company has also displayed the results as specified under Clause 41 of the Listing Agreement on the Company's website [www.satraproperties.in](http://www.satraproperties.in)

**• Newspapers wherein results are normally published:**

The results of the Company are normally published in Free Press Journal (English) and Navshakti (Marathi, the regional language). However, the Company has published Audited Financial Results for March 31, 2010 in Economic Times (English), DNA (English) and Maharashtra Times (Marathi, the Regional Language).



- **Any Website, where displayed and whether Website also displays official news releases:**

The Company has its Official Website namely [www.satraproperties.in](http://www.satraproperties.in), which is providing all the project related and general information about the Company. The Company is regular in submitting all the relevant information with the BSE. To have an easy access to all such information by the Shareholders/Investors, etc., the Company has made arrangements by making direct link from the Company's website to BSE website with Company's code, so that our shareholders can have latest updates submitted to the Stock Exchange.

- **Whether presentations made to institutional investors or to the analysts:**

No specific presentation has been made to institutional investors or to the analysts.

## 10. General Shareholders Information

### 1. 27th Annual General Meeting

Day, Date : Wednesday, September 29, 2010 at 5 p.m.  
Venue : Prime Party Hall  
Shafi Mansion, Irla Society Road,  
Vile Parle (West), Mumbai - 400 056.

### 2. Financial Year

: April 1, 2009 to March 31, 2010.

### 3. Date of Book Closure

: The Company's Register of Members and Share Transfer Books will remain closed from September 22, 2010 to September 29, 2010 (both days inclusive).

### 4. Listing on Stock Exchanges

: Bombay Stock Exchange Limited  
Floor, 25, P. J. Towers,  
Dalal Street, Mumbai - 400 001.

The Company has paid the Annual Listing Fees for the Financial Year 2010-2011 to the Bombay Stock Exchange. Also, it has paid the Annual Custodial Fees for the Financial Year 2010-2011 to CDSL and NSDL.

### 5. Stock Code

: Equity Shares - 508996  
Preference Shares - 700124

### 6. ISIN Number

: Equity Shares - INE086E01021  
Preference Shares - INE086E04017

### 7. CIN Number

: L65910MH1983PLC030083

### 8. Registration Number

: 030083

### 9. Market Price Data

: High, Low during each month in last financial year

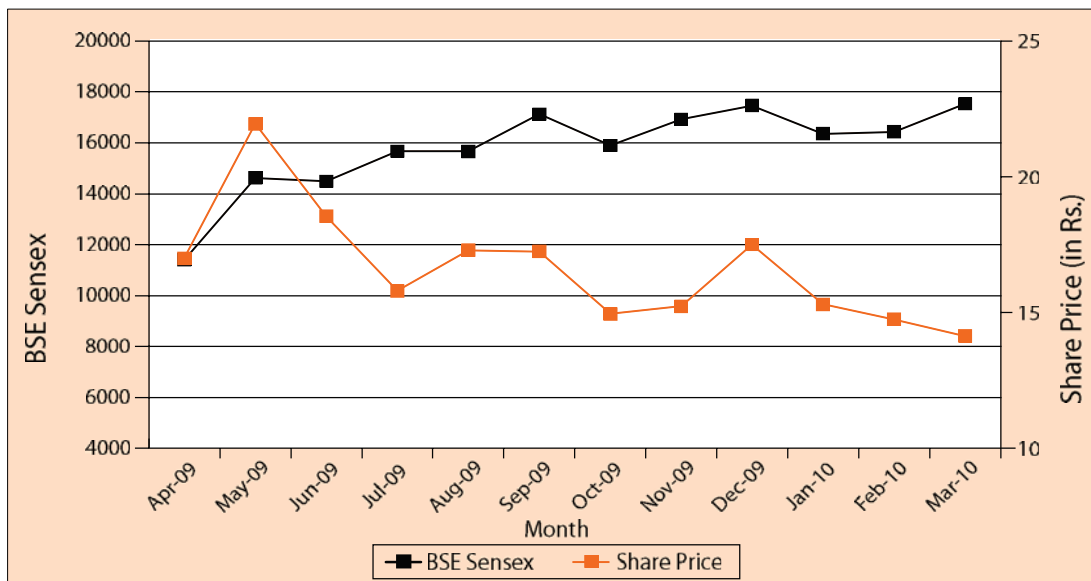
The performance of the Equity Shares of the Company on the Bombay Stock Exchange Limited (BSE) depicting the liquidity of the Company's Equity Shares for the Financial Year ended March 31, 2010, on the said exchange is given hereunder:

Months	High - Rs.	Low - Rs.	Volume - Nos.
April, 2009	23.90	16.00	81,468
May, 2009	24.25	11.45	22,05,367
June, 2009	29.75	17.50	8,56,828
July, 2009	19.30	14.50	6,66,527
August, 2009	18.15	14.25	9,85,489
September, 2009	20.90	16.15	39,84,343
October, 2009	19.20	14.70	15,75,339
November, 2009	15.85	13.00	7,28,078
December, 2009	18.50	15.15	14,58,010
January, 2010	19.00	14.60	9,30,673
February, 2010	18.35	12.95	11,75,172
March, 2010	17.30	11.50	22,28,725



**11. Stock Performance**

Your Company's Closing Share Price movement during the Financial Year 2009-2010 on BSE vis-à-vis respective indices:



**12. Registrar and Share Transfer Agent**

Share Transfer, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent:

**ADROIT CORPORATE SERVICES PRIVATE LIMITED**

**Unit: Satra Properties (India) Limited**

19/20, Jaferbhoy Industrial Estate, Makwana Road,  
Marol Naka, Andheri (East), Mumbai – 400059.

Time: 9.30 a.m. to 5.30 p.m. (From Monday to Saturday)

Tel: +91 - 022 - 2859 4060/6060, Fax: +91 - 022 - 2850 3748

Email: [investorgrievances@adroitcorporate.com](mailto:investorgrievances@adroitcorporate.com) / Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)

**13. Share Transfer System**

Pursuant to the provisions of the Listing Agreement entered into with the Stock Exchanges, the Board of Directors of the Company, in order to expedite the process of share transfers, has delegated the power of share transfer to the Registrar and Share Transfer Agent. Securities lodged for transfer are normally processed within the stipulated time as specified in the Listing Agreement and other applicable provisions of the Companies Act, 1956.

**14. Distribution of Shareholding as on March 31, 2010**

Number of Shares held (F.V. of Rs. 2/- each)	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 - 500	3,419	70.02	595,484	0.38
501 - 1,000	629	12.88	515,218	0.33
1,001 - 2,000	322	6.59	499,737	0.32
2,001 - 3,000	122	2.50	322,145	0.21
3,001 - 4,000	38	0.78	137,857	0.09
4,001 - 5,000	59	1.21	281,216	0.18
5,001 - 10,000	86	1.76	629,307	0.41
10,001 - above	208	4.26	152,377,036	98.08
<b>Total</b>	<b>4,883</b>	<b>100.00</b>	<b>155,358,000</b>	<b>100.00</b>



## 15. Dematerialisation of Shares And Liquidity

As per the directions of SEBI, Equity Shares of the Company can be traded by all the investors only in dematerialised form. The details of Equity Shares dematerialised and those held in Physical Form as on March 31, 2010 are given hereunder:

Particulars of Equity Shares	Shares of Rs. 2/- each		Shareholders	
	Number	% of Total	Number	% of Total
Dematerialised Form				
- NSDL	10,65,51,886	68.58	2,581	52.86
- CDSL	86,32,389	5.56	2,229	45.65
<b>Sub-total</b>	<b>11,51,84,275</b>	<b>74.14</b>	<b>4,810</b>	<b>98.51</b>
Physical Form	4,01,73,725	25.86	73	1.49
<b>Total</b>	<b>15,53,58,000</b>	<b>100.00</b>	<b>4,883</b>	<b>100.00</b>

Considering the advantages of dealing in securities in dematerialised/electronic form, Members still holding shares in physical form are requested to dematerialise their shares at the earliest. For further information/clarification/assistance in this regard, please contact M/s. Adroit Corporate Services Private Limited, Registrar and Share Transfer Agent.

## 16. Capital Built – Up

The Equity Capital Built – Up of the Company up to March 31, 2010 is as follows:

Sr. No.	Particulars	Date of Allotment	No. of Shares
1.	Subscribers to Memorandum of Association & Articles of Association	30/05/83	7,000
2.	Public Issue	18/07/83	24,93,000
3.	Allotment on Preferential Basis	22/01/06	2,41,500
4.	Allotment on Preferential Basis	28/03/07	1,77,250
5.	Sub-Division of Shares from F. V. of Rs. 10/- each to Rs. 2/- each	14/07/07	1,45,93,750
6.	Shares issued pursuant to the Order of the Hon'ble High Court, Bombay approving the Scheme of Amalgamation of Om Housing Company Private Limited with the Company	19/09/07	3,71,92,250
7.	Bonus Shares issued in the ratio of 2:1 (i.e. Two new Equity Shares issued against One existing Equity Share.)	29/01/08	10,35,72,000
	<b>Total Equity Shares of F.V. of Rs. 2/- each</b>		<b>15,53,58,000</b>

The 8% Cumulative Redeemable Preference Capital Built – Up of the Company up to March 31, 2010 is as follows:

Sr. No.	Particulars	Date of Allotment	No. of Shares
1.	Shares issued pursuant to the Order of the Hon'ble High Court, Bombay approving the Scheme of Amalgamation of Om Housing Company Private Limited with the Company.	19/09/07	74,00,000
	<b>Total Preference Shares of F.V. Rs. 10/- each</b>		<b>74,00,000</b>

## 17. Outstanding ADRs/GDRs

As on March 31, 2010, the Company did not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

## 18. Site Address

The Company does not have any manufacturing facility. Hence, the locations of the plant could not be given. The Company is in the business of Real Estate & Development & Construction Activities. The locations of the various sites presently under construction are as under:

Sr. No.	Name of the Projects	Projects Location	Scope of Project
1.	Satra Plaza	Vashi, Navi Mumbai	Commercial Offices cum Shopping Centre
2.	Satra Park	Borivali, Mumbai	Residential cum Shopping Centre
3.	Satra Galleria	Calicut, Kerala	Shopping Mall cum Hotel
4.	Satra Galleria	Jodhpur, Rajasthan	Shopping Mall cum Hotel

## 19. Address for Correspondence

Any clarification/grievances/queries/suggestions pertaining to Share transfer/Demat can be addressed to the Company's Registrar and Share Transfer Agent on their following address:

### ADROIT CORPORATE SERVICES PRIVATE LIMITED

#### Unit: Satra Properties (India) Limited

19/20, Jaferbhoy Industrial Estate, Makwana Road,

Marol Naka, Andheri (East), Mumbai – 400059

Time: 9.30 a.m. to 5.30 p.m. (From Monday to Saturday)

Tel: +91 - 022 - 2859 4060/6060, Fax: +91 - 022 - 2850 3748

Email: [investorgrievances@adroitcorporate.com](mailto:investorgrievances@adroitcorporate.com) / Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)

## 20. Non-Mandatory Requirements

### 1. The Board:

The Company does not defray any secretarial expenses of the Chairman's office. Independent Directors may have a tenure not exceeding in the aggregate, a period of nine years, on the Board of the Company. The Company ensures that all the persons being appointed as Independent Director of the Company has requisite qualifications, experience and expertise enabling them to effectively contribute towards the growth of the Company and aids the Company to achieve new heights of success in the Real Estate, Development and Construction Industry.

### 2. Remuneration Committee:

As stated earlier, the Company has constituted Remuneration/Compensation Committee to review and recommend the remuneration of the Managing Director/Whole time Director/Executive Director based on his/her performance and defined assessment criteria. Details regarding composition and scope of the Remuneration/Compensation Committee are given in the earlier part of this report.

### 3. Shareholder Rights:

The Company's quarterly and half-yearly results are furnished to the Stock Exchanges and are also published in the newspapers and on the website of the Company and therefore results were not separately sent to the Members.

### 4. Audit Qualifications:

The Qualifications in the Audit Report for the Financial Year under review has been discussed in the Directors' Report.

### 5. Training of Board Members:

No training is provided to the Board Members as on date of this Report.

### 6. Mechanism for evaluating Non-Executive Board Members:

No mechanism is in place on the date of this Report.

### 7. Whistle Blower Policy:

Company has adopted the Code of Conduct for Board of Directors and Senior Management. However, as of the date of this Report, the Company has not adopted any formal Whistle Blower Policy.

## DECLARATION BY CHAIRMAN CUM MANAGING DIRECTOR UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

I, Praful N. Satra, Chairman cum Managing Director of Satra Properties (India) Limited hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and Senior Management personnel, that:

- The Board of Directors has laid down a code of conduct for all the Board Members and Senior Management of the Company ["the Code"];
- The Code of Conduct has been posted on the website of the Company;
- All the Directors and Senior Management personnel have affirmed their compliance and adherence to the provisions of the Code of Conduct.

**Praful N. Satra**  
*Chairman cum Managing Director*  
Mumbai, August 12, 2010



## Certificate on Corporate Governance

To the Members of  
**SATRA PROPERTIES (INDIA) LIMITED**

We have examined the compliance of conditions of Corporate Governance by SATRA PROPERTIES (INDIA) LIMITED ("the Company"), for the financial year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited (BSE).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause 49. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

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

**For Hemanshu Kapadia & Associates**  
*Company Secretaries*

**Hemanshu Kapadia**  
*Proprietor*  
C.P. No. 2285

Mumbai, August 12, 2010

## C.E.O. / C.F.O. Certification

To,

**The Board of Directors**

**Satra Properties (India) Limited**

Dev Plaza, 2nd Floor,  
Opp. Andheri Fire Station,  
S. V. Road, Andheri (West),  
Mumbai – 400 058

We, Praful N. Satra, Chairman cum Managing Director and Bhavesh V. Sanghavi, Chief Financial Officer of Satra Properties (India) Limited, to the best of our Knowledge and belief certify that :-

- A. We have reviewed financial statement and the cash flow statement for the year ended March 31, 2010 and that to the best of our knowledge and belief:
- i. these statement do not contain any materially untrue statements or omit any material fact or contain statement that might be misleading;
  - ii. these statements together present true & fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control system 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 internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:-
- i. Significant changes in internal control financial reporting during the year;
  - ii. Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

**Praful N. Satra**

*Chairman cum Managing Director*

Mumbai, August 12, 2010

**Bhavesh V. Sanghavi**

*Chief Financial Officer*

Mumbai, August 12, 2010





## Auditors' Report

To the Members of

### **SATRA PROPERTIES (INDIA) LIMITED**

We have audited the attached Balance Sheet of Satra Properties (India) Limited ('the Company') as at 31 March 2010, the Profit and Loss account and the 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.

We 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 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to 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 purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, *except as stated in paragraph (f) below*, the Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) on the basis of the written representations received from the directors of the Company as on 31 March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) *As more fully explained in Schedule 39 to the financial statements, construction work-in-progress of a project includes construction cost of Rs 157,974,510 arising out of a significant change in the structural plan of the project, resulting in over-statement of the construction work-in-progress as at 31 March 2010 (31 March 2009: Rs 157,974,510). In accordance with the provisions of Accounting Standard – 2, "Inventories", such construction costs should have been charged to the profit and loss account for the year ended 31 March 2009. As at 31 March 2010, construction work-in-progress and the profit and loss account are over-stated by the above amount. As the Company has not recognized any revenue from this project during the year ended 31 March 2010, this has no impact on the results for the year then ended; and*
  - (g) in our opinion, and to the best of our information and according to the explanations given to us, *subject to the effect of the matter stated in paragraph (f) above*, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;
    - ii. in the case of the Profit and Loss account, of the profit of the Company for the year ended on that date; and
    - iii. in the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For **M/s Bhuta Shah & Co.**  
Chartered Accountants  
Firm's Registration No: 101474W

**S. J. Parmar**  
Partner  
Membership No: 103424  
Mumbai, 29 May, 2010

For **BSR & Associates**  
Chartered Accountants  
Firm's Registration No: 116231W

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070  
Mumbai, 29 May, 2010

**ANNEXURE TO THE AUDITORS' REPORT – 31 MARCH 2010**

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, the Company has physically verified certain fixed assets during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) The Company has not disposed of any fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the 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) 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) (a) The Company has granted loans to two companies covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act'). The maximum amount outstanding during the year was Rs 462,602,250 and the year-end balance of such loans was Rs 462,602,250. The Company has not granted any loans, secured or unsecured to firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies listed in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (c) The loans granted to companies covered in the register maintained under Section 301 of the Act are repayable on demand. According to the information and explanations given to us, the loans have not been demanded by the Company during the year.
- (d) There is no overdue amount in excess of Rupees one lakh in respect of the loan granted to the Company covered in the register maintained under Section 301 of the Act.
- (e) The Company has taken unsecured loans from six companies and two other parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs 333,303,022 and the year-end balance of such loans was Rs 265,447,085.
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies and other parties listed in the register maintained under Section 301 of the Act, are not, prima facie, prejudicial to the interest of the Company.
- (g) The loans taken from the companies and other parties covered in the register maintained under Section 301 of the Act are considered repayable on demand. According to the information and explanations given to us, the loans have not been demanded during the year.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and sale of commercial/residential premises. The activities of the Company currently do not involve sale of goods and services. Accordingly, paragraph 4 (iv) of the Order with respect to sale of goods and services is not applicable to the Company. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) *The Company does not have an internal audit function.*
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Act for any of the activities carried out by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Wealth Tax, Provident Fund and Profession Tax have been generally regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, *there have been serious delays in several cases in respect of depositing the undisputed statutory dues of Works Contract Tax, Cess and Income Tax with the appropriate authorities.* As explained to us, the Company did not have any dues on account of Employees' State Insurance, Customs Duty, Excise Duty, Service Tax and Investor Education and Protection Fund.



There were no dues on account of Cess under Section 441A of the Act since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, *except for Rs 1,053,834 on account of Works Contract Tax, Rs 2,426,658 on account of Dividend Distribution Tax and Rs 79,522,124 on account of Income Tax*, no undisputed amounts payable in respect of Wealth Tax, Profession Tax, Provident Fund, Cess and other material statutory dues were in arrears as at 31 March 2010 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Wealth Tax, Works Contract Tax and Cess which have not been deposited with the appropriate authorities on account of any disputes.

According to the information and explanations given to us, the following dues of Income-tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	17,455,266	A.Y. 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	461,854	A.Y. 2007-08	Commissioner of Income Tax (Appeals)

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, *the Company has defaulted in repayment of dues to its bankers and financial institutions at various dates during the year which have also been made good as at the year end. The defaults existing as at the balance sheet date are set out below:*

Name of the bank / financial institution	Amount due on	Amount repaid on	Amounts due on balance sheet date	Number of days delay
Indian Bank	31 March 2010	27 April 2010	3,726,479	27
SICOM Investment and Finance Limited	14 May 2009	12 May 2010	491,619,729	363
Yes Bank	31 January 2010	27 April 2010	5,636,197	85
Yes Bank	20 February 2010	19 May 2010	50,000,000	88
Yes Bank	28 February 2010	29 May 2010	5,561,400	89
Yes Bank	31 March 2010	Unpaid till date	6,286,630	

The Company did not have any outstanding debentures during the year.

- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading 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 banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to companies, firms and parties covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures. Accordingly, paragraph 4(xix) of the Order is not applicable to the Company.
- (xx) The Company has not raised any money by public issues.
- (xxi) 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 **M/s Bhuta Shah & Co.**  
Chartered Accountants  
Firm's Registration No: 101474W

**S. J. Parmar**  
Partner  
Membership No: 103424  
Mumbai, 29 May, 2010

For **B S R & Associates**  
Chartered Accountants  
Firm's Registration No: 116231W

**Bhaves Dhupelia**  
Partner  
Membership No: 042070  
Mumbai, 29 May, 2010

## Balance Sheet as at 31 March 2010

		(Currency: Indian Rupees)	
	Schedule	2010	2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	3	384,716,000	384,716,000
Reserves and surplus	4	470,248,748	409,498,992
		<b>854,964,748</b>	794,214,992
<b>Loan funds</b>			
Secured loans	5	2,594,794,165	2,690,051,623
Unsecured loans	6	2,077,093,118	676,234,042
		<b>4,671,887,283</b>	3,366,285,665
	<b>TOTAL</b>	<b>5,526,852,031</b>	4,160,500,657
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	7	59,063,820	56,558,765
Less: Accumulated depreciation/amortisation		35,285,358	24,710,076
Net block		23,778,462	31,848,689
Capital work-in-progress		344,609	-
		<b>24,123,071</b>	31,848,689
<b>Investments</b>	8	<b>597,810,450</b>	597,969,890
<b>Deferred tax assets</b>	9	<b>5,140,048</b>	21,227,597
<b>Current assets, loans and advances</b>			
Inventories	10	2,655,022,196	2,777,693,865
Sundry debtors	11	2,108,860,773	674,881,391
Cash and bank balances	12	48,935,115	5,552,528
Loans and advances	13	1,335,533,518	1,580,384,331
		<b>6,148,351,602</b>	5,038,512,115
<b>Less: Current liabilities and provisions</b>			
Current liabilities	14	1,129,327,753	1,309,405,016
Provisions	15	119,245,387	219,652,618
		<b>1,248,573,140</b>	1,529,057,634
<b>Net current assets</b>		<b>4,899,778,462</b>	3,509,454,481
	<b>TOTAL</b>	<b>5,526,852,031</b>	4,160,500,657
<b>Significant accounting policies</b>	2		
<b>Schedules to the financial statements</b>	22 - 42		

The schedules referred to above are an integral part of the balance sheet.

As per our report attached.

For **B S R & Associates**  
Chartered Accountants  
Firm's Registration No: 116231W

For **M/s Bhuta Shah & Co**  
Chartered Accountants  
Firm's Registration No: 101474W

For and on behalf of the Board of Directors

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070  
Mumbai, 29 May 2010

**S. J. Parmar**  
Partner  
Membership No: 103424  
Mumbai, 29 May 2010

**Manan Y. Udani**  
Company Secretary  
Mumbai, 29 May 2010

**Rajan P. Shah**  
Executive Director

**Praful N. Satra**  
Chairman and  
Managing Director



## Profit and Loss Account for the year ended 31 March 2010

(Currency: Indian Rupees)

	Schedule	2010	2009
<b>INCOME</b>			
Sales	16	2,067,036,933	1,058,800,501
Other income	17	169,104,649	161,467,988
		<b>2,236,141,582</b>	<b>1,220,268,489</b>
<b>EXPENDITURE</b>			
Construction and purchase cost	18	1,730,165,781	771,423,585
Personnel expenses	19	18,934,978	16,590,865
Administrative and other expenses	20	42,265,048	41,449,548
Financial expenses	21	295,035,766	331,441,566
Depreciation/amortisation	7	9,025,275	10,028,367
		<b>2,095,426,848</b>	<b>1,170,933,931</b>
<b>Net profit before tax</b>		<b>140,714,734</b>	<b>49,334,558</b>
Less : Provision for current tax			
- current year		23,330,000	33,208,878
- prior year charge		15,550,955	19,028,767
Deferred tax charge/(credit)		16,087,549	(20,155,564)
Fringe benefits tax			
- current year		-	438,639
- prior year charge		-	50,711
<b>Net profit after tax for the year</b>		<b>85,746,230</b>	<b>16,763,127</b>
Add : Balance brought forward from previous year		279,535,667	267,216,711
<b>Profit available for appropriation</b>		<b>365,281,897</b>	<b>283,979,838</b>
<b>Appropriation</b>			
Proposed dividend on preference shares		5,920,000	5,920,000
Tax on proposed dividend on preference shares		960,372	1,006,104
Proposed dividend on equity shares		15,535,800	-
Tax on Proposed dividend on equity shares / credit availed on dividend distribution tax paid by the subsidiary company		2,580,302	(2,481,933)
Balance carried forward to Balance Sheet		340,285,423	279,535,667
		<b>365,281,897</b>	<b>283,979,838</b>
<b>Basic and Diluted Earnings per share (face value of Rs 2 per share) (Rupees)</b>	22	<b>0.51</b>	<b>0.06</b>
<b>Significant accounting policies</b>	2		
<b>Schedules to the financial statements</b>	22 - 42		

The schedules referred to above are an integral part of the profit and loss account.

As per our report attached.

For **B S R & Associates**  
Chartered Accountants  
Firm's Registration No: 116231W

For **M/s Bhuta Shah & Co**  
Chartered Accountants  
Firm's Registration No: 101474W

For and on behalf of the Board of Directors

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070  
Mumbai, 29 May 2010

**S. J. Parmar**  
Partner  
Membership No: 103424  
Mumbai, 29 May 2010

**Manan Y. Udani**  
Company Secretary  
Mumbai, 29 May 2010

**Rajan P. Shah**  
Executive Director

**Praful N. Satra**  
Chairman and  
Managing Director



## Cash Flow Statement for the year ended 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>Cash flows from operating activities :</b>		
<b>Profit before tax</b>	<b>140,714,734</b>	49,334,558
Adjusted for:		
Depreciation/amortisation	<b>9,025,275</b>	10,028,367
Profit on sale of investments (net)	-	(850,279)
Share in loss of partnership firm	-	1,531
Assets written off	-	1,731,009
Dividend income	<b>(29,207,800)</b>	(14,603,900)
Interest income	<b>(139,648,073)</b>	(113,853,809)
Financial expenses	<b>295,035,766</b>	331,441,566
	<b>135,205,168</b>	213,894,485
<b>Operating profit before working capital changes</b>	<b>275,919,902</b>	263,229,043
<b>(Increase)/decrease in working capital</b>		
Inventories	<b>124,221,676</b>	(262,244,008)
Sundry debtors	<b>(1,433,979,382)</b>	(114,825,994)
Loans and advances	<b>359,653,211</b>	295,961,015
Current liabilities and provisions	<b>(179,603,379)</b>	(541,044,570)
	<b>(1,129,707,874)</b>	(622,153,557)
<b>Cash (used in) operations</b>	<b>(853,787,972)</b>	(358,924,514)
Taxes paid (net of refund)	<b>(164,758,544)</b>	(25,175,979)
<b>Net cash (used in) operating activities</b>	<b>(1,018,546,516)</b>	(384,100,493)
<b>Cash flows from investing activities :</b>		
Purchase of fixed assets including capital work in progress	<b>(2,849,664)</b>	(7,905,849)
Investments made	-	(37,400)
Loans given	<b>(460,550,000)</b>	(1,773,486,992)
Loans repaid	<b>470,444,513</b>	1,184,140,000
Investment in subsidiary and associates	-	(11,711,600)
Investment in partnership firm	-	(18,025,000)
Proceeds from sale of investments	<b>159,440</b>	1,596,548
Return of capital from partnership firm	-	14,525,000
Dividend received	<b>29,207,800</b>	14,603,900
Interest received	<b>14,951,163</b>	23,226,622
<b>Net cash generated from/(used in) investing activities</b>	<b>51,363,252</b>	(573,074,771)



## Cash Flow Statement for the year ended 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>Cash flows from financing activities :</b>		
Proceeds from long term borrowings	<b>262,434,806</b>	1,306,942,345
Repayment of long term borrowings	<b>(378,903,167)</b>	(17,512,710)
Proceeds from short term borrowings	<b>1,881,982,357</b>	166,612,197
Repayment of short term borrowings	<b>(538,854,314)</b>	(28,312,456)
Financial expenses	<b>(216,093,831)</b>	(510,095,414)
<b>Net cash generated from financing activities</b>	<b>1,010,565,851</b>	917,633,962
<b>Net increase/(decrease) in Cash and Cash equivalents</b>	<b>43,382,587</b>	(39,541,302)
Cash and cash equivalents, beginning of year	<b>5,552,528</b>	45,093,830
Cash and cash equivalents, end of year	<b>48,935,115</b>	5,552,528
<b>Cash and cash equivalents, end of year comprise of :</b>		
Cash on hand	<b>1,463,961</b>	1,535,524
With scheduled banks		
- in current account	<b>47,440,654</b>	3,986,504
- in deposit account	<b>30,500</b>	30,500
	<b>48,935,115</b>	5,552,528

Note: Cash and cash equivalents include restricted cash of Rs 350,181 (2009: Rs 350,484)

As per our report attached.

For **B S R & Associates**  
Chartered Accountants  
Firm's Registration No: 116231W

For **M/s Bhuta Shah & Co.**  
Chartered Accountants  
Firm's Registration No: 101474W

**For and on behalf of the Board of Directors**

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070  
Mumbai, 29 May 2010

**S. J. Parmar**  
Partner  
Membership No: 103424  
Mumbai, 29 May 2010

**Manan Y. Udani**  
Company Secretary  
Mumbai, 29 May 2010

**Rajan P. Shah**  
Executive Director

**Praful N. Satra**  
Chairman and  
Managing Director

## Schedules to the financial statements for the year ended 31 March 2010

(Currency: Indian Rupees)

### 1. BACKGROUND

The Company was incorporated on 30 May 1983 as Express Leasing Limited. The name of the Company was changed to Satra Properties (India) Limited on 8 December 2005. The Company is engaged in the business of real estate development and trading in properties and transferable development rights.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act'), and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Significant estimates used by the management in the preparation of these financial statements include computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates, estimate of the economic useful lives of fixed assets, provisions for bad and doubtful debts.

#### 2.3 Fixed assets and depreciation/amortisation

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment losses, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

Depreciation on fixed assets except leasehold improvements is provided on written down value method in the manner and rates prescribed in Schedule XIV to the Act. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Assets costing less than Rs 5,000 are fully depreciated in the year of acquisition.

Leasehold improvements are amortised over the primary period of lease.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date and advances paid to acquire fixed assets on or before the balance sheet date.

#### 2.4 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

#### 2.5 Investments

Long term investments are carried at cost. Provision for diminution is made to recognise a decline, other than temporary in value of investments and is determined separately for each individual investment. Current investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.

#### 2.6 Inventories

Direct expenses like cost of land, site labour cost, material used for project construction, project management consultancy, costs for moving the plant and machinery to the site and general expenses incurred specifically for the respective project like insurance, design and technical assistance, borrowing costs and construction overheads are taken as the cost of construction work-in-progress.

Material at site comprises of building material, components and stores and spares.



## Schedules to the financial statements (continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

Inventories are valued as lower of cost and net realizable value. Cost is determined on the first in first out ('FIFO') basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 2.7 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to, other than temporary interruption. All other borrowing costs are charged to the profit and loss account as incurred.

### 2.8 Employee benefits

#### (a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, leave salary etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

#### (b) Post employment benefits

*Defined contribution plans:*

The Company makes specified monthly contributions towards employee provident fund. The Company's contribution paid / payable under the schemes is recognized as an expense in the profit and loss account during the period in which the employee renders the related service.

*Defined benefit plan:*

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the profit and loss account.

### 2.9 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from real estate sales is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognized on proportionate basis as the acts are performed, i.e. on the percentage of completion basis.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion. The estimates of cost are periodically reviewed by the Management and the effect of changes in estimates is recognised in the period such changes are recognised. When the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.

Revenue from trading activity, property as well as Transferable Development Rights (TDR), is recognized when significant risk and rewards of the property/TDR are transferred to the buyer, as demonstrated by transfer of physical possession and transfer of the title in the property/TDR.

Interest income is recognized on time proportion basis.

Dividend income is recognized when the right to receive dividend is established.

## Schedules to the financial statements (continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

### 2.10 Taxation

Income tax expense comprises current income tax and deferred tax charge or credit.

Current tax provision is made annually based on the tax liability computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

### 2.11 Foreign currency transactions

Foreign currency transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account. Non-monetary asset such as investments in equity shares, etc. are carried forward in the balance sheet at costs.

### 2.12 Operating lease

Lease rentals in respect of assets acquired on operating leases are recognised in the profit and loss account on a straight line basis over the lease term.

### 2.13 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### 2.14 Provisions and contingent liabilities

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the financial statements.





## Schedules to the financial statements (continued) as at 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>3. SHARE CAPITAL</b>		
<b>Authorised capital:</b>		
210,000,000 (2009: 210,000,000) equity shares of Rs 2 each	<b>420,000,000</b>	420,000,000
8,000,000 (2009: 8,000,000) 8% cumulative redeemable preference shares of Rs. 10 each	<b>80,000,000</b>	80,000,000
	<b>500,000,000</b>	500,000,000
<b>Issued, subscribed and paid up:</b>		
155,358,000 (2009: 155,358,000) equity shares of Rs 2 each, fully paid up	<b>310,716,000</b>	310,716,000
7,400,000 (2009: 7,400,000) 8% cumulative redeemable preference shares of Rs. 10 each, fully paid up	<b>74,000,000</b>	74,000,000
	<b>384,716,000</b>	384,716,000
<b>Notes :</b>		
Of the above:		
(i) 37,192,250 (2009: 37,192,250) equity shares of Rs 2 each and 7,400,000 (2009: 7,400,000) 8% cumulative redeemable preference shares of Rs 10 each were issued in 2008 pursuant to the order of the Honourable High Court, Mumbai, approving the scheme of amalgamation of Om Housing Company Private Limited with the Company for consideration other than cash.		
(ii) 103,572,000 (2009: 103,572,000) equity shares of Rs 2 each have been issued as fully paid up by way of bonus equity shares in the ratio of 2:1 i.e. 2 bonus equity shares for every 1 existing equity share held, after capitalisation of general reserve and securities premium account during the year 2007-08.		
(iii) The 8% cumulative redeemable preference shares are redeemable at par on 3 February 2011.		
<b>4. RESERVES AND SURPLUS</b>		
General reserve	<b>108,166,888</b>	108,166,888
Reserve on amalgamation	<b>21,796,437</b>	21,796,437
Profit and loss account	<b>340,285,423</b>	279,535,667
	<b>470,248,748</b>	409,498,992

## Schedules to the financial statements (continued) as at 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>5. SECURED LOANS</b>		
From banks		
Term loan from Indian Bank	<b>386,534,807</b>	354,764,535
Term loan from Syndicate Bank	<b>334,985,488</b>	344,150,174
Term loan from Yes Bank	<b>526,444,201</b>	415,001,009
Vehicle loans	<b>1,168,892</b>	2,233,841
Bank overdraft	<b>152,756,885</b>	169,421,407
From others		
Term loan from Housing and Urban Development Corporation Limited (HUDCO)	<b>699,534,239</b>	799,913,887
Term loan from SICOM Investment and Finance Limited	<b>491,619,729</b>	600,000,000
Vehicle loan	<b>1,749,924</b>	4,566,770
	<b>2,594,794,165</b>	2,690,051,623
<b>Notes :</b>		
(i) Term loan from Indian Bank is secured against certain units of shops and residential premises of project at Borivali alongwith receivables in respect of the said property.		
(ii) Term loan from Syndicate Bank is secured against equitable mortgage of Jodhpur project properties and all present and future construction and development work thereon.		
(iii) Term loan from Yes Bank is secured against project situated at Calicut and receivables thereon.		
(iv) Term loan from HUDCO is secured against equitable mortgage of Vashi project properties and all present and future construction and development work thereon.		
(v) Term loan from SICOM Investment and Finance Limited is secured against development right on freehold land at Hughes Road and escrow of receivables in respect of the said property.		
(vi) All the above term loans are secured by personal guarantees of promoter Directors of the Company.		
(vii) Vehicle loans are secured by hypothecation of the respective vehicles purchased.		
(viii) Bank overdraft is secured against subservient charge on all current assets.		
<b>6. UNSECURED LOANS</b>		
Inter corporate loans	<b>2,041,862,584</b>	634,516,927
Loans from directors	<b>35,230,534</b>	41,717,115
	<b>2,077,093,118</b>	676,234,042
<b>Note :</b>		
All of the above loans are repayable on demand.		



## Schedules to the financial statements (continued) as at 31 March 2010

(Currency: Indian Rupees)

	GROSS BLOCK			ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 1 April 2009	Additions	Deletions/ Disposals	As at 31 March 2010	As at 1 April 2009	For the year	On Deletions/ Disposals	As at 31 March 2010	2010	2009
Leasehold improvements	22,087,807	-	-	22,087,807	11,847,852	4,724,445	-	16,572,297	5,515,510	10,239,955
Plant and machinery	5,883,603	600,000	-	6,483,603	1,231,548	1,094,557	-	2,326,105	4,157,498	4,652,055
Computer	3,797,263	315,011	-	4,112,274	2,158,162	706,509	-	2,864,671	1,247,603	1,639,101
Furniture and fittings	1,795,293	341,551	-	2,136,844	872,016	389,226	-	1,261,242	875,602	923,277
Office equipment	4,406,385	1,053,587	-	5,459,972	1,186,064	504,655	-	1,690,719	3,769,253	3,220,321
Temporary structures	212,369	194,906	-	407,275	212,369	194,906	-	407,275	-	-
Vehicles	13,549,545	-	-	13,549,545	4,031,054	2,464,337	-	6,495,391	7,054,154	9,518,491
Trucks	4,826,500	-	-	4,826,500	3,171,011	496,647	-	3,667,658	1,158,842	1,655,489
<b>Total</b>	<b>56,558,765</b>	<b>2,505,055</b>	<b>-</b>	<b>59,063,820</b>	<b>24,710,076</b>	<b>10,575,282</b>	<b>-</b>	<b>35,285,358</b>	<b>23,778,462</b>	<b>31,848,689</b>
2009	50,486,886	7,916,640	1,844,761	56,558,765	13,574,259	11,249,569	113,752	24,710,076	31,848,689	

**Notes:**

(i) Depreciation aggregating Rs 1,550,007 (2009: Rs. 1,221,202) has been transferred to construction work in progress.

## Schedules to the financial statements (continued) as at 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>8. INVESTMENTS</b>		
<b>Long term (at Cost)</b>		
<b>In subsidiaries (unquoted)</b>		
10,000 (2009: 10,000) equity shares of Satra Buildcon Private Limited of Rs 10 each, fully paid up	100,000	100,000
10,000 (2009: 10,000) equity shares of Satra Estate Development Private Limited of Rs 10 each, fully paid up	100,000	100,000
10,000 (2009: 10,000) equity shares of Satra Infrastructure and Land Developers Private Limited of Rs 10 each, fully paid up	100,000	100,000
10,000 (2009: 10,000) equity shares of Satra Lifestyles Private Limited of Rs 10 each, fully paid up	100,000	100,000
14,603,900 (2009: 14,603,900) equity shares of Satra Property Developers Private Limited of Rs 10 each, fully paid up	585,616,450	585,616,450
100 (2009: 100) equity shares of Satra International Realtors Limited, UAE of AED 10,000 each, fully paid up	11,711,600	11,711,600
<b>In associates (unquoted)</b>		
Nil (2009: 15,944) equity shares of Shravan Developers Private Limited of Rs 10 each, fully paid up	-	159,440
2,000 (2009: 2,000) equity shares of C. Bhansali Developers Private Limited of Rs 10 each, fully paid up	20,000	20,000
<b>Other investments (unquoted)</b>		
624 (2009: 624) equity shares of Cosmos Co-operative Bank Limited of Rs 100 each, fully paid up	62,400	62,400
Also refer schedule 36 for details of investments bought and sold during the year		
	<b>597,810,450</b>	597,969,890
Aggregate amount of unquoted investments	<b>597,810,450</b>	597,969,890
<b>9. DEFERRED TAX ASSETS</b>		
Deferred tax assets		
- Difference between book depreciation and depreciation as per Income Tax Act, 1961	4,785,125	3,162,426
- On provision allowable on a payment basis under the Income Tax Act, 1961	354,923	18,065,171
	<b>5,140,048</b>	21,227,597
<b>10. INVENTORIES</b>		
Construction work-in-progress	2,619,037,814	2,763,636,913
Material at site	35,984,382	14,056,952
	<b>2,655,022,196</b>	2,777,693,865
<b>11. SUNDRY DEBTORS</b>		
<i>(unsecured and considered good)</i>		
Debts outstanding for a period exceeding six months	546,710,559	502,594,994
Other debts	1,562,150,214	172,286,397
	<b>2,108,860,773</b>	674,881,391



## Schedules to the financial statements (continued) as at 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>12. CASH AND BANK BALANCES</b>		
Cash in hand	<b>1,463,961</b>	1,535,524
With scheduled banks		
- in current accounts	<b>47,440,654</b>	3,986,504
- in deposit account	<b>30,500</b>	30,500
	<b>48,935,115</b>	5,552,528
<b>Note:</b>		
Cash and cash equivalents include restricted cash of Rs 350,181 (2009: Rs 350,484)		
<b>13. LOANS AND ADVANCES</b>		
<i>(Unsecured and considered good)</i>		
Advances recoverable in cash or in kind or for value to be received [also refer Schedule 41 (i) and (ii)]	<b>136,932,005</b>	455,102,639
Advance tax and tax deducted at source	<b>1,150,762</b>	688,908
Advance given to subsidiary companies [refer Schedule 41 (ii)]	<b>782,915,345</b>	668,378,356
Advance paid for property and transferable development rights	<b>396,355,250</b>	420,815,250
Prepaid expenses	<b>1,588,688</b>	3,385,618
Deposits*	<b>16,591,468</b>	32,013,560
* includes Rs 2,150,000 (2009: Rs 2,150,000) rent deposit given to the Managing Director. Maximum amount outstanding during the year Rs 2,150,000 (2009: Rs 2,150,000).		
	<b>1,335,533,518</b>	1,580,384,331
<b>14. CURRENT LIABILITIES</b>		
Advance received against property and transferable development rights	<b>701,393,017</b>	1,156,532,996
Sundry creditors:		
- Dues of micro and small enterprises (Refer Schedule 30)	-	-
- Others	<b>327,316,841</b>	120,273,235
Other liabilities	<b>32,064,502</b>	21,450,228
Investor education and protection fund - Unclaimed dividend*	<b>350,181</b>	278,494
Interest accrued but not due	<b>68,203,212</b>	10,870,063
	<b>1,129,327,753</b>	1,309,405,016
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
<b>15. PROVISIONS</b>		
Provision for taxation [net of advance tax and tax deducted at source Rs 195,460,901 (2009: Rs 30,722,357)]	<b>83,729,452</b>	209,607,041
Provision for fringe benefits tax [net of advance tax Rs 156,444 (2009: Rs 156,444)]	<b>351,089</b>	351,089
Provision for gratuity	<b>1,044,199</b>	581,815
Provision for wealth tax	<b>31,500</b>	20,000
Dividend on preference shares	<b>11,840,000</b>	5,920,000
Tax on dividend on preference shares	<b>4,133,045</b>	3,172,673
Proposed dividend on equity shares	<b>15,535,800</b>	-
Tax on proposed dividend on equity shares	<b>2,580,302</b>	-
	<b>119,245,387</b>	219,652,618



## Schedules to the financial statements (continued) for the year ended 31 March 2010

		(Currency: Indian Rupees)	
		2010	2009
<b>16. SALES</b>			
Revenue from construction projects		<b>2,067,036,933</b>	521,886,325
Sale of traded transferable development rights		-	536,914,176
		<b>2,067,036,933</b>	1,058,800,501
<b>17. OTHER INCOME</b>			
Income from investments			
Trade investments			
Dividend from subsidiary		<b>29,207,800</b>	14,603,900
Other investments			
Profit on sale of investments (net)		-	850,279
Interest income [tax deducted at source Rs 8,385,098 (2009: Rs 14,617,611)]		<b>139,648,073</b>	113,853,809
Income from awards/compensation/forfeiture		-	30,000,000
Miscellaneous income		<b>248,776</b>	2,160,000
		<b>169,104,649</b>	161,467,988
<b>18. CONSTRUCTION AND PURCHASE COST</b>			
<b>Opening stock</b>			
Material at site		<b>14,056,952</b>	7,478,658
Construction work-in-progress		<b>2,763,636,913</b>	2,323,879,104
	(A)	<b>2,777,693,865</b>	2,331,357,762
<b>Incurred during the year</b>			
Development rights/land cost		<b>407,434,000</b>	10,411,202
Professional and legal fees		<b>26,290,274</b>	16,579,130
Civil, electrical and contracting		<b>856,374,485</b>	546,755,912
Administrative and other expenses		<b>11,529,908</b>	9,071,199
Borrowing costs		<b>300,202,445</b>	182,870,893
	(B)	<b>1,601,831,112</b>	765,688,336
<b>Less: Closing stock</b>			
Material at site		<b>35,984,382</b>	14,056,952
Construction work-in-progress		<b>2,619,037,814</b>	2,763,636,913
	(C)	<b>2,655,022,196</b>	2,777,693,865
<b>Cost of construction</b>	(D = A+B-C)	<b>1,724,502,781</b>	319,352,233
Purchase of traded transferable development rights	(E)	-	452,071,352
Compensation paid	(F)	<b>5,663,000</b>	-
<b>Cost of purchase</b>	(G = E+F)	<b>5,663,000</b>	452,071,352
<b>Construction and purchase cost</b>	(D+G)	<b>1,730,165,781</b>	771,423,585



## Schedules to the financial statements (continued) for the year ended 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>19. PERSONNEL EXPENSES</b>		
Salaries, wages and bonus	16,715,943	14,996,498
Contributions to provident and other funds	1,683,073	1,344,019
Staff welfare expenses	73,578	80,022
Gratuity	462,384	170,326
	<b>18,934,978</b>	<b>16,590,865</b>
<b>20. ADMINISTRATIVE AND OTHER EXPENSES</b>		
Advertisement	3,921,717	5,189,522
Brokerage	3,988,651	625,239
Electricity	1,306,557	1,444,770
Rent	15,442,000	16,270,055
Telephone expenses	815,235	774,275
Postage and Telegram	135,121	235,540
Repair and maintainance		
- machinery	68,838	141,847
- others	1,020,279	560,314
Insurance	298,384	457,769
Rates and taxes	397,650	350,762
Share in loss of partnership firm	-	1,531
Auditors' remuneration (Refer Schedule 32)	2,406,873	2,400,206
Directors' sitting fees	150,000	690,000
Travelling expenses	387,862	842,546
Printing and stationery	801,327	1,350,565
Profession and legal fees	3,000,708	3,169,150
Assets written off	-	1,731,009
Miscellaneous expenses	8,123,846	5,214,448
	<b>42,265,048</b>	<b>41,449,548</b>
<b>21. FINANCIAL EXPENSES</b>		
Interest on term loans	394,983,407	343,042,163
Interest on others	184,938,284	116,351,037
(includes Rs 5,309,579 (2009: Rs 4,106,209) interest paid/payable to managing director)		
Finance and bank charges	15,316,520	54,919,259
	<b>595,238,211</b>	<b>514,312,459</b>
Less: Borrowing costs transferred to construction work-in-progress	300,202,445	182,870,893
	<b>295,035,766</b>	<b>331,441,566</b>

## Schedules to the financial statements (continued) for the year ended 31 March 2010

**22. EARNING PER SHARE**

(Currency: Indian Rupees)

Particulars	2010	2009
Net profit after tax	85,746,230	16,763,127
Preference dividend (including taxes thereon)	6,880,372	6,926,104
Net profit after tax attributable to equity shareholders (A)	78,865,858	9,837,023
Number of equity shares at the beginning of the year	155,358,000	155,358,000
Number of equity shares outstanding at the end of the year	155,358,000	155,358,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (B)	155,358,000	155,358,000
Basic and diluted earnings (in Rupees) per share of face value Rs 2 (A)/(B)	0.51	0.06

**23. CONTINGENCIES AND COMMITMENTS**

	2010	2009
Corporate guarantee given on behalf of a subsidiary – Amount drawn [The Company's exposure on the corporate guarantee of Rs Nil (2009: Rs 600,000,000) is restricted to the actual amount of loan taken by the subsidiary company outstanding as at the year-end]	-	240,000,000
Income Tax matters under dispute	17,917,120	16,455,266

**24. CAPITAL COMMITMENTS**

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. Nil (2009: Rs. Nil)

**25. SEGMENT REPORTING**

The Company is operating in the real estate and construction industry and has only domestic sales. Therefore, the Company has only one reportable business segment, which is real estate development and trading in properties and transferable development rights and only one reportable geographical segment. Accordingly, these financial statements are reflective of the information required by the Accounting Standard 17, for the property development segment.

**26. MANAGERIAL REMUNERATION**

Personnel expenses include managerial remuneration paid to Chairman cum managing director and one executive director as set out below:

	2010	2009
Salary	3,600,000	4,700,000
Commission to managing director	4,704,813	261,264
<b>TOTAL</b>	<b>8,304,813</b>	<b>4,961,264</b>

The gratuity liability is determined for all employees by an independent actuarial valuation. The specific amount of gratuity for the directors cannot be ascertained separately and accordingly the same has not been included above.

Computation of net profit under Section 349 of the Act:

	2010	2009
Profit before tax as per the profit and loss account	140,714,734	49,334,558
Add:		
Managerial remuneration	8,304,813	4,961,264
Director's sitting fees	150,000	690,000
Loss on discarding of assets	-	1,731,010
Provision for Wealth Tax	31,521	20,000
Depreciation as provided in the books	9,025,275	10,028,367
	<b>158,226,343</b>	<b>66,765,199</b>
Less:		
Depreciation as computed under Section 350 of the Act	9,025,275	10,028,367
Profit on sale of investment (net)	-	850,280
Profit before tax as per Section 349 of the Act	<b>149,201,068</b>	<b>55,886,552</b>
Maximum remuneration paid/payable to directors @ 10% on the above	<b>14,920,107</b>	<b>5,080,595</b>
Restricted to	<b>8,304,813</b>	<b>4,961,264</b>



## Schedules to the financial statements (continued) for the year ended 31 March 2010

### 27. LEASES

(Currency: Indian Rupees)

Operating lease

- a) The Company has taken a commercial property on non-cancellable operating lease. The future minimum lease payments in respect of lease property as at 31 March 2010 is as follows:

	2010	2009
<b>Lease Payments</b>		
Not later than one year	14,220,000	14,000,000
Later than one year but not later than 5 years	2,370,000	16,590,000
Later than 5 years	-	-
Payment of lease rentals during the year	14,000,000	12,900,000

- b) The lease agreement provides for an option to the Company to renew the lease period at the end of non-cancellable period. There are no exceptional/restrictive covenants in the lease agreements.

### 28. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 (REVISED) 'EMPLOYEE BENEFITS'

#### i) Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service.

	2010	2009
<b>I. Change in the defined benefit obligation</b>		
Liability at the beginning of the year	581,815	411,490
Interest cost	45,091	32,919
Current service cost	426,664	345,197
Benefit paid	-	-
Actuarial (gain)/loss on obligations	(9,370)	(207,790)
<b>Liability at the end of the year</b>	<b>1,044,199</b>	<b>581,815</b>
<b>II. Amount recognised in the balance sheet</b>		
Liability at the end of the year	1,044,199	581,815
Fair value of plan assets at the end of the year	-	-
Difference	1,044,199	581,815
Amount recognised in the balance sheet	1,044,199	581,815
<b>III. Expenses recognised in the profit and loss account</b>		
Current service cost	426,664	345,197
Interest cost	45,091	32,919
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognised	(9,370)	(207,790)
Expense recognised in the profit and loss account	462,384	170,326
<b>IV. Balance Sheet reconciliation</b>		
Opening net liability	581,815	411,490
Expense as above	462,384	170,326
Employers contribution paid	-	-
Amount recognised in the balance sheet	1,044,199	581,815
<b>V. Actuarial assumptions:</b>		
Discount rate	8.00%	7.75%
Salary escalation	6.00%	6.00%

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable.

The Company does not have any liability on account of long term/short term compensated absences.

## Schedules to the financial statements (continued) for the year ended 31 March 2010

### 29. RELATED PARTY DISCLOSURES

(Currency: Indian Rupees)

#### A. Parties where control exists:

- I. Praful N Satra – Chairman and Managing Director (also key managerial personnel)  
Minaxi P Satra – Chairman upto 10 March 2009 (Relative of managing director)

#### II. Subsidiaries

Satra Buildcon Private Limited  
Satra Estate Development Private Limited  
Satra Infrastructure and Land Developers Private Limited  
Satra Lifestyles Private Limited  
Satra Property Developers Private Limited  
Satra International Realtors Limited (w.e.f. 17 June 2008)

#### B. Other related parties with whom transactions have taken place during the year:

##### I. Associates/Joint Venturers

C. Bhansali Developers Private Limited  
Shravan Developers Private Limited (upto 11 May 2009)  
Prime Property Development Corporation Limited  
Prime Down Town Estate Private Limited

##### II. Entities over which key managerial personnel or their relatives exercise significant influence:

Deepmala Infrastructure Private Limited (w.e.f. 10 April 2008)  
BKC Developers Private Limited  
Prime Multi Tiles Trading Private Limited  
Satra Infrastructure Development Private Limited  
Satra Land Development Private Limited  
Satra Novelties Private Limited.  
Satra Property Development Private Limited  
Savla Realtors and Developers Private Limited  
Sweety Developers (w.e.f. 28 October 2008 upto 4 December 2009)  
Prime Bond Industries  
Anupam Stock Broking Private Limited (upto 30 May 2009)  
Henry Hill International  
Prime Developers  
Rushabh Developers  
Satra Reality and Builders Limited  
Satra Re-Development Company Limited  
Satra Retail Private Limited  
Sayonara & Satra Trading Company  
Sweety Fabrics  
Trinity Plast

##### III. Key Managerial Personnel

Praful N. Satra  
Rajan P. Shah (Whole time Director)  
Minaxi P. Satra (upto 10 March 2009)  
Vijay N. Satra (upto 20 March 2009)





## Schedules to the financial statements (continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

Sr. No.	Nature of Transaction	Wholly Owned Subsidiaries		Associates/Joint Venture		Entities over which key managerial personnel or their relatives exercises significant influence		Key Managerial Personnel and their relative		Total	
		2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
1.	Loans taken/converted	-	-	328,500,000	-	3,050,000	188,590,352	4,020,000	-	335,570,000	188,590,352
2.	Loans given/converted	469,225,000	1,773,288,874	-	-	-	-	-	-	469,225,000	1,773,288,874
3.	Interest income	116,248,545	87,726,367	10,672,572	21,010,654	-	-	-	-	126,921,117	108,737,021
4.	Dividend received	29,207,800	14,603,900	-	-	-	-	-	-	29,207,800	14,603,900
5.	Share in (loss) of partnership firm	-	-	-	(1,531)	-	-	-	-	-	(1,531)
6.	Interest expense	-	-	11,779,891	-	151,292	10,903,397	6,177,307	4,524,150	18,108,490	15,428,087
7.	Receiving of services	-	-	-	-	92,310,357	10,409,578	15,442,000	14,472,295	107,752,357	24,881,873
8.	Sale of pledged shares*	-	-	-	-	-	-	52,816,927	-	52,816,927	-
9.	Purchase of goods	-	-	259,884	-	826,509	-	-	-	259,884	826,509
10.	Reimbursement received	-	-	-	142,703	-	-	-	-	-	142,703
11.	Reimbursement paid	-	-	-	3,218,510	-	-	-	-	-	3,218,510
12.	Director remuneration	-	-	-	-	-	-	8,304,813	4,961,264	8,304,813	4,961,264
13.	Director sitting fees	-	-	-	-	-	-	90,000	90,000	-	90,000
14.	Advance paid for property	-	-	-	262,514,548	-	-	-	-	-	262,514,548
15.	Advances given	-	-	-	-	864,752	26,060,504	-	-	864,752	26,060,504
16.	Investment made	-	11,711,600	-	25,025,000	-	-	-	-	-	36,736,600
17.	Investment sold	-	-	159,440	25,025,000	-	-	-	-	159,440	25,025,000
	<b>Outstanding balance receivable/Deposits</b>										
1.	Loans outstanding	782,915,345	668,378,357	99,529,783	89,828,323	-	3,498,469	-	-	882,445,128	761,705,149
2.	Deposits	-	-	-	-	-	-	2,150,000	2,150,000	2,150,000	2,150,000
3.	Advance paid for property	-	-	104,000,000	104,000,000	-	-	-	-	104,000,000	104,000,000
4.	Advance Given	-	-	-	73,804,090	-	16,050,411	-	-	-	89,854,501
	<b>Outstanding balances payables</b>										
1.	Loans alongwith the net interest	-	-	-	-	230,216,551	101,621,016	37,309,125	41,717,115	267,525,676	143,338,131
2.	Sundry creditors*	-	-	-	1,075,807	19,590,207	-	9,209,921	6,128,893	28,800,128	7,204,700
3.	Remuneration payable	-	-	-	-	-	-	3,946,613	1,052,064	3,946,613	1,052,064
4.	Advance received against property	-	-	-	-	5,000,000	5,000,000	-	-	5,000,000	5,000,000
5.	Guarantees outstanding on behalf of	-	240,000,000	-	-	-	-	-	-	-	240,000,000

### 29. RELATED PARTY DISCLOSURES (Continued)

## Schedules to the financial statements (continued) for the year ended 31 March 2010

## 29. RELATED PARTY DISCLOSURES (Continued)

(Currency: Indian Rupees)

Sr. No.	Nature of Transaction	Total	
		2010	2009
<b>1. Loans taken/converted</b>			
	BKC Developers Private Limited	-	70,500,000
	Satra Property Development Private Limited	<b>3,000,000</b>	107,040,352
	Shravan Developers Private Limited	<b>328,500,000</b>	-
<b>2. Loans given/converted</b>			
	Satra Property Developers Private Limited	<b>469,225,000</b>	1,525,000,474
	Satra International Realtors Limited	-	248,288,400
<b>3. Interest income</b>			
	Satra Property Developers Private Limited	<b>51,693,561</b>	37,497,284
	Satra International Realtors Limited	<b>64,554,984</b>	50,229,083
<b>4. Dividend received</b>			
	Satra Property Developers Private Limited	<b>29,207,800</b>	14,603,900
<b>5. Share in (loss) of partnership firm</b>			
	Sweetey Developers	-	(1,531)
<b>6. Interest expense</b>			
	BKC Developers Private Limited	-	9,398,957
	Praful N. Satra	<b>5,309,579</b>	4,106,209
	Shravan Developers Private Limited	<b>11,779,891</b>	-
<b>7. Receiving of services</b>			
	Praful N. Satra	<b>15,442,000</b>	14,472,295
	Satra Property Development Private Limited	<b>92,310,357</b>	10,409,578
<b>8. Sale of pledged shares*</b>			
	Praful N. Satra	<b>43,722,539</b>	-
	Minaxi P. Satra	<b>9,094,388</b>	-
<b>9. Purchase of goods</b>			
	Prime Multi Tiles Trading Private Limited	-	701,792
	Prime Bond Industries	<b>259,884</b>	124,717
<b>10. Reimbursement received</b>			
	Prime Property Development Corporation Limited	-	142,703
<b>11. Reimbursement paid</b>			
	Prime Property Development Corporation Limited	-	3,218,510
<b>12. Directors' remuneration</b>			
	Praful N. Satra	<b>7,104,813</b>	2,661,264
	Vijay N. Satra	-	1,100,000
	Rajan P. Shah	<b>1,200,000</b>	1,200,000
<b>13. Directors' sitting fees</b>			
	Minaxi P. Satra	-	90,000
<b>14. Advance paid for property</b>			
	Shravan Developers Private Limited	-	258,514,548
<b>15. Advance given</b>			
	Satra Property Development Private Limited	<b>864,752</b>	26,060,504
<b>16. Investments made</b>			
	Satra International Realtors Limited	-	11,711,600
	Sweetey Developers (Firm)	-	25,025,000
<b>17. Investment sold</b>			
	Sweetey Developers (Firm)	-	25,025,000
	Shravan Developers Private Limited	<b>159,440</b>	-



## Schedules to the financial statements (continued) for the year ended 31 March 2010

### 29. RELATED PARTY DISCLOSURES (Continued)

(Currency: Indian Rupees)

Sr. No.	Nature of Transaction	Total	
		2010	2009
<b>Outstanding Balances Receivable/Deposits</b>			
<b>1.</b>	<b>Loans alongwith the net interest</b>		
	C.Bhansali Developers Private Limited	<b>99,529,783</b>	89,828,323
	Satra Property Developers Private Limited	<b>419,842,878</b>	369,860,874
	Satra International Realtors Limited	<b>363,072,467</b>	298,517,483
<b>2.</b>	<b>Deposits</b>		
	Praful N. Satra	<b>2,150,000</b>	2,150,000
<b>3.</b>	<b>Advances paid for property / TDR</b>		
	Prime Down Town Estate Private Limited	<b>100,000,000</b>	100,000,000
<b>4.</b>	<b>Advance given</b>		
	Satra Property Development Private Limited	-	16,050,411
	Shravan Developers Private Limited	-	73,804,090
<b>Outstanding Balances Payables</b>			
<b>1.</b>	<b>Loans alongwith the net interest</b>		
	BKC Developers Private Limited	<b>40,167,768</b>	90,167,768
	Praful N. Satra	<b>35,230,534</b>	37,859,374
	Shravan Developers Private Limited	<b>189,964,891</b>	-
<b>2.</b>	<b>Sundry Creditors</b>		
	Prime Property Development Corporation Limited	-	1,075,807
	Praful N. Satra	<b>7,131,330</b>	6,128,893
	Satra Property Development Private Limited	<b>19,330,323</b>	-
<b>3.</b>	<b>Remuneration Payable</b>		
	Praful N. Satra	<b>3,698,813</b>	631,264
	Vijay N. Satra	<b>166,000</b>	166,000
	Rajan P. Shah	<b>81,800</b>	254,800
<b>4.</b>	<b>Advance received against property</b>		
	Savla Realtors & Developers Private Limited	<b>5,000,000</b>	5,000,000

\* represents amounts payable to the promoters on account of invocation of the shares of the Company held by the lenders, towards loan dues of the Company.

### 30. MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are no parties registered as Micro, Small and Medium Enterprises.

	2010	2009
Principal amount remaining unpaid to any supplier as at the period end	-	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-

### 31. QUANTITATIVE INFORMATION

The activities of the Company are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details required under paragraphs 3, 4C and 4D of Part II of Schedule VI to the Act.

## Schedules to the financial statements (continued) for the year ended 31 March 2010

### 32. AUDITORS' REMUNERATION (INCLUDING SERVICE TAX)

(Currency: Indian Rupees)

	2010	2009
Statutory audit fees	1,535,288	1,870,336
Taxation matters	810,302	55,150
Other services*	-	974,720
Out of pocket expenses	61,283	-
	<b>2,406,873</b>	<b>2,900,206</b>

\* includes payment of Rs Nil (2009 Rs 500,000) to statutory auditors for other services, which has been capitalised to construction work-in-progress.

### 33. CIF VALUE OF IMPORTS

	2010	2009
Construction material	5,931,093	-
Capital goods	145,376	-
	<b>6,076,469</b>	<b>-</b>

### 34. EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY – Rs Nil (2009: Rs Nil)

### 35. DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT

Name of the company	Balance as at		Maximum outstanding during the year	
	2010	2009	2010	2009
<b>i. Particulars in respect of loans and advances to subsidiary companies:</b>				
1. Satra International Realtors Limited	363,072,467	298,517,483	363,072,467	298,517,483
2. Satra Property Developers Private Limited	419,842,878	369,860,874	546,660,874	648,425,474
<b>ii. Particulars of loans and advances to companies in which director(s) is a director or member:</b>				
1. C. Bhansali Developers Private Limited	99,529,783	89,828,323	99,529,783	89,828,323
2. Shraavan Developers Private Limited	-	73,804,090	74,575,152	228,800,775
<b>iii. Particulars of loans and advances where there is no repayment schedule:</b>				
1. Arjun Realtors Private Limited	16,741,014	18,352,313	18,352,313	18,352,313
2. Cine Line Exports Private Limited	12,433,067	11,221,180	12,433,067	11,221,180
3. Orchid Hotels Private Limited	2,732,682	11,769,321	11,769,321	11,769,321
4. Sweety Developers	-	3,498,469	3,498,469	18,025,000

### 36. DETAILS OF INVESTMENTS BOUGHT AND SOLD DURING THE YEAR

Name of the company	Purchased during the year		Sold during the year	
	Quantity (no's)	Value	Quantity (no's)	Value
Shraavan Developers Private Limited	-	-	15,944	159,440

### 37. INVESTMENT IN JOINT VENTURES

Sr. No.	Joint Venture	Location	Principal Activities	Ownership Interest
1	Prime Down Town	Hughes Road, Gamdevi, Mumbai	Development and construction of commercial cum residential complex	50%



## Schedules to the financial statements (continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

Included in the financial statements is the Company's share of the asset, liabilities, income and expenditure of the significant joint venture (under jointly controlled operation) as follows:

Amount in respect to Prime Down Town Joint Venture Balance Sheet	2010	2009
Inventories	149,890,710	146,312,018
Cash and bank	-	-
Current liabilities and provision	129,060,042	128,706,799
Loans and advances	100,000,000	100,000,000

38. Out of the aggregate amount of Rs 141,800,000 raised during the year 2006-07 by way of preferential issue of equity shares including share premium, sum of Rs 123,600,000 had been utilised for acquisition of land at Calicut forming part of construction work-in-progress and Rs 18,200,000 had been invested on account of capital with partnership firm M/S Sun Beam Builders & Developers.

39. During the previous year, the Company had changed the structural plan of the Borivali Project from a commercial complex to a commercial cum residential complex to improve the overall profitability of the project. As a result, in order to facilitate the construction as per the revised plan, certain existing structures at the site have been demolished subsequent to the year end. The estimated construction cost incurred by the Company on the demolished portion amount to Rs 157,974,510 and the same continues to be included in construction work-in-progress. Management has revised its estimated cost to complete the revised commercial cum residential project and believes that the overall margins of the revised project will be adequate to recover the construction cost of demolished area incurred during the year. Hence, the construction cost of demolished area amounting to Rs 157,974,510 continues to be included in the construction work-in-progress as at 31 March 2010 and has not been charged to the Profit and Loss account.

#### 40. TRANSFER PRICING

The Company's management has developed a system of maintenance of information and documents as required by the Transfer Pricing Legislation under Section 92 to Section 92F of the Income Tax Act, 1961. The Company's management is of the opinion that its international transactions are at arm's length so the aforesaid legislation will not have an impact on the financial statements, particularly on the amount of the Tax expense and that of Provision for Taxation.

41. i. Loans and advances includes Rs Nil (2009: Rs 3,498,469) due from M/s. Sweety Developers which is a body corporate under the same management as per Section 370(1B) of the Act, maximum amount during the year Rs 3,498,469 (2009: Rs 18,025,000).
- ii. Loans and advances includes Rs 882,445,128 (2009: Rs 839,509,239) due from companies/firm in which director is a director or member as under:

Name of the Company/Firm	Balance as at	
	2010	2009
Satra International Realtors Limited	363,072,467	298,517,483
Satra Property Developers Private Limited	419,842,878	369,860,874
C. Bhansali Developers Private Limited	99,529,783	93,828,323
Shravan Developers Private Limited	-	73,804,090
M/s. Sweety Developers	-	3,498,469

#### 42. PRIOR YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

#### For and on behalf of the Board of Directors

**Praful N. Satra**  
Chairman and Managing Director  
Mumbai, 29 May 2010

**Rajan P. Shah**  
Executive Director

**Manan Y. Udani**  
Company Secretary

## Balance Sheet Abstract and Company's General Business Profile

(Currency: Indian Rupees)

### I Registration Details

Registration Number

0 3 0 0 8 3

State Code

1 1

Balance Sheet Date

3 1 0 3 2 0 1 0

### II Capital Raised during the year (Amount in Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

### III Position of Mobilisation and Deployment of Funds (Amounts in Thousands)

Total Liabilities

6 7 7 5 4 2 5

Total Assets

6 7 7 5 4 2 5

#### Sources of Funds

Paidup Capital

3 8 4 7 1 6

Reserves &amp; Surplus

4 7 0 2 4 9

Secured Loans

2 5 9 4 7 9 4

Unsecured Loans

2 0 7 7 0 9 3

#### Application of Funds

Net Fixed Assets

2 4 1 2 3

Investments

5 9 7 8 1 0

Net Current Assets

4 8 9 9 7 7 8

Accumulated Losses

N I L

Net Deferred tax Asset

5 1 4 0

### IV Performance of the Company (Amount in Thousands)

Turnover

2 2 3 6 1 4 2

Total Expenditure

2 0 9 5 4 2 7

Earning per share (in Rupees)

0 . 5 1

Profit Before Tax

+/-

+

1 4 0 7 1 5

Profit after Tax

+

8 5 7 4 6

Dividend Rate (in %)

5 . 0 0

### V Generic Names of Three Principal Products / Services of Company (as per monetary term)

Item Code No

N . A

Product Description

N . A

For and on behalf of the Board of Directors

**Praful N. Satra**

Chairman and Managing Director

**Rajan P. Shah**

Executive Director

**Manan Y. Udani**

Company Secretary

Mumbai, 29 May 2010





## Auditors' Report

To the Board of Directors of  
**SATRA PROPERTIES (INDIA) LIMITED**

1. We have audited the attached consolidated balance sheet of Satra Properties (India) Limited ('the Company'), its subsidiaries and associates as listed in Schedule 1 to the consolidated financial statements (collectively referred to as 'the Group'), as at 31 March 2010, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date.
2. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
3. We 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 whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and 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 audit provides a reasonable basis for our opinion.
4. The financial statements of the subsidiaries of the Company for the year ended 31 March 2010 have been audited by one of the joint auditors, M/s. Bhuta Shah & Co. The attached consolidated financial statements include assets of Rs 2,275,326,321 as at 31 March 2010, revenues of Rs 379,288,826 and cash inflows amounting to Rs 40,910,158 for the year ended on that date in respect of the aforementioned subsidiaries.
5. We have relied upon the unaudited financial statements of certain associates whose financial statements reflect Group's share of profit of Rs 66,784 for the year ended on 31 March 2010. These unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management, and our opinion, in so far as it relates to the amounts included in respect of the associates, is based solely on such approved financial statements.
6. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard – 21 Consolidated Financial Statements, Accounting Standard – 23 Accounting for Investment in Associates in Consolidated Financial Statements and Accounting Standard – 27 Financial Reporting of Interest in Joint Ventures prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.
7. *As more fully explained in Schedule 38 to the financial statements, construction work-in-progress of a project includes construction cost of Rs 157,974,510 arising out of a significant change in the structural plan of the project, resulting in over-statement of the construction work-in-progress as at 31 March 2010 (31 March 2009: Rs 157,974,510). In accordance with the provisions of Accounting Standard – 2, "Inventories", such construction costs should have been charged to the profit and loss account for the year ended 31 March 2009. As at 31 March 2010, construction work-in-progress and the profit and loss account are over-stated by the above amount. As the Group has not recognized any revenue from this project during the year ended 31 March 2010, this has no impact on the results for the year then ended; and*
8. Based on our audit as aforesaid and on consideration of the unaudited financial statements approved by the respective Board of Directors as mentioned in para 7, *subject to the effect of the matter stated in the paragraph 7 above*, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in the case of the consolidated balance sheet, of the consolidated state of affairs of the Group as at 31 March 2010;
  - b. in the case of the consolidated profit and loss account, of the consolidated profit of the Group for the year ended on that date; and
  - c. in the case of the consolidated cash flow statements, of the consolidated cash flows for the year ended on that date.

For **M/s. Bhuta Shah & Co.**  
Chartered Accountants  
Firm's Registration No: 101474W

For **B S R & Associates**  
Chartered Accountants  
Firm's Registration No: 116231W

**S. J. Parmar**  
Partner  
Membership No: 103424  
Mumbai, 29 May 2010

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070  
Mumbai, 29 May 2010

## Consolidated Balance Sheet as at 31 March 2010

		(Currency: Indian Rupees)	
	Schedule	2010	2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	3	384,716,000	384,716,000
Reserves and surplus	4	470,888,060	414,232,415
		<b>855,604,060</b>	<b>798,948,415</b>
<b>Loan funds</b>			
Secured loans	5	2,596,705,574	2,934,181,458
Unsecured loans	6	2,221,542,907	816,892,678
		<b>4,818,248,481</b>	<b>3,751,074,136</b>
	<b>TOTAL</b>	<b>5,673,852,541</b>	<b>4,550,022,551</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Goodwill on consolidation		162,749,536	162,749,536
Less : Amortisation		97,649,721	65,099,814
Net Goodwill on consolidation		<b>65,099,815</b>	<b>97,649,722</b>
Gross block	7	82,116,984	77,673,479
Less: Accumulated depreciation/amortisation		46,002,278	33,087,840
Net block		<b>36,114,706</b>	<b>44,585,639</b>
Capital work-in-progress		344,609	-
		<b>101,559,130</b>	<b>142,235,361</b>
<b>Investments</b>	8	<b>185,420</b>	<b>819,015</b>
<b>Deferred tax assets</b>	9	<b>5,202,889</b>	<b>21,222,972</b>
<b>Current assets, loans and advances</b>			
Inventories	10	3,366,081,613	3,562,276,627
Sundry debtors	11	2,171,533,727	755,750,252
Cash and bank balances	12	99,904,411	15,611,666
Loans and advances	13	1,940,377,872	1,790,664,465
		<b>7,577,897,623</b>	<b>6,124,303,010</b>
<b>Less: Current liabilities and provisions</b>			
Current liabilities	14	1,830,320,522	1,482,574,764
Provisions	15	180,671,999	255,983,043
		<b>2,010,992,521</b>	<b>1,738,557,807</b>
<b>Net current assets</b>		<b>5,566,905,102</b>	<b>4,385,745,203</b>
	<b>TOTAL</b>	<b>5,673,852,541</b>	<b>4,550,022,551</b>
<b>Significant accounting policies</b>	2		
<b>Schedules to the financial statements</b>	22-41		

The schedules referred to above are an integral part of the balance sheet.

As per our report attached.

For **B S R & Associates**  
Chartered Accountants  
Firm's Registration No: 116231W

For **M/s Bhuta Shah & Co.**  
Chartered Accountants  
Firm's Registration No: 101474W

For and on behalf of the Board of Directors

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070  
Mumbai, 29 May 2010

**S. J. Parmar**  
Partner  
Membership No: 103424  
Mumbai, 29 May 2010

**Manan Y. Udani**  
Company Secretary  
Mumbai, 29 May 2010

**Rajan P. Shah**  
Executive Director

**Praful N. Satra**  
Chairman and  
Managing Director



## Consolidated Profit and Loss Account for the year ended 31 March 2010

		(Currency: Indian Rupees)	
	Schedule	2010	2009
<b>INCOME</b>			
Sales	16	2,215,910,203	1,139,257,287
Other income	17	250,937,890	172,140,367
		<b>2,466,848,093</b>	<b>1,311,397,654</b>
<b>EXPENDITURE</b>			
Construction and purchase cost	18	1,829,952,790	783,576,397
Personnel expenses	19	21,806,282	20,067,387
Administrative and other expenses	20	49,175,894	51,555,577
Financial expenses	21	332,436,797	381,403,496
Depreciation/amortisation	7	11,364,431	12,281,150
Goodwill on consolidation amortised		32,549,907	32,549,907
		<b>2,277,286,101</b>	<b>1,281,433,914</b>
<b>Net profit before tax</b>		<b>189,561,992</b>	<b>29,963,740</b>
Less: Provision for current tax			
- current year		53,605,000	64,179,294
- prior year charge		33,387,708	1,431,038
Deferred tax charge/(credit)		16,020,083	(20,220,867)
Fringe benefits tax			
- current year		-	481,544
- prior year charge		-	50,711
<b>Net profit after tax for the year</b>		<b>86,549,201</b>	<b>(15,957,980)</b>
Share of profit in associates		66,784	496,833
Net profit/(loss) after tax		<b>86,615,985</b>	<b>(15,461,147)</b>
Add: Balance brought forward from previous year		<b>284,335,424</b>	<b>304,240,742</b>
<b>Profit available for appropriation</b>		<b>370,951,409</b>	<b>288,779,595</b>
<b>Appropriation</b>			
Transferred to general reserve		8,988,995	-
Dividend on preference shares		5,920,000	5,920,000
Tax on dividend on preference shares		960,372	1,006,104
Proposed dividend on equity shares		15,535,800	-
Tax on proposed dividend on equity shares/		2,580,302	(2,481,933)
Credit availed on dividend distribution tax paid by the subsidiary company			
Tax on interim dividend paid on equity shares		4,963,866	-
Balance carried forward to Balance Sheet		<b>332,002,074</b>	<b>284,335,424</b>
		<b>370,951,409</b>	<b>288,779,595</b>
<b>Basic and Diluted Earnings per share (face value of Rs 2 per share) (Rupees)</b>	22	<b>0.51</b>	<b>(0.14)</b>
<b>Significant accounting policies</b>	2		
<b>Schedules to the financial statements</b>	22-41		

The schedules referred to above are an integral part of the profit and loss account.

As per our report attached.

For **B S R & Associates**  
Chartered Accountants  
Firm's Registration No: 116231W

For **M/s Bhuta Shah & Co.**  
Chartered Accountants  
Firm's Registration No: 101474W

For and on behalf of the Board of Directors

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070  
Mumbai, 29 May 2010

**S. J. Parmar**  
Partner  
Membership No: 103424  
Mumbai, 29 May 2010

**Manan Y. Udani**  
Company Secretary  
Mumbai, 29 May 2010

**Rajan P. Shah**  
Executive Director

**Praful N. Satra**  
Chairman and  
Managing Director

## Consolidated Cash Flow Statement for the year ended 31 March 2010

(Currency: Indian Rupees)

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax</b>	<b>189,561,992</b>	29,963,740
<i>Adjusted for:</i>		
Depreciation/amortisation	<b>11,364,431</b>	12,281,150
(Profit)/loss on sale of investments	<b>(149,459,061)</b>	4,233,899
Share in loss of partnership firm	-	1,531
Assets written off	-	1,731,009
Dividend income	-	(150,000)
Interest income	<b>(92,239,801)</b>	(79,072,928)
Financial expenses	<b>332,436,797</b>	381,403,496
Goodwill amortised	<b>32,549,907</b>	32,549,907
Unrealised gain on foreign exchange fluctuation	<b>(9,282,593)</b>	(52,902,486)
	<b>125,369,680</b>	300,075,578
<b>Operating profit before working capital changes</b>	<b>314,931,672</b>	330,039,318
<b>(Increase)/decrease in working capital</b>		
Inventories	<b>197,745,021</b>	(698,990,405)
Sundry debtors	<b>(1,415,783,475)</b>	138,389,105
Loans and advances	<b>(89,827,090)</b>	(14,706,515)
Current liabilities and provisions	<b>348,234,227</b>	(513,512,271)
	<b>(959,631,317)</b>	(1,088,820,086)
<b>Cash generated from/(used in) operations</b>	<b>(644,699,645)</b>	(758,780,768)
Taxes paid (net of refund)	<b>(192,747,839)</b>	(42,195,494)
<b>Net cash (used in) operating activities</b>	<b>(837,447,484)</b>	(800,976,262)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets including capital work in progress	<b>(4,788,114)</b>	(9,954,721)
Investments made	<b>98,630</b>	(12,177,265)
Investment in partnership firm	-	(18,025,000)
Proceeds from sale of investments	<b>150,159,440</b>	8,601,276
Loans repaid	<b>13,352,313</b>	-
Return of capital from partnership firm	-	14,525,000
Profit/(loss) on trading in securities	-	(691)
Dividend received	-	150,000
Interest received	<b>22,773,855</b>	24,296,589
<b>Net cash generated from investing activities</b>	<b>181,596,124</b>	7,415,188



## Consolidated Cash Flow Statement for the year ended 31 March 2010

(Currency: Indian Rupees)

	2010	2009
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Proceeds from long term borrowings	<b>263,644,531</b>	1,308,237,344
Repayment of long term borrowings	<b>(622,339,731)</b>	(263,141,097)
Proceeds from short term borrowings	<b>2,155,897,200</b>	1,539,969,704
Repayment of short term borrowings	<b>(811,962,148)</b>	(1,259,918,415)
Dividend and dividend distribution tax paid	-	(30,794,389)
Financial expenses	<b>(245,095,747)</b>	(559,212,661)
<b>Net cash generated from financing activities</b>	<b>740,144,105</b>	735,140,486
<b>Net increase/(decrease) in Cash and cash equivalents</b>	<b>84,292,745</b>	(58,420,588)
Cash and cash equivalents, beginning of year	<b>15,611,666</b>	74,032,254
Cash and cash equivalents, end of year (refer Schedule 12)	<b>99,904,411</b>	15,611,666
<b>Cash and cash equivalents, end of year comprise of :</b>		
Cash in hand	<b>2,247,821</b>	2,767,263
With scheduled banks		
- in current account	<b>53,077,965</b>	6,785,778
- in deposit account	<b>44,578,625</b>	6,058,625
	<b>99,904,411</b>	15,611,666

**Note:** Cash and cash equivalents include restricted cash of Rs 350,181 (2009: Rs 350,484)

As per our report attached.

For **B S R & Associates**  
Chartered Accountants  
Firm's Registration No: 116231W

For **M/s Bhuta Shah & Co.**  
Chartered Accountants  
Firm's Registration No: 101474W

For and on behalf of the Board of Directors

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070  
Mumbai, 29 May 2010

**S. J. Parmar**  
Partner  
Membership No: 103424  
Mumbai, 29 May 2010

**Manan Y. Udani**  
Company Secretary  
Mumbai, 29 May 2010

**Rajan P. Shah**  
Executive Director

**Praful N. Satra**  
Chairman and  
Managing Director

## Schedules to the Consolidated Financial Statements for the year ended 31 March 2010

### 1. BACKGROUND

(Currency: Indian Rupees)

The Company was incorporated on 30 May 1983 as Express Leasing Limited. The name of the Company was changed to Satra Properties (India) Limited on 8 December 2005. The Company is engaged in the business of real estate development and trading in properties and transferable development rights.

#### 1.1 Principles of consolidation

The consolidated financial statements relate to Satra Properties (India) Limited (the 'Company') and all of its subsidiary companies and companies controlled, that is, companies over which the Company exercises control/joint control over ownership and voting power and the associates and joint venture (herein after collectively referred to as the "Group"). The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resultant unrealized profits or losses in accordance with the Accounting Standard – 21 "Consolidated Financial Statements" prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.
- b. In case of foreign subsidiaries, revenue items are consolidated at the average exchange rate prevailing during the year. All monetary assets and liabilities are converted at the exchange rate prevailing at the end of the year and non-monetary assets and liabilities at the exchange rate prevailing on the date of the transaction. Any exchange difference arising on consolidation of integral foreign operation is recognised in the profit and loss account.
- c. Investments in subsidiaries are eliminated and differences between the costs of investment over the net assets on the date of the investment in subsidiaries are recognised as goodwill or capital reserve, as the case may be.
- d. The difference between the proceeds from disposal of investment in a subsidiary or in a company, controlled by the Company, and the proportionate carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Account as the profit or loss on disposal of investment in subsidiaries.
- e. Investment in associates, where the Company directly or indirectly through Subsidiaries holds 20% or more of equity, are accounted for using equity method in accordance with Accounting Standard – 23 "Accounting for investments in associates in consolidated financial statements". The Company accounts for its share in the change of the net assets of the associates, post acquisition after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Profit and Loss Account to the extent such change is attributable to the Associates' Profit and Loss Account, based on available information. The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- f. If, under the equity method, the Company's share of losses of an associate equals or exceeds the carrying amount of the investment, the Company discontinues recognising its share of further losses and the investment is reported at nil value. Additional losses are provided for to the extent that the Company has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the Company has guaranteed or to which the Company is otherwise committed. If the associate subsequently reports profits, the Company resumes including its share of those profits only after its share of the profits equals the share of net losses that have not been recognised.
- g. Goodwill on consolidation is amortised over a period of 5 years from the date of acquisition/investment.
- h. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's stand alone financial statements.

The list of subsidiary companies which are included in the consolidated financial statements are as under:

Name of the Company	Country of incorporation	% holding 2010
Satra Property Developers Private Limited	India	100%
Satra Buildcon Private Limited	India	100%
Satra Lifestyles Private Limited	India	100%
Satra Estate Development Private Limited	India	100%
Satra Infrastructure and Land Developers Private Limited	India	100%
Satra International Realtors Limited	United Arab Emirates	100%





## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

On 17 June 2008, the Company subscribed to 100 percent share capital of Satra International Realtors Limited, UAE.

The list of associate companies considered in the consolidated financial statements is as under:

Name of the Company	Country of Incorporation	% holding 2010
Shravan Developers Private Limited (Upto 11 May 2009)	India	35%
C. Bhansali Developers Private Limited	India	20%
BKC Developers Private Limited	India	25%
Deepmala Infrastructure Development Private Limited	India	26%

During the previous year the Company had been admitted to and retired from Sweetey Developers, partnership firm. On 10 April 2008, the Company through its wholly owned subsidiary, Satra Property Developers Private Limited subscribed to 26 percent share capital of Deepmala Infrastructure Development Private Limited. During the year, one of the subsidiaries have disinvested 10 percent holding in BKC Developers Private Limited.

Investments other than in Subsidiaries and Associates are accounted as per Accounting Standard 13 – “Accounting for Investments”.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act'), and the accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

#### 2.2 Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Significant estimates used by the management in the preparation of these financial statements include computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates, estimate of the economic useful lives of fixed assets, provisions for bad and doubtful debts.

#### 2.3 Fixed assets and depreciation/amortisation

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment losses, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

Depreciation on fixed assets except leasehold improvements is provided on written down value method in the manner and rates prescribed in Schedule XIV to the Act. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Assets costing less than Rs 5,000 are fully depreciated in the year of acquisition.

Leasehold improvements are amortized over the primary period of lease.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date and advances paid to acquire fixed assets on or before the balance sheet date.

#### 2.4 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

### 2.5 Investments

Long term investments are carried at cost. Provision for diminution is made to recognise a decline, other than temporary in value of investments and is determined separately for each individual investment. Current investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.

### 2.6 Inventories

Direct expenses like cost of land, site labour cost, material used for project construction, project management consultancy, costs for moving the plant and machinery to the site and general expenses incurred specifically for the respective project like insurance, design and technical assistance, borrowing costs and construction overheads are taken as the cost of the construction work-in-progress.

Material at site comprises of building material, components and stores and spares.

Stock-in-trade comprises of completed projects that are unsold.

Inventories are valued as lower of cost and net realizable value. Cost is determined on the first in first out ('FIFO') basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 2.7 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to, other than temporary interruption. All other borrowing costs are charged to the profit and loss account as incurred.

### 2.8 Employee benefits

#### (a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, leave salary etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

#### (b) Post employment benefits

##### *Defined contribution plans:*

The Group makes specified monthly contributions towards employee provident fund. The Group's contribution paid/ payable under the schemes is recognized as an expense in the profit and loss account during the period in which the employee renders the related service.

##### *Defined benefit plan:*

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Group, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the profit and loss account.



## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

### 2.9 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Income from real estate sales is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognized on proportionate basis as the acts are performed, i.e. on the percentage of completion basis.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the management some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion. The estimates of cost are periodically reviewed by the Management and the effect of changes in estimates is recognised in the period such changes are recognised. When the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

Revenue from trading activity, property as well as Transferable Development Rights (TDR), is recognized when significant risk and rewards of the property/TDR are transferred to the buyer, as demonstrated by transfer of physical possession and transfer of the title in the property/TDR.

Interest income is recognized on time proportion basis.

Dividend income is recognized when the right to receive dividend is established.

### 2.10 Taxation

Income tax expense comprises of current income tax and deferred tax charge or credit.

Current tax provision is made annually based on the tax liability computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however; where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

### 2.11 Foreign currency transactions

Foreign exchange transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account. Non-monetary asset such as investments in equity shares, etc. are carried forward in the balance sheet at costs.

### 2.12 Operating lease

Lease rentals in respect of assets acquired on operating leases are recognized in the profit and loss account on a straight line basis over the lease term.

### 2.13 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### 2.14 Provisions and contingent liabilities

The Group creates a provision where there is present obligation as a result of a past event that probable requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements.

## Schedules to the Consolidated Financial Statements (Continued) as at 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>3. SHARE CAPITAL</b>		
<b>Authorised capital:</b>		
210,000,000 (2009: 210,000,000) equity shares of Rs 2 each	<b>420,000,000</b>	420,000,000
8,000,000 (2009: 8,000,000) 8% cumulative redeemable preference shares of Rs 10 each	<b>80,000,000</b>	80,000,000
	<b>500,000,000</b>	500,000,000
<b>Issued, subscribed and paid up:</b>		
155,358,000 (2009: 155,358,000) equity shares of Rs 2 each, fully paid up	<b>310,716,000</b>	310,716,000
7,400,000 (2009: 7,400,000) 8% cumulative redeemable preference shares of Rs 10 each, fully paid-up	<b>74,000,000</b>	74,000,000
	<b>384,716,000</b>	384,716,000
<b>Notes:</b>		
Of the above:		
(i) 37,192,250 (2009: 37,192,250) equity shares of Rs 2 each and 7,400,000 (2009: 7,400,000) 8% cumulative redeemable preference shares of Rs 10 each were issued in 2008 pursuant to the order of the High Court, Mumbai, approving the scheme of amalgamation of Om Housing Company Private Limited for consideration other than cash.		
(ii) 103,572,000 (2009: 103,572,000) equity shares of Rs 2 each have been issued as fully paid up by the way of bonus equity shares in the ratio 2:1 i.e. 2 bonus equity shares for every 1 existing equity share held, after capitalisation of general reserve and securities premium account during the year 2007-08.		
(iii) The 8% cumulative redeemable preference shares are redeemable at par on 3 February 2011.		
<b>4. RESERVES AND SURPLUS</b>		
<b>General reserve</b>		
Balance as per last balance sheet	<b>108,100,554</b>	108,100,554
Add: Transferred from profit and loss account	<b>8,988,995</b>	-
	<b>117,089,549</b>	108,100,554
<b>Reserve on amalgamation</b>	<b>21,796,437</b>	21,796,437
<b>Profit and loss account</b>	<b>332,002,074</b>	284,335,424
	<b>470,888,060</b>	414,232,415



## Schedules to the Consolidated Financial Statements (Continued) as at 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>5. SECURED LOANS</b>		
<b>From banks</b>		
Term loan from Indian Bank	<b>386,534,807</b>	354,764,535
Term loan from Syndicate Bank	<b>334,985,488</b>	344,150,174
Term loan from Yes Bank	<b>526,444,201</b>	415,001,009
Term loan from Allahabad Bank	-	242,977,930
Vehicle loans	<b>1,168,892</b>	3,385,746
Bank overdraft	<b>152,756,885</b>	169,421,407
<b>From others</b>		
Term loan from Housing and Urban Development Corporation Limited (HUDCO)	<b>699,534,239</b>	799,913,887
Term loan from SICOM Investment and Finance Limited	<b>491,619,729</b>	600,000,000
Vehicle loan	<b>3,661,333</b>	4,566,770
	<b><u>2,596,705,574</u></b>	<b><u>2,934,181,458</u></b>
<b>Notes:</b>		
(i) Term Loan from Indian Bank is secured against certain units of shops and residential premises of project at Borivali alongwith receivables in respect of the said property.		
(ii) Term Loan from Syndicate Bank is secured against equitable mortgage of Jodhpur project properties and all present and future construction and development work thereon.		
(iii) Term Loan from Yes Bank is secured against project situated at Calicut and receivables thereon.		
(iv) Term Loan from HUDCO is secured against equitable mortgage of Vashi project properties and all present and future construction and development work thereon.		
(v) Term Loan from SICOM Investment and Finance Limited is secured against development rights on freehold land at Hughes Road and escrow of receivables in respect of the said property.		
(vi) Term loans from Allahabad Bank was secured by way of first charge on receivables of the sold and unsold portion of 'Dreams the Mall', Bhandup project and collateral registered mortgage of the unsold area of the said Mall.		
(vii) All the above term loans are secured by personal guarantees of promoter Directors of the Company.		
(viii) Vehicle loans are secured by hypothecation of the respective vehicles purchased.		
(ix) Bank overdraft against subservient charge on all current assets.		
<b>6. UNSECURED LOANS</b>		
Inter corporate loans	<b>2,184,398,835</b>	768,003,985
Loans from directors	<b>37,144,072</b>	48,888,693
	<b><u>2,221,542,907</u></b>	<b><u>816,892,678</u></b>
<b>Note:</b>		
All of the above loans are repayable on demand.		

## Schedules to the Consolidated Financial Statements (Continued) as at 31 March 2010

(Currency: Indian Rupees)

	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 1 April 2009	Additions	Deletions/ Disposals	As at 31 March 2010	As at 1 April 2009	For the year	On Deletions/ Disposals	As at 31 March 2010	2010	2009
Leasehold improvements	22,087,807	-	-	22,087,807	11,847,852	4,724,445	-	16,572,297	5,515,510	10,239,955
Plant and machinery	23,192,906	600,000	-	23,792,906	8,221,356	2,529,999	-	10,751,355	13,041,551	14,971,550
Computer	3,959,282	371,411	-	4,330,693	2,288,424	724,465	-	3,012,889	1,317,804	1,670,858
Furniture and fittings	3,201,410	341,551	-	3,542,961	1,653,094	502,358	-	2,155,452	1,387,509	1,548,316
Office equipment	4,594,788	1,106,927	-	5,701,715	1,255,757	521,412	-	1,777,169	3,924,546	3,339,031
Temporary structures	212,369	194,906	-	407,275	212,369	194,906	-	407,275	-	-
Vehicles	15,598,417	1,828,710	-	17,427,127	4,437,977	3,220,206	-	7,658,183	9,768,944	11,160,440
Trucks	4,826,500	-	-	4,826,500	3,171,011	496,647	-	3,667,658	1,158,842	1,655,489
<b>Total</b>	<b>77,673,479</b>	<b>4,443,505</b>	-	<b>82,116,984</b>	<b>33,087,840</b>	<b>12,914,438</b>	-	<b>46,002,278</b>	<b>36,114,706</b>	<b>44,585,639</b>
2009	69,552,728	9,965,512	1,844,761	77,673,479	19,699,240	13,502,352	113,752	33,087,840	44,585,639	

**Note:**

(i) Depreciation for the year includes Rs 1,550,007 (2009: Rs 1,221,202) transferred to inventory.





## Schedules to the Consolidated Financial Statements (Continued) as at 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>8. INVESTMENTS</b>		
<b>Long term (at Cost)</b>		
<b>In associates (unquoted)</b>		
Nil (2009: 15,944) equity shares of Shravan Developers Private Limited of Rs 10 each, fully paid up.	-	633,595
2,000 (2009: 2,000) equity shares of C. Bhansali Developers Private Limited of Rs 10 each, fully paid up.	-	-
2,500 (2009: 3,500) equity shares of BKC Developers Private Limited Rs 10 each, fully paid up.	-	-
2,600 (2009: 2,600) equity shares of Deepmala Infrastructure Private Limited of Rs 10 each, fully paid up.	<b>26,000</b>	26,000
<b>Other investments (unquoted)</b>		
948 (2009: 948) equity shares of Cosmos Co-operative Bank Limited of Rs 100 each, fully paid up	<b>94,800</b>	94,800
<b>Other investments (quoted)</b>		
718 (2009: 718) equity shares of SEL Manufacturing Company Limited of Rs 10 each, fully paid up	<b>64,620</b>	64,620
	<b>185,420</b>	819,015
Aggregate amount of unquoted investment	<b>120,800</b>	754,395
Aggregate amount of quoted investment	<b>64,620</b>	64,620
Aggregate market value of quoted investment	<b>45,629</b>	45,234
<b>9. DEFERRED TAX ASSETS</b>		
Deferred tax assets		
- Difference between book depreciation and depreciation as per Income Tax Act, 1961	<b>4,776,721</b>	3,083,918
- On provision allowable on a payment basis under the Income Tax Act, 1961	<b>426,168</b>	18,139,054
	<b>5,202,889</b>	21,222,972
<b>10. INVENTORIES</b>		
Material at site	<b>35,984,382</b>	14,056,952
Construction work-in-progress	<b>3,025,480,958</b>	3,146,452,284
Stock in trade	<b>304,616,273</b>	401,767,391
	<b>3,366,081,613</b>	3,562,276,627
<b>11. SUNDRY DEBTORS</b> <i>(unsecured and considered good)</i>		
Debts outstanding for a period exceeding six months	<b>601,021,631</b>	554,446,183
Other debts	<b>1,570,512,096</b>	201,304,069
	<b>2,171,533,727</b>	755,750,252
<b>12. CASH AND BANK BALANCES</b>		
Cash on hand	<b>2,247,821</b>	2,767,263
With scheduled banks		
- in current accounts	<b>53,077,965</b>	6,785,778
- in deposit accounts	<b>44,578,625</b>	6,058,625
	<b>99,904,411</b>	15,611,666
<b>Note:</b> Cash and cash equivalents include restricted cash of Rs 350,181 (2009: Rs 350,484)		

## Schedules to the Consolidated Financial Statements (Continued) as at 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>13. LOANS AND ADVANCES</b>		
<i>(Unsecured and considered good)</i>		
Advances recoverable in cash or in kind or for value to be received [refer Schedule 40 (i) and (ii)]	<b>962,118,755</b>	1,231,784,111
Advance tax and tax deducted at source	<b>1,160,625</b>	2,852,891
Advance paid for property and transferable development rights	<b>812,954,840</b>	520,142,889
Prepaid expenses	<b>2,076,378</b>	3,831,208
Deposits*	<b>162,067,274</b>	32,053,366
	<b>1,940,377,872</b>	1,790,664,465
* includes Rs 2,150,000 (2009: Rs 2,150,000) rent deposit given to the Managing Director, Maximum amount outstanding during the year Rs 2,150,000 (2009: Rs 2,150,000)		
<b>14. CURRENT LIABILITIES</b>		
Advance received against property and transferable development rights	<b>728,080,498</b>	1,186,845,503
Sundry creditors:		
- Dues of micro, small and medium enterprises (refer Schedule 30)	-	-
- Others	<b>333,001,682</b>	242,200,901
Other liabilities	<b>700,684,949</b>	42,379,803
Investor education and protection fund - Unclaimed dividend *	<b>350,181</b>	278,494
Interest accrued but not due	<b>68,203,212</b>	10,870,063
	<b>1,830,320,522</b>	1,482,574,764
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
<b>15. PROVISIONS</b>		
Provision for taxation [net of advance tax and tax deducted at source Rs 202,376,534 (2009: Rs 34,479,220)]	<b>139,982,593</b>	245,577,199
Provision for fringe benefits tax [net of advance tax Rs 156,444 (2009: Rs 186,444)]	<b>351,089</b>	363,994
Provision for gratuity	<b>1,253,804</b>	799,183
Provision for wealth tax	<b>31,500</b>	20,000
Dividend on preference shares	<b>11,840,000</b>	5,920,000
Tax on dividend on preference shares	<b>4,133,045</b>	3,302,667
Proposed dividend on equity shares	<b>15,535,800</b>	-
Tax on proposed dividend on equity shares	<b>2,580,302</b>	-
Tax on interim dividend on equity shares	<b>4,963,866</b>	-
	<b>180,671,999</b>	255,983,043



## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

		(Currency: Indian Rupees)	
		2010	2009
<b>16. SALES</b>			
Revenue from construction projects		2,208,480,203	602,343,111
Sale of traded transferable development rights		-	536,914,176
Other project income		7,430,000	-
		<b>2,215,910,203</b>	<b>1,139,257,287</b>
<b>17. OTHER INCOME</b>			
Income from investments			
Trade investments			
Dividend		-	150,000
Other investments			
Profit on sale of investments (net)		149,459,061	-
Interest income [tax deducted at source Rs 15,310,594 (2009: Rs 26,628,947)]		92,239,801	79,072,928
Income from awards/compensation/forfeiture		-	30,400,000
Gain on foreign exchange fluctuation		8,990,252	52,902,486
Miscellaneous income		248,776	9,614,953
		<b>250,937,890</b>	<b>172,140,367</b>
<b>18. CONSTRUCTION AND PURCHASE COST</b>			
<b>Opening stock</b>			
Construction work-in-progress		3,146,452,284	2,671,713,208
Material at site		14,056,952	7,478,658
Stock in trade		401,767,391	-
	(A)	<b>3,562,276,627</b>	<b>2,679,191,866</b>
<b>Incurred during the year</b>			
Development rights/land cost		424,023,550	384,654,615
Professional and legal fees		28,819,442	17,633,064
Civil, electrical and contracting		859,959,051	617,277,484
Administrative and other expenses		11,813,851	9,108,750
Borrowing costs		300,961,883	182,870,893
	(B)	<b>1,625,577,777</b>	<b>1,211,544,806</b>
<b>Less: Closing stock</b>			
Construction work-in-progress		3,025,480,958	3,146,452,284
Material at site		35,984,382	14,056,952
Stock in Trade		304,616,273	401,767,391
	(C)	<b>3,366,081,613</b>	<b>3,562,276,627</b>
<b>Cost of construction</b>	(D = A + B - C)	<b>1,821,772,791</b>	<b>328,460,045</b>
Compensation paid	(E)	<b>8,179,999</b>	<b>3,045,000</b>
Purchase of traded transferable development rights	(F)	-	452,071,352
<b>Cost of purchase</b>	(G = E + F)	<b>8,179,999</b>	<b>455,116,352</b>
<b>Construction and purchase cost</b>	(D + G)	<b>1,829,952,790</b>	<b>783,576,397</b>

## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

	(Currency: Indian Rupees)	
	2010	2009
<b>19. PERSONNEL EXPENSES</b>		
Salaries, wages and bonus	<b>19,565,300</b>	18,348,600
Contributions to provident and other funds	<b>1,683,073</b>	1,344,019
Staff welfare expenses	<b>103,288</b>	104,014
Gratuity	<b>454,621</b>	270,754
	<b>21,806,282</b>	20,067,387
<b>20. ADMINISTRATIVE AND OTHER EXPENSES</b>		
Advertisement	<b>4,481,955</b>	6,338,989
Brokerage	<b>4,791,781</b>	949,381
Electricity	<b>1,306,557</b>	1,444,770
Rent	<b>15,442,000</b>	16,270,055
Telephone expenses	<b>944,959</b>	890,929
Postage and Telegram	<b>135,121</b>	709,474
Repair and maintenance		
- machinery	<b>330,087</b>	141,847
- others	<b>1,595,445</b>	560,314
Insurance	<b>792,581</b>	1,117,525
Rates and taxes	<b>590,817</b>	548,970
Loss on sale of investment	-	4,233,898
Share in loss of partnership firm	-	1,531
Auditors' remuneration (refer Schedule 32)	<b>3,679,413</b>	2,762,792
Directors' sitting fees	<b>150,000</b>	690,000
Travelling expenses	<b>387,862</b>	889,261
Printing and stationery	<b>979,057</b>	1,350,565
Profession and legal fees	<b>3,045,539</b>	5,421,197
Assets written off	-	1,731,009
Miscellaneous expenses	<b>10,522,720</b>	5,503,070
	<b>49,175,894</b>	51,555,577
<b>21. FINANCIAL EXPENSES</b>		
Interest on term loans	<b>417,079,869</b>	385,373,575
Interest on other loans *	<b>200,242,853</b>	123,638,485
*includes Rs 5,309,579 (2009: Rs 4,106,209) interest paid/payable to managing director		
Finance and bank charges	<b>16,075,958</b>	55,262,329
	<b>633,398,680</b>	564,274,389
Less: Borrowing costs transferred to construction work-in-progress	<b>300,961,883</b>	182,870,893
	<b>332,436,797</b>	381,403,496



## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

### 22. EARNING PER SHARE

(Currency: Indian Rupees)

Particulars	2010	2009
Net profit/(loss) after tax	86,615,985	(15,461,147)
Preference dividend (including taxes thereon)	6,880,372	6,926,104
Net profit/(loss) after tax attributable to equity shareholders (A)	79,735,613	(22,387,251)
Number of equity shares at the beginning of the year	155,358,000	155,358,000
Number of equity shares outstanding at the end of the year	155,358,000	155,358,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (B)	155,358,000	155,358,000
Basic and diluted earnings (in Rupees) per share of face value Rs 2 (A)/(B)	0.51	(0.14)

### 23. CONTINGENCIES AND COMMITMENTS

	2010	2009
Income tax matters under dispute	21,428,917	36,461,781

### 24. CAPITAL COMMITMENTS

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs Nil (2009: Rs Nil)

### 25. SEGMENT REPORTING

The Group is operating in the real estate and construction industry and has only domestic sales. Therefore, the Group has only one reportable business segment, which is real estate development and trading in properties and transferable development rights and only one reportable geographical segment. Accordingly, these consolidated financial statements are reflective of the information required by the Accounting Standard 17, for the property development segment.

### 26. MANAGERIAL REMUNERATION

Personnel costs include managerial remuneration for directors as set out below:

	2010	2009
Salary	4,305,000	5,300,000
Commission to managing director	4,704,813	261,264
	<b>9,009,813</b>	<b>5,561,264</b>

The gratuity liability is determined for all employees by an independent actuarial valuation. The specific amount of gratuity for the directors cannot be ascertained separately and accordingly the same has not been included above.

### 27. LEASES

#### Operating lease

- a) The Group has taken a commercial property on non-cancellable operating lease. The future minimum lease payments in respect of lease property as at 31 March 2010 is as follows:

	2010	2009
<b>Lease Payments</b>		
Not later than one year	14,220,000	14,000,000
Later than one year but not later than 5 years	2,370,000	16,590,000
Later than 5 years	-	-
Payment of lease rentals during the year	14,000,000	12,900,000

- b) The lease agreement provides for an option to the Group to renew the lease period at the end of non-cancellable period. There are no exceptional/restrictive covenants in the lease agreements.

### 28. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 (REVISED) 'EMPLOYEE BENEFITS'

#### i) Defined Benefit Plans

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service.

## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

### 28. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 (REVISED) 'EMPLOYEE BENEFITS' (Continued)

	2010	2009
<b>I Change in Benefit Obligation</b>		
Liability at the beginning of the year	799,183	528,430
Interest cost	61,937	42,274
Current service cost	522,463	417,583
Benefit paid	-	-
Actuarial (gain)/loss on obligations	(129,778)	(189,103)
Liability at the end of the period	1,253,804	799,183
<b>II Amount Recognized in the Balance Sheet</b>		
Liability at the end of the year	1,253,804	799,183
Fair value of plan assets at the end of the year	-	-
Difference	1,253,804	799,183
Amount Recognized in the Balance Sheet	1,253,804	799,183
<b>III Expenses Recognized in the Income Statement</b>		
Current service cost	522,463	417,583
Interest cost	61,937	42,274
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognized	(129,778)	(189,103)
Expense recognized in profit and loss account	454,621	270,754
<b>IV Balance Sheet Reconciliation</b>		
Opening net liability	799,183	528,430
Expense as above	454,621	270,754
Employers contribution paid	-	-
Amount recognized in the balance sheet	1,253,804	799,183
<b>V Actuarial Assumptions:</b>		
Discount rate	8.00%	7.75%
Salary escalation	6.00%	6.00%

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Group liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable. The Group does not have any liability on account of long term/short term compensated absences.

### 29. RELATED PARTY DISCLOSURES

#### A Parties where control exist:

- I. Praful N. Satra – Chairman and Managing Director (also key managerial personnel)
- II. Minaxi P. Satra – Chairman upto 10 March 2009 (relative of managing director)

#### B Other related parties with whom transactions have taken place during the year:

##### I. Associates

- C. Bhansali Developers Private Limited
- Shravan Developers Private Limited (upto 11 May 2009)
- Deepmala Infrastructure Private Limited (w.e.f. 10 April 2008)
- BKC Developers Private Limited

##### II. Joint Ventures

- Prime Property Development Corporation Limited
- Prime Down Town Estate Private Limited
- Housing Development and Infrastructure Limited

##### III. Entities over which key managerial personnel or their relatives exercises significant influence:

- Prime Multi Tiles Trading Private Limited
- Satra Infrastructure Development Private Limited





## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

### 29. RELATED PARTY DISCLOSURES (Continued)

(Currency: Indian Rupees)

Satra Land Development Private Limited  
Satra Novelties Private Limited  
Satra Property Development Private Limited  
Savla Realtors and Developers Private Limited  
Sweety Developers (w.e.f. 28 October 2008 upto 4 December 2009)  
Prime Bond Industries  
Anupam Stock Broking Private Limited (Upto 30 May 2009)  
Henry Hill International  
Prime Developers  
Rushabh Developers  
Satra Reality and Builders Limited  
Satra Re-Development Company Limited  
Satra Retail Private Limited  
Sayonara & Satra Trading Company  
Sweety Fabrics  
Trinity Plast  
Amulya Shelters Private Limited  
Arihant Enterprises

#### IV. Key Managerial Personnel

Praful N. Satra  
Rajan P. Shah (Whole time Director)  
Minaxi P. Satra (upto 10 March 2009)  
Vijay N. Satra (upto 20 March 2009)  
Chandrakant M. Kothari (Whole time Director)  
Tukaram K. Patil (Whole time Director)  
Nitin M. Kothari  
Pardeep Rochwani

#### Disclosure of transactions between the Company and related parties and the status of outstanding balances:

Sr. No.	Nature of Transaction	Associates/Joint Venture		Entities over which key managerial personnel or their relatives exercises significant influence		Key Managerial Personnel and their relatives		Total	
		2010	2009	2010	2009	2010	2009	2010	2009
1.	Loans taken/converted	328,500,000	-	114,050,000	255,890,352	146,685,000	9,865,000	589,235,000	265,755,352
2.	Loans given/converted	4,553,498	1,554,547,953	-	-	-	-	4,553,498	1,554,547,953
3.	Interest income	78,469,884	73,504,819	-	-	-	-	78,469,884	73,504,819
4.	Share in (Loss)/Profit of partnership firm	-	(1,531)	-	-	-	-	-	(1,531)
5.	Interest expense	11,779,891	-	8,300,641	13,528,611	8,286,337	4,960,553	28,366,869	18,489,164
6.	Receiving of services	-	-	92,310,357	10,409,578	15,442,000	14,472,295	107,752,357	24,881,873
7.	Sale of pledged shares*	-	-	-	-	52,816,927	-	52,816,927	-
8.	Purchase of goods	-	-	259,884	826,509	-	-	259,884	826,509
9.	Reimbursement received	118,892	80,664,275	-	-	-	-	118,892	80,664,275
10.	Reimbursement paid	120,000,000	93,218,510	-	-	-	-	120,000,000	93,218,510
11.	Directors' remuneration	-	-	-	-	9,009,813	5,561,264	9,009,813	5,561,264
12.	Directors' sitting fees	-	-	-	-	-	90,000	-	90,000
13.	Reversal of sale of shops	-	-	-	-	-	3,672,000	-	3,672,000
14.	Advance paid for property	-	262,514,548	-	-	-	-	-	262,514,548
15.	Advance given	-	-	864,752	26,060,504	-	-	864,752	26,060,504
16.	Investment made	-	25,025,000	-	-	-	-	-	25,025,000
17.	Investment sold	150,159,440	25,025,000	-	-	-	-	150,159,440	25,025,000
18.	Advance received against property	-	-	10,000,000	-	-	3,675,000	10,000,000	3,675,000
19.	Advance received against investment sold	172,500,000	-	-	-	-	-	172,500,000	-

## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

**29. RELATED PARTY DISCLOSURES (Continued)**

Sr. No.	Nature of Transaction	Associates/Joint Venture		Entities over which key managerial personnel or their relatives exercises significant influence		Key Managerial Personnel and their relatives		Total	
		2010	2009	2010	2009	2010	2009	2010	2009
<b>Outstanding balance receivable/deposits</b>									
1.	Loans alongwith the net interest	665,763,481	591,761,596	-	3,498,469	-	-	665,763,481	595,260,065
2.	Deposits	-	-	-	-	2,150,000	2,150,000	2,150,000	2,150,000
3.	Advance paid for property	104,000,000	104,000,000	-	-	-	-	104,000,000	104,000,000
4.	Advance given	-	73,804,090	140,000,000	158,550,411	-	-	140,000,000	232,354,501
<b>Outstanding balance payable</b>									
1.	Loans alongwith the net interest	-	-	279,380,102	144,195,006	37,144,072	48,888,693	316,524,174	193,083,699
2.	Sundry creditors*	35,000,000	124,456,916	19,590,207	-	9,209,921	6,128,893	63,800,128	130,585,809
3.	Remuneration payable	-	-	-	-	4,097,413	1,098,064	4,097,413	1,098,064
4.	Advance received against property	-	-	15,000,000	5,000,000	3,025,000	3,825,000	18,025,000	8,825,000
5.	Advance received against investment sold	172,500,000	-	-	-	-	-	172,500,000	-

**Details of material related party transactions:**

Sr. No.	Particulars	2010	2009
<b>1.</b>	<b>Loans taken/converted</b>		
	BKC Developers Private Limited	-	70,500,000
	Satra Property Development Private Limited	108,600,000	164,340,352
	Praful N. Satra	65,735,000	2,700,000
	Minaxi P. Satra	80,950,000	7,165,000
	Shravan Developers Pvt. Ltd.	328,500,000	-
<b>2.</b>	<b>Loans given/converted</b>		
	Deepmala Infrastructure Private Limited	4,553,498	1,454,547,953
<b>3.</b>	<b>Interest income</b>		
	C. Bhansali Developers Private Limited	9,701,460	10,197,283
	Shravan Developers Private Limited	971,112	10,813,371
	Deepmala Infrastructure Private Limited	67,797,312	49,928,454
<b>4.</b>	<b>Share in profit/(loss) of partnership firm</b>		
	Sweety Developers	-	(1,531)
<b>5.</b>	<b>Interest expense</b>		
	BKC Developers Private Limited	-	9,398,957
	Satra Property Development Private Limited	8,230,694	3,519,859
	Praful N. Satra	5,925,179	4,472,316
	Shravan Developers Pvt. Ltd.	11,779,891	-
<b>6.</b>	<b>Receiving of services</b>		
	Praful N. Satra	15,442,000	14,472,295
	Satra Property Development Private Limited	92,310,357	10,409,578
<b>7.</b>	<b>Sale of pledged shares*</b>		
	Praful N. Satra	43,722,539	-
	Minaxi P. Satra	9,094,388	-



## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

### 29. RELATED PARTY DISCLOSURES (Continued)

Sr. No.	Particulars	2010	2009
<b>8.</b>	<b>Purchase of goods</b>		
	Prime Multi Tiles Trading Private Limited	-	701,792
	Prime Bond Industries	<b>259,884</b>	124,717
<b>9.</b>	<b>Reimbursement received</b>		
	Housing Development & Infrastructure Limited	<b>118,892</b>	80,521,572
<b>10.</b>	<b>Reimbursement paid</b>		
	Housing Development & Infrastructure Limited	<b>120,000,000</b>	90,000,000
<b>11.</b>	<b>Directors' remuneration</b>		
	Praful N. Satra	<b>7,104,813</b>	2,661,264
	Vijay N. Satra	-	1,100,000
	Rajan P. Shah	<b>1,200,000</b>	1,200,000
	Chandrakant M. Kothari	<b>600,000</b>	600,000
<b>12.</b>	<b>Directors' sitting fees</b>		
	Minaxi P. Satra	-	90,000
<b>13.</b>	<b>Reversal Sale of flats/shops</b>		
	Praful N. Satra	-	3,672,000
<b>14.</b>	<b>Advance paid for property</b>		
	Shravan Developers Private Limited	-	258,514,548
<b>15.</b>	<b>Advance given</b>		
	Satra Property Development Private Limited	<b>864,752</b>	26,060,504
<b>16.</b>	<b>Investment made</b>		
	Sweety Developers (Firm)	-	25,025,000
<b>17.</b>	<b>Investments sold</b>		
	Sweety Developers (Firm)	-	25,025,000
	Housing Development and Infrastructure Pvt. Ltd.	<b>150,000,000</b>	-
<b>18.</b>	<b>Advance received against investment</b>		
	Housing Development and Infrastructure Pvt. Ltd.	<b>172,500,000</b>	-
<b>19.</b>	<b>Advance received against property</b>		
	Savla Realtors & Developers Private Limited	<b>10,000,000</b>	-
	Praful N. Satra	-	3,675,000
<b>Outstanding balances receivable/deposits</b>			
<b>1.</b>	<b>Loans alongwith the net interest</b>		
	C. Bhansali Developers Private Limited	<b>99,529,783</b>	89,828,323
	Deepmala Infrastructure Private Limited	<b>566,233,698</b>	500,662,619
<b>2.</b>	<b>Deposits</b>		
	Praful N. Satra	<b>2,150,000</b>	2,150,000
<b>3.</b>	<b>Advance paid for property/TDR</b>		
	Prime Down Town Estate Private Limited	<b>100,000,000</b>	100,000,000
<b>4.</b>	<b>Advance given</b>		
	Satra Property Development Private Limited	<b>140,000,000</b>	156,050,411
	Shravan Developers Private Limited	-	73,804,090

## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

**29. RELATED PARTY DISCLOSURES (Continued)**

Sr. No.	Particulars	2010	2009
<b>Outstanding balances payable</b>			
<b>1.</b>	<b>Loans alongwith the net interest</b>		
	Satra Property Development Private Limited	<b>48,635,036</b>	41,087,669
	BKC Developers Private Limited	<b>40,167,768</b>	90,167,768
	Praful N. Satra	<b>36,049,891</b>	37,859,374
	Shravan Developers Private Limited	<b>189,964,891</b>	-
<b>2.</b>	<b>Sundry Creditors</b>		
	Praful N. Satra	<b>7,131,330</b>	6,128,893
	Satra Property Development Pvt. Ltd.	<b>19,330,323</b>	-
	Housing Development & Infrastructure Limited	<b>35,000,000</b>	123,381,109
<b>3.</b>	<b>Remuneration payable</b>		
	Praful N. Satra	<b>3,698,813</b>	631,264
	Vijay Satra	<b>166,000</b>	166,000
	Rajan P. Shah	<b>81,800</b>	254,800
<b>4.</b>	<b>Advance received against property</b>		
	Savla Realtors & Developers Private Limited	<b>15,000,000</b>	5,000,000
	Praful N. Satra	<b>3,025,000</b>	3,825,000
<b>5.</b>	<b>Advance received against investment</b>		
	Housing Development & Infrastructure Limited	<b>172,500,000</b>	-

\* represents amounts payable to the promoter on account of invocation of shares of the Company held by the lenders, towards loan dues of the Company.

**30. MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are no parties registered as Micro, Small and Medium Enterprises.

	2010	2009
Principal amount remaining unpaid to any supplier as at the period end	-	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-

**31. QUANTITATIVE INFORMATION**

The activities of the Company are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details required under paragraphs 3, 4C and 4D of Part II of Schedule VI to the Act.

**32. AUDITORS' REMUNERATION**

	2010	2009
Statutory audit fees	<b>1,897,528</b>	2,177,772
Taxation matters	<b>1,720,602</b>	110,300
Other services*	-	974,720
Out of pocket expenses	<b>61,283</b>	-
	<b>3,679,413</b>	3,262,792

\* includes payment of Rs Nil (2009: Rs 500,000) to statutory auditors for other services, which has been capitalized to construction work-in-progress.



## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

### 33. CIF VALUE OF IMPORTS

	2010	2009
Construction material	5,931,093	-
Capital goods	145,376	-
	<b>6,076,469</b>	-

### 34. EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY – Rs NIL (2009: Rs NIL)

### 35. DETAILS OF INVESTMENTS BOUGHT AND SOLD DURING THE YEAR

Name of the Company	Purchased during the Year		Sold during the year	
	Quantity	Value	Quantity	Value
BKC Developers Private Limited	Nil	Nil	1,000	150,000,000
Shravan Developers Private Limited	Nil	Nil	15,944	159,440

### 36. INVESTMENT IN JOINT VENTURES

Sr. No.	Joint Venture	Location	Principal Activities	Ownership Interest
1.	Prime Down Town	Hughes Road, Gamdevi, Mumbai	Development and construction of commercial cum residential complex	50%
2.	Dreams the Mall Bhandup	Bhandup, Mumbai	Development and construction of Shopping Mall	49%

The Company's share of the asset, liabilities, income and expenditure of the aforementioned joint ventures (under jointly controlled operation) included in the consolidated financial statements are as follows:

	2010	2009
<b>Amount in respect to Prime Down Town Joint Venture Balance Sheet</b>		
Inventories	149,890,710	146,312,018
Cash and bank	-	-
Current liabilities and provisions	129,060,042	128,706,799
Loans and advances	100,000,000	100,000,000
<b>Amount in respect to Dreams the Mall, Bhandup Joint Venture Balance Sheet</b>		
Inventories	304,616,273	401,767,391
Cash and bank	-	6,249,314
Current liabilities and provisions	76,834,477	172,923,430
Loans (liability)	-	250,149,508
Sundry Debtors	62,202,124	80,398,031
Deposits	39,806	39,806
<b>Profit and loss statement</b>		
Incomes	141,443,270	80,456,786
Expenses	97,151,118	8,785,875

37. Out of the aggregate amount of Rs 141,800,000 raised during the year 2006-07 by way of preferential issue of equity shares including share premium, sum of Rs 123,600,000 had been utilized for acquisition of land at Calicut forming part of construction work-in-progress and Rs 18,200,000 had been invested on account of capital with partnership firm M/s Sun Beam Builders & Developers.

38. During the year 2008-09, the Company has changed the structural plan of the Borivali Project from a commercial complex to a commercial cum residential complex to improve the overall profitability of the project. As a result, in order to facilitate the construction as per the revised plan, certain existing structures at the site have been demolished subsequent to the year end. The estimated construction cost incurred by the Company on the demolished portion amount to Rs 157,974,510 and the same continues to be included in construction work-in-progress. Management has revised its estimated cost to complete the revised commercial cum residential project and believes that the overall margins of the revised project will be adequate to recover the construction cost of demolished area incurred during the year. Hence the construction cost of demolished area amounting to Rs 157,974,510 continues to be included in the construction work-in-progress as at 31 March 2010 and has not been charged to the Profit and Loss Account during the year.

## Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March 2010

(Currency: Indian Rupees)

### 39. TRANSFER PRICING

The Group's management has developed a system of maintenance of information and documents as required by the Transfer Pricing Legislation under Section 92 to Section 92F of the Income Tax Act, 1961. The Group's management is of the opinion that its international transactions are at arm's length so the aforesaid legislation will not have an impact on the financial statements, particularly on the amount of the Tax expense and that of Provision for Taxation.

40. i. Loans and advances includes Rs Nil (2009: Rs 3,498,469) due from M/s. Sweety Developers which is a firm under the same management as per Section 370(1B) of the Act, maximum amount during the year Rs Nil (2009: Rs 18,025,000).
- ii. Loans and advances includes Rs 239,529,783 (2009: Rs 311,130,882) due from companies/firm in which director is a director or member as under:

Name of the Company/Firm	Balance as at	
	2010	2009
C. Bhansali Developers Private Limited	99,529,783	93,828,323
Shravan Developers Private Limited	Nil	73,804,090
M/s. Sweety Developers	Nil	3,498,469
Satra Property Development Private Limited	140,000,000	140,000,000

### 41. PRIOR YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

#### For and on behalf of the Board of Directors

**Praful N. Satra**  
Chairman and Managing Director

**Rajan P. Shah**  
Executive Director

**Manan Y. Udani**  
Company Secretary

Mumbai, 29 May 2010



## Financial Information of Subsidiary Companies

(Currency: Indian Rupees)

Sr. No.	Name of the Subsidiary Company	Paid-up Capital	Reserve	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit/(Loss) Before Tax	Provision For Tax	Profit/(Loss) After Tax	Dividend
1.	Satra Property Developers Private Limited	146,039,000	427,322,787	1,840,512,918	1,840,512,918	148,020	367,703,543	167,897,553	48,044,287	119,853,266	29,207,800
2.	Satra Buildcon Private Limited	100,000	(48,471)	111,030	111,030	-	-	(14,029)	-	(14,029)	-
3.	Satra Estate Development Private Limited	100,000	(70,060)	219,523	219,523	-	98,630	(35,878)	-	(35,878)	-
4.	Satra Infrastructure & Land Developers Private Limited	100,000	(48,176)	111,030	111,030	-	-	(13,819)	-	(13,819)	-
5.	Satra Lifestyles Private Limited	100,000	(47,879)	111,030	111,030	-	-	(13,455)	-	(13,455)	-
6.	Satra International Realtors Limited	11,711,600	(1,717,171)	436,192,547	436,192,547	-	11,486,653	(54,188,068)	-	(54,188,068)	-

### For and on behalf of the Board of Directors

**Manan Y. Udani**  
Company Secretary

**Rajan P. Shah**  
Executive Director

**Praful N. Satra**  
Chairman & Managing Director

Mumbai, May 29, 2010



**Statement pursuant to Section 212(1)(e) of the Companies Act, 1956, relating to the Company's interest in Subsidiary Companies**

(Currency: Indian Rupees)

Sr. No.	Name of the Subsidiary	Satra Property Developers Private Limited (w.e.f. July 02, 2007)	Satra Buildcon Private Limited (w.e.f. October 18, 2007)	Satra Estate Development Private Limited (w.e.f. October 23, 2007)	Satra Infrastructure and Land Developers Pvt. Ltd. (w.e.f. October 19, 2007)	Satra Lifestyles Private Limited (w.e.f. October 19, 2007)	Satra International Realtors Limited (w.e.f. June 17, 2008) (as per Indian GAAP)	
1.	The Financial year of the Subsidiary Companies ended on	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	
2.	Date from which it became Subsidiary Companies	July 02, 2007	October 18, 2007	October 23, 2007	October 19, 2007	October 19, 2007	June 17, 2008	
3.	No. of Shares held by Satra Properties (India) Limited with its nominees in the Subsidiaries at the end of the financial year of the Subsidiary Companies.	14,603,900 Equity Shares of the F.V. of Rs. 10/- each fully paid.	10,000 Equity Shares of the F.V. of Rs. 10/- each fully paid.	10,000 Equity Shares of the F.V. of Rs. 10/- each fully paid.	10,000 Equity Shares of the F.V. of Rs. 10/- each fully paid.	10,000 Equity Shares of the F.V. of Rs. 10/- each fully paid.	100 Equity Shares of the Face Value of 10,000/- AED each fully paid	
4.	Total Issued Equity Share Capital of the Subsidiary Company	14,603,900 Equity Shares of the F.V. of Rs. 10/- each fully paid.	10,000 Equity Shares of the F.V. of Rs. 10/- each fully paid.	10,000 Equity Shares of the F.V. of Rs. 10/- each fully paid.	10,000 Equity Shares of the F.V. of Rs. 10/- each fully paid.	10,000 Equity Shares of the F.V. of Rs. 10/- each Fully paid.	100 Equity Shares of the Face Value of 10,000/- AED each fully paid	
5.	Extent of the interest of Holding Company at the end of the financial year of the Subsidiary Companies	100%	100%	100%	100%	100%	100%	
6.	The Net aggregate amount of Profit/(Loss) of the Subsidiary Companies so far as they concern the members of the Satra Properties (India) Limited							
A.	Not dealt with in the Satra Properties (India) Limited's accounts							
	i. For the F. Y. ended March 31, 2010	1,119,853,266	(14,029)	(35,878)	(13,819)	(13,455)	(54,188,068)	
	ii. For the previous F. Y. 2008-2009 of the Subsidiary Companies since it became the Satra Properties (India) Limited's Subsidiaries.	9,743,296	(12,232)	(12,057)	(12,232)	(12,288)	52,470,897	
B.	Dealt with in Satra Properties (India) Limited's accounts:							
	i. For the current F. Y. ended March 31, 2010	NIL	NIL	NIL	NIL	NIL	NIL	
	ii. For the previous F. Y. 2008-2009 of the Subsidiary Companies since it became the Satra Properties (India) Limited's Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL	

**For and on behalf of the Board of Directors**

**Manan Y. Udani**  
Company Secretary  
Mumbai, May 29, 2010

**Rajan P. Shah**  
Executive Director

**Praful N. Satra**  
Chairman and Managing Director



## SATRA PROPERTIES (INDIA) LIMITED

Registered Office: Dev Plaza, 2nd floor, Opp. Andheri Fire Station, S.V. Road, Andheri (West), Mumbai – 400 058

### Attendance Slip

(To be signed and handed over at the entrance of the meeting venue)

Regd. Folio No.:

DP ID\*

No. of Shares held:

Client ID\*

Full Name of the Member (in Block letters) \_\_\_\_\_

Name of the Proxy \_\_\_\_\_

(To be filled-in if the Proxy Form has been duly deposited with the Company)

I hereby record my presence 27th Annual General Meeting of the Company held on Wednesday, September 29, 2010, at 5.00 p.m. at Prime Party Hall, Shafi Mansion, Irla Society Road, Vile Parle (W), Mumbai- 400 056.

Member / Proxy

(To Be Signed at the time of handing over this slip)

\* Applicable for members holding shares in electronic form.

Note : Members are requested to bring their copies of the Annual Report to the meeting.



## SATRA PROPERTIES (INDIA) LIMITED

Registered Office: Dev Plaza, 2nd floor, Opp. Andheri Fire Station, S.V. Road, Andheri (West), Mumbai – 400 058

### Proxy Form

Regd. Folio No.:

DP ID\*

No. of Shares held:

Client ID\*

I / We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member /Members of the above-named Company hereby appoint Shri/Smt. \_\_\_\_\_ of \_\_\_\_\_ in district of \_\_\_\_\_ or failing him/her Shri/Smt. \_\_\_\_\_

as my / our proxy to vote for me / us on my / our behalf at the **27TH ANNUAL GENERAL MEETING** of the Company to be held on Wednesday, September 29, 2010, at 5.00 p.m. at Prime Party Hall, Shafi Mansion, Irla Society Road, Vile Parle (W), Mumbai - 400056 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010. Signature \_\_\_\_\_

Affix  
Revenue  
Stamp

\* Applicable for members holding shares in electronic form.

NOTE : The form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered office of the Company, not less than 48 hours before the meeting.



# OUR PRESENCE in INDIA TODAY and TOMORROW



**Satra Galleria**  
*Jodhpur, Rajasthan*



**Shrishti**  
*Bhopal, Madhya Pradesh*



**Satra Plaza**  
*Vasbi, Navi Mumbai*



**Satra Corporate Park**  
*Kalina, Mumbai*



**Dreams The Mall**  
*Bhandup, Mumbai*



**Satra City**  
*Ghatkopar, Mumbai*



**Satra Palace**  
*Cochbin, Kerala*



**Satra Park**  
*Borivali, Mumbai*



**Satra Galleria**  
*Calicut, Kerala*



**Satra Residency**  
*Khar, Mumbai*

Disclaimer: - All the elevation, amenities, facilities etc. are subject to the approval of respective authorities and would be changed if necessary. All the elevation, amenities, facilities etc. are artistic conception and not actual depiction and Satra Group and its management reserves all right to make changes at any time, without notice or obligation, to the information contained in this Annual Report, including and without limitation to elevation, amenities, facilities etc. Satra Group and its management does not warrant or assume any legal liability or responsibility for the accuracy, completeness or usefulness of any information disclosed.

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E [info@satraproperties.in](mailto:info@satraproperties.in) | [www.satraproperties.in](http://www.satraproperties.in)