



**Exceeding Expectations. As Expected.**

# ANNUAL REPORT 2010

**Sunteck** 

SUNTECK REALTY LIMITED





# Admittedly, we have an obsession for people born with the seventh sense.

There are a chosen few who inadvertently pick up the most luxurious thing without even glancing at the price tag. They believe that price is incidental but the value is not. They choose to possess the rarest of rare not to flaunt it but to savour it in the company of none. Often, over a century old bottle of wine and some Cubans to go along with it.

Yes, only a few are born with the seventh sense – the sense of luxury. And we are Sunteck Realty are mighty proud to create spaces that exceed their expectations. Year and year.

# Corporate Information

## Board of Directors

Mr. Kamal Khetan  
Chairman and Managing Director

Mrs. Manisha Khetan  
Promoter Director

Mr. Kishore Vussonji  
Independent Director

Mr. Ramakant Nayak  
Independent Director

Mr. Mahadevan Kalahasthi  
Independent Director

Mr. Dinkarry Kothari  
Independent Director

Mr. Hari.V. Krishna  
Nominee Director

## Company Secretary

Ms. Madhavi Purohit

## Auditors

M B A H & Co.  
(Formerly known as Bhageria  
Naredi & Associates)  
23 B, 2nd Floor, Mehta Estate,  
88, Andheri Kurla Road, Chakala,  
Andheri (E),  
Mumbai 400093

## Solicitors and Legal Advisors

Kanga & Company  
Malvi Ranchoddas & Company

## Address of Registered Office

5th Floor, Sunteck Centre,  
37-40, Subhash Road,  
Vile Parle (East)  
Mumbai 400057

## Bankers

Kotak Mahindra Bank Ltd.  
Axis Bank Limited

## Registrar and Transfer agents

Link Inktime India Private Limited  
(Formerly known as Intime  
Spectrum Registry Limited)  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup,  
Mumbai 400078

# CONTENTS

Chairman's Message.....	05
Projects .....	06-11
Directors Report .....	14-16
Report on Corporate Governance .....	17-27
Certificate by CEO and CFO.....	28
Certificate Pursuant to Clause 49 .....	29
Management Discussion and Analysis .....	30-34
Auditor's Report .....	36-38
Balance Sheet .....	39
Profit and Loss Statement .....	40
Cash Flow Statement .....	41
Schedules to Accounts .....	42-56
Statement under section 212 .....	57
Balance Sheet Abstract .....	58
Consolidated Financial Statement .....	60-80
Details of Subsidiaries.....	81

# Everyone has their passion. Ours is to keep the gentlemen ahead of men.

In the world full of counterfeits and look-alikes, we believe that the genuine few should have an unfair advantage from time to time. That is why we create landmarks in residential, commercial and retail spaces to ensure these chosen few can well maintain their lead.





## Chairman's Message

“

**When you desire something the whole universe conspires to help you realise your dream. - Paulo Coelho**

”

Last year we had drawn a road map to go even further. A glance at our current performance will show that we have lived up to that promise and have gone even beyond.

The Year 2009-2010 has been an eventful year. Sunteck has secured a position in the Top 200 Companies of India \*. Our projects, performance and prospects have won the trust of investors across the country and overseas alike. The success of the recent QIP whereby the Company mobilized funds upto Rs. 158 Crores is an apt testimony of our ever growing reputation.

I would also like to draw your attention to the fact that the shares of your Company are listed with NSE with effect from November 2009. During the year under review the shares were subdivided to enable us to reach out to the small investors in the market. This is in alignment with our philosophy to enhance the wealth of the investors.

In terms of performance, we have achieved 52.70% of growth in our income. The value of the construction in progress has been increased to 325 % at consolidated

level compared to previous year. This positive growth bears direct correlation to our commitments to clients, shareholders, business partners and employees alike. The growth path for the future looks even brighter. The revival of market is already creating a positive impact on the business operations and we see exciting opportunities for growth in the real estate sector in the near future. The response that our Company has received for our flagship project “Signature Island” has motivated us to launch three new projects on the similar line, viz: Signia Isles, Signia Pearl and Signia High. Besides the accelerated development of the ongoing projects, we have also acquired or initiated several prestigious projects across the country.

Last, but not the least, I would like to thank all my members of Sunteck family for their support, understanding and commitment throughout the year. Their collective efforts have made the Company what it is today and will help lead the Company into tomorrow. I would also like to thank the shareholders for the trust they have reposed in the Company. We have crossed many milestones in this year, but this is just the beginning of an even larger journey.

**Kamal Khetan**  
Chairman and Managing Director

\* Business Today, 15th November 2009 edition

Adding glamour to  
our asset column

## Residential Projects

### A statement signed by luxury itself.

Affluence gets a new address in Mumbai. As one of Mumbai's super premium living spaces, Signature Island is subtly redefining what sophisticated living is all about. Little wonder it is our signature project.

Signature  
ISLAND

Bandra Kurla Complex, Mumbai







**No human being is an island.  
But a few are a landmark in  
themselves.**

Located amidst the financial hub and Mumbai's best CBD, Signia Isles is tall, bold and majestic in its own inimitable way. With deck in each apartment for a breathtaking view, this is a residential destination that takes life to a new level.

*Signia Isles*

Bandra Kurla Complex, Mumbai



**Owning a pearl is a privilege  
enjoyed by the chosen few.**

This multi-storeyed residential landmark is an emblem of untouched luxury. Assuring admiring glances every time one steps out of it. So rare that only a handful individuals have got a glimpse of its beauty.

*Signia pearl*

Reassuringly Rare

Bandra Kurla Complex, Mumbai



**Sky-kissed castle. For those who want to be on cloud nine. Everyday.**

This 29-storey blue-chip landmark is just at a right turn from the Eastern Express Highway. Call it a 365-day vacation blessed by nature and lifestyle.

Signia Oceans

Airoli, Navi Mumbai



**An address that begins far above the ground.**

Acclaimed as Western Mumbai's first 60-storeyed tower, Signia High offers 109 exquisite apartments and sky villas along with aesthetically landscaped terraces.

Signia High  
GET HIGH. ON LIFE.

Off Western Express Highway, Borivali (East)



## Life. Ensconced in the 24-carat blend of nature and luxury.

As the city's tallest building, it offers luxurious apartments with a breathtaking view of the city skyline. It is also the only lifestyle project with lush greenery within the city limits.

Signia Skys  
24-carat nature

Chaoni, Nagpur



## For those who want a room at the top.

Celebrate life at the vertical city of three super premium residential towers. Where one elegant tower is of 75 storeys and two are of 65 storeys each. Offering a spectacular view of western Mumbai's skyline and world-class amenities.

Sunteck City

Painted rhythm

Oshiwara, Goregaon (W)





### **Painted rhythm.**

Several of our projects are vertical landmarks. But Signia City makes a bold, statement with a sprawling horizontal presence. Planned with some of the finest facilities that the city has seen, it simply resonates with luxury.

**Signia City**

Mulund, Mumbai

## Commercial Projects



### **For those who make the future play to their tunes.**

This contemporary retail and commercial address is just one km from the domestic airport and four kms from the international airport in Mumbai. Offering everything one expects from a futuristic corporate park.

**Sunteck Centre**

Vile Parle (E), Mumbai





## Business acquires style.

Sunteck Grandeur, with its geometry of glass and metal, inspires employees and visitors alike. It is a strategically located retail and commercial destination near Andheri railway station and a short drive from the airport.

# SUNTECK GRANDEUR

Andheri (W), Mumbai



## Time waits for no one. But exceptions exist.

This new-age retail and commercial premise is located in the commercial heart of North Goa (25 kms from Dabolim Airport) and is close to major corporate and government offices.

# SUNTECK KANAKA corporate park

Patto Plaza, Panjim Goa



Each of our creation loves  
to dazzle the onlookers.  
Our balance sheet  
follows suit.

We believe that great balance sheets are not written. They are painstakingly built from ground up. They reflect several dimensions, often at a single glance. Like the unbridled passion. Like the courage to walk the talk. Like the power to perform. Like the sheer joy of creating something outstanding.

We believe if the structures we create are breathtaking, so will be the ensuing figures.



# **Annual Report**

## Director's Report

We take the privilege of presenting the 27th Annual Report to the members of the Sunteck Family

Particulars	(Rs. In Lacs)			
	Standalone		Consolidated	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Total Income	1824.14	1194.54	3077.08	3173.59
Total Expenditure	742.93	179.54	1758.86	1031.93
Depreciation	10.92	7.18	115.27	139.98
Interest	0.63	1.21	1.10	1.96
Profit Before Tax	1069.64	1006.60	1201.84	1999.71
Provision for Tax & Deferred Tax	345.73	49.72	582.13	277.96
Profit After Tax	723.91	956.88	619.71	1721.75

During the financial Year 2009-2010, the total revenue of the Company amounted to Rs 1824.14 Lacs as against previous year's revenue of Rs. 1194.54 Lacs on standalone basis. Your Company has registered a profit before tax of Rs.1069.64 Lacs as compared to Rs. 1006.60 Lacs during the previous year on standalone basis. The consolidated revenue for the current year amounted to Rs. 3077.08 Lacs against Rs.3173. 59 Lacs compared to previous year.

### DIVIDEND

During the Financial Year 2009-2010, Board had declared an Interim dividend of 6% (Rs 0.12 per equity share). The Board has recommended a Final Dividend of 6% (Rs 0.12 per equity share) for the financial year 2009-10

### DIRECTORS

Re-appointment : Mr. Dinkarry Kothari and Mr. Mahadevan Kalahasti retires by rotation in the forthcoming Annual General Meeting and being eligible offers themselves for re appointment.

Appointment : Mr. Ramakant Nayak was appointed as an Additional Director on 30th January 2010 pursuant to Section 260 of the Companies Act 1956. Mr. Nayak holds the office up to the date of the ensuing Annual General Meeting and offers himself for appointment as the Director at the ensuing Annual General Meeting

Mr Ramakant Nayak, holder of degrees in Science and Law and Certified Associate of Indian Institute of Banking, has a vast experience of more than 40 years in the field of Commercial Banking. Mr Nayak has also done diploma in Marketing and advertising and has attended training courses of premier institutions in India and abroad including International Banking Summer School (USA).

He is currently on the Board of various Companies viz Sun Global Investments Limited, Sun Capital Advisory Services Private Limited, Nine Rivers Capital Holdings, Avon Organics Limited.

Mr. Nayak has also been with various Banks viz, Bank of Maharashtra, Saraswat Co-op Bank Ltd, Lord Krishna Bank Ltd ( Now HDFC), Marathwada Gramin Bank, Lakshmi Vilas Bank Ltd.

His areas of excellence include High Stake negotiations, Building Shareholders Value, Forging Strategic Alliances, Raising Capital etc.

### SHARE CAPITAL

During the Year under review the Equity Shares of the Company were subdivided to face value of Rs. 2/- each so as to enable the Company to reach out to the small investors in the market.



## Director's Report

(Contd.)

The Company in accordance with SEBI (ICDR) Regulations 2009, through Qualified Institutional Placements raised Capital of Rs 158 Crores by allotting 29,66,207 Equity Shares of Rs 2/- each to the Foreign Institutional Investors, at a premium of Rs 532.15 per share.

The Total issued, subscribed and paid up capital of the Company post sub division and Qualified institutional Placements allotment is 629,66,207 Equity shares of face value Rs. 2/-each

### FIXED DEPOSITS

The Company has neither invited nor accepted any fixed Deposits from the public.

### LISTING

The Equity Shares of the Company are listed at the Bombay Stock Exchange. The same are also listed on National Stock Exchange Limited since November 2009.

### CONSOLIDATED FINANCIAL STATEMENTS

As stipulated in Clause 41 of the Listing Agreement with the Stock Exchanges, the consolidated statements have been prepared by the Company in accordance with Accounting Standards 21, 23 and 27 issued by The Institute of Chartered Accountants of India

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of section 217 (2AA) of the Companies Act, 1956 ("Act") your Directors confirm that:

1. In the preparation of the Annual Accounts for the year 2009-10 the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year under review and of the Profit or Loss of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts on a going concern basis.

### STATUTORY DISCLOSURES

A) Particulars of the employees of the Company pursuant to Section 217 (2A) of the Companies Act, 1956 is, as under.

Name and Designation	Qualification	Age	Date of Joining	Experience	Gross Remuneration 31st March 2010 (in Rs)	Previous Employment & Designation
Kamal Khetan (Chairman & Managing Director)	B.E.	42 Years	27th January 2006	16 Years	35,00,000/-	Promoter of the Company
Sandeep Singh (President - Business Development)	MBA & B.Arch	39 Years	1st July 2009	16 Years	60,00,000/-	Cushman & Wakefield

## Director's Report

(Contd.)

B) Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988:

i) Part A and B relating to the conservation of energy and technology absorption are not applicable to the Company as the Company is not a manufacturing Company.

ii) Foreign Exchange Earning and Outgo:

- |                              |                |
|------------------------------|----------------|
| a) Foreign Exchange Earned : | NIL            |
| b) Foreign Exchange Outflow: | Rs. 70.81 Lacs |

### CORPORATE GOVERNANCE

The Report on Corporate Governance is attached herewith as Annexure I and forms part of this Report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is attached herewith as Annexure II and forms the part of this report.

### EMPLOYEE STOCK OPTION PLAN/SCHEME

The Board of Directors at its meeting held on 31st March 2010 approved the in principle adoption of Employee Stock Option Plan and formed a Compensation Committee which would look after the entire Employee Stock Option Plan.

### SUBSIDIARIES CONSOLIDATED ACCOUNTS

Central Government has granted exemption under Section 212(8) of the Companies Act, 1956 to the Company from attaching to its Balance Sheet, the documents referred to under Section 212(1) (a) to (g) relating to its Subsidiaries for the financial year ended 31st March 2010. However the consolidated Financial Statements of the Company include the results of the said Subsidiaries. Further, a statement containing the particulars prescribed under the terms of the said exemption for each of the Company's Subsidiaries are also enclosed. Copies of the audited annual accounts of all the subsidiaries are also available for inspection at the Company's and/or the concerned subsidiaries' registered office.

### AUDITORS

Your company's auditors M/s M B A H & CO. (Formerly known as Bhageria Naredi & Associates), Chartered Accountants, Mumbai are due to retire at the ensuing Annual General Meeting. They have not offered themselves for reappointment. It is now proposed to appoint M/s Lodha & Co. Chartered Accountants, Mumbai as the auditors of the Company from the conclusion of this meeting till the conclusion of the next Annual General Meeting. M/s Lodha & Co. Chartered Accountants, Mumbai, have informed the Company that if appointed their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

### ACKNOWLEDGMENT

Your Directors would like to express their sincere appreciation and gratitude for the co-operation and assistance from its shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the contribution and commitment displayed by the employees.

By order of the Board

Mumbai : 12th August 2010

Kamal Khetan  
Chairman & Managing director

## Annexure- I To Directors' Report

### Report On Corporate Governance

In accordance with the Clause 49 of the Listing Agreement with the Stock Exchanges in India, the report containing the details of the governance systems and process at Sunteck Realty Limited is as under:

#### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Sunteck believes in adopting the best practices followed in the area of Corporate Governance. The Company emphasis the need and endeavors to achieve full transparency and accountability in all its transactions, in order to protect the interest of its shareholders and enhance the shareholders wealth. It also gives us the path to future growth ensuring that we achieve our ambitions in prudent and sustainable manner.

#### BOARD OF DIRECTORS

##### Composition

The Company's policy is to maintain the optimum combination of Executive and Non Executive Directors. The Board consists of 7 Directors out of which 4 are Non Executive Independent Directors.

None of the Directors are related to each other except Mr. Kamal Khetan and Mrs. Manisha Khetan, who are the Promoters.

The Board of Directors met 7 times during the Financial Year ended on 31st March 2010 on the following dates 29th May 2009, 30th June 2009, 30th July 2009, 11th September 2009, 20th October 2009 , 30th January 2010 and 31st March, 2010

##### Details of Board Members

The names of Members of the Board of Directors, their attendance at the Company's Board Meetings and last Annual General Meeting, number of Directorships / Committee Memberships in other Companies during the period under review is given below:

Name of Director	Category	No. of Board Meetings attended during the period under review	Attendance at the last AGM held on 11th September 2009	Number of Directorship in other public limited companies as on 31st March, 2010	No. of Committee positions held in other public limited companies as on 31st March, 2010	
Kamal Khetan	Executive Promoter	7	Yes	*11	Nil	Nil
Manisha Khetan	Non- Executive Promoter	6	Yes	*8	Nil	1
Hari V Krishna	Non- Executive Non-Independent	7	Yes	1	Nil	1
Dinkarry Kothari	Non- Executive Independent	4	No	1	Nil	Nil
Kishore Vussonji	Non- Executive Independent	5	Yes	3	Nil	Nil
Mahadevan Kalahasthi	Non- Executive Independent	7	Yes	Nil	Nil	Nil
**Ramakant Nayak	Non- Executive Independent	2	Na	3	Nil	Nil

\*The Number of other public limited companies in which Mr Kamal Khetan and Mrs Manisha Khetan hold Directorships include Private Limited Companies which are the Subsidiaries of the Public Limited Company

\*\*Mr. Ramakant Nayak was appointed on 30th January 2010

During the year information applicable as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

#### COMMITTEES

##### (A) AUDIT COMMITTEE:

The Audit Committee is constituted in line with the provisions of clause 49 of the Listing Agreement.

During the financial year under review, four meetings of the Audit Committee were held i.e. on 30th June 2009, 30th July 2009, 20th October 2009 and 30th January 2010

Name of the Director	Category	Position	No. of Meetings attended
Mahadevan Kalahasthi	Non-Executive and Independent Director	Chairman	4
Kishore Vussonji	Non Executive and Independent Director	Member	3
Dinkarry Kothari	Non-Executive and Independent Director	Member	3
Hari V Krishna	Non-Executive and Non Independent Director	Member	4
Kamal Khetan	Executive and Non Independent Director	Member	4

##### Terms of reference:

The powers and terms of reference of the Audit Committee as mentioned in Clause 49II(C) and 49II(D) of the Listing agreement are briefly described below:

- 1 To oversee the Company's financial reporting process and ensuring that the quarterly/annual financial statements are true, correct and credible.
- 2 To recommend to the Board appointment, re-appointment, replacement and removal of statutory auditor, fixation of their remuneration and approval for payment for any other services rendered by the statutory auditors.
- 3 To review financial reports with particular reference to matters included in Directors' Responsibility Statement in terms of Section 217 (2AA) of Companies Act, 1956, changes in accounting policies, practices, reasons for the same.
- 4 To review the major accounting entries, significant adjustment in financial statements, compliance with listing and other legal requirements, disclosures of related party transactions and qualifications by auditors in the draft audit report.
- 5 To hold periodical discussion with Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Statutory/Internal Auditors.
- 6 To review compliance with internal control system.
- 7 To make recommendation to the Board on any matter relating to financial management of the Company, including the Audit Report.



## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

#### B) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Company has constituted a Shareholders/Investors Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer of shares, non-receipt of dividend/notices/annual reports, etc .The Committee met 5 times during the year on 30th July 2009, 11th September 2009, 12th October 2009, 20th October 2009, 30th January 2010

The composition of the Committee is as follows:

Name of the Director	Category	Position	No. of Meetings attended
Dinkarry Kothari	Non-Executive and Independent Director	Chairman	3
Mahadevan Kalahasthi	Non-Executive and Independent Director	Member	5
Kamal Khetan	Executive and Non Independent Director	Member	5

During the financial year under review, the Company received no complaint from the shareholders and at the close of the financial year there were no complaints remaining unattended to.

Name, Designation and Address of the Compliance Officer

Ms Madhavi Purohit  
Company Secretary  
Sunteck Realty Limited  
5th floor, Sunteck Centre,  
37-40 Subhash Road,  
Vile Parle (East),  
Mumbai- 400057

#### (C) REMUNERATION COMMITTEE

Composition

Name of the Director	Category	Position	No. of Meetings held & attended
Dinkarry Kothari	Non-Executive and Independent Director	Chairman	1
Manisha Khetan	Non-Executive and Non Independent Director	Member	1
Hari V Krishna	Non Executive and Non Independent	Member	1

Terms of reference:

The committee will determine the company's policy on specific remuneration packages for Executive Directors and any compensation payment and carry out the role as per the corporate governance regulations framed by the authorities from time to time.

## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

Details of commission and fees paid to Executive and Non-executive Directors for the Financial year 2009-10.

- During the year, salary of Rs 35,00,000/- p.a have been paid to Mr. Kamal Khetan, Managing Director of the Company.
- Non –Executive independent Directors were paid sitting fees for attending each meeting of the Board of Directors thereof and out-of Pocket Expenses incurred, wherever applicable, for attending such meetings. The sitting Fee payable per Board meeting attended is Rs 5000/- . The Company has paid Rs 90,000/- as sitting Fee to Directors during the Financial year 2009-10.

#### (D) CORPORATE GOVERNANCE COMMITTEE

##### Composition

Name of the Director	Category	Position	No. of Meetings attended
Kamal Khetan	Executive and Non Independent Director	Chairman	2
Mahadevan Kalahasthi	Non-Executive and Independent Director	Member	2
Hari V Krishna	Non Executive and Non Independent Director	Member	2

During the year the Committee met twice on 30th June 2009 and 11th January 2010.

##### Terms of Reference

The terms of reference of the Corporate Governance Committee, inter alia, include the following:

1. Observance of practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.
2. Provision of correct inputs to the media so as to preserve and protect the Company's image and standing.
3. Dissemination of factually correct information to the investors, institutions and public at large.
4. Interaction with the existing and prospective FII's and rating agencies, etc.
5. Recommendation for nomination of Directors on the Board.

#### (E) MANAGEMENT COMMITTEE (COMMITTEE OF DIRECTORS)

##### Composition

The Management Committee (the Committee of Directors) was formed on 24th December 2008 and the Committee consists of the following members:

Name of the Director	Category	Position	No. of Meetings & attended
Kamal Khetan	Executive and Non Independent Director	Member	5
Manisha Khetan	Non-Executive and Non Independent Director	Member	5

## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

#### Scope of Management Committee

1. Opening/Closure/Operations of various Bank Accounts like Client Accounts, Settlement Accounts, Own fund Accounts, Fixed Deposit Accounts, and PMS Schemes Accounts etc.
2. Availing 'Corporate Internet Facility' from various Banks/Depository Participants.
3. Opening/Closure/Operations of Demat accounts with various Depository Participants.
4. Execution and Registration of Leave & Licence , Purchase / Sale Agreements and other similar agreements.
5. Change in Authorized Signatories for Bank Accounts, Demat Accounts, etc.
6. Application/surrender of new Telephone Lines/Lease Lines.
7. To Borrow Money on debentures from Banks and other Financial Institutions subject to the Limit of s.200 Crores.
8. a) To invest the surplus funds of the Company in mutual funds, debt funds, fixed deposits, etc. subject to the limit of Rs 140 Crores.  
b) To invest in the normal course of business an give loan to any organisation subject to not more than 25% of Rs 140 Crores.
9. Application and Registration for Trade Marks, Patents, and Copyrights etc. and to appoint attorneys and advisors for this purpose as also sign and execute powers of attorney /vakalatnama in favour of such attorneys/advisors.
10. File/defend various litigation/Arbitration Matters in various Courts/Forums and appoint attorneys and legal advisors for this purpose as also sign and execute powers of attorney /vakalatnama in favour of such attorneys/advisors.
11. Authorise any person to attend AGM/EOGM of other Companies and give him appropriate instructions in relation to voting at such meetings.

And to do all such matters, deeds and things and to sign all papers, agreements and documents as may be necessary in this respect.

#### (F) SPECIAL COMMITTEE:

The Board on 11th September 2009 had constituted a Special Committee (Capital raising). The composition and the terms of reference are as under:

Name of the Director	Category	Position
Kamal Khetan	Executive and Non Independent Director	Chairman
Hari. V. Krishna	Non-Executive and Non Independent Director	Member
Mahadevan Kalahasthi	Non-Executive and Independent Director	Member

- 1) To finalise the means of raising the additional capital as approved by the shareholders;
- 2) To decide the quantum of additional capital to be raised within the limits approved by the shareholders (Rs. 500 Crores);
- 3) To decide the terms and conditions for the issue including the price, premium, face value and number of securities to be issued, etc;

## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

- 4) To alter, vary, add or delete any of the terms and conditions of the issue and to accept such amendments, modifications, variations and alterations as may be necessary;
- 5) To make presentations to prospective investors;
- 6) To enter into and execute all such arrangements/agreements with merchant bankers/ underwriters and all such agencies and intermediaries as may be involved and to decide the payment of commission, brokerage, fees, expenses incurred in relation to the issue of equity shares and other expenses, if any or the like;
- 7) to approve and adopt Unaudited Balance sheet, Profit & Loss A/c or any other financial statement for specific period as may be required;
- 8) To approve the offer document and filing the same with any authority or persons as may be required and to finalise, settle, execute and deliver or arrange the delivery of the offer documents and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the issue of securities;
- 9) to determine the "relevant date" for the purpose of computing the minimum price for the issue of the securities in terms of Chapter VIII of the SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009;
- 10) to affix the Common Seal of the Company on any agreement(s)/ documents as may be required to be executed in connection with the above, in the presence of any Director of the Company and persons authorised who shall sign the same ;
- 11) To arrange the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
- 12) To seek, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in or outside India, and any other consents that may be required in connection with the issue and allotment of the equity shares;
- 13) To open such banks accounts and demat accounts as may be required for the transaction;
- 14) To take decision to open the issue, decide bid opening and closing date, approving the issue price, the number of equity shares to be allotted, the basis of allocation and allotment of equity shares in case of Qualified Institutions Placement;
- 15) to do all such acts, deeds, matters and things and execute such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
- 16) to make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;
- 17) To make applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and
- 18) to authorize or delegate all or any of the powers herein above conferred to the Special committee to any officer or officers of the Company, if need be and to do any other acts as may be necessary for achieving the above mentioned purpose.

During the year the committee met 5 times on 11th September 2009, 26th October 2009, 24th November 2009, 26th November 2009 and 30th November 2009.



## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

#### (G) COMPENSATION COMMITTEE

The Board of the Company in its meeting held on 31st March 2010, approved in principle adoption of Employee Stock Option Scheme in order to create wealth for its employees and increase the morale of employees and formed a Compensation committee, the composition and the terms of reference of which are as under.

Name of the Director	Category	Position
Mahadevan Kalahasthi	Non-Executive and Independent Director	Chairman
Kamal Khetan	Executive and Non Independent Director	Member
Dinkarry Kothari	Non-Executive and Independent Director	Member

Terms of Reference of the Compensation committee are:

- a) Adopt rules and regulations for implementing the ESOS from time to time.
- b) Identify the Employees eligible to participate under the Scheme
- c) Grant Options / Shares to the identified Eligible Employee and determine the Grant date under the ESOS.
- d) Determine the number of Options / Shares to be granted to each Grantee and in aggregate under ESOS.
- e) Determine the number of Shares of the Company to be covered by each Option Granted.
- f) Determine the method for exercising the Vested Options, etc.
- g) Determine the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period
- h) Determine the Exercise price of the Options / Shares Granted.
- i) Determine the terms and conditions, of any Option / Shares Granted hereunder.
- j) Determine the terms and conditions under which vested option can lapse in case of termination of employment for misconduct.
- k) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee
- l) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- m) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Compensation Committee:
  - (a) the number and the price of ESOS shall be adjusted in a manner such that total value of the ESOS remains the same after the corporate action
  - (b) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered.
  - (c) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
- n) The grant, vest and exercise of option in case of employees who are on long leave; and
- o) The procedure for cashless exercise of options.
- p) Approve forms or agreements for use under the ESOS
- q) Decide all other matters that must be determined in connection with an Option under the Scheme in accordance with SEBI Guidelines.
- r) Construe and interpret the terms of the Scheme and the Options Granted pursuant to the Scheme.
- s) Frame suitable policy, procedure and system to comply with the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995 to be followed by any employees, and t) Such other powers as may be delegated by the Board from time to time.

## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

#### GENERAL BODY MEETINGS

The Company's last three Annual General Meetings were held as follows:

Date	Venue	Time	No of Special Resolution
11th September 2009	MIG Cricket Club, MIG Colony, Bandra East, Mumbai 400051	12.00 noon	3
27th August 2008	MIG Cricket Club, MIG Colony, Bandra East, Mumbai 400051	5.00 p.m	1
29th September 2007	505, Acme Plaza Andheri Kurla Road, Andheri East, Mumbai 400059	11.00 a.m	NIL

#### DISCLOSURES

All transactions with related parties, wherever applicable including transactions of material nature between the Company and its promoters, directors, management, their subsidiaries or relatives etc. are disclosed in the Notes to the Accounts forming part of the Annual Report. There were no materially significant related party transactions during the year having conflict with the interests of the Company.

During the last three years there were no penalties or strictures imposed on the Company by SEBI, Stock Exchange or any statutory authority on any matter related to capital market.

The Company has reviewed the Non Mandatory requirements under Clause 49 of the Listing Agreement and these shall be adopted/ complied by the Company need based.

#### Subsidiaries

The Company does not have any material unlisted Indian subsidiary whose turnover or networth (paid-up and free Reserves) exceeds 20% of the consolidated turnover or networth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year as defined under Clause 49 of the Listing Agreements.

The Company monitors the performance of its subsidiaries, inter alia by following means:

- The Minutes of the Board Meetings of the Subsidiary Companies are noted at the Board Meetings of the Company.
- The Investments made by the Subsidiary Companies are reviewed by the audit Committee from time to time.
- Details of Significant Transactions and arrangements entered into by Subsidiary Companies are regularly placed at the Board Meetings of the Company.

#### MEANS OF COMMUNICATION

The quarterly unaudited financial results and the annual audited financial results are normally published in the widely circulating national and local newspapers viz. Economic Times, Free Press Journal and Navshakti.

#### GENERAL SHAREHOLDER INFORMATION

- i 27th Annual General Meeting : 27th September 2010:  
ii Financial Calendar :

(Tentative)

Accounting year	: April to March
Results for Quarter ended June, 30, 2010	: August 2010
Results for Quarter ended September, 30, 2010	: November 2010
Results for Quarter ended December, 31, 2010	: February 2011
Results for Quarter ended March, 31, 2011	: May 2011
Audited Results for the year ended , March, 31, 2011	: August 2011

## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

- iii **Date of Book Closure :**  
20th September, 2010 to 27th September, 2010 ( both days inclusive.)
- iv **Dividend Payment Date:**  
During the Year under review the Board had declared an Interim Dividend of Rs.0.12 per Equity share. The same was paid within the stipulated time. The final dividend if declared shall be paid on or before 26th October, 2010.
- v **Listing On Stock Exchanges :**  
The Company's Equity Shares are listed on:  
The Bombay Stock Exchange Limited  
The National Stock Exchange Limited

The Company confirms that it has paid annual listing fees due to the Stock exchanges for the year ended 2010-2011.

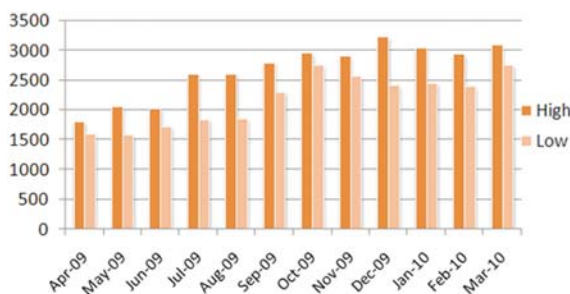
- vi **Stock Code:**  
Bombay Stock Exchange : 512179  
National Stock Exchange : SUNTECK  
ISIN Number for NSDL & CDSL : INE805D01026
- vii **Market Price Data:**  
The high/low market price of the Company's shares in each month during the last financial period under review 2009-2010 was:

Particulars	BSE		NSE	
	High	Low	High	Low
April 2009	1800.00	1589.30	NA	NA
May 2009	2049.85	1575.00	NA	NA
June 2009	2025.00	1716.00	NA	NA
July 2009	2600.00	1840.50	NA	NA
August 2009	2600.00	1847.65	NA	NA
September 2009	2800.00	2301.00	NA	NA
October 2009	2955.00	*551.50	NA	NA
November 2009	581.00	513.00	**589.00	512.70
December 2009	647.00	483.00	582.00	480.60
January 2010	608.00	491.00	613.85	490.05
February 2010	588.00	480.00	589.00	480.05
March 2010	619.00	551.00	621.21	542.00

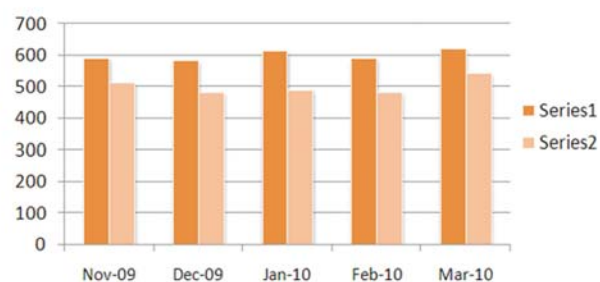
\*The Shares of the Company were sub divided on 12th October 2009 to face value of Rs 2/- per equity share.

\*\*The Shares of the Company were Listed on NSE from November 2009

Bombay Stock Exchange



National Stock Exchange



## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

viii Registrar & Share Transfer Agent:

Link Intime India Pvt Ltd.,  
(Formerly known as Intime Spectrum Registry Limited)  
C-13, Pannalal Silk Mills Compound,  
L.B.S Marg, Bhandup, Mumbai-400 078  
Tel : +91 22 25963838  
Fax: +91 22 25946969

ix. Share Transfer System :

The share transfers which are received in physical form are processed by Registrar and Share Transfer Agent viz. Link Intime India Pvt Ltd and approved by the Share Transfer Committee and share certificates dispatched within the time limit prescribed under the Listing Agreement.

x. Distribution of shareholding:

Distribution of Shareholding as on 31st March, 2010

Nominal Value of Shares in Rupees	Shareholders		Shareholding	
	No of Shareholders	Percentage of Total Shareholders	Total Holding in Rupees	Percentage of Total Capital
1-5000	423	70.97	34996	0.06
5001-10000	11	1.85	8017	0.01
10001-20000	16	2.68	23995	0.04
20001-30000	4	0.67	9900	0.02
30001-40000	6	1.01	21178	0.03
40001-50000	7	1.17	31418	0.05
50001-100000	8	3.02	134923	0.21
10000 and above	111	18.63	62701780	99.58
Total	596	100.00	62966207	100.00

Shareholding Pattern as on 31st March, 2010

Sr. No	Category	No of Shares Holders	No of Shares Held	Percentage of total Holding
1	Promoter Group	12	41126960	65.32
2	Mutual Funds & Financial Institutions	Nil	Nil	Nil
3	FII	7	3354861	5.32
4	Central / State Government	Nil	Nil	Nil
5	Venture Capital funds	Nil	Nil	Nil
6	Clearing Members	33	253551	0.40
7	Trust	1	5998945	9.53
8	NRI (Repat/ Non Repat)	6	135	0.00
9	Bodies Corporate	81	6959745	11.05
10	Other Public	456	5272010	8.38
	Total	596	62966207	100.00

## Annexure- 1 To Directors' Report

### Report On Corporate Governance

(Contd.)

**xi Dematerialization of Shares**

The Company's shares are held in Dematerialized form to the extent 98.18 % with National Securities Depository Limited and Central Depository Services (India) Limited.

**xii Address For Correspondence: Shareholders :**

(1) **Link Intime India Pvt Ltd.,**  
(Formerly known as Intime Spectrum Registry Limited)  
C-13, Pannalal Silk Mills Compound,  
L.B.S Marg, Bhandup, Mumbai-400 078  
Tel : +91 22 25963838  
Fax: +91 22 25946969

(2) **Others:**  
Sunteck Realty Limited  
5th Floor Sunteck Centre  
37-40, Subhash Road,  
Vile Parle (East)  
Mumbai- 400057  
Tel: +91 22 26267800  
Fax: +91 22 26267890  
www.sunteckindia.com

(3) **Email id for Investors:** [rnt.helpdesk@intimespectrum.com](mailto:rnt.helpdesk@intimespectrum.com)  
[cosec@sunteckindia.com](mailto:cosec@sunteckindia.com)

**xiii Code of Conduct:**

The Board has formulated a code of conduct for the Board members and senior management of the Company and the same is reflected on the website of the Company.

**xiv ADRs and GDRs**

There are no outstanding GDRs/ADRs/Warrants or any Convertible Instruments, as at the year end.

**xv Plant Location:**

The Company does not have any plant.

**xvi CEO/CFO Declaration:**

Pursuant to clause 49 I(D) of the Listing agreement entered into with the Stock Exchange, I hereby declare that all the Board members and Senior management personnel of the Company have affirmed compliance with the Code of Conduct for the Current Year.

For Sunteck Realty Limited

Mumbai : 12th August 2010

**Kamal Khetan**  
Chairman & Managing Director



## Certificate by CEO & CFO

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

There are to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2010 which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiency in the design or operation of the internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. Significant changes in internal control over financial reporting during the year;
2. Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mumbai :12th August 2010

Kamal Khetan  
Chairman & Managing Director

## Auditors' Certificate on Clause 49 Compliance

### Corporate Governance

To the Members of  
Sunteck Realty Limited

We have reviewed the records concerning the Company's Compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements entered into, by the Company with the Stock exchanges of India, for the financial year ended 31st March 2010.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review and to the best of our information and according to the explanation given to us, in our opinion, the Company has complied with the Conditions of Corporate Governance, as stipulated in Clause 49 of the said listing Agreements.

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

For M B A H & Co.  
CHARTERED ACCOUNTANTS  
(Registration No. 121426W)

MAHESH BHAGERIA  
PARTNER  
Membership No. 34499

Mumbai: 12th August, 2010

## Annexure-2 Management Discussion and Analysis

### A. Economic overview:

#### 1. Global Scenario:

- The year 2009-10 was a year of global recovery after the meltdown in late 2008. The global economies have transitioned into a period of slower growth aided by significant government stimulus packages provided. However the sustained higher rate of economic growth remains a risk given the continuing credit constraints and relatively higher unemployment levels in the West.

#### 2. India- Growth:

- Last year, India's economic growth of 6.5% was driven by domestic consumption, with relatively low dependence on exports, combined with high savings.
- Stimulus measures taken by government including a USD 35 billion public funded stimulus plan have buffered the growth. The Last Union Budget announced in India along with increased Government spending is likely to have a positive impact on economic growth. The GDP growth is expected by government to be around 8.4% for the financial year 2010-11.
- Urbanization – Surging growth and employment in the city proves a powerful magnet for the development of the economy. India currently has 42 cities with more than 1 million populations, which is likely to grow considerably in coming decades.
- The Indian banking system has remained robust through proactive measures implemented by the Reserve Bank of India. The FDI exposure to real estate has risen significantly during the past few years. India derives significant strength from the existence of a deep and vibrant stock market and presence of reputed domestic and foreign institutional investors.

### B. Real Estate overview:

With signs of economic stabilization and global economic performance in third and fourth quarter of 2009 coupled with further impetus from government stimulus package, the property market in India began to show signs of revival in later half of fiscal 2010 and continues to experience an upward trend with respect to absorption, occupancies and capital values.

- Consumer confidence driven by higher job security, income growth expectations and availability of mortgage financing at lower rates has led to an initial pick up in housing absorption particularly in the affordable housing segment. Such expansion has been further extended through encouraging sales velocity and improvement in capital values for premium housing segment as well.
- The Indian office market has not been entirely insulated from global upheavals of 2009 and has thereby experienced a slowdown compared to previous years. Almost all micro markets have experienced rental corrections. However rental values stabilized in later half of fiscal 2010. This along with improved growth expectations and higher level of liquidity has led to an overall improvement in the absorption of office space.
- Realty sector attracted a considerable foreign direct investment (FDI) in the fiscal year 2009-10.

### C. Business Overview:

Sunteck Group is one of the leading real estate development companies in India with a unique business model focused on differentiated product offerings. The Company is built on sound corporate governance practices, transparency in dealings, world-class quality standards and clear business focus. All of these are built on understanding of customer requirements aimed at delivering premium products which are efficient in space and resource planning. This has helped in making Sunteck an unparalleled brand in the premium segment in the short period of time since our development foray in 2005.

Sunteck Realty Ltd. is primarily focused on Mumbai. It operates under the Brand names Sunteck, Signia and Signature across the commercial, luxury and premium housing segments.

Sunteck has a Joint Venture agreement with the Ajay Piramal Group for developing high-end realty projects in the city centric locations in Mumbai and locations of select Tier II cities at Jaipur (adjoining Bani Park) and Nagpur.

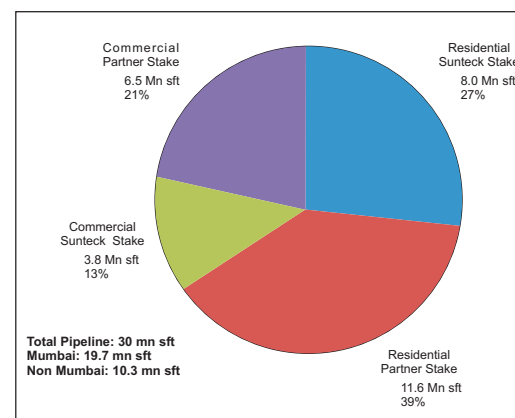
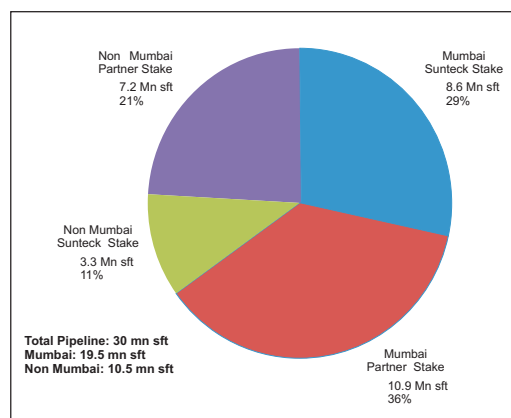
## Annexure-2 Management Discussion

### and Analysis

(Contd.)

#### 1. Business Model

- Growth Pillars:** Sunteck continues to grow on the three pillars - visible near term cash flows, sustained launch of new projects and continued land acquisitions for longer term sustainable growth. The Company enters into Joint Venture (JV) / Joint Development Agreements (JDA) with land owners minimizing deployment of capital. Furthermore, your Company continues to participate in projects through government tenders and redevelopment opportunities.
- Stable Income:** Sunteck has maintained leased assets in Mumbai, which provide it with a stable source of income.
- Capital Preference:** Sunteck has low leverage positions through selective short term debts. The Company has largely grown through partnerships with real estate private equity players and funds mobilized from the capital markets, such as the Qualified Institutions Placement of Rs.158 Cr. in Nov 2009. In the year under review, Starlight Systems Pvt. Ltd.-a subsidiary of Sunteck, raised Rs.103 Cr. from Kotak Real Estate Fund in a quasi-equity debenture structure towards the Signia Isles project. Your company has adopted the strategy to maintain low levels debt at the parent level while accessing capital through private equity funds at project level. This strategy provides the company to conserve capital available at each point in time and rapidly deploy capital judiciously into its rapidly growing development pipeline.
- Accounting:** Your Company follow the project completion method of accounting which is expected to be implemented in India as part of the IFRS (International Financial Reporting Standards). We believe, this is the most transparent accounting method, since the revenues from each project are recognized in P&L only when all the risks and rewards are transferred from the company to the purchaser. Until completion of the projects, money received from the customers is treated as advances and same are shown as liability in the balance sheet. Additionally all the projects related expenses are transferred to Inventories of Construction Activities valued at cost. The Cost of Inventories includes cost of land, land development right, materials, services, borrowing costs and other related overheads. The balance sheet is therefore the core aspect in understanding our Company.
- Development Pipeline:** Sunteck has carved out a niche for itself in the Luxury & Premium residential segment. In addition, it is currently building significant presence in commercial office space development and leasing. By March 2010 your company had a robust pipeline of 25 projects with a total saleable area of approximately 30 Msf under various stages of development. Your Company has already launched construction and presales of 6 residential projects.



- Advertising and Exhibitions:** In Q4 2010, your company initiated its first city wide billboard campaign in Mumbai which started with corporate branding and followed through, with project launch sites. Your Company has also started participating in property exhibitions in a big way. The strong response received shall strengthen our presence in the minds of all our stakeholders – be the buyers, employees and shareholders.
- Business Strategy:** Your Company has always maintained a conservative but opportunistic strategy in new land acquisitions. The Company continues to focus on acquisitions in city centric locations with near term

## Annexure-2 Management Discussion and Analysis

(Contd.)

cash flows. In Mumbai, your company remains highly focused on new growth centers across Mumbai with proximity to the secondary business district of Bandra Kurla Complex and locations with proximity to the Western and Eastern Expressway. It also leverages on locations with growth potential due to new infrastructure corridors coming up through link roads, metro and other interventions by government.

### 2. Human Resource:

The Company, in its journey to enhance Employee Satisfaction, Retention and Skills undertook several initiatives during this year. The company believes in constantly nurturing the team spirit amongst its employees. We value the role played by our employees and have taken several measures to increase employee engagement through various initiatives. SUNTECK considers human dimension as the key to Organisation's success. Several initiatives for development of HR to meet new challenges in the competitive business environment have gained momentum.

The Staff strength of the Company comprises of highly qualified and experienced professionals from various faculties like engineering, legal, finance, accounts and management. Employee relations at SUNTECK continues to be cordial.

The following steps are taken in the HR front to ensure that the Company can continuously cater to the changing business adversities and opportunities :-

1. Leadership and Succession Planning
2. Career and Job Rotation

As the company grows, it will also need to create long term alignment with its employees. In order to create wealth for them, your company has already made public, its plans to provide equity to its employees through an Employee Stock Option Plan.

### 3. Governance Control

Your company has appropriate internal control systems covering the gamut of business processes including acquisition, development, sales operations, financial and regulatory reporting. There are clearly defined roles and responsibilities amongst the team through an institutionalized job description and role profile definition. The human resource and related manuals enable all team members to coherently integrate into the company in quick time. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the effectiveness of internal controls and provides suggestions periodically.

### 4. Risks/Challenges

- Our team continues to assess the risk matrix which is monitored and mitigation measures taken on a continuing dynamic basis leveraging on the ERP and MIS systems.

Risk	Impacts
Land Acquisition – Title and Statutory Approvals	Project execution and investments
Design & Planning	Statutory approval and customer acceptance
Project Execution	
- Contracts	Time, cost and quality of project
- Material Inputs	Construction costs
- Labour	Productivity and project costs
Completion – Safety and approval process	Title transfers and final hand over
Offsite infrastructure- Progress	Marketability of project and asset management issues
Regulatory – Property tax, tariffs, environment and social regulations	Customer and mortgage provider
Interest Rates	Capital Cost
Amendment of Policies - Tax regulations and tax rates	Profitability
Sales Process	Documentation and Timely recovery of receivables
Human Resource/ Partners in Development	Ability to attract, align and motivate employees and other stakeholders to the company's growth



## Annexure-2 Management Discussion and Analysis

(Contd.)

### D. Financial Review:

#### 1. Abridged Consolidated Profit & Loss Accounts

Particulars	Year ended 31st March 10	Year ended 31st March 09
Income from Operations	284,006,124	205,950,921
Other Income	23,702,268	111,408,184
Total Revenue	307,708,392	317,359,105
Total Expenditure	187,523,570	117,387,534
Profit Before Tax	120,184,822	199,971,571
Provision for Taxation	58,213,261	27,795,811
Profit After Tax	61,971,561	172,175,760

- During the year "Income from Operation" at consolidated level increased by 38% in comparison with last year. However the other income decreased by 78% due to decrease in income from investments which is mainly due to decrease in Investment portfolio of Company by 74% in comparison with last year as the same are utilized towards Construction Activities and therefore the size of our Inventories has been increased by 226% from last year.
- During the year your Company's Net Cash Flow from Operation, Investing & Financing Activities has been increased substantially.
- Your Company has emerged strong in its financial position during the year showing improvement in all the financial parameters of liquidity, solvency, leverage, profitability and cash flow.
- Your Company broadly defines "liquidity" as its ability to generate sufficient funds from both internal and external sources to meet its obligations and commitments. Your Company has financed capital requirements primarily through funds generated from its operations. Working capital requirements were met by internal accruals and short term borrowings to keep the smooth running of operations.

#### 2. Capital Raise - Qualified institutional Placement (QIP) and Private Equity (PE) Mobilizations.

Sunteck has successfully raised Rs.1,580m during the financial year through a QIP in November 2009. It has also raised Rs.1,030m from Kotak Real Estate Fund in a quasi- debt structure in one of its subsidiaries, Starlight Systems Private Limited towards the Signia Isles project. Maximum focus was given on keeping capital available for ongoing project and for further acquisitions whilst maintaining low debt levels. The company has restructured its project level debt sanctions to have a combination of short term and project construction loans, which enable it to have control over funds available to it in line with the tenor of gap in funding. In the past fiscal, the Sunteck Standalone Debt Equity Ratio was 0.12 as on 31st March 2010, as against 0.14 as on 31st March 2009. The debt levels are mainly unsecured debt, with secured debt to equity ratio at 0.00014. The effective average cost of debt over the year was 0.015%.

### E. Operational Review:

The past financial year has been challenging given the significant growth in our business across all levels of activity – acquisitions, sales and execution. This year has given us unique insights into further strengthening your company to keep it in readiness to hit the ground running, with significant developments getting into a launch position over the current and the next year.

#### Continuing and renewed focus on Design, Construction and Execution Delivery

We have directed our resources to enable construction starts, for all our projects as per our plans and with the most efficient use of our resources – both within the team and from our associated partners – including our construction contractors, architects and legal counsel. We were able to launch projects such as Signia Isles (BKC), Signia Pearl (BKC), Signia High (Borivali) and Signia Oceans (Airoli) in quick time while reaching the important milestone of

## Annexure-2 Management Discussion and Analysis

(Contd.)

habitable floor in Signature Island through a combined effort and focus from all stakeholders to the execution process and received great response from our discerning clientele. Given Sunteck's focus on Mumbai, where most developments would be high rise buildings, the company is constantly innovating in terms of the design and structural elements of the projects to bring in more efficient use of light, energy, space utilization while using construction technologies and engineering contracting expertise for speedier and more effective cost control on its construction.

### F. Outlook

We remain positive on the future of the Indian Real Estate market. Given the positive consumer confidence for residential sales backing the demand trends and business confidence catalyzing demand in commercial properties, we believe the current year should be a year for sound growth for your Company.

### G. Cautionary statement:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the company, no representation is made on its accuracy and comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the Company's operations but it is not exhaustive.

.....X.....



# **Standalone Financial Statements**

## Auditor's Report

To,  
The Members of  
SUNTECK REALTY LIMITED,

We have audited the attached Balance Sheet of Sunteck Realty Limited as at March 31, 2010 and also 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.

1. 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 mis-statements. 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.
2. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us by the Company management, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in 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 purpose 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representation received from the directors of the Company as at March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as at March 31, 2010 from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Companies Act 1956;
  - f. in our opinion and to the best of our information and according to the explanations given to us, the said financial statement read together with the Significant Accounting Policies and Notes to Accounts, give the information as required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
    - ii. in case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - iii. in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For M B A H & CO  
Chartered Accountants  
(Registration No. 121426W)

Mahesh Bhageria  
Partner  
Membership No. 34499

Mumbai: 12th August, 2010

## Annexure to the Auditor's Report

### ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010 OF SUNTECK REALTY LIMITED

1. a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, fixed assets, according to the practice of the company, are physically verified by the management in accordance with the phased verification program, which, in our opinion, is reasonable having regards to the size of the company and the nature of its fixed assets. To the best of our knowledge no material discrepancies have been noticed on such verification.
- c. The Company has not disposed off any substantial part of its fixed assets so as to affect its status as going concern.
2. a. As explained to us the inventories have been physically verified during the year by the management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material.
3. a. As informed to us, the Company has not granted unsecured loans to any companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956.
- b. As informed to us, the Company has taken unsecured loans from three companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.91.58 crores. and the year end balance was Rs.29.98 crores.
- c. In our opinion and according to explanation & information given to us above loans were interest free and other terms & conditions are not, prima facie, prejudicial to the interest of the company. The said loans are repayable on demand and there is no repayment Schedule .
4. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made are in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to market prices prevailing at that time.
5. The Company has not accepted any deposit from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
6. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
7. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of the activities carried out by the Company.



## Annexure to the Auditor's Report

(Contd.)

8. a. According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there is no due of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess which have not been deposited as on 31st March, 2010 on account of any dispute.
9. The Company does not have accumulated loss and has not incurred cash loss during the financial year covered by our audit.
10. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
11. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
13. In our opinion, the Company is dealing or trading in shares, securities, debentures & other investments and proper records have been maintained of the transactions and contracts and timely entries have been made in; also the investments have been held by the company in its own name.
14. The Company has given guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are not prejudicial to the interest of the company.
15. The company has not taken any term loan during the year.
16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short-term basis have been used for long-term investment.
17. The Company has not made any preferential allotment of the shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
18. The Company has not issued any debentures during the year.
19. The Company has not raised any money by public issues during the year.
20. 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 B A H & CO  
Chartered Accountants  
(Registration No. 121426W)

Mahesh Bhageria  
Partner  
Membership No. 34499

Mumbai: 12th August, 2010

## Balance Sheet

as at 31st March 2010

(Amount in Rs.)			
	Schedule	As at 31.03.10	As at 31.03.09
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	I	125,932,414	120,000,000
Reserves & Surplus	II	3,379,373,586	1,787,702,713
		3,505,306,000	1,907,702,713
<b>Loans Funds</b>			
Secured Loans	III	501,828	1,008,208
Unsecured Loans	IV	435,150,200	272,212,000
Deferred Tax Liability	V	910,286	574,417
<b>Total</b>		<b>3,941,868,314</b>	<b>2,181,497,338</b>
<b>APPLICATION OF FUNDS:</b>			
Fixed Assets	VI		
Gross Block		23,473,640	5,288,708
Less: Depreciation		2,868,804	1,775,904
Net Block		20,604,836	3,512,804
Capital Work in Progress		-	8,157,547
Investments	VII	3,047,807,445	1,759,440,248
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	VIII	301,665,171	148,418,600
Sundry Debtors	IX	97,550,843	4,727,839
Cash & Bank Balances	X	62,400,266	1,726,893
Loans & Advances	XI	562,469,901	297,212,908
	(A)	1,024,086,181	452,086,240
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	XII	108,844,138	36,909,973
Provisions	XIII	41,786,010	4,789,528
	(B)	150,630,148	41,699,501
Net Current Assets	(A-B)	873,456,033	410,386,738
<b>Total</b>		<b>3,941,868,314</b>	<b>2,181,497,338</b>
The Schedule s referred to above and Significant Accounting Policies & Notes to Accounts form an integral part of the Financial Statements	XVIII		

As per our report of even date attached  
For M B A H & CO  
Chartered Accountants

For and on behalf of the Board of  
Directors of Sunteck Realty Limited

Mahesh Bhageria  
Partner  
Membership No: 34499  
Mumbai: 12th August, 2010

Kamal Khetan  
Chairman & Managing Director  
Ramakant Nayak  
Director  
Madhavi Purohit  
Company Secretary

M. Kalahasthi  
Director  
Dinkerray Kothari  
Director

## Profit & Loss Account for the Year Ended 31st March 2010

(Amount in Rs.)			
	Schedule	Year ended 31.03.10	Year ended 31.03.09
<b>Income</b>			
Income From Operations	XIV	163,841,639	21,746,128
Other Income	XV	18,572,332	97,707,880
<b>TOTAL</b>		<b>182,413,971</b>	<b>119,454,008</b>
<b>Expenditure</b>			
Operating Expenses	XVI	31,663,740	2,922,650
Administrative Expenses	XVII	42,693,065	15,152,956
		1,092,899	718,085
<b>TOTAL</b>		<b>75,449,704</b>	<b>18,793,692</b>
Profit Before Tax		106,964,267	100,660,316
Less : Provision for Taxation			
-Current tax		32,820,425	4,664,128
-Fringe Benefit Tax		-	124,200
-Deferred Tax		335,869	13,229
-Short Provision of Income Tax of Earlier Year		1,417,061	170,650
<b>Profit After Tax</b>		<b>72,390,912</b>	<b>95,688,110</b>
Add : Balance Brought forward from previous year		111,980,275	27,548,831
Balance Available for Appropriation A/c		184,371,187	123,236,941
Less:			
-Transfer to General Reserve		1,809,773	-
-Proposed Dividend		7,555,945	-
-Tax on Proposed Dividend		1,284,140	-
-Interim Dividend		7,556,003	-
-Tax on Interim Dividend		9,500	-
Balance Carried forward to Balance Sheet		166,155,826	123,236,941
Basic Earning per share (Face Value Rs. 2/- each)		1.19	1.74
Diluted Earning per share (Face Value Rs. 2/- each)		1.19	1.74

As per our report of even date attached  
For M B A H & CO  
Chartered Accountants

For and on behalf of the Board of  
Directors of Sunteck Realty Limited

Mahesh Bhageria  
Partner  
Membership No: 34499  
Mumbai: 12th August, 2010

Kamal Khetan  
Chairman & Managing Director  
Ramakant Nayak  
Director  
Madhavi Purohit  
Company Secretary

M. Kalahasthi  
Director  
Dinkerray Kothari  
Director

## Cash Flow Statement for the

Year Ended 31st March, 2010

(Amount in Rs.)

	Year ended 31.03.10	Year ended 31.03.09
Cash Flow from Operating Activities		
Profit Before Tax and Extraordinary items as per Profit and Loss Account	106,964,267	100,660,316
Adjustment for:		
Depreciation	1,092,899	718,085
Interest income	(172,956)	(5,241,031)
Dividend received	(17,026,856)	(85,556,126)
Provision for Gratuity	116,000	-
Interest Expenditure	63,680	121,339
Profit / Loss on Investment	5,393,101	(6,910,723)
	(10,534,132)	(96,868,456)
Operating Profit before Working Capital Changes	96,430,136	3,791,861
Adjustment for:		
(Increase)/Decrease in Inventories	(153,246,571)	(15,944,382)
(Increase)/Decrease in Sundry Debtors	(92,823,004)	21,037,993
(Increase)/Decrease in Other Receivable	(246,437,404)	584,376,359
Increase/(Decrease) in Current Liabilities & Provision	58,171,574	(434,335,405)
Cash Generated From Operations	(337,905,270)	600,561,460
Less: Income Tax Paid	18,819,589	(5,416,930)
Cash Inflow Before Prior Period Adjustments	(356,724,859)	595,144,530
Less : Prior Period Adjustment	-	-
<b>Net Cash from Operating Activities - A</b>	<b>(356,724,859)</b>	<b>595,144,530</b>
Cash Flow from Investing Activities		
Acquisition of Fixed Assets	(10,027,385)	(33,049)
Capital WIP	-	(8,157,547)
Sale of Investments	517,802,034	908,150,888
Purchases of Investments	(1,758,985,407)	(1,105,088,771)
Profit / Loss on Investment	(5,393,101)	6,910,723
Investments in immovable property	(47,183,824)	(152,420,969)
Interest income	172,956	335,984
Dividend received	17,026,856	(1,286,587,871)
<b>Net Cash from Investing Activities - B</b>	<b>(1,286,587,871)</b>	<b>(264,746,615)</b>
Cash Flow from Financing Activities		
Proceeds from issue of Equity Shares	5,932,414	3,600,000
Proceeds from premium on issue of Equity Shares	1,535,685,549	27,000,000
Repayment of Secured Loan	(506,380)	(444,287)
Repayment of Unsecured Loans	(61,050,000)	(524,952,462)
Received of Unsecured Loans	223,988,200	-
Interest Income	-	4,905,047
Interest Expenditure	(63,680)	(121,339)
<b>Net Cash from Financial Activities - C</b>	<b>1,703,986,103</b>	<b>(490,013,041)</b>
Net Increase in Cash and Cash Equivalents (A+B+C)	60,673,373	(159,615,126)
Cash and Cash Equivalents - Opening Balance	1,726,893	161,160,067
Cash and Cash Equivalents - Balance of Merged Company	-	181,952
Cash and Cash Equivalents - Closing Balance	62,400,266	1,726,893

As per our report of even date attached

For M B A H & CO  
Chartered Accountants

Mahesh Bhageria  
Partner

Membership No: 34499  
Mumbai: 12th August 2010

For and on behalf of the Board of  
Directors of Sunteck Realty Limited

Kamal Khetan  
Chairman & Managing Director

Ramakant Nayak  
Director

Madhavi Purohit  
Company Secretary

M. Kalahasthi  
Director

Dinkerray Kothari  
Director

## Schedules Annexed to form

### Part of Financial Statements

	(Amount in Rs.)	
	As at 31.03.10	As at 31.03.09
<b>Schedule - I</b>		
Share Capital		
Authorised		
75,000,000 Equity Shares of Rs. 2/- (P. Y. 1,375,000 Equity Shares of Rs. 10/- each fully paid up)	150,000,000	137,500,000
Nil (1,250,000) Optionally Convertible Redeemable Preference Shares	-	12,500,000
<b>Total</b>	<b>150,000,000</b>	<b>150,000,000</b>
Issued, Subscribed and Paid Up		
62,966,207 Equity Shares of Rs. 2/- each fully paid up (P. Y. 12,000,000 Equity Shares of Rs. 10/- each fully paid up)	125,932,414	120,000,000
<b>Total</b>	<b>125,932,414</b>	<b>120,000,000</b>
<b>Schedule - II</b>		
Reserves & Surplus		
Securities Premium		
Opening Balances	1,675,722,438	1,568,698,938
Add: Fresh issue of Equity Shares Capital in QIP	1,578,467,055	-
Add: Issue of Convertible warrants	-	30,000,000
Add: Transferred from merged Amrut Consultancy Private Limited	-	77,023,500
Less: Equity Shares Capital -Issue Expenses	42,781,506	-
<b>A</b>	<b>3,211,407,987</b>	<b>1,675,722,438</b>
General Reserve (Transferred from Profit and Loss Account)	1,809,773	-
Profit & Loss Account	166,155,826	123,236,941
Less: Loss transferred from merged Amrut Consultancy Private Limited	-	11,256,666
<b>B</b>	<b>167,965,599</b>	<b>111,980,275</b>
<b>Total (A+B)</b>	<b>3,379,373,586</b>	<b>1,787,702,713</b>
<b>Schedule - III</b>		
Secured Loans		
Loans & Advances from Banks		
ICICI Bank Ltd.	501,828	1,008,208
(Secured by Hypothecation of Motor Car)		
<b>Total</b>	<b>501,828</b>	<b>1,008,208</b>
<b>Schedule - IV</b>		
Unsecured Loans		
From Body Corporate	135,400,000	-
From Directors	299,750,200	272,212,000
<b>Total</b>	<b>435,150,200</b>	
<b>Schedule - V</b>		
Deferred Tax Liability		
Opening Balance	574,417	561,188
Add : During the year	335,869	13,229
<b>Total</b>	<b>910,286</b>	<b>574,417</b>



# Schedules Annexed to form

## Part of Financial Statements

(Contd.)

### Schedule -VI

Fixed Assets as at 31st March 2010

Particulars	Rates	Gross Block				Depreciation				Net Block	
		Opening As At 01.04.2009	Additions	Deductions	Closing As At 31.03.2010	Opening As At 01.04.2009	Additions	Deductions	Closing As At 31.03.2010	Closing As At 31.03.2010	Closing As At 31.03.2009
Air Conditioners	4.75%	19,800	3,135,005	-	3,154,805	3,841	88,053	-	91,894	3,062,911	15,959
Computers & Peripherals	16.21%	3,332,799	503,471	-	3,836,270	1,526,210	595,944	-	2,122,154	1,714,116	1,806,589
Office Equipments	4.75%	126,008	197,089	-	323,097	29,260	7,639	-	36,899	286,198	96,748
Motor Car	9.50%	1,810,101	-	-	1,810,101	216,594	171,960	-	388,554	1,421,547	1,593,507
Furniture & Fixtures	6.33%	-	14,349,367	-	14,349,367	-	229,304	-	229,304	14,120,063	-
<b>CURRENT YEAR</b>		<b>5,288,708</b>	<b>18,184,932</b>	<b>-</b>	<b>23,473,640</b>	<b>1,775,904</b>	<b>1,092,899</b>	<b>-</b>	<b>2,868,804</b>	<b>20,604,836</b>	<b>3,512,804</b>
<b>PREVIOUS YEAR</b>		<b>5,255,659</b>	<b>33,049</b>	<b>-</b>	<b>5,288,708</b>	<b>1,057,819</b>	<b>718,085</b>	<b>-</b>	<b>1,775,904</b>	<b>3,512,804</b>	<b>4,197,840</b>
Capital Work In Progress		8,157,547.00	-	8,157,547.00	-	-	-	-	-	-	-

## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

(Amount in Rs.)

	As at 31.03.10	As at 31.03.09
<b>Schedule - VII</b>		
<b>Investments</b>		
Long Term Investment (At Cost)		
Investment in Properties		
Sunteck Centre (Immovable Property)	199,604,793	152,420,969
Transfer Development Rights (TDR)	80,000,202	-
<b>A</b>	<b>279,604,995</b>	<b>152,420,969</b>
Investment in Shares (Quoted)		
Punjab Communication Limited	12,600	12,600
1,000 (1,000) fully paid up equity shares of Rs. 10 each		
Investment in Shares (Unquoted) - Subsidiaries		
Starlight Systems Private Limited	27,470,000	27,470,000
240,000 (240,000) fully paid up equity shares of Rs. 10 each		
Satguru Infocorp Services Private Limited	104,384,070	104,384,070
375,000 (375,000) fully paid up equity shares of Rs. 10 each		
Amenity Software Private Limited	14,085,125	14,085,125
50,000 ( 50,000) fully paid up equity shares of Rs. 10 each		
Magenta Computer Software Private Limited	13,132,750	13,132,750
50,000 ( 50,000) fully paid up equity shares of Rs. 10 each		
Piramal Sunteck Realty Private Limited	284,532,005	284,532,000
500,000 ( 500,000) fully paid up equity shares of Rs. 10 each & 1 partly paid up equity shares		
Investment in Shares (Unquoted)/ Partnership Firm - Associates/Joint Venture		
Samhrutha Habitat Infrastructure Private Limited	26,100,000	26,100,000
2,535,000 (2,535,000) fully paid up equity shares of Rs. 10 each		
50% (50%) Share in Partnership Firm - Kanaka & Associates	50,000,000	50,000,000
Investment in Shares (Unquoted) - Others		
Satguru Capital & Finance Private Limited	1,500,000	1,500,000
150,000 (150,000) fully paid up equity shares of Rs. 10 each		
Saraswat Co-op. Bank Limited	700	700
70 (70) fully paid up equity shares of Rs. 10 each		
<b>B</b>	<b>521,217,250</b>	<b>521,217,245</b>
Current Investment		
Mutual Fund		
Birla Sunlife Income Fund ( P.Y.Units 4867504.349/ NAV 11.1104)	-	54,079,769
Birla Sunlife Income Plus ( P.Y.Units 480589.364 / NAV 11.6524)	-	5,599,999
Birla Sunlife Saving Fund ( P.Y.Units 529526.519 / NAV 10.0068)	-	5,298,866
HDFC Income Fund Dividend ( P.Y.Units 9285745.414 / NAV 11.2625)	-	104,580,979
ICICI Prudential Flexible Income Plan ( P.Y.Units 15257230.640 / NAV 10.5735)	-	161,322,328
IDFC GSF Investment Plan ( P.Y.Units 2910709.355/ NAV 10.5557)	-	30,724,575
JM Short Term Fund- Institutional Plan ( P.Y.Units 2931157.033/ NAV 10.5176)	-	30,828,862
Kotak Gilt Funds ( P.Y.Units 3034182.648/ NAV 13.7908)	-	41,843,895
Reliance Gilt Secur. Fund-Inst. Divid. Ian ( P.Y.Units 7258924.554/ NAV 11.4306)	-	82,973,797
Templeton India Government Securities Fund.( P.Y.Units 50462.286/ NAV 10.8787)	-	548,966
(Market Value of Mutul Fund as on 31.03.2010 Nil and P. Y. as on 31.03.2009 Rs. 499,161,379 )		
<b>C</b>	<b>-</b>	<b>517,802,034</b>
Other Investments		
OCRPS Application Money with Piramal Sunteck Realty Private Limited	2,178,510,000	550,000,000
OCD Application Money with Starlight Systems Private Limited	-	18,000,000
684,752 OCD of Rs. 100/- each of Starlight Systems Private Limited	68,475,200	-
<b>D</b>	<b>2,246,985,200</b>	<b>568,000,000</b>
<b>Total ( A+B+C+D)</b>	<b>3,047,807,445</b>	<b>1,759,440,248</b>
<b>Schedule VIII</b>		
<b>Inventories</b>		
(Valued at Cost)		
Construction Projects (Work in Progress )	301,665,171	148,418,600
<b>Total</b>	<b>301,665,171</b>	<b>148,418,600</b>

## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

(Amount in Rs.)

	As at 31.03.10	As at 31.03.09
<b>Schedule IX</b>		
Sundry Debtors		
(Unsecured, Considered Goods)		
Debts outstanding for a period exceeding six months	-	-
Other Debts	97,550,843	4,727,839
<b>Total</b>	<b>97,550,843</b>	<b>4,727,839</b>
<b>Schedule X</b>		
Cash & Bank Balances		
Cash in hand	9,236	61,776
Bank Balance with Schedule d Bank		
In Current Account	62,391,030	1,665,117
<b>Total</b>	<b>62,400,266</b>	<b>1,726,893</b>
<b>Schedule XI</b>		
Loans & Advances		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	192,838	82,388
Advances for Construction Projects	413,232,028	125,701,631
Kanaka & Associates (Joint Ventures)	10,000,000	13,503,321
Starlight Systems Private Limited ( Subsidiary)	100,000,000	85,000,000
Cenvat Credit for Service Tax	3,798,364	201,130
Other Advances & Deposits	4,675,672	64,369,244
Income Tax & TDS Receivable	30,570,999	8,355,194
<b>Total</b>	<b>562,469,901</b>	<b>297,212,908</b>
<b>Schedule - XII</b>		
Current Liabilities		
Sundry Creditors	40,751,688	3,696,998
Bank Book Balances	-	11,453,471
Other Liabilities	52,592,450	6,259,504
Advance Against Booking	15,500,000	15,500,000
<b>Total</b>	<b>108,844,138</b>	<b>36,909,973</b>
<b>Schedule XIII</b>		
Provisions		
Provisions for Tax	32,820,425	4,789,528
Dividend Distribution Tax Payable on Interim Dividend	9,500	-
Dividend Distribution Tax Payable on Proposed Dividend	1,284,140	-
Proposed Dividend	7,555,945	-
Provisions for Gratuity	116,000	-
<b>Total</b>	<b>41,786,010</b>	<b>4,789,528</b>

## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

(Amount in Rs.)

	Year Ended 31.03.10	Year Ended 31.03.09
<b>Schedule XIV</b>		
Income From Operations		
Income from Operation (Inclusive TDS of Rs. 9,479,780/-) (P.Y. Rs. 2,963,363/-)	163,841,639	21,746,128
<b>Total</b>	<b>163,841,639</b>	<b>21,746,128</b>
<b>Schedule XV</b>		
Other Income		
Interest on FDR (Inclusive TDS of Rs. 3,390/-) (P.Y. Rs. 70,995/-)	22,915	335,984
Other Interest (Inclusive TDS of Rs. 95,174/-) (P.Y. Rs. 1,101,603/-)	150,041	4,905,047
Dividend on Mutual Fund	9,526,716	85,556,126
Dividend on Unquoted Shares	7,500,140	-
Miscellaneous Income	399	-
Profit on Investments	1,372,121	6,910,723
<b>Total</b>	<b>18,572,332</b>	<b>97,707,880</b>
<b>Schedule XVI</b>		
Operating Expenses		
Opening Stock	-	39,150
Add: Purchases	-	-
Less: Closing Stock	-	12,600
Loss / (Profit) on valuation of stock	-	26,550
Other Expenses	31,663,740	2,896,100
<b>Total</b>	<b>31,663,740</b>	<b>2,922,650</b>
<b>Schedule XVII</b>		
Administrative Expenses		
Advertisement & Sales Promotion Expenses	1,994,368	1,066,771
Auditors Remuneration	50,000	50,000
Bank Charges & Interest	8,079	37,982
Brokerage & Commission	1,150,000	1,628,000
Donation	-	100,000
Electricity Charges	1,457,204	94,850
Gratuity Expenses	116,000	-
Insurance Expenses	42,950	4,143
Interest on Car Loan	63,680	121,339
Legal & Professional Fees	13,492,936	2,799,027
Listing & Demat Expenses	154,437	431,578
Merger Expenses	-	642,400
Miscellaneous Expenses	1,777,657	316,903
Membership Fees	50,000	-
Rent, Rates & Taxes	145,000	457,000
Repairs & Maintenances - Others	-	42,375
Salaries & Bonus ( Including Director Remuneration)	11,576,290	6,034,363
Short Term Loss on Investments	6,765,222	-
Staff Welfare Expenses	178,888	153,012
Securities Transaction Tax	835,598	-
Travelling & Conveyance Expenses	2,094,443	1,173,214
BMC - Property Tax	740,313	-
<b>Total</b>	<b>42,693,065</b>	<b>15,152,956</b>

## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

#### Schedule XVIII

#### A) SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

##### 1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis, in compliance with all material aspects of the notified Accounting standards by Companies (Accounting Standards) Amendment Rules, 2008 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

##### 2. Use of Estimates

The Preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materealised.

##### 3. Revenue recognition

- i) The Company follows completed project method of accounting ("Project Completion Method of Accounting"). Allocable expenses incurred during the year are debited to work in progress account .The revenue is accounted when the Projects get completed to the extent that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii) Rent Income is considered on acceptance of the contract and is accrued over the period of contract.
- iii) Interest Income is recognized on time proportion basis.
- iv) Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

##### 4. Inventories

Projects in progress are valued at cost. Cost includes cost of land, land development right, materials, services, borrowing costs and other related overheads.

##### 5. Fixed Assets

Fixed assets are shown at cost of acquisition, after reducing accumulated depreciation. Capital work in progress includes expenditure incurred till the assets are put into intended use.

##### 6. Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher.

##### 7. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there are impairment indicators. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the WACC. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or decreased based on reassessment of recoverable amount, which is carried out if the change is significant. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

##### 8. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and market value whichever is less.

All other investments are classified as long-term investments. Long-term investments are carried at cost, less provision for diminution in value other than temporary.

## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

**9. Employee benefits**

**Defined Contribution Plan**

Contribution to defined contribution plans are recognized as expense in the Profit and Loss Account as they are incurred.

**Defined Benefit Plan**

Company's liabilities towards gratuity liability are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each balance sheet date. Actuarial gains/losses are immediately taken to P&L Account and are not deferred.

Leave Encashment and bonus is accounted on cash basis.

**10. Borrowing Cost**

Borrowing costs which are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred.

**11. Taxation**

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**12. Share Issue Expenses**

Share Issue Expenses are charged to the Securities Premium account.

**13. Foreign Currency Transactions**

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. The gain or loss arising out of settlement / translation of the assets and liabilities at the closing rates due to exchange fluctuations is recognized as income/expenditure in the profit and loss account.



## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

#### 14. Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with AS-20 "Earnings per Share". Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

#### 15. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### 16. Contingent Liabilities

Contingent Liabilities, if any, are disclosed in the Notes on Accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

#### 17. Cash Flow Statement

The Cash Flow Statement has been prepared in accordance with the indirect method prescribe in Accounting Standard- 3 issued by The Institute of Chartered Accountants of India.

### B) Notes Forming Part of Accounts

#### 1. Contingent Liabilities

In the opinion of the management, there is no contingent liability other than the stamp duty and registration charges which is payable as per High Court Order under section 394 of the Companies Act, 1956 in respect of amalgamation or reconstruction of companies, the amount of which is not quantifiable at present. Adequate provision has been made for all known liabilities, except interest and penalty as may arise.

#### 2. Earnings Per Share

	(Amount in Rs.)	
	Year ended 31st March 2010	Year ended 31st March 2009
Net profit for the year attributable to equity shareholders	72,390,914	95,688,110
Weighted Average No. of Equity shares outstanding for Basic		
Earning per share	60,991,445	55,061,233*
Basic/Diluted Earnings per share (face valued of Rs. 2/-each) (Rs.)	1.19	1.74

\*Since the Equity shares has been split from face value of Rs. 10/- to Rs. 2/- in current year therefore EPS and Diluted EPS has been restate of last year as per AS-20.

## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

3. As per the Accounting Standard 22- 'Accounting for Taxes on Income' issued by ICAI, the Deferred Tax Assets/ (Liability) comprises the following

(Amount in Rs.)

Name of Scheme	As per Books	As per IT	Difference	DTA/ (DTL)
WDV of Fixed Assets	20,604,836	17,864,456	2,740,380	(910,286)
Closing Deferred Tax Liability	910,286			
Opening Deferred Tax Liability	574,417			
Charged To Profit & Loss A/c	335,869			

4. Movement in Mutual Fund Investments (in Units)

(Amount in Rs.)

Name of Scheme	As per Books	As per IT	Difference	DTA/ (DTL)
Birla Sun Life Saving Fund Daily Dividend-Reinvestment	529,526.519	6,327,914.728	6,857,441.247	Nil
Birla Sun Life Income Fund Quarterly Dividend Reinvestment	5,348,093.713	Nil	5,348,093.713	Nil
HDFC Cash Management Fund- Saving Plan-Daily Dividend Reinvestment	Nil	799,240.240	799,240.240	Nil
IDFC GSF Investment Plan	2,910,709.355	Nil	2,910,709.355	Nil
HDFC Income Fund- Dividend -Option Reinvestment	9,285,745.414	Nil	9,285,745.414	Nil
HDFC Cash Management Fund-Treasury Advantage Plan	Nil	850,111.431	850,111.431	Nil
HDFC Short Term Plan Dividend	Nil	10,001,776.921	10,001,776.921	Nil
ICICI Prudential Flexible Income Plan Premium	15,257,230.640	10,738,055.922	25,995,286.562	Nil
ICICI Prudential Gilt Fund- Investment	Nil	7,866,954.073	7,866,954.073	Nil
IDFC Arbitrage Plus Fund Plan B	Nil	2,861,925.367	2,861,925.367	Nil
IDFC Arbitrage Plus Fund Plan A	Nil	9,691,237.183	9,691,237.183	Nil
J M Money Manager Super	Nil	6,021,543.151	6,021,543.151	Nil
Kotak Flexi Debt Scheme Inst.	Nil	4,175,094.552	4,175,094.552	Nil
Reliance Liquidity Fund – Dividend Reinvestment Option	Nil	57,751,083.402	57,751,083.402	Nil
Reliance Short Term Fund	Nil	7,593,291.060	7,593,291.060	Nil
SBI Ultra Short Term Fund	Nil	17,184,258.475	17,184,258.475	Nil
Templeton India Ultra Short Bond Fund	Nil	56,179.000	56,179.000	Nil
IDFC -SSIF-Plan B	Nil	2,966,480.678	2,966,480.678	Nil

## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

(Amount in Rs.)

Name of Scheme	As per Books	As per IT	Difference	DTA/ (DTL)
J M Arbitrage Advantage Fund-Dividend	Nil	2,952,573.985	2,952,573.985	Nil
J M Short Term Fund Institutional Plan	2,931,157.033	6,812.293	2,937,969.326	Nil
Kotak Gilt (Investment Regular) Quarterly Dividend	3,034,182.648	Nil	3,034,182.648	Nil
Reliance Gilt Securities Fund Institutional Dividend Plan	7,258,924.554	108,751.367	7,367,675.921	Nil
SBI Arbitrage Opportunities Fund	Nil	15,825,144.141	15,825,144.141	Nil

5. Disclosure of "Employee Benefits" as per Accounting Standard-15 (Revised) is as follows Disclosure of Gratuity Liability

#### Defined Benefits Plans

Method	Projected Unit Credit Method
Assumptions	
Discount Rate	8.00% P.A.
Expected Return On Plan Assets	NA
Mortality	L.I.C. (1994-96) Ult. Mortality Tables
Future Salary Increases	6.5% P.A.
Disability	NIL
Attrition	1.5% - 2% depending on Age
Retirement	58 Years
Present Value Of obligation 01-04-2009	-
Interest Cost	-
Current Service Cost	116,000
Past Service Cost	Nil
Benefits Paid	Nil
Actuarial (gain) loss on Obligation	-
Present Value Of obligation 31-03-2010	116,000
Fair value of plan Assets 01-04-2009	-
Expected Return On plan assets	-

## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

Changes in the Present Value of the Obligation and in the Fair Value of the Assets for the year ended 31st March, 2010  
(Amount in Rs.)

Method	Projected Unit Credit Method
Contributions	-
Benefits Paid	-
Actuarial gain (Loss) Plan Assets	-
Fair value of plan Assets 31-03-2010	-
Total Actuarial gain (loss) to be recognized	-
Balance Sheet Recognition	
Present Value Of Obligation	116,000
Fair Value Of Plan Assets	-
Liability (assets)	116,000
Unrecognized Past Service Cost	-
Liability (asset) recognized in the Balance Sheet	116,000
Profit & Loss – Expenses	
Current Service Cost	116,000
Interest Cost	-
Expected Return On plan assets	-
Net Actuarial (gain)loss recognized in the year	-
Past Service Cost	-
Expense Recognized in the statement of Profit & Loss	116,000
Movement in the Net Liability recognized in the Balance Sheet	
Opening Net Liability	-
Expenses	116,000
Contribution (Actual Payment to Employees)	-
Closing Net Liability	116,000

## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

6.

#### (A) Managerial Remuneration

(Rs. in Lacs)

	Year ended 31st March 2010	Year ended 31st March 2009
Remuneration to Managing Director	35.00	15.00
Total	35.00	15.00

#### (B) Managerial remuneration and computation of net profit under section 349 of the Companies Act, 1956

(Rs. in Lacs)

Profit before tax before extra ordinary items as per Profit & Loss Account	1069.64
Add: Managing remuneration	35.00
Net Profit as per Section 198 of the Companies Act, 1956	1104.64
Maximum permissible managerial remuneration to whole – time executive directors under section 198 of the Companies Act, 1956 @10% of the profits computed above	110.46
Restricted as per service agreement to	35.00

7. Subsidiary Companies

The Company's Subsidiary and its investment percentages are as follows

Name of the Company	Percentage of Holding
Amenity Software Private Limited	100%
Magenta Computer Software Private Limited	100%
Satguru Infocorp Services Private Limited	100%
Starlight Systems Private Limited	60%
Piramal Sunteck Realty Private Limited	50.01%

8. The details of investments made in capital of partnership firm as at 31st March 2010 is as under: Kanaka and Associates

(Rs. in Lacs)

Name of the Partners	Share of Partners	Capital
Sunteck Realty Limited	50 %	500.00
Kanaka & Associates (Prop. Mr. Jaykrishna A. Shetty)	50 %	500.00
Total	100 %	1000.00

## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

9. In the opinion of the management, value on realization of fixed assets, current assets, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.
10. The balances of some of the loans and advances and creditors are subject to confirmation.
11. In the absence of necessary information with the Company, relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be complied and disclosed.

#### 12. Related Party Disclosures

##### A) Names of Related Parties and Nature of Relationships

###### I. Subsidiary Companies

Amenity Software Private Limited  
Magenta Computer Software Private Limited  
Satguru Infocorp Services Private Limited  
Starlight Systems Private Limited  
Piramal Sunteck Realty Private Limited

###### II. Joint Venture

Kanaka & Associates (Partnership Firm)

###### III. Entity over which Company exercise significant influence

Eskay Infrastructure Development Private Limited  
Satguru Capital & Finance Private Limited  
Satguru Derivatives & Commodity Private Limited  
Buteo Finance & Investments Limited

###### IV. Key Management Personnel

Mr. Kamal Khetan  
Mrs. Manisha Khetan

##### B) Transactions with Related Parties

(Rs. in Lacs)

Nature of Transaction	Subsidiary	Associates / Joint Venture	Entity over Significant Influence	Key Management Personnel & their relatives
Transaction During the Year				
Unsecured Loans received	- (126.35)	- -	- (53.00)	3297.50 (1,976.30)
Loans and Advances given	150.00 (850.00)	100.00 (3,452.65)	- -	- -
Income From operation	630.60 (88.04)	- -	- -	- -
Share Application Money for OCD/OCRPS	16,285.10 (180.00)	- (5,500.00)	- -	- -



## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

	(Rs. in Lacs)			
Nature of Transaction	Subsidiary	Associates / Joint Venture	Entity over Significant Influence	Key Management Personnel & their relatives
Investment in OCD	684.75	-	-	-
	-	-	-	-
Purchase of Shares of Subsidiary from	-	-	-	-
	-	-	-	(273.70)
Directors Remuneration	-	-	-	35.00
	-	-	-	(15.00)
Receiving of Services	-	-	-	-
	(0.35)	-	-	-
Reimbursement Expenses	-	-	2.71	-
	-	-	-	-
Dividend Income	75.00	-	-	-
	-	-	-	-
Balances at year end				
Debtors	465.11 Dr.	-	1.02 Dr.	-
	(13.02) Dr.	-	-	-
Loans & Advances	1000.00 Dr.	100.00 Dr.	-	-
	(850.00) Dr.	(135.03) Dr.	-	-
Unsecured Loans	-	-	-	2,997.50 Cr.
	-	-	-	(2,722.12) Cr.
Share Application Money for OCD/OCRPS	21,785.10 Dr.	-	-	-
	(5,680.00) Cr.	-	-	-
OCD Investment	684.75 Dr.	-	-	-
	-	-	-	-
Investment in shares/ firm	4,436.04 Dr.	761.00 Dr.	15.00 Dr.	-
	(4,436.04) Dr.	(3606.32) Dr.	(15.00) Dr.	-

Figures in brackets above indicate balance of the previous year.

#### 13. Disclosure of Provisions for the year ended 31st March 2010

(Amount in Rs.)

Particulars	Opening Balance	During the year	Reversed during the year	Closing balance
Provision for Gratuity	-	116,000	-	116,000

14. Previous year's figures have been regrouped, rearranged, reclassified to the extent possible.

15. The Company operates in Single Segment i.e. Realty and Construction.

#### 16. Expenditure in Foreign Currency (On Accrual basis)

(Rs. in Lacs)

Particulars	Year ended 31st March 2010	Year ended 31st March 2009
Traveling Expenses	6.42	-
Professional Fee	64.39	-

## Schedules Annexed to form

### Part of Financial Statements

(Contd.)

17. Other information pursuant to provision of Paragraph 3, 4A, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956 are either Nil or Not Applicable.

Signature to Schedule I to XVIII.

As per our report of even date attached herewith

For M B A H & CO  
Chartered Accountants

Mahesh Bhageria  
Partner

Membership No: 34499  
Mumbai: 12th August 2010

For and on behalf of the Board of  
Directors of Sunteck Realty Limited

Kamal Khetan  
Chairman & Managing Director

Ramakant Nayak  
Director

Madhavi Purohit  
Company Secretary

M. Kalahasthi  
Director

Dinkerray Kothari  
Director

## Statement Pursuant to section 212 of the Companies

### Act, 1956 Relating to Subsidiary Companies

Sr.No	Name of Subsidiary Company	Financial Year Ending of Subsidiary	Number of Equity Shares	Extent of Holding	The net Aggregate of Profits/(Losses) of the Subsidiary so far as they concern the members of the Sunteck Realty Limited			
					For Current Financial Year		For Previous Financial year	
					Dealt with in accounts of the Company	Not Dealt with in accounts of the Company	Dealt with in accounts of the Company	Not Dealt with in accounts of the Company
1	Starlight Systems Private Limited	31st March 2010	400,000	60%	-	50,040,697	-	43,393,691
2	Amenity Software Private Limited	31st March 2010	50,000	100%	3,750,000	40,064,326	-	34,422,606
3	Magenta Computer Software Private Limited	31st March 2010	50,000	100%	3,750,000	38,785,654	-	33,163,648
4	Satguru Infocorp Services Private Limited	31st March 2010	375,000	100%	-	99,411,986	-	84,144,292
5	Piramal Sunteck Realty Private Limited	31st March 2010	500,001	50%	-	6,676,182	-	4,30,000
6	Nariman Infrastructure Private Limited *	31st March 2010	10,000	50%	-	66,982	-	91,037
7	Uniworth Realty Private Limited*	31st March 2010	10,000	50%	-	-	-	-
8	V3 Designs Private Limited*	31st March 2010	15,000	50%	-	(826,072)	-	(813,713)
9	Piramal Sunteck Realty Mauritius Limited* #	31st December 2009	200,001	50%	-	467,147	-	589,681
10	Piramal Sunteck International Limited* #	31st December 2009	1	50%	-	(2,514,227)	-	(322,605)

\* 100% Subsidiary of Piramal Sunteck Realty Private Limited.

# There has been no change of the Holding Company's interest in the Subsidiaries and no material Changes have occurred between the end of the Financial Year of Subsidiaries and 212(5)(b).

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

I. REGISTRATION DETAILS				
Registration No.	:		25346	
State code	:		11	
Balance Sheet Date	:		31/03/2010	
Date of Incorporation	:		01/10/1981	
II. CAPITAL RAISED DURING THE YEAR (Amount in '000)				
Public Issue	:		NIL	
Rights Issue	:		NIL	
Bonus Issue	:		NIL	
Private Placement	:		1578467	
Promoter's Contribution	:		NIL	
III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS				
Total Liabilities	:	4092498	Total Assets :	4092498
Sources of funds	:			
Paid up Capital		125932	Reserve and Surplus	3379374
Secured Loans		502	Unsecured Loans	435150
Loans Fund		-	Deferred Tax Liabilities	910
Application of Funds	:			
Net Fixed Assets		20605	Investments	3047807
Net Current Assets		873456	Misc. Expenditure	Nil
			Deferred Tax Assets	-
IV PERFORMANCE OF THE COMPANY :				
Turnover		182414		
Total Expenditure		75450		
Profit before tax		106964		
Profit after tax		72391		
EPS Basic (Rs)		1.19		
Dividend Rate %		6%		
V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)				
Item Code No. (ITC Code)			Not Applicable	
Product Description			Realty & Construction	

As per our report of even date attached  
For M B A H & CO  
Chartered Accountants

For and on behalf of the Board of  
Directors of Sunteck Realty Limited

Mahesh Bhageria  
Partner  
Membership No: 34499  
Mumbai: 12th August, 2010

Kamal Khetan  
Chairman & Managing Director

Ramakant Nayak  
Director

Madhavi Purohit  
Company Secretary

M. Kalahasthi  
Director  
Dinkerray Kothari  
Director



# **Consolidated Financial Statements**

## Auditor's Report

To,

The Board of Directors of

SUNTECK REALTY LIMITED,

1. We have audited the attached Consolidated Balance Sheet of SUNTECK REALTY LIMITED (the Company) & its subsidiaries as at 31st March, 2010 and also the annexed Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management & 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.
2. 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 management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of the financial statements of certain subsidiaries and joint ventures we did not carry out the audit. Those financial statements have been audited/reviewed by other auditors, certified by management and have been furnished to us. In our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, es and joint ventures is based solely on the reports of the other auditors. The details of the assets and revenue of these subsidiaries and joint venture, to the extent to which they are reflect in the consolidated financial statements are reflected in the consolidated financial statements are given below:

Audited by other auditors:

Particulars	(Rs. in Lacs)	
	Total assets	Total revenues
Indian subsidiaries	120,009.50	2,356.49
Foreign subsidiaries	2,999.60	11.26
Joint venture	1,785.09	-

4. We report that consolidated financial statements have been prepared by the company's management in accordance with requirements of Accounting standard (AS) 21 for Consolidated Financial Statement and Accounting Standard (AS) 27 for financial reporting of Interest in joint ventures in consolidated financial statements issued by Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on other financial information of the components, and to the best of our information and according to the explanation given to us, we are of opinion that the attached consolidated financial statements give a true & fair view in conformity with the accounting principles accepted in India:



## Auditor's Report

(Contd.)

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

For M B A H & CO  
Chartered Accountants  
(Registration No. 121426W)

Mahesh Bhageria  
Partner  
Membership No.34499

Mumbai, 12th August 2010

## Consolidated Balance Sheet

as at 31st March 2010

(Amount in Rs.)

	Schedule	As at 31.03.10	As at 31.03.09
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	I	120,188,824	114,000,000
Reserves & Surplus	II	3,815,590,609	1,824,381,873
Share Application Money	III	2,081,910,000	-
		<b>6,017,689,433</b>	<b>1,938,381,873</b>
Minority Interest		358,025,925	49,474,266
<b>LOAN FUNDS</b>			
Secured Loans	IV	1,610,300,944	1,008,208
Unsecured Loans	V	2,355,719,181	1,184,187,200
		<b>3,966,020,125</b>	<b>1,185,195,408</b>
Differed Tax Liability		1,724,536	1,367,873
	<b>Total</b>	<b>10,343,460,019</b>	<b>3,174,419,420</b>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS</b>			
Gross Block	VI	179,325,355	143,680,528
Less: Depreciation		73,197,638	62,335,113
Net Block		106,127,717	81,345,415
Capital Work in Progress		-	8,157,547
		<b>106,127,717</b>	<b>89,502,962</b>
Goodwill		1,123,333,527	-
Investments	VII	473,330,807	1,807,514,546
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	VIII	8,863,509,787	2,723,471,300
Sundry Debtors	IX	80,407,675	24,095,393
Cash & Bank Balances	X	343,878,728	7,740,157
Loans & Advances	XI	4,025,393,352	692,838,169
		<b>13,313,189,542</b>	<b>3,448,145,019</b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	XII	4,596,038,737	2,142,806,077
Provisions	XIII	76,489,077	27,955,438
Net Current Assets		8,640,661,728	1,277,383,504
Miscellaneous Expenditure	XIV	6,240	18,408
(to the extent not Written off or Adjusted )	<b>Total</b>	<b>10,343,460,019</b>	<b>3,174,419,420</b>
The Schedule s referred to above and Significant Accounting Policies & Notes to Accounts form an integral part of the Financial Statements			
	XIX		

As per our report of even date attached  
For M B A H & CO  
Chartered Accountants

Mahesh Bhageria  
Partner  
Membership No: 34499  
Mumbai: 12th August, 2010

For and on behalf of the Board of  
Directors of Sunteck Realty Limited

Kamal Khetan  
Chairman & Managing Director  
Ramakant Nayak  
Director  
Madhavi Purohit  
Company Secretary

M. Kalahasthi  
Director  
Dinkerray Kothari  
Director

## Consolidated Profit & Loss Account

for the year ended 31st March 2010 (Contd.)

(Amount in Rs.)

	Schedule	For the year ended 31.03.10	For the year ended 31.03.09
<b>Income</b>			
Income From Operations	XV	284,006,124	205,950,921
Other Income	XVI	23,702,268	111,408,184
<b>TOTAL</b>		<b>307,708,392</b>	<b>317,359,105</b>
<b>Expenditure</b>			
Operating Expenses	XVII	66,791,852	33,598,015
Administrative Expenses	XVII	109,180,751	69,772,996
Preliminary Expenses		24,368	18,870
Depreciation		11,526,599	13,997,652
		<b>187,523,570</b>	<b>117,387,534</b>
<b>Profit Before Tax</b>		<b>120,184,822</b>	<b>199,971,571</b>
Less : Provision for Taxation			
- Current tax		56,297,284	27,578,633
- Fringe Benefit Tax		-	368,865
- Deferred Tax		354,483	(632,468)
- Short Provision of Income Tax of Earlier Year		1,561,494	480,781
<b>Profit After Tax</b>		<b>61,971,561</b>	<b>172,175,761</b>
Less : Shares of Minority Interest		-	3,911,098
Less : Prior Period Items		181,347	-
Add : Share of Profit of Associates		-	97,008
<b>Profit After Minority Interest and Share of Profit of Associates</b>		<b>61,790,214</b>	<b>168,361,670</b>
Less : Interim Dividend Paid		7,195,945	-
Less: Dividend Distribution Tax on Interim Dividend		1,284,140	-
Less: Proposed Dividend		15,056,003	-
Less: Dividend Distribution Tax on Proposed Dividend		2,558,781	-
Less : Transfer to General Reserve		5,732,672	-
Add : Balance of Profit & Loss Accounts		143,404,365	175,114,545
Less : Adjustment In Capital Reserves		8,420,952	200,071,851
<b>Balance Carried forward to Balance Sheet</b>		<b>164,946,086</b>	<b>143,404,365</b>
Basic Earning per share (Face Value Rs. 2/- each)		0.90	3.23
Diluted Earning per share (Face Value Rs. 2/- each)		0.90	3.23
The Schedule s referred to above and Significant Accounting Policies & Notes to Accounts form an integral part of the Financial Statements	XIX		

As per our report of even date attached  
For M B A H & CO  
Chartered Accountants

For and on behalf of the Board of  
Directors of Sunteck Realty Limited

Mahesh Bhageria  
Partner  
Membership No: 34499  
Mumbai: 12th August, 2010

Kamal Khetan  
Chairman & Managing Director

Ramakant Nayak  
Director

Madhavi Purohit  
Company Secretary

M. Kalahasthi  
Director  
Dinkerray Kothari  
Director

## Consolidated Cash Flow

for the year ended 31st March 2010

(Amount in Rs.)

	Year ended 31.03.10	Year ended 31.03.09
<b>Cash Flow from Operating Activities</b>		
Profit Before Tax and Extraordinary items	120,184,822	199,971,571
as per Profit and Loss Account		
Adjustment for:		
Depreciation	11,526,599	13,997,653
Interest income	(6,966,987)	(6,111,097)
Dividend received	(12,098,856)	(95,254,934)
Loss on sale of Fixed Assets	208,345	-
Preliminary Expenses	24,368	-
Interest Expenditure	4,986,408	121,339
(Profit) / Loss on Investment	4,569,722	(9,504,472)
	2,249,600	(96,751,512)
<b>Operating Profit before Working Capital Changes</b>	<b>122,434,422</b>	<b>103,220,059</b>
Adjustment for:		
(Increase)/Decrease in Inventories	(6,140,038,487)	(15,944,382)
(Increase)/Decrease in Sundry Debtors	(56,312,282)	17,392,096
(Increase)/Decrease in Other Receivable	(3,313,507,763)	346,501,391
Increase/(Decrease) in Current Liabilities & Provision	2,501,766,300	(7,008,092,232)
<b>Cash Generated From Operations</b>	<b>(6,885,657,811)</b>	<b>1,370,383,890</b>
Less: Income Tax Paid	19,047,419	28,886,231
<b>Cash Inflow Before Prior Period Adjustments</b>	<b>(6,904,705,230)</b>	<b>1,341,497,659</b>
Add : Extra-Ordinary/Adjustments items	-	18,870
<b>Net Cash from Operating Activities A</b>	<b>(6,904,705,230)</b>	<b>1,341,516,530</b>
<b>Cash Flow from Investing Activities</b>		
Acquisition of Fixed Assets	(28,095,626)	(8,824,556)
Sale of Fixed Assets	400,000	-
Capital WIP	-	(978,762,691)
Net Proceed in Investments	1,329,614,017	(322,417,751)
(Profit) / Loss on Investment	(4,569,722)	9,504,472
Interest income	6,966,987	1,206,050
Movements in Goodwill	(1,123,333,527)	-
Dividend received	12,098,856	193,080,984
	193,080,984	95,254,934
<b>Net Cash from Investing Activities B</b>	<b>193,080,984</b>	<b>(1,204,039,541)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Shares	6,188,824	3,600,000
Proceeds from premium on issue of Equity Shares and from Subsidiary	1,875,261,825	27,000,000
Proceeds from OCRPS	2,081,910,000	-
Net Proceed from Secured/Unsecured Loan	2,780,824,717	(332,364,221)
Movement in Minority Interest	308,551,659	-
Preliminary Expenses Movements	12,200	-
Interest Income	-	4,905,047
Interest Expenditure	(4,986,408)	(121,339)
	7,047,762,817	(296,980,512)
<b>Net Cash from Financial Activities C</b>	<b>7,047,762,817</b>	<b>(296,980,512)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>336,138,571</b>	<b>(159,503,524)</b>
Cash and Cash Equivalents - Opening Balance	7,740,157	167,061,729
Cash and Cash Equivalents - Balance of Merged Company	-	181,952
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>343,878,728</b>	<b>7,740,157</b>

As per our report of even date attached  
For M B A H & CO  
Chartered Accountants

For and on behalf of the Board of  
Directors of Sunteck Realty Limited

Mahesh Bhageria  
Partner  
Membership No: 34499  
Mumbai: 12th August, 2010

Kamal Khetan  
Chairman & Managing Director  
Ramakant Nayak  
Director  
Madhavi Purohit  
Company Secretary

M. Kalahasthi  
Director  
Dinkerray Kothari  
Director

## Schedule forming part of the Consolidated Financial Statement

(Amount in Rs.)

	As At - 31.03.10	As At - 31.03.09
<b>Schedule - I</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
75,000,000 Equity Shares of Rs. 2/-	150,000,000	137,500,000
(P. Y. 1,375,000 Equity Shares of Rs. 10/- each fully paid up)		
Nil (1,250,000) Optionally Convertible Redeemable Preference Share	-	12,500,000
<b>Total</b>	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued, Subscribed and Paid Up</b>		
62,966,207 Equity Shares of Rs. 2/- each fully paid up		
(P. Y. 12,000,000 Equity Shares of Rs. 10/- each fully paid up)	125,932,414	120,000,000
1500,000/- Equity Shares held by Satguru infocorp Services (P) Ltd	(3,000,000)	(3,000,000)
1500,000/- Equity Shares held by Starlight Systems (P) Ltd	(3,000,000)	(3,000,000)
25,641 (Nil) Non Cumulative Compulsory Convertible Preference Shares of Rs. 10/- each fully paid up	256,410	-
<b>Total</b>	<b>120,188,824</b>	<b>114,000,000</b>
<b>Schedule - II</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>SECURITIES PREMIUM</b>		
Opening Balance	1,679,679,698	1,572,656,198
<u>Add: During the year</u>	<u>396,924,797</u>	<u>-</u>
<u>Add: Issue of Convertible Warrants</u>	<u>-</u>	<u>30,000,000</u>
<u>Add: Transferred from merged Amrut Consultancy (P)Ltd</u>	<u>-</u>	<u>77,023,500</u>
<u>Add: Fresh issue of Equity Shares Capital in QIP</u>	<u>1,578,467,055</u>	<u>-</u>
<u>Less: Equity Shares Capital -Issue Expenses</u>	<u>42,781,506</u>	<u>-</u>
<b>A</b>	<b>3,612,290,044</b>	<b>1,679,679,698</b>
Capital Reserves <b>B</b>	<b>32,621,806</b>	<b>1,297,810</b>
Profit & Loss Account <b>C</b>	<b>164,946,086</b>	<b>143,404,365</b>
General Reserves <b>D</b>	<b>5,732,672</b>	<b>-</b>
<b>Total (A+B+C+D)</b>	<b>3,815,590,609</b>	<b>1,824,381,873</b>
<b>Schedule - III</b>		
<b>SHARE APPLICATION MONEY</b>		
Optionally Convertible Preference Share Application Money	2,081,910,000	-
<b>Total</b>	<b>2,081,910,000</b>	<b>-</b>
<b>Schedule - IV</b>		
<b>SECURED LOANS</b>		
<b>TERM LOANS</b>		
Central Bank of India	64,885,000	-
Central Bank of India-NSE MIBOR	500,246,575	-
State Bank of India	34,254,641	-
<b>OTHER LOANS &amp; ADVANCES</b>		
ICICI Bank Limited	501,828	1,008,208
(Secured by Hypothecation of Car)		
Kotak Mahindra Prime Limited	9,685,503	-
(Secured by Hypothecation of Car)		

## Schedule forming part of the Consolidated Financial Statement

(Contd.)

(Amount in Rs.)

	As At - 31.03.10	As At - 31.03.09
HDFC Bank Limited	1,000,727,397	-
<b>Total</b>	<b>1,610,300,944</b>	<b>1,008,208</b>
<b>Schedule - V</b>		
<b>UNSECURED LOANS</b>		
From Body Corporate	807,208,689	225,100,000
From Others	443,848,975	312,687,200
Application Money for OCD	-	646,400,000
Optional Convertible Debenture(Issued)	207,400,000	-
Non Convertible Debenture (Issued)	829,900,000	-
Interest Accrued & Due	67,361,517	-
<b>Total</b>	<b>2,355,719,181</b>	<b>1,184,187,200</b>
<b>Schedule - VII</b>		
<b>INVESTMENT</b>		
<b>LONG TERM INVESTMENT (AT COST)</b>		
<b>INVESTMENT IN GOVERNMENT SECURITIES / BONDS</b>		
IDBI Bonds 2 Bond ( P.Y. 3 Bonds ) of Rs. 1,000,000/- each	2,000,000	3,000,000
<b>Total</b>	<b>2,000,000</b>	<b>3,000,000</b>
<b>INVESTMENT IN PROPERTIES</b>		
Investment in Properties	237,481,502	189,080,979
Transfer Development Rights (TDR)	80,000,202	-
<b>Total</b>	<b>317,481,705</b>	<b>189,080,979</b>
<b>INVESTMENT IN SHARES (QUOTED)</b>		
Punjab Communication Limited	12,600	12,600
1,000 (P.Y.1,000 ) fully paid up equity shares of Rs.10 each		
Amit Spinning Industries Limited	120,588	120,588
15,500 (P.Y.15,500 ) fully paid up equity shares of Rs.10 each		
Dena Bank	491,955	234,125
8,500 (P.Y.3,500) fully paid up equity shares of Rs.10 each		
Essar Steel Limited	218,201	218,201
4,500 (P.Y.4,500) fully paid up equity shares of Rs.10 each		
Essar Oil Limited	1,955,791	1,955,791
9,000 (P.Y.9,000) fully paid up equity shares of Rs.10 each		
Hotel Leelaventure Limited	670,603	670,603
10,000 (P.Y.10,000 ) fully paid up equity shares of Rs.10 each		
India Hotels Company Limited	829,151	829,151
6,150 (P.Y.6,150) fully paid up equity shares of Rs.10 each		
MRPL Limited	500,339	1,495,993
10,000 (P.Y.30,000) fully paid up equity shares of Rs.10 each)		
Heidelberg Cement Limited	605,810	605,810
10,000 (P.Y.10,000) fully paid up equity shares of Rs.10 each		
PSL Limited	1,121,994	1,121,994



## Schedule forming part of the Consolidated Financial Statement

(Contd.)

(Amount in Rs.)

	As At - 31.03.10	As At - 31.03.09
2,285 (P.Y.2,285) fully paid up equity shares of Rs.10 each Ranbaxy Laboratories Limited	919,720	919,720
2,000 (P.Y.2,000) fully paid up equity shares of Rs.10 each Reliance Industries Limited**	647,120	647,120
500 (P.Y.4,000) fully paid up equity shares of Rs.10 each (held in name of RPL) SAIL Steel Limited	135,000	135,000
5000 (P.Y. 5,000 fully paid up equity shares of Rs. 10 each TATA Steel Limited	788,440	788,440
1,000 (P.Y.1,000) fully paid up equity shares of Rs.10 each UCO Bank	358,308	153,058
8,000 (P.Y.3,000) fully paid up equity shares of Rs.10 each Vijaya Bank	365,435	176,103
7,500 (P.Y.2,500) fully paid up equity shares of Rs.10 each Dish TV	-	-
1,150 (P.Y.1,150) fully paid up equity shares of Rs.10 each (Pursuant to conversion from ZEE Telefilm ) Market Value Of Quoted Investments as on 31.03.2010 Rs. 7,836,144/- ( P. Y. Rs 31.03.2009 538,888,175/-)		
<b>Total</b>	<b>9741055</b>	<b>10,084,297</b>
<b>CURRENT INVESTMENT</b>		
<b>MUTUAL FUND</b>		
Birla Sunlife Gilt Plus-Reg-Growth Nil (P.Y. Units 400899.297 @ NAV 31.18 )	-	12,500,000
Birla Sunlife Income Fund Nil ( P.Y.Units 4867504.349/ NAV 11.1104)	-	54,079,769
Birla Sunlife Income Plus Nil (P.Y. Units 372190.9910 @ NAV 40.506	-	15,075,829
Birla Sunlife Income Plus Nil (P.Y.Units 63798.6030 NAV 40.7541)	-	2,600,000
Birla Sunlife Saving Fund Nil (P.Y.Units 529526.519 / NAV 10.0068)	-	5,298,866
Birla Sunlife Income Plus Nil ( P.Y.Units 223493.380 / NAV 11.6868)	-	2,611,916
Birla Sunlife Income Plus Nil (P.Y.Units 480589.364 / NAV 11.6524)	-	5,599,999
Birla Sunlife Income Plus Nil (P.Y.Units 911432.064 NAV 11.2827)	-	10,283,431
SBI Arbitrage Opportunities Fund Units 2604393.768 NAV 12.2077 (P. Y. Nil)	26,700,000	-
SBI Arbitrage Opportunities Fund Units 417249.589 NAV 12.2077 (P. Y. Nil)	5,100,000	-
SBI Arbitrage Opportunities Fund Units 959101.603 NAV 10.8435 (P. Y. Nil)	10,400,000	-
HDFC Cash Management Fund Units 1627994.456 @ NAV 10.0315 (P. Y. 1283225.482 @ NAV 10.0315)	16,331,226	12,872,676
IDFC Arbitrage Fund Units 1383873.514 NAV 10.4072 (P. Y. Nil )	14,402,307	-
HDFC Cash Management-Treasury Units 622777.297 @ NAV 19.7725 (P. Y. 143124.304 @ NAV 19.0419)	12,313,899	2,725,359
HDFC Income Fund Dividend Nil ( P.Y.Units 9285745.414 / NAV 11.2625)	-	104,580,979
ICICI Prudential Income Fund Units 939.309 @NAV 105.7350 ( P.Y.Units 15257230.640 / NAV 10.5735)	99,212	161,322,328
ICICI Prudential Income IP Fund Nil (P.Y. 2927256.832 / NAV 12.3919)	-	36,274,360
IDFC GSF Investment Plan A Nil (P.Y.Units 815,153.207 NAV 11.2245)	-	9,149,669

# Schedule forming part of the

## Consolidated Financial Statement

(Contd.)

(Amount in Rs.)

	As At - 31.03.10	As At - 31.03.09
IDFC GSF Investment Plan A Nil (P.Y.Units 415,399. 899 NAV 17.4969)	-	7,268,200
IDFC GSF -IP Plan B Units 123277.824 NAV 10.2692 ( P.Y.Units 2910709.355/ NAV 10.5557)	1,265,965	30,724,575
IDFC Money Manager Fund-Treasury Nil (P.Y.Units 50016.857 NAV 10.0699)	-	5,036,645
J M Arbitrage Advantage Fund Units 1464596.300 NAV 12.4838 (P. Y. Nil)	18,283,727	-
JM G-SEC FUND Nil (P.Y. Units 215570.6740 @ NAV 29.097 )	-	6,272,352
JM Short Term Fund Nil (P.Y.Units 2833755.8240 NAV 11.9926 )	-	33,983,054
JM Short Term Fund- Institutional Plan Nil ( P.Y.Units 2931157.033/ NAV 10.5176)	-	30,828,862
JP Morgan India Active Bond Fund Nil (P.Y.Units 467271.1404 NAV 11.0912)	-	5,182,617
Kotak Gilt Funds Nil ( P.Y.Units 3034182.648/ NAV 13.7908)	-	41,843,895
Reliance Gilt Secur. Fund-Inst. Divid. Ian Nil ( P.Y.Units 7258924.554/ NAV 11.4306)	-	82,973,797
Templeton India Government Securities Fund. Nil ( P.Y.Units 50462.286/ NAV 10.8787)	-	548,966
<b>(Market Valued of Mutual Funds as on 31.03.2010 Rs. 107,163,576/- (P. Y. 31.03.2009 Rs. 651,351,134/-))</b>		
<b>Total</b>	<b>104,896,336</b>	<b>675,105,162</b>
<b>INVESTMENT IN SHARES (UNQUOTED)</b>		
Samhrutha Habitat Infrastructure Private Limited	26,100,000	26,100,000
Satguru Capital & Finance Private Limited	1,500,000	1,500,000
Piramal Sunteck Realty Private Limited	-	284,629,008
Saraswat Coop Bank Limited	700	700
Janakalyan Sahakari Bank Limited	10,000	10,000
The Thane Janata Sahakari Bank Limited	-	100
Mandavi Bank Limited	2,000	2,000
North Canara Bank Limited	50	50
Saraswat Bank Limited	1,000	1,000
Shamrao Vithal Bank Limited	1,250	1,250
<b>Total</b>	<b>27,615,000</b>	<b>312,244,108</b>
<b>OTHER INVESTMENTS</b>		
OCRPS Application Money with Piramal Sunteck Realty Private Limited	-	550,000,000
OCD Application Money with Starlight Systems Private Limited	-	18,000,000
684,752 OCD of Rs. 100/- each of Starlight Systems Private Limited	646,070	-
50% share in Partnership Firm M/s Kanaka & Associates	-	50,000,000
NCD Issued	1,202,059	-
Towell Piramal Sunteck LLC	9,748,582	-
<b>Total</b>	<b>11,596,711</b>	<b>618,000,000</b>
<b>TOTAL INVESTMENTS</b>	<b>473,330,807</b>	<b>1,807,514,546</b>

# Schedule forming part of the Consolidated Financial Statement

(Contd.)

Schedule -VI  
Schedule s Annexed to form an Integral Part of Financial Statements for the year ended 31st March 2010

(Amount in Rs.)

Sr.No	Particulars	Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			Opening as at 01.04.2009	Additions	Deductions	Closing as at 31.03.2010	Opening as at 01.04.2009	Additions	Deductions	Closing as at 31.03.2010	Closing as at 31.03.2010	Closing as at 31.03.2009
1	Air Condition	4.75%	3,829,865	3,660,765	-	7,620,380	896,495	310,092	-	1,224,003	6,396,378	2,933,370
2	Computers& Peripherals	16.21%	16,569,689	3,110,038	-	19,679,727	8,647,438	2,820,933	-	11,468,371	8,211,356	7,922,251
3	Office Equipment	4.75%	1,819,455	253,905	-	2,073,360	542,613	90,050	-	632,664	1,440,697	1,276,842
4	Furniture & Fixtures	6.33%	115,973,624	5,108,776	-	121,082,400	50,442,208	7,483,809	-	57,926,017	63,156,383	63,937,908
5	Motor Car	9.5%	16,569,689	3,110,038	-	19,679,727	8,647,438	2,820,933	-	11,468,371	8,211,356	7,922,251
	Current Year		143,680,528	36,804,911	1,289,836	179,325,355	62,335,114	11,526,599	681,491	73,197,638	106,127,717	81,345,415
	Previous Year		134,855,968	8,824,560	-	143,680,528	48,337,460	13,997,653	-	62,355,113	81,345,415	-
	Capital Work In Progress		8,157,547	-	(8,157,547)	-	-	2,820,933	-	-	-	-

## Schedule forming part of the Consolidated Financial Statement

(Contd.)

(Amount in Rs.)

	As At - 31.03.10	As At - 31.03.09
<b>Schedule VIII</b>		
<b>INVENTORIES</b>		
Construction Projects (Work in Progress )	8,863,509,787	2,723,471,300
<b>Total</b>	<b>8,863,509,787</b>	<b>2,723,471,300</b>
<b>Schedule IX</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Goods)		
Debts outstanding for a period exceeding six months	12,409,855	2,636,756
Other Debts	67,997,819	21,458,636
<b>Total</b>	<b>80,407,675</b>	<b>24,095,393</b>
<b>Schedule X</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in hand	185,851	78,393
<b>BANK BALANCE WITH Schedule D BANK</b>		
In Current Account	156,565,586	2,218,573
Term Deposit with Bank	187,127,291	5,443,191
(Include Pledge with bank Rs.3,167,291/-)		
<b>Total</b>	<b>343,878,728</b>	<b>7,740,157</b>
<b>Schedule XI</b>		
<b>LOANS &amp; ADVANCES</b>		
Advances recoverable in cash or in kind or for value to be received	281,269,267	383,834,109
Advances for Construction Projects	1,659,460,228	126,943,457
Other Receivable	1,994,317,144	126,465,724
Other Advances & Deposits	12,920,815	6,600,309
Income Tax & TDS Receivable	77,425,897	48,994,570
<b>Total</b>	<b>4,025,393,351</b>	<b>692,838,169</b>
<b>Schedule XII</b>		
<b>CURRENT LIABILITIES</b>		
<b>SUNDRY CREDITORS</b>		
- Total Outstanding dues of micro enterprises and small enterprises	41,695	-
- Total Outstanding dues of Creditors other than micro enterprises And small enterprises	2,613,776,580	773,662,018
Security Deposits	147,432,051	173,879,101
Other Liabilities	103,626,225	11,177,248
Bank Book Balance	-	17,537,748
Advance from Customer	-	1,869,047
Advance Against Flat Booking	1,731,162,187	1,164,680,914
<b>Total</b>	<b>4,596,038,738</b>	<b>2,142,806,077</b>

## Schedule forming part of the Consolidated Financial Statement

(Contd.)

(Amount in Rs.)

	As At - 31.03.10	As At - 31.03.09
<b>Schedule XIII</b>		
<b>PROVISIONS</b>		
Provisions for Tax	56,750,622	27,955,438
Dividend Distribution Tax Payable on Interim Dividend	1,284,140	-
Dividend Distribution Tax Payable on Proposed Dividend	2,558,781	-
Proposed Dividend	15,055,945	-
Provisions for Gratuity	716,500	-
Provision for Fringe Benefit Tax	123,089	-
<b>Total</b>	<b>76,489,077</b>	<b>27,955,438</b>
<b>Schedule XIV</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
( to the extent not written off or adjusted		
<b>PRELIMINARY EXPENSES</b>		
Opening Balance	30,608	37,278
Less: Preliminary Expenses w/off	24,368	18,870
<b>Total</b>	<b>6,240</b>	<b>18,408</b>
<b>Schedule - XV</b>		
<b>INCOME FROM OPERATIONS</b>		
Income from operation	284,006,124	205,950,921
<b>Total</b>	<b>284,006,124</b>	<b>205,950,921</b>
<b>Schedule - XVI</b>		
<b>OTHER INCOME</b>		
Research & Analysis Charges (Tds Rs. 19,500/- P Y Nil)	195,000	-
Interest on FDR	366,605	335,984
Other Interest	6,600,381	5,775,112
Dividend Income	12,098,856	95,254,934
Misc .Income	915,302	384,401
Profit on Sales of Investment	3,526,123	9,657,752
<b>Total</b>	<b>23,702,268</b>	<b>111,408,184</b>
<b>Schedule - XVII</b>		
<b>OPERATING EXPENSES</b>		
Opening Stock	-	39,150
Add: Purchases	-	-
Less: Closing Stock	-	12,600
Loss / (Profit) on valuation of stock	-	26,550
Cost of Sales	-	-
Operating Expenses	66,791,852	30,675,365
Labour charges paid	-	2,896,100
<b>Total</b>	<b>66,791,852</b>	<b>33,598,015</b>
<b>Schedule - XVIII</b>		

## Schedule forming part of the Consolidated Financial Statement

(Contd.)

	(Amount in Rs.)	
	As At - 31.03.10	As At - 31.03.09
Office & Administrative Expenses		
Advertisement Expenses & Sales Promotion Expenses	4,729,141	1,688,689
Auditor Remuneration	661,536	132,060
Bank charges & Interest	4,875,641	314,184
Brokerage & Commission	3,822,500	8,469,916
Donation Paid	10,000,000	100,000
Electricity Charges	5,326,858	4,808,689
Insurance Expenses	42,950	606,077
Interest Expenses	110,767	196,920
Legal & Professional Fees	18,215,550	4,383,639
Listing & Demat Expenses	15,4437	431,578
Loss on Sales of Investment	8,095,845	153,280
Loss on Sales of Motor Car	208,345	-
Merger Expenses	-	642,400
Maintenance Expenses	269,724	684,455
Miscellaneous Expenses	8,771,396	5,504,195
Rent, Rates & Taxes	1,662,371	1,206,603
Repairs & Maintenances - Building	-	6,466,787
Repairs & Maintenances - Others		21,833,983
Employee Provident Fund		-
Security Transaction Tax		-
Salaries & Bonus ( Including Director Remuneration)		8,164,552
Staff Welfare Expenses		503,534
Sundry Balances W/off		450
Telephone & Communication Expenses		-
Travelling & Conveyance Expenses		3,481,006

## Schedule forming part of the Consolidated Financial Statement

(Contd.)

### Schedule XIX

Significant Accounting Policies and Notes to Accounts of Consolidated Accounts forming part of Financial Statements for the year ended 31st March 2010

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis, in compliance with all material aspects of the notified Accounting standards by Companies (Accounting Standards) Amendment Rules, 2008 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

##### 2. Principles of consolidation

- i. The Consolidated financial statements related to Sunteck Reality Limited ('the parent') and its subsidiaries have been prepared in accordance with the principles and procedure required for the preparation and presentation of financial statements as laid down under the Accounting Standards issued by Institute of Chartered Accountants of India.
- ii. The Financial Statement of the Parent Company and its subsidiaries have been consolidated line-by-line basis by adding together the book value of like items of assets, liabilities, income & expenses, after eliminating intra-group balances and the unrealized profits/losses on intra-group transaction. Where the cost of the investments is higher/lower than the share of equity in subsidiaries at the time of acquisition the resulting difference is treated as goodwill/capital reserve.
- iii. Investments in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the company's share of net assets of the net assets of the associates. The carrying amount of investment in associates companies is reduced to recognise any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually.
- iv. The company's interest in joint venture are consolidated as follows:

Type of Joint Venture	Accounting Treatment
Jointly Controlled Operations	Company's share of revenues, common expenses, assets, liabilities are included in revenues, expenses, assets and liabilities respectively
Jointly Controlled Assets	Share of the assets, according to the nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly Controlled Entities	The Company's interest in jointly controlled entities are proportionately consolidated on line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating the unrealised profits/losses on intra group transactions.



## Schedule forming part of the

## Consolidated Financial Statement

(Contd.)

### 3. Revenue recognition

- i. The Company follows completed project method of accounting ("Project Completion Method of Accounting"). Allocable expenses incurred during the year are debited to work in progress account. The revenue is accounted when the Projects get completed to the extent that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii. Rent Income is considered on acceptance of the contract and is accrued over the period of contract.
- iii. Interest Income is recognized on time proportion basis.
- iv. Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.

### 4. Use of Estimates

The Preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materealised.

### 5. Inventories

Projects in progress are valued at cost. Cost includes cost of land, land development right, materials, services, borrowing costs and other related overheads.

### 6. Fixed Assets

Fixed assets are shown at cost of acquisition, after reducing accumulated depreciation. Capital work in progress includes expenditure incurred till the assets are put into intended use.

### 7. Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher.

### 8. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there are impairment indicators. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the WACC.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or decreased based on reassessment of recoverable amount, which is carried out if the change is significant. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### 9. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and market value whichever is less.

All other investments are classified as long-term investments. Long-term investments are carried at cost, less provision for diminution in value other than temporary.

### 10. Employee benefits

#### Defined Contribution Plan

Contribution to defined contribution plans are recognized as expense in the Profit and Loss Account as they are incurred.

### 11. Defined Benefit Plan

Company's liabilities towards gratuity liability are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each balance sheet date. Actuarial gains/losses are immediately taken to P&L Account and are not deferred. Leave Encashment and bonus is accounted on cash basis.

## Schedule forming part of the

## Consolidated Financial Statement

(Contd.)

### 12. Borrowing Cost

Borrowing costs which are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred.

### 13. Taxation

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### 14. Share Issue Expenses

Share Issue Expenses are charged to the Securities Premium account.

### 15. Foreign Currency Transactions

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. The gain or loss arising out of settlement / translation of the assets and liabilities at the closing rates due to exchange fluctuations is recognized as income/expenditure in the profit and loss account.

### 16. Earning Per Share

The Company reports basic and diluted earnings per share in accordance with AS-20 "Earnings per Share". Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

### 17. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. . Provisions are not discounted to its present value and are determined based on best estimate

## Schedule forming part of the Consolidated Financial Statement

(Contd.)

required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### 18. Contingent Liabilities

Contingent Liabilities, if any, are disclosed in the Notes on Accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

### 19. Cash Flow Statement

The Cash Flow Statement has been prepared in accordance with the indirect method prescribe in Accounting Standard- 3 issued by The Institute of Chartered Accountants of India.

## B. NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities not provided for in respect of	2009-10	2008-09
Bank Guarantee	118.00	116.00
- Income Tax Demand pending appeal (A.Y. 2007-08)	2.06	-
- Income Tax Demand pending appeal (A.Y. 2007-08)	33.58	-
- Income Tax Demand pending appeal (A.Y. 2005-06)	-	31.38
- Income Tax Demand pending appeal (A.Y. 2006-07)	-	28.25
The company may have to pay to Rajasthan Financial Corporation on behalf of Man Industrial Corporation Limited towards repayment of the loans as per the development agreement	500.00	-

In the opinion of the management, there is no contingent liability other than the specified above and the stamp duty and registration charges which is payable as per High Court Order under section 394 of the Companies Act, 1956 in respect of amalgamation or reconstruction of companies, the amount of which is not quantifiable at present. Adequate provision has been made for all known liabilities, except interest and penalty as may arise.

### 2. Subsidiary Companies

The Company's Subsidiary and its investment percentages are as follows

Name of the Company	Percentage of Holding
Amenity Software Private Limited	100.00%
Magenta Computer Software Private Limited	100.00%
Satguru Infocorp Services Private Limited	100.00%
Starlight Systems Private Limited	60.00%
Piramal Sunteck Realty Private Limited	50.01 %

### 3. The details of investments made in capital of partnership firm as at 31st March 2010 is as under: Kanaka and Associates

(Rs. in Lacs)

Name of the Partners	Share of Partners	Capital
Sunteck Realty Limited	50 %	500.00
Kanaka & Associates (Prop.Mr. Jaykrishna A. Shetty)	50 %	500.00
Total	100 %	1000.00

## Schedule forming part of the Consolidated Financial Statement

(Contd.)

4. As per the Accounting Standard 22- 'Accounting for Taxes on Income' issued by ICAI, the Deferred Tax Assets/ (Liability) comprises the following

(Rs.)

Name of Scheme	As per Books	As per IT	Difference	DTA/ (DTL)
WDV of Fixed Assets	106,127,716	100,936,069	5,191,648	(1,724,537)
Closing Deferred Tax Liability		1,724,537.00		
Opening Deferred Tax Liability		1,370,052.00		
Charged To Profit & Loss A/c		354,485.00		

.5. Earning Per Share

	Year ended 31st March 2010	Year ended 31st March 2009
Net profit for the year attributable to equity shareholders (Rs.)	52,067,078	168,361,670
Weighted Average No. of Equity shares outstanding for Basic Earning per share	59,966,207	52,061,233
Weighted Average No. of Equity shares outstanding for Diluted earning per share	59,966,207	52,061,233
Basic Earning per share (face valued of Rs 2/-each) (Rs.)	0.90	3.23
Diluted earning per share (face valued of Rs 2/-each) (Rs.)	0.90	3.23

\*Since the Equity shares has been split from face value of Rs. 10/- to Rs. 2/- in current year therefore EPS and Diluted EPS has been restate of last year as per AS-20.

6. Related Party Disclosures

C) Names of Related Parties and Nature of Relationships

I. Subsidiaries

Amenity Software Private Limited  
Magenta Computer Software Private Limited  
Satguru Infocorp Services Private Limited  
Starlight Systems Private Limited  
Piramal Sunteck Realty Private Limited

Step-down Subsidiaries

Nariman Infrastructure Private Limited  
V3 Design Private Limited  
Uniworth Realty Private Limited  
Piramal Sunteck International Limited  
Piramal Sunteck Realty Mauritius Limited

II. Joint venture

Kanaka and Associates (Partnership Firm)

III. Entity over which Company exercise significant influence

Eskay Infrastructure Development Private Limited

## Schedule forming part of the

## Consolidated Financial Statement

(Contd.)

Satguru Capital & Finance Private Limited  
Satguru Derivatives & Commodity Private Limited  
Buteo Finance & Investments Limited

### IV. Key Management Personnel

Mr. Kamal Khetan  
Mrs. Manisha Khetan  
Mr. Khushru Jijina

### D) Transactions with Related Parties

(Rs. in Lacs)				
Nature of Transaction	Subsidiary	Associates / Joint Venture	Entity over Significant Influence	Key Management Personnel & their relatives
Transaction During the Year				
Unsecured Loans	150.00 (976.35)	- -	- (1,058.00)	3,297.50 (1,976.30)
Loans and Advances given	1,011.82 (9,472.56)	100.00 (3,452.65)	- (1,577.55)	- -
Compulsory Convertible Preference	- -	- -	- -	2.56 (-)
Share Application Money for OCD/OCRPS	16,285.10 0	- (5,500.00)	15,827.10 (-)	- -
OCD Shares Application Money received	1,369.75 (150.00)	- -	- (6,284.00)	- -
Purchase of Shares of Subsidiary from	1,506.25 (1.00)	- -	- -	- (273.70)
Directors Remuneration	- -	- -	- -	58.83 (15.00)
Receiving of Services	- (0.35)	- (45.81)	2.71 (-)	- -
Advance Against Flat Booking		300.00 (-)	- -	125.00 (1,023.00)
Operating Income	630.60 (88.04)	- -	1.95 (-)	- -
Dividend Income	78.60 (-)	- -	- -	- -
Expenses	498.25 (-)	- -	- -	- -
Dividend Expenses	78.60 (-)	- -	- -	- -
Balances at year end				
Unsecured Loans	1,000.00 (850.00)	- -	- (1,000.00)	2,997.50 (-)
Loans & Advances	10,596.46 (9,472.56)	- -	- (1,904.98)	- -

## Schedule forming part of the Consolidated Financial Statement

(Contd.)

(Rs. in Lacs)

Nature of Transaction	Subsidiary	Associates / Joint Venture	Entity over Significant Influence	Key Management Personnel & their relatives
OCD Shares Application Money Received	685.00 (-)	- -	- (6,284.00)	- -
Share Application Money for OCD/OCRPS	21,785.10 (180.00)	- (5,500.00)	20819.10 (-)	- -
Advance Received Against Flat Booking	- -	300.00 (-)	- -	1,689.50 (1,564.50)
Debtors	465.11 (13.02)	- -	1.02 (-)	- -
Investment in Shares	6,178.13 (4,671.88)	261.00 (-)	15.00 (-)	- -
Creditors	345.99 (13.03)	- -	- -	- -
Dividend Receivable	3.60 (-)	- -	- -	- -

7. In the opinion of the management, value on realization of fixed assets, current assets, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.
8. The balances of some of the loans and advances and creditors are subject to confirmation.
9. In the absence of necessary information with the Company, relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be complied and disclosed.
10. Previous year's figures have been regrouped, rearranged, reclassified to the extent possible.
11. The Company operates in Single Segment i.e. Realty and Construction.

Signature to Schedule I to XIX.

As per our report of even date attached herewith

For M B A H & CO  
Chartered Accountants

For and on behalf of the Board of  
Directors of Sunteck Realty Limited

Mahesh Bhageria  
Partner

Kamal Khetan  
Chairman & Managing Director

M. Kalahasthi  
Director

Ramakant Nayak  
Director

Kishor Vussaji  
Director

Membership No: 34499  
Mumbai: 12th August 2010

Madhavi Purohit  
Company Secretary

Dinkerray Kothari  
Director

## Details of Subsidiaries

Particulars of Subsidiary Companies of Sunteck Realty Limited  
Disclosure Pursuant to Ministry of Corporate Affairs Approval No 47/93/2010-CL-III Dated March 15, 2010 under  
section 212 (8) of the Companies Act, 1956 for the year ended March 31, 2010

(Amount in Rs.)

Sr.No	Name of Subsidiary Company	Capital	Reserves	Total assets	Total Liabilities	Investments	Turnover / Total Income	PBT	Provision for tax	PAT	Proposed Dividend
1	Amenity Software (P) Ltd	500,000	49,681,831	57,565,079	57,565,079	50,443,946	16,289,972	13,309,804	2,166,423	11,143,381	937,500
2	Magenta Computer software (P) Ltd.	500,000	48,400,966	56,420,221	56,420,221	49,879,655	16,019,913	13,263,389	2,141,915	11,121,474	937,500
3	Satguru Infocorp Services (P) Ltd.	3,750,000	95,777,427	197,967,826	197,967,826	35,171,706	77,239,434	25,669,992	8,705,888	16,964,104	5,625,000
4	Piramal sunteck Realty (P) Ltd.	10,256,415	815,116,477	6,350,627,918	6,350,627,918	2,005,657,172	30,153,356	18,924,604	6,250,893	12,673,711	-
5	Starlight Systems (P) Ltd.	4,000,000	84,276,161	8,742,745,938	8,742,745,938	34,020,495	74,276,214	15,445,605	4,367,263	11,078,342	-
6	Nariman Infrastructure (P) Ltd.*	100,000	133,964	878,499,051	878,499,051	-	-	(43,530)	4,580	(48,110)	-
7	Uniworth Realty (P) Ltd.*	100,000	-	81,774,402	81,774,402	-	-	-	-	-	-
8	V3 Designs (P) Ltd.*	150,000	(1,652,143)	11,208,458	12,710,601	-	800	(21,773)	2,945	(24,718)	-
9	Piramal Sunteck Realty Mauritius Ltd.*	8,471,027	934,294	151,772,414	151,772,414	40	1,044,993	(245,067)	-	(245,067)	-
10	Piramal Sunteck International Ltd.*	40	(5,028,453)	148,534,612	153,563,025	9,748,582	81,117	(4,383,243)	-	(4,383,243)	-

\* 100% Subsidiary of Piramal Sunteck Realty Private Limited.





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