

Success...

Inspired by the Sun
Crafted by passion





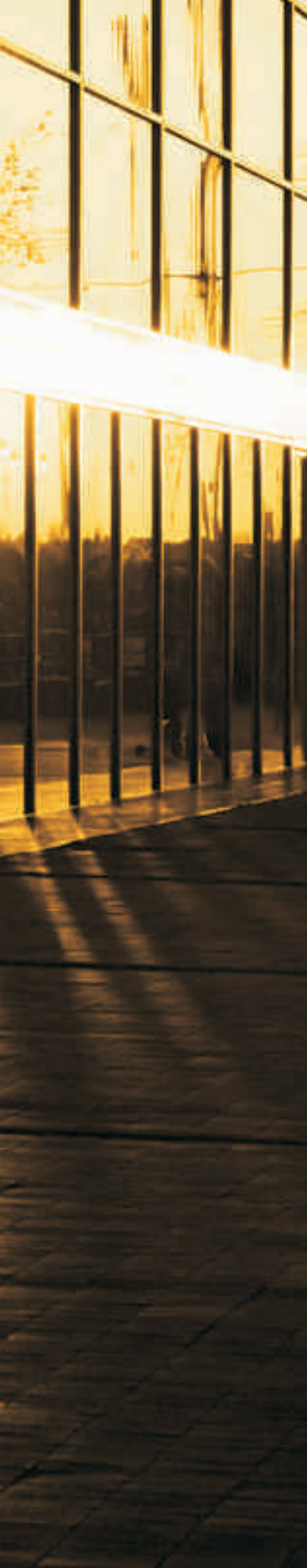


Inheritance of the Sun.

The brilliance of the Sun illuminates our lives, guiding us to achieve the extraordinary. It shines upon us every single day, so does our passion to create exclusive living spaces.

The Sun ignites a flame within us and inspires us to achieve triumphant success. We inherit from his greatness not just the name, but also its attributes.





Passion for creating finesse.

The fire that burns within us defines who we are. And we define ourselves by the burning passion to transcend. When we aim for the stars, we make sure to achieve nothing less. And we do so almost always.

When the Sun shines, some merely wake up. But then there are those who rise with the rising Sun, competing with its brilliance. We take pride in creating, leveraging spaces for such fine achievers.

At Sunteck, we take privilege in innovating, shaping and building exquisite spaces, both residential and commercial.

With every passing year the flame of our passion for achieving burns brighter. And with the dawn of every arriving year we write yet another chronicle of the Sunteck era.

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Corporate Information

BOARD OF DIRECTORS

Mr. Kamal Khetan - Chairman and Managing Director

Mr. Jignesh Sanghavi - Executive Director

Mr. Kishore Vussonji - Independent Director

Mr. Sanjay Dutt - Independent Director

Mr. Mahadevan Kalahasthi - Independent Director

Mr. Ramakant Nayak - Independent Director

Mr. Hari V. Krishna - Nominee Director

Ms. Rachana Hingarajia - Company Secretary

AUDITORS

M/s Lodha & Co. - Chartered Accountants

SOLICITORS AND LEGAL ADVISORS

Kanga & Company

BANKERS

Kotak Mahindra Bank

ADDRESS OF REGISTRAR OFFICE

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

REGISTRAR AND TRANSFER AGENTS

Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup,
Mumbai - 400078

Chairman's Message



Mr. Kamal Khetan

Dearshareholders,

The rising sun gives confidence, rising sun gives light , rising sun gives power, rising sun gives life. At Sunteck our inspiration comes from the rising sun, and here the sun never sets instead it enlightens path to achieve growth with sustained strength and confidence.

The last fiscal was nothing but the usual trend witnessed post the 2008 slow down. The lack of direction to the economy, high inflation and constant rate tightening, have led to a struggle for most sectors to sustain themselves, and therefore the markets showed an overall downward trend, with both sale and leasing activities coming to a near standstill. The credit crunch further added to the misery. The environment has not been conducive to doing business for the real-estate given the snail pace of government approval processes while on the other hand significant revisions in planning norms, tax formats and revision in the approval bodies have further caused anxiety to developers. However, these times proved to be an imperative assessment of our business strategies. While the meltdown spared none, because of our cautious approach, we remained largely unaffected. Instead in this difficult business cycle we have emerged as a much stronger player.

With our cash positive position, we have been successfully acquiring assets at opportunistic values on account of the downturns at good locations without relying on debt for our growth. We take pride in being amongst the very few real-estate companies who have negligible debt at the parent level. We aquired approx. 16 acres of a land parcel in Goregaon (West)in the heart of Mumbai city next to our existing 7 acre project 'Sunteck City'. Our existing Investors 'Kotak' confirmed their faith in our company by participating in this acquisition. This has been a tremendous advantage in times of a general credit crunch faced by the market by acquiring a large land parcel in the heart of the city at an exceptionally attractive price and thus taking optimum advantage of the downturn. Our sound cash and risk management abilities are reflected in the fact that our financial health was never in doubt, even at a time when our peers continue to deal with the pressures of a liquidity crunch. A healthy cash position has empowered us to deliver optimum value by enabling time-bound execution of our projects, whilst allowing us to capitalise on other opportunistic acquisitions. The cash flow visibility is an evidence of the innovative strategies to develop markets rather than create market share. By reading the market need correctly, Sunteck entered into right-sized luxury segment offering a 2-3 BHK

configuration in Goregaon has given visible sales of about Rs.139 crs. Moving ahead Sunteck launched the second land mark in the heart of a developing location like Airoli, Navi Mumbai with its projects 'Signia Orion'. This is a joint venture project with the renowned Ajay Piramal Group.

I am very happy to announce that, recognized brands not only from India but across the globe are keen on joining hands with Sunteck. While tying-up with international brands to add value to our projects we make sure that the associations are not just a brand building activity but assures a significant value proposition to our customers. The launch of 'Signature Concierge' is one such example. We have introduced this service at our flagship project 'Signature Island' by tying-up exclusively with 'Vertu', the global market leader in luxury mobile phones that has a life style concierge service tie-up in more than 30 countries. This tie-up aims to provide a Life style concierge service to the residents of our projects located in Bandra-Kurla Complex never before witnessed in the country yet.

Taking a step further, Sunteck has also tied up with the world's most recognized brand 'Walt Disney', which will help us to deliver Disney Inspired Homes at our integrated township 'Sunteck City', a development on 23 acres at Goregaon (West) - our most recent acquisition. This tie-up is directed towards adding value for the residents and creating an emotional connect with customers across all age group. A truly integrated township designed by world renowned architects and common areas for kids and kid's room in their apartments designed by Disney makes it the first of its kind project in the country.

In the current market scenario where the companies endeavor to sustain their growth we are seeking to achieve further growth. In the current financial year i.e FY 12-13 we see our flagship project 'Signature Island' being delivered alongwith several projects that are nearing completion. This will strengthen our claim of strong and quality execution within the promised time-frame to our customers and will set another milestone for the company. In our constant endeavor to innovate and develop market, we assure that we will not leave any stones unturned to look at deepening the other real-estate segment in the coming year on an opportunistic bases. We shall continue to strengthen our human resources across level in line with the strong growth proposition that we expect.

I would like to thank all those who have been a continuous support and specially the members of Sunteck family for their faith and commitment in this dream journey. I would like to thank the shareholders for the consistent trust they reposed and look forward to their support that will lead us towards realizing our dream.

Kamal Khetan

Chairman & Managing Director

Residential



An Island offering a fine lifestyle

Signia Isles

Bandra Kurla Complex, Mumbai

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

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

Signia pearl

Reassuringly Rare

Bandra Kurla Complex, Mumbai

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.





A sign by sophistication itself.

'Signature Island' is the signature asset of the blue blooded. Everything you have imagined is possible here. It is also the first Indian venture to tie up with Vertu

mobile phones offering our patrons a token of appreciation. The lifestyle concierge services, the grand atriums that redefine luxury homes.

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

Signia Oceans

Airoli, Navi Mumbai

This is a blue chip landmark off Palm Beach road. You can call it 365-day vacation blessed by nature and lifestyle.



Open up to the new depths of luxury.

Signia Orion

Airoli, Navi Mumbai

Boasting a gorgeous waterfront view Signia Orion stands tall in Navi Mumbai's key location Airoli. Sit out on the large sundeck and enjoy the serenity. Rejuvenation is for sure.

An address that begins far
above the ground.

Signia High

GET HIGH. ON LIFE.

Borivali (E), Mumbai

Borivali touches a new high in luxury with
'Signia High'. Celebrate the finest amenities
this side of the skies. Get high.



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

Signia Skys

24-carat nature

Chaoni, Nagpur

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.



Sunteck *City*

Goregaon (W), Mumbai



A dreamland with the magic of Disney.

Sunteck City is India's first theme residence that marks the debut of Disney in Indian real estate. It takes you and your children into the magical world of fairy tales through Disney's exclusive theme.

Commercial

Sunteck Centre

Vile Parle (E), Mumbai

This contemporary retail and commercial address is just one km from the domestic airport and 4 kms from the international airport in Mumbai. Offering everything one expects from a futuristic corporate park.



SUNTECK GRANDEUR

Andheri (W), Mumbai

Time waits for no one. But exceptions exist.

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.

Business acquires style.

SUNTECK KANAKA corporate park

Patto Piazza, Panjim Goa

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.



Business Highlights

- 🔥 Pre-launch of residential project 'Signia Orion' in Airoli, Navi Mumbai with Phase I being sold out.
- 🔥 Pre-launch of residential project 'Sunteck City' spread across 7 acres in Goregaon (W), Mumbai.
- 🔥 Acquisition of 16 acres close to 'Sunteck City' taking total holding to 23 acres.
- 🔥 Exclusive tie up of Sunteck Realty with Disney India. This tie-up being first of its kind in the world, leverages the 'Magical Experience' that manifest by way of Disney inspired homes being offered.
- 🔥 Sunteck Realty associates with Vertu to redefine Indian luxury residential spaces. Exclusive Access of Global Concierge Service through a dedicated 'concierge desk' at Sunteck's flagship project- Signature Island located at BKC.

Annual Report 2011-12

Directors' Report

To the Members,

The Directors take the privilege of presenting the 29th Annual Report and Audited Accounts for the year ended 31st March 2012 to the members of the Sunteck Family.

FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	Standalone For the year ended on		Consolidated For the year ended on	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Total Income	2663.83	1568.20	3063.99	3051.92
Total Expenditure	558.443	675.29	1351.63	1700.34
Depreciation	35.74	29.54	147.66	147.28
Interest	474.01	0.93	437.06	343.72
Profit Before Tax	1595.63	862.44	1100.64	860.57
Provision for Tax & Deferred Tax	412.59	242.68	646.49	524.22
Profit After Tax	1183.04	619.76	454.15	336.35

During the year under review, the total revenue earned is Rs. 2663.83 Lacs compared to previous year's revenue of Rs.1568.20 Lacs on standalone basis. The profit before tax stands at Rs. 1595.63 Lacs as compared to Rs. 862.44 Lacs during the previous year. The consolidated revenue for the current year amounted to Rs. 3036.99 Lacs against Rs. 3051.92 Lacs compared to the previous year.

DIVIDEND

The Board had declared an Interim Dividend of 6% i.e Rs 0.12/-per Equity Share on 12th August 2011.

The Board of Directors have recommended a Final dividend of 6% i.e Rs.0.12/- per Equity share amounting to Rs. 75,55,945/- , for the approval of the shareholders.

DIRECTORS

Mr. Mahadevan Kalahasthi, and Mr. Jignesh Sanghavi, Directors of the Company retire by rotation and being eligible seek re-appointment at the ensuing Annual General Meeting, The Board recommend their re-appointment.

FIXED DEPOSITS

Your Company has not accepted any deposits in terms of the provisions of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975, as amended, during the year under review.

LISTING

The Equity Shares of the Company are listed at the Bombay Stock Exchange and National Stock Exchange Limited.

SUBSIDIARY COMPANIES ACCOUNTS:

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. Details of major subsidiaries of the Company forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY DEVELOPMENT:

Out for Good: Focusing on welfare of the economically and socially deprived Tribal Block situated at Jawahar in Thane District, SUNTECK in association with National Rural Research and Development Association(NARAD) engaged itself in the activity of distributing toys, books and other stationery items to the children including the staple food grains and fruits to each family in the area.

Sunteck sponsored Notebooks and Stationery at the Sports event organized at Mahindra Park, Breach Candy, by Colliers International in association with Muktangan, Akanksha & Magic Bus Foundation for the underprivileged children.

Directors' Report

(Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements 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 2011-12 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. the Directors have 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 of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the Annual Accounts on a going concern basis.

STATUTORY DISCLOSURES

- A) Disclosure of particulars of employees in Directors Report as required under Section 217 (2A) read with Companies (Particulars of Employees) Rules, 1975.

Name and Designation and Qualification	Age	Date of Joining	Experience	Gross Remuneration 31st March 2012 (in Rs)	Previous Employment & Designation
Mr. Kamal Khetan (Managing Director) B.E	44	27th January 2006	19 Years	70 ,00,000	Promoter of the Company

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

- As the Company is not a manufacturing company the Directors has nothing to report under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 .
- Foreign Exchange Earnings and Outgo:
 - a) Foreign Exchange Earned: NIL
 - b) Foreign Exchange Outflow: Rs 4.49 Lacs

CORPORATE GOVERNANCE

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

Cost Audit Compliance Report

In compliance with the The Companies (Cost Accounting Records) Rules, 2011 the Ministry of Corporate Affairs vide the notification dated 3rd June 2011, the Company being carrying on the business of Construction and development, the Compliance Report will be duly filed within 180 days of the Completion of the close of the Financial year ended 31st March, 2012

Transfer to unclaimed dividend account

In compliance with the Ministry of Corporate Affairs Notification for Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 the effective steps are being implemented by the Company to upload the information regarding the uploading of information relating to unpaid and unclaimed dividend lying with the Companies on the site of the Ministry of Corporate Affairs as well as the Website of the Company.

Directors' Report

(Contd.)

MANAGEMENT ANALYSIS AND DISCUSSION REPORT

Management Analysis and Discussion Report is attached as Annexure II and forms a part of this Report.

AUDITORS

M/s Lodha & Co., Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the forthcoming Annual General meeting. They have offered themselves for reappointment and if appointed, the appointment would be within the limits prescribed under section 224 (1)(B) of the Companies Act 1956.

ACKNOWLEDGEMENT

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 made by every member of the Sunteck Family.

On behalf of the Board of Directors

Mumbai
30th May, 2012

Kamal Khetan
Chairman & Managing Director

ANNEXURE- I Directors' Report

Report On Corporate Governance

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

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance may be understood as a system of structuring, operating and managing a Company with a view to achieve its long term strategic goals while at the same time complying with legal and regulatory requirements. It is the implicit rule that determines a management's ability to take sound decisions in the best interest of all its stakeholders, viz. shareholders, customers, employees, creditors, the state, etc. It takes a holistic view of the company and its impact on economic, legal, ecological and social environment. In order to promote good governance the Company has followed the best practices, processes and policies based on conscience, transparency, fairness and professionalism.

The Director's present below the Companies policies and practices on Corporate Governance as mandated under the clause 49 of the Listing Agreement.

BOARD OF DIRECTORS

Composition:

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

The Board of Directors met four times during the Financial Year on 2nd May 2011, 12th August 2011, 14th November 2011 and 13th February, 2012.

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 year under review is given below:

Name of Director	Category	No. of Board Meetings attended during the period	Attendance at the last AGM held on 27th September 2010	Number of Directorship in other public limited companies as on 31st March, 2011	No. of Committee positions held in other public limited companies as on 31st March, 2011	
					Chairman	Member
Mr. Kamal Khetan	Executive Promoter	4	Yes	9	Nil	Nil
Mr. Jignesh Sanghavi	Executive Director	4	Yes	7	Nil	Nil
Mr. Hari V Krishna	Non- Executive Non Independent	2	Yes	1	Nil	Nil
Mr. Dinkarry Kothari	Non- Executive Independent	1	Yes	1	Nil	Nil
Mr. Kishore Vussonji	Non- Executive Independent	4	Yes	6	Nil	Nil
Mr. Mahadevan Kalahasthi	Non- Executive Independent	4	Yes	1	1	1
Mr. Ramakant Nayak	Non- Executive Independent	4	Yes	7	1	1

*The Number of Directorships in other public limited companies includes Private Limited Companies which are Subsidiaries of the Public Limited Company

During the year Company has not entered into any material transaction(s) with the Independent Directors of the Company.

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 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 read with Section 292A of the Companies Act, 1956

The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

During the financial year under review, four meetings of the Audit Committee were held i.e. on 2nd May 2011, 12th August 2011, 14th November 2011 and 13th February 2012.

The composition and attendance of the members of the Audit Committee as on March 31, 2012 is as follows:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Mahadevan Kalahasthi	Non-Executive and Independent Director	Chairman	4	4
Mr. Kishore Vussonji	Non Executive and Independent Director	Member	4	4
Mr. Dinkarry Kothari	Non-Executive and Independent Director	Member	4	1
Mr. Hari V Krishna	Non-Executive and Non Independent Director	Member	4	2
Mr. Kamal Khetan	Executive and Non Independent Director	Member	4	4

Terms of reference:

The composition, powers, role and terms of reference of the Committee are in consonance with the requirements mandated under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement:

- 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.

(B) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement.

This Committee is specifically responsible for the redressal of shareholders'/ investors' grievances related to non-receipt of Annual Report, non-receipt of declared dividend etc. The Committee also oversees the performance of the Registrar and Transfer Agents of the Company relating to investors services and recommend measures for improvement.

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

The terms of reference of the Investors Grievance Committee, inter alia, include the following:

1. Investor relations and redressal of shareholders' grievances in general and relating to non- receipt of dividends, interest, non receipt of Annual Report, etc., in particular.
2. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such a Committee.

The Committee met 4 times on 2nd May 2011, 12th August 2011, 14th November 2011 and 13th February 2012 as on March 31, 2012 is as follows:

The composition and attendance of the members of the Investors Grievance Committee is as follows:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Dinkarry Kothari	Non-Executive and Independent Director	Chairman	4	1
Mr. Mahadevan Kalahasthi	Non-Executive and Independent Director	Member	4	4
Mr. Kamal Khetan	Executive and Non Independent Director	Member	4	4
Mr. Kishore Vussonji	Non-Executive and Independent Director	Member	4	4

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

Name, Designation and Address of the Compliance Officer

Ms. Rachana Hingarajia
 Company Secretary
 Sunteck Realty Limited
 5th Floor, Sunteck Centre,
 37-40 Subhash Road,
 Vile Parle (East),
 Mumbai- 400057

(C) REMUNERATION COMMITTEE:

One meeting of the Remuneration Committee was held on 12th August, 2011 during the year under review:

The composition and attendance of the members of the Remuneration Committee is as follows

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Dinkarry Kothari	Non-Executive and Independent Director	Chairman	1	1
Mr. Mahadeven Kalahasthi	Non-Executive and Independent Director	Member	1	1
Mr. Hari V Krishna	Non Executive and Non Independent	Member	1	1
Mr. Kishore Vussonji	Non-Executive and Independent Director	Member	1	1

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

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

Details of remuneration/commission and fees paid to Executive and Non-executive Directors for the financial year 2011-12.

During the year, Mr. Kamal Khetan, Managing Director was paid remuneration amounting to Rs. 70,00,000 (Rupees Seventy lakhs only), and Mr. Jignesh Sanghavi, Executive Director paid a remuneration of Rs. 30,00,000 (Rupees Thirty Lakhs only) Non –Executive Directors were paid sitting fees for attending each meeting of the Board of Directors. The Company has paid Rs 65, 000/- as sitting Fees to Directors during the Financial year 2011-12.

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Kamal Khetan	Executive and Non Independent Director	Chairman	4	4
Mr. Mahadevan Kalahasthi	Non-Executive and Independent Director	Member	4	4
Mr. Hari V Krishna	Non Executive and Non Independent Director	Member	4	4

During the year the Committee met 4 times on 7th April 2011, 12th August 2011, 4th October 2011 and 13th January 2012.

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

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Kamal Khetan	Executive and Non Independent Director	Chairman	20	20
Mr. Jignesh Sanghavi	Executive and Non Independent Director	Member	20	20

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 & License, 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 otherwise than on debentures from Banks and other Financial Institutions subject to the Limit of Rs.200 Crores.

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

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 and give loan to any organization subject to not more than 25% of Rs 140 Crore.
9. Application and Registration for Trade Marks, Patents, Copyrights etc. and 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.
12. Application to Central/State and other statutory and Regulatory/Government authorities for various matters of the Company as may be required under the respective Regulation/Act as applicable to the Company.
13. Authorise representatives and signatories for Bidding of various Tenders.
14. Authorisation for dealing with Stock Exchanges and signing various documents, deeds etc as may be required for Compliance of Listing agreement etc.
15. To appoint Nominees on behalf of the Company in special Purpose Vehicle (SPVs) and Partnership Firms , Limited Liability Partnership (LLP) and other business and non-Business entities.

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

GENERAL BODY MEETINGS

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

Date	Venue	Time	No of Special Resolution
28th September, 2011	MIG Cricket Club, MIG Colony, Bandra (East), Mumbai 400051	5.30 p.m.	1
27th September, 2010	MIG Cricket Club, MIG Colony, Bandra (East), Mumbai 400051	5.30 p.m.	2
11th September 2009	MIG Cricket Club, MIG Colony, Bandra (East), Mumbai 400051	12.00noon.	3

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, interalia 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.

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

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. Free Press Journal and Navshakti.

GENERAL SHAREHOLDER INFORMATION

i. 29th Annual General Meeting : 18th September, 2012

ii. Financial Calendar

(Tentative)

Accounting year	April to March
Results for Quarter ended June, 30, 2012	: August 2012
Results for Quarter ended September, 30, 2012	: November 2012
Results for Quarter ended December, 31, 2012	: February 2013
Results for Quarter ended March, 31, 2013	: May 2013
Audited Results for the year ended, March, 31, 2013	: June 2013

iii Date of Book Closure : 14th September, 2012 to 18th September, 2012, both days inclusive.

iv Dividend Payment Date:

The Board has recommended a dividend of 6% i.e. (Rs.0.12 per Share), if declared by the Shareholders in the Annual General Meeting, will be paid within 30 days of Declaration of Dividend.

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 2012-2013.

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 2011-2012 was:

Particulars	BSE		NSE	
	High	Low	High	Low
April 2011	410	292	457.50	292.40
May 2011	396.9	274.85	397.40	275.50
June 2011	329.9	265.5	329.95	275
July 2011	313.05	286.3	309.80	252.70
August 2011	312.95	248.15	312.90	246.50
September 2011	317	243.05	318.75	244.35
October 2011	370	306.95	374	306.45
November 2011	395	352.95	395	352
December 2011	398.4	292.65	439.95	293.50
January 2012	316	242	324.05	246.35
February 2012	422	304.5	428.30	306.50
March 2012	390	347	390	300.85

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

- viii Registrar & Share Transfer Agent:
Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup, Mumbai-400 078
Tel : (22) 25963838
Fax: (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, 2012

Nominal Value of Shares in Rupees	Shareholders		Shareholding	
	No of Shareholders	Percentage of Total Shareholders	Total No of Shares	Percentage of Total Capital
1-5000	564	82.94	72665	0.11
5001-10000	13	1.91	44651	0.07
10001-20000	13	1.91	106056	0.17
20001-30000	7	1.03	94091	0.15
30001-40000	7	1.03	129842	0.21
40001-50000	6	0.89	144224	0.23
50001-100000	14	2.50	493916	0.78
10000 and above	46	7.79	61880762	98.28
Total	670	100.00	62966207	100.00

Shareholding Pattern as on 31st March, 2012

Sr. No	Category	No of Shares Holders	No of Shares Held	Percentage of total Holding
1	Promoter Group	14	44306563	70.37
2	Mutual Funds & Financial Institutions	2	101772	0.16
3	FII	18	3706077	5.89
4	Central / State Government	Nil	Nil	Nil
5	Venture Capital funds	Nil	Nil	Nil
6	Clearing Members	22	161285	0.26
7	Trust	1	5531566	8.78
8	NRI (Repat/ Non Repat)*	13	6285	0.01
9	Bodies Corporate	80	7110402	11.29
10	Other Public	520	2042257	3.24
	Total	670	62966207	100.00

* Shareholding less than 0.01%

- xi **Dematerialization Of Shares**
The Company's shares are held in Dematerialized form to the extent 98.59 % with National Securities Depository Limited and Central Depository Services (India) Limited.

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

xii Address For Correspondence: Shareholders :

- (1) Link Intime India Pvt Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup, Mumbai-400 078
Tel : (22) 25963838
Fax: (22) 25946969

- (2) Others:
Sunteck Realty Limited
5th Floor Sunteck Centre
37-40, Subhash Road,
Vile Parle (East)
Mumbai- 400057
www. sunteckindia.com

- (3) Email id for Investors: rnt.helpdesk@intimespectrum.com.
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 49I(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 compliances with the Code of Conduct for the Current Year.

For Sunteck Realty Limited

Mumbai : 30th May, 2012

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, 2012 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 transactions entered into by the Company during the year ended 31st March, 2012 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.

For Sunteck Realty Limited

Kamal Khetan

Chairman & Managing Director

Mumbai : 30th May, 2012

Auditor's Certificate

To,
The Members of,
Sunteck Realty Limited

We have examined the compliance of the conditions of Corporate Governance by **Sunteck Realty Limited** ("the Company"), for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations given by the Management of the Company, we certify that the Company has generally complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For LODHA & COMPANY
Chartered Accountants

Place: Mumbai
Date: 30th May, 2012

R. P. Baradiya
Partner
Membership No. 44101
Firm Registration No- 301051E

Management Discussion and Analysis

A. Macro Economic Environment

1. Global

The global economy appears to have slowed from the rapid rates seen in the 1QCY2011, although growth is still at reasonably healthy levels. The global growth stood at 3.0% in 2011 and is expected to be 2.7% in 2012. US growth stood at 1.7% in 2011 and is expected to be 2.1% in 2012. Despite weaker growth, inflation outcomes have in general been higher than expected in large part due to the impact of faster commodity price acceleration earlier in the year on headline inflation rates. Consequently, reality has been less growth and worse growth inflation trade-off than initially foreseen.

During the year, three other risks have intensified viz. headwinds to underlying US demand, the Euro-zone sovereign crisis and Chinese emerging market (EM) inflation and tightening. How each of the risks is resolved is likely to determine much of what happens to the global economy, going forward. The biggest issue probably still relates to where the underlying pace of growth in the US will settle, and how much of the recent slowing is transitory. It is expected that some of the temporary pressures will reverse and growth will pick up in the near term.

2. India

Currently, India is in the middle of a whirlpool of pessimism. And this overwhelmingly negative sentiment is not without reason – growth has come off (6.9% in FY2012 vs. 8.4% in FY2011), higher inflation above RBI's comfort level (9.1% estimated in FY2012 vs. 9.6% in FY2011), amidst tight liquidity, higher fiscal deficit (5.9% estimated in FY2012 vs. 4.9% in FY2011), government decision making has been stymied, reforms process has largely disappointed and the rupee has lost significant ground (INR 50.87/dollar in FY2012 vs. INR 44.68/dollar in FY2011). All these headwinds have taken a toll on growth.

Further, the incremental deterioration in India's macro fundamentals was triggered by the sudden global risk flare-up late last year in 2011 following the sovereign downgrade of the US and rising deleveraging fears for eurozone banks.

It is expected that these headwinds are temporary and expected to dissipate in the second half of the current fiscal.

Fortunately, the past momentum is no guarantee for the future. Policy changes can reaccelerate the capex cycle and a reversal in monetary policy can reaccelerate household investments in real estate.

A. INDUSTRY OVERVIEW

1. Indian Real Estate

India ranks as the second most populous country in the world with 1.21 bn population growing at an annual rate of 1.6%, significantly above the global average growth rate of 1.1%. The housing segment dominates ~70% of the market similar to most developing economies, with commercial segment still in a nascent stage of growth. The median age of India's population is 24.5 years, making it one of the youngest countries in Asia. Additionally, the UN estimates 25-34 year age group in India will grow 8.7%, or by 17m people, between 2010 and 2015, ahead of the 6.6% population growth over the same period. The share of 25-34 year olds in the population will increase from 16.2% in 2010 to 16.7% by 2020, an estimated addition of 33m. This will bring down the age profile of home buyers and should put India at an inflexion point of housing growth.

The Real estate business in India has traditionally been highly fragmented and unorganised (organized developers have <20% share). Lack of reforms, government's cautious approach to foreign direct investment (FDI), and lack of institutional funding has thus restricted growth for the sector. However, the Indian government has shown increasing interest in developing the sector but the policy process has been slow, given the government's cautious approach to reforms to avoid asset price speculation and property bubbles.

Most of the world's real estate markets have been driven by specific themes. For India, robust growth in the services sector (contributing 54% of total GDP) has resulted in multiple themes—housing, IT offshoring, retail and hospitality. This is unlike most Asian economies, which have prospered on manufacturing sector growth. However, as in most developing economies, the residential segment is expected to dominate in India and will generate steady growth (since India is in a transformation stage from a rural to urban society).

Management Discussion and Analysis (Contd.)

With a positive demand/supply gap of 25m residential units, demographics (young population, nuclear families), and rapidly evolving financial systems, it is expected housing to lead growth. Also India's high savings rate (20% of income) has a high probability of being invested in property, as property is increasingly being viewed as a hedge to inflation, with higher demand and progress on infrastructure projects driving up asset prices. The household savings rate in India is 21-24% much higher than the 7-15% rate in the US and Europe.

Also the growing IT/ITeS segment, organised retailing and improved performance from other commercial segments should increase demand for commercial space over the next five years.

During the year, the sector has not been encouraging due to several factors with growth deceleration, increasing inflation (above RBI's comfort level) and rising interest rates (affecting affordability and funding costs for developers) amongst the major factors. Besides, these hurdles the sector's fundamentals (especially liquidity) are much better than the recent crisis of 2008.

Favourable demographic changes, strong macro drivers and improving institutional funding are key for sector growth. Also the ongoing focus to shorten construction periods by using the latest construction technology and the government's emphasis on cutting approval timelines will likely reduce development cycles and improve the developer's cash flows.

Thus, real estate business in India is expected to experience long term secular growth despite short-term cyclical difficulties.

2. Mumbai Real Estate

Mumbai is the financial and commercial capital of India. The city contributes ~20% to India's GDP, ~14% to India's income tax collections and ~37% to the corporate tax collections. It is the one of the most resilient real estate markets in India. According to the Attitudes Survey of the Wealth Report 2011, Mumbai was ranked 13 in the list of top 40 cities for ultra high net worth individuals ahead of cities like Los Angeles, Chicago, Moscow and San Francisco.

The demand for property has always been on higher side in the island city because of high migration rate and less supply due to limited availability of land. The property prices in Mumbai vary drastically across the city. Localities like Bandra, Andheri, Malad and Goregoan are in very high demand as they have emerged as a new Commercial Business Districts of Mumbai and have gained prominence over South Mumbai because of their connectivity to various parts of the city and proximity to Airport. Several areas of Navi Mumbai like Airoli, Vashi and Panvel have seen increasing demand due to announcement of International Airport in Navi Mumbai.

Since November 2010, the approvals in Mumbai have slowed down significantly. Subsequently, newer launches were deferred, curtailing supply leading to higher prices and reduced volumes. Now with the introduction of amended Development Control Regulations (DCR) for Mumbai city/suburbs in early 2012, it is expected that new launches will spur (after the developers revise their project plans to align with new norms) which have been on hold for over a year. Further, there will be resumption of activities in several projects which were stalled due to approvals.

Leasing demand in commercial space is expected to remain flat as slower growth in the economy reduces the need for office space expansion.

C. BUSINESS OVERVIEW

Your Company is one of the leading Mumbai based real estate development companies in India with city-centric operations in select areas within Mumbai. The Company's business focuses on developing, designing and managing high-end and premium residential and commercial properties.

Your Company commenced its real estate operations in 2000 initially by sub-leasing the office properties in one of India's most promising commercial hub (i.e. Bandra Kurla Complex, Mumbai) with a leasable area of ~67,350 sq.ft. and thereafter forayed into the development of residential and commercial properties with the signing of first JDA for the development of office property in 2005.

To differentiate the Company's projects from the peers in the market in which it operates, your Company has developed four brands for its residential and commercial developments viz. (a) 'Signature' brand - targets

Management Discussion and Analysis (Contd.)

high-end and luxury residences that are aimed at high-net worth individuals. The property is located in prime city locations and have apartments size of above 6,000 sq.ft. The Company's flagship development 'Signature Island' in Bandra-Kurla Complex, Mumbai is marketed under this brand, (b) '**Signia**' brand - targets premium and mid-level residences in select areas of Mumbai such as Borivali, Thane and Navi Mumbai. Apartments under this brand are generally between ~1,200 and ~5,000 sq.ft in size and (c) '**Sunteck**' brand - for the commercial developments.(d) '**Sunteck City**' brand – for larger formats and mixed used developments.

Presently, your Company has a development potential of 26 projects aggregating to saleable area of ~36.13 mn.sq.ft. of which ~24.30 mn.sq.ft. is in the residential segment and the balance in the commercial segment. These projects have been acquired within a short span of time since your Company's foray into real estate development business in 2005. The Company believes that its projects in Mumbai are located to take advantage of a shift in the central business district from the south of the city from areas such as Nariman Point to the secondary business districts in which the Company is currently focusing i.e. Bandra-Kurla Complex, Goregaon, Borivali, Andheri, Airoli, Mulund, Thane, Ghatkopar, Vile Parle and Sion. Further, your Company is selectively expanding to other geographic regions in India and it has acquired few projects located in city-centric locations of cities like Jaipur, Nagpur, Goa and Hubli.

However, the Company's focus on business operations in long term will restrict to select areas within Mumbai.

Your Company's customers in India include both Indian and multi-national corporations and high net worth individuals resident in India and overseas.

Mumbai Map

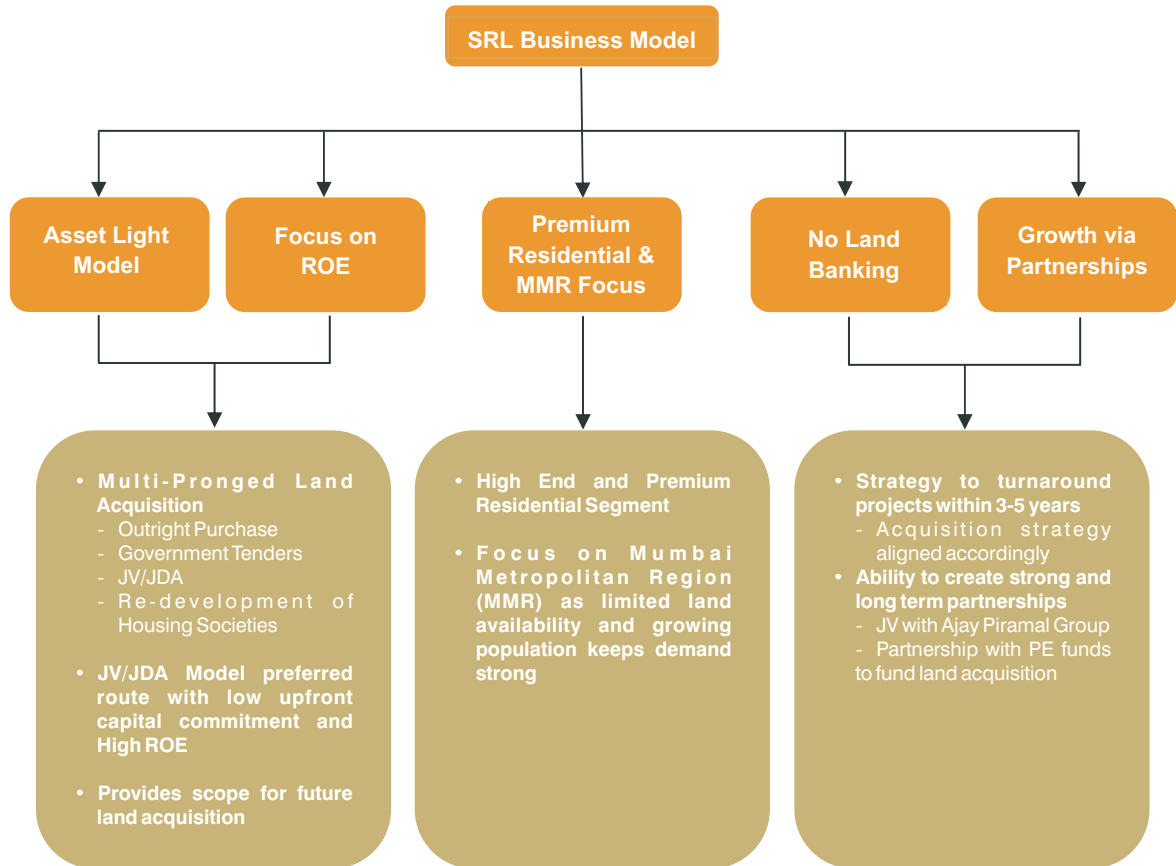
Joint Venture & Associates

Your Company's promoters have several years of industry experience and they have built sound corporate governance practices, transparency in dealings, world-class quality standards and clear business focus. It is because of this, your Company has been able to attract investments from one of the prominent funds like 'Kotak **Alternate Opportunities (India) Fund**' and also a joint venture with a Company promoted by the Ajay Piramal group viz. '**Piramal Sunteck Realty Private Limited (PSRPL)**'. The said investment and joint venture helped your Company in expanding its project portfolio and presence in city centric locations of Mumbai. Further, your Company also got associated recently with Vertu, market leader in luxury mobile phones for '**Signature Concierge Services**' for the residents of its flagship project '**Signature Island**' located in the heart of Bandra Kurla Complex, Mumbai.

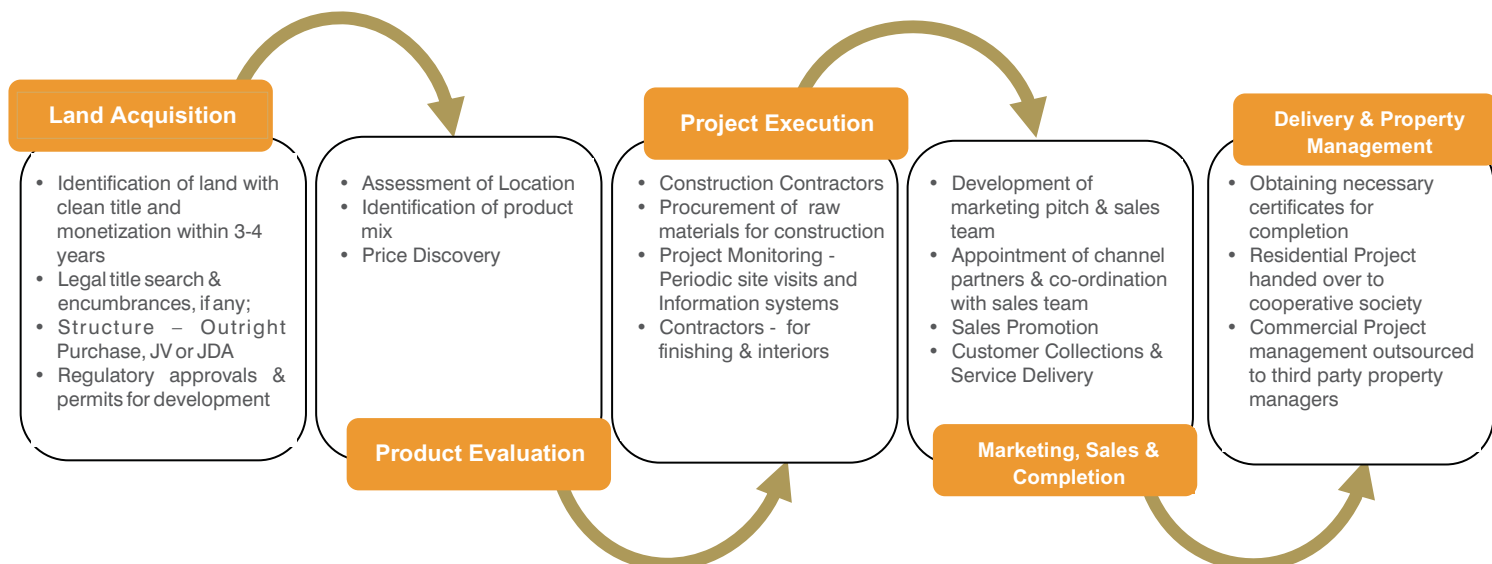
Construction Contractors	Architects	Landscape	Structural Engineers	Prj. Mgmt. Consultancy	Legal Counsel	Security Consultants
<ul style="list-style-type: none"> • Shapoorji Pallonji & Co. Ltd. • New Consolidated Construction Ltd. • Others 	<ul style="list-style-type: none"> • Talati & Panthaky Associates Pvt. Ltd. • Mandviwala Qutub & Associates Pvt. Ltd. 	<ul style="list-style-type: none"> • Site Concepts Pte, Singapore 	<ul style="list-style-type: none"> • Magnusson Klemencic Associates, Seattle, USA • Sterling Consultants 	<ul style="list-style-type: none"> • Jones Lang LaSalle 	<ul style="list-style-type: none"> • Kanga & Company • Amarchand & Mangaldas 	<ul style="list-style-type: none"> • Lotan Security, Turnkey Security Consulting , Israel

Management Discussion and Analysis (Contd.)

Sustainable Business Model



Business Process

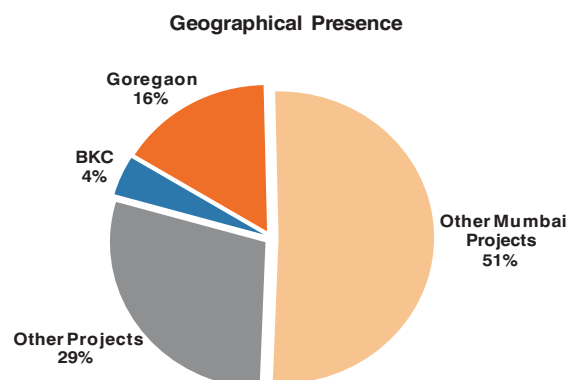
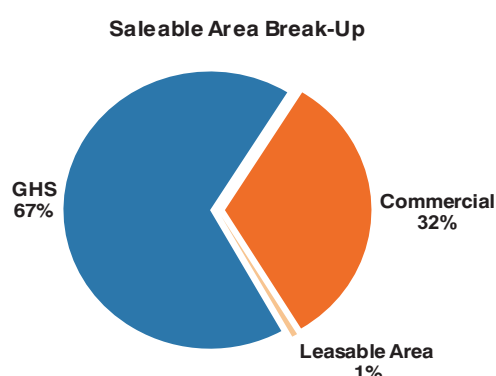


Management Discussion and Analysis (Contd.)

Project Portfolio

Your Company primarily focuses on the development of residential properties in the city centric locations of Mumbai since it believes that demand for residential property in Mumbai will remain strong due to several factors with growing economy and growing population being amongst them.

Your Company's development activities include multi-unit apartment buildings, block redevelopments and planned communities. As on March 31, 2012, the Company has a total saleable area of ~36.13 mn.sq.ft. (with >70% of the saleable area in the Mumbai Metropolitan Region). Out of the said saleable area, the Company has an economic interest on ~17.86 mn.sq.ft. of saleable area. In addition, the Company also has total leasable area of 219,350 sq.ft. in the secondary commercial business district of Mumbai on which the Company has an economic interest on 137,400 sq.ft. of the leasable area.



As on March 31, 2012, your Company has achieved sales of ~INR 20,570 mn compared to ~INR 16,400 mn of sales achieved as on March 31, 2011. Further, the Company has collected ~INR 9,300 mn of customer advances as on March 31, 2012 compared to ~INR 6,460 mn of customer advances collected as on March 31, 2011.

Key Projects

Sr. No	Project Name	Location	Type	Saleable Area (Sq.Ft.)	Status
1	Signature Island	BKC, Mumbai	Resi	713,128	Under Execution
2	Signia Isles	BKC, Mumbai	Resi	426,862	Under Execution
3	Signia Pearl	BKC, Mumbai	Resi	426,070	Under Execution
4	Sunteck City	Goregaon, Mumbai	Resi	1,550,081	Under Execution
5	Signia High	Borivali, Mumbai	Resi	384,119	Under Execution
6	Signia Oceans	Airoli, New Mumbai	Resi	137,137	Under Execution
7	Signia Orion	Airoli, New Mumbai	Resi	287,902	Under Execution
8	Signia Skys	Sadar Bazaar, Nagpur	Resi	170,233	Under Execution
9	Sunteck Grandeur	Andheri, Mumbai	Comm.	70,788	Under Execution
10	Sunteck Kanaka	Panjim, Goa	Comm.	118,823	Under Execution
11	Sunteck City	Goregaon, Mumbai	Resi	4,181,760	To be Launched
12	Signia City M1	Mulund	Resi	977,842	To be Launched
13	Signia City M2	Mulund	Resi	967,727	To be Launched
14	Signia City T Phases	Thane	Resi	5,312,469	To be Launched
			Comm.	2,616,589	To be Launched
Total				18,341,530	

Management Discussion and Analysis (Contd.)

D. A SWOT Analysis of our Business

STRENGTHS

- Strong Brand Recognition in the ultra premium and luxury housing segment in Mumbai
- Nimble footed and Asset Light Model
- Low acquisition cost of land with near term turnaround and cash flow visibility
- Low Leverage business
- Credible partnerships and tie-ups with prominent corporates, private equity funds, contractors etc.
- High level of corporate governance
- Experienced senior management personnel

WEAKNESS

- Business / inflows heavily skewed on customer collections than bank funding
- Land purchases not financed through bank funding resorting to internal accruals / equity funding

OPPORTUNITIES

- Demand for residential property in Mumbai will remain robust due to several factors with growing economy and growing population being amongst them
- Shift in trade from south of city from areas such as Nariman Point to secondary business district
- Joint Venture & Joint Development Arrangements with low capital commitment resulting in high ROE
- Create annuity incomes on low cost lands

THREATS

- Regulatory changes resulting in delays in approvals which will further result in delay in planned launches or completion of projects
- Rising inflation resulting in input cost pressures
- Availability of skilled labour
- Strong public funding in rural areas impacting labour cost in urban areas
- Delay in project completion due to non-performance of services of third parties including architects, engineers, suppliers, contractors etc.

E. CONSOLIDATED FINANCIAL PERFORMANCE

Accounting Policy

Your Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ("GAAP") and in compliance with the Accounting Standards referred to in Section 211 (3C) and other requirements of the Companies Act, 1956. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

The Company follows the **project completion method** of accounting unlike other real estate developers who follow percentage completion method for revenue recognition.

Under project completion method of accounting, allocable expenses incurred during the year are debited to work-in-progress account. The revenue is accounted for as and when the significant risks and rewards of ownership of the units in real estate are passed to the buyer and the projects get completed or substantially completed, to the extent that the economic benefits will flow to the group and revenue can be reliably measured.

Management Discussion and Analysis (Contd.)

Abridged Profit & Loss Account

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Income from Operations	1700.39	2023.56
Other Income	1336.60	1028.35
Total Revenue	3036.99	3051.92
Total Expenditure	1936.34	2191.35
Profit Before Tax	1100.64	860.57
Provision for Taxation	646.49	524.22
Profit After Tax	454.16	336.35

During the year "Income from Operations" has decreased by ~16% to ~INR 1,700 lacs compared to ~INR 2,024 lacs as on March 31, 2011. However, the other income increased by ~30% to ~INR 1,337 lacs during the year compared to ~INR 1,028 lacs as on March 31, 2011. This is mainly account of dividend received on Investments, interest income and gain on sale of assets. The total expenditure decreased by ~12% to ~INR 1936 lacs during the year compared to previous fiscal due to decrease in advertising expenses, legal & professional fees.

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. Your Company is a full time member of Asia Pacific Real Estate Association (APREA), Singapore. Hence the Company endeavors to follow the financial reporting guidelines set out in the APREA Best Practices Handbook.

F. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company appointed Lodha & Company (ranked amongst the top 5 auditors in India) in the current financial year as Statutory Auditors. 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. Your Company has implemented the ERP Package in the organisation to enhance MIS reporting and proposes to employ a Big 4 consultant to provide audit and revision implementation suggestions on the processes, systems, documentation and control for the enterprise. This business process audit would also be dovetailed with an organizational development plan to be implemented in the coming financial year. The Audit Committee of the Board of Directors reviews the effectiveness of internal control and provides suggestions periodically.

G. HUMAN RESOURCE

Over the years, human resource is been given priority for achieving goals and objective of the Company. Our workforce is the most important asset to us. Employee satisfaction and growth has been our focus at all times. We believe in aligning interest of our employee with the growth path of the Company by recognizing their efforts in innovation, integrity, dedication, passion in their jobs and good governance – key ingredients of Sunteck DNA. The Sunteck as an organization believes that its operations and action must result in enhancement of the overall entrepreneur ability of individual to gain long term value addition and growth.

This is achieved by providing:

- Fresher with job Rotation to provide them knowledge of all the process and to understand his/her interest level for long term career growth
- Regular training of employees with development modules and superior's assistance
- Friendly and healthy working environment for all the employees
- Holistic human development process for all our employees to seek out leadership and good team work

The talent pool of the Company comprise of highly qualified, skilled and experienced professionals. Your Company continues to seek out talent with Sunteck DNA across marketing and sales, architecture, legal, finance, IT, HR , corporate affair etc.

Management Discussion and Analysis (Contd.)

The Company focuses on its core values and culture of “Dream, Plan, Act and get Results” which is reflected in HR policies and plans followed in Sunteck group.

H. CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY DEVELOPMENT

Out for Good: Focusing on welfare of the economically and socially deprived Tribal Block situated at Jawahar in Thane District, SUNTECK in association with National Rural Research and Development Association (NARAD) engaged itself in the activity of distributing toys, books and other stationery items to the children including the staple food grains and fruits to each family in the area.

Sunteck sponsored Notebooks and Stationery at the Sports event organized at Mahindra Park, Breach Candy, by Colliers International in association with Muktangan, Akanksha & Magic Bus Foundation for the underprivileged children.

I. 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.

Standalone Financial Statements

Auditor's Report

To
The Members,
Sunteck Realty Limited.

1. We have audited the attached Balance Sheet of Sunteck Realty Limited as at 31st March, 2012, Statement of Profit & Loss and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 misstatements. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. We report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, to the extent applicable;
 - e) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of Section 274 (1)(g) of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the accompanying notes give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For LODHA & COMPANY
Chartered Accountants

R. P. Baradiya
Partner
Membership No. 44101
Firm Registration No- 301051E

Place: Mumbai
Date: 30th May, 2012

Annexure to Audit Report

Annexure referred to in paragraph 3 of our report of even date to the Members of SUNTECK REALTY LIMITED on the financial statements as at and for the year ended 31st March, 2012

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification. The verification programme is considered reasonable having regard to the size of the Company and nature of its business.
- c) During the year, the Company has not sold/disposed off substantial portion of its fixed assets.
2. a) During the year, the management has physically verified the inventories of construction material and stores & spares 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 nature of its business.
- c) The Company has generally maintained proper records in respect of inventories at various locations.
3. a) (i) As informed, the Company has given interest free unsecured loan to a company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs. 51,271,642 and the year end balance is Rs. Nil. The loan was interest free and repayable on demand. The party has repaid the amounts as and when called for.
- (ii) The terms and conditions of the aforesaid loan are not prima facie prejudicial to the interest of the Company.
- b) (i) As informed, the Company has taken unsecured loan from a company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs. 579,538,744 and the year end balance is Rs.443,628,538. The loans are repayable on demand and the Company has repaid the principal amount as and when demanded and has been regular in payment of interest.
- (ii) The terms and conditions of the aforesaid loan are not prima facie prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that purchase of certain items of inventory and fixed assets and sale of services are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, subject to what is stated in Para 7 below, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Act have been so entered.

Annexure to Audit Report

(Contd.)

- (b) In our opinion and according to the information and explanations given to us, the transactions have been made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding Rupees five lacs or more in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and Rules framed thereunder.
7. The Company has an internal audit system which in our opinion, needs to be strengthened considering the increasing activities, to be commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, cess and other undisputed statutory dues were outstanding, at the year end, 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 are no dues of Income tax, Sales Tax, Wealth tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute except the following :

i)

Name of the Statutes	Nature of Demand	Amount (Rs.)	Period to which amount relates	Forum Where Dispute is pending
Income Tax Act, 1961	Income Tax	1,063,892	AY 2009- 2010	CIT (Appeals)

- ii) In respect of disputed Value Added Tax and Service tax matters please refer note 25 (b) and 25(c), respectively.

10. The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
12. In our opinion and according to the information and explanations given to us, and based on the documents and records produced 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.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

Annexure to Audit Report

(Contd.)

15. In respect of guarantee given by the Company for the loan obtained by a partnership firm in which the Company is a partner, the terms and conditions are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year or in the recent past.
20. The Company has not raised any money by way of public issue during the year or in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management

For LODHA & COMPANY
Chartered Accountants

R. P. Baradiya
Partner
Membership No. 44101
Firm Registration No- 301051E

Place: Mumbai
Date: 30th May, 2012

Standalone Balance Sheet

as at 31st March 2012

(Amount in Rs.)

	Notes	31.03.12	31.03.11
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	125,932,414	125,932,414
Reserves and Surplus	3	3,533,234,860	3,429,452,513
NON - CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	27	8,150,314	2,770,093
Other Long Term Liabilities	4	20,320,500	13,635,000
Long Term Provisions	5	1,209,000	906,000
CURRENT LIABILITIES			
Short Term Borrowings	6	1,070,888,744	-
Trade Payables	7	51,988,936	19,636,907
Other Current Liabilities	8	499,152,898	379,797,583
Short Term Provisions	9	8,852,395	13,172,571
TOTAL		5,319,730,061	3,985,303,081
ASSETS			
NON - CURRENT ASSETS			
Fixed Assets			
Tangible Assets	10	91,075,384	79,303,800
Intangible Assets	10	645,762	498,442
Capital Work -In -Progress		-	7,461,252
Non - Current Investments	11	1,783,342,539	1,248,381,585
Long Term Loans and Advances	12	8,440,593	5,825,403
Other Non - Current Assets	13	70,024,500	-
CURRENT ASSETS			
Current Investments	14	526,298,000	47,095,000
Inventories	15	1,125,025,878	725,874,776
Trade Receivables	16	78,005,285	36,169,644
Cash and Bank Balances	17	24,675,376	6,363,873
Short Term Loans and Advances	18	1,603,551,474	1,828,329,306
Other Current Assets	19	8,645,270	-
TOTAL		5,319,730,061	3,985,303,081
Significant Accounting Policies and the accompanying 1 to 40 notes form an integral part of financial statements			

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

R.P. Baradiya
Partner

Membership No: 44101
Mumbai: 30th May, 2012

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

Kamal Khetan
Chairman & Managing Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Jignesh Sanghavi
Executive Director

Ramakant Nayak
Director

Profit & Loss Account

for the Year Ended 31st March 2012

(Amount in Rs.)

	Notes	31.03.12	31.03.11
INCOME			
Revenue from operations	20	137,755,721	145,943,233
Other income	21	128,626,818	10,877,166
Total Revenue (I)		266,382,539	156,820,399
EXPENSES			
Employee benefits expense	22	18,383,815	22,386,186
Finance cost	23	54,328,508	93,410
Depreciation and amortisation expense	10	3,574,432	2,953,896
Other expenses	24	30,532,637	45,142,540
Total Expenses (II)		106,819,392	70,576,032
Profit for the year before tax (I - II)		159,563,148	86,244,368
Tax Expenses :			
Current tax		35,878,660	22,407,700
Deferred tax		5,380,220	1,859,808
Profit for the year		118,304,268	61,976,860
Earning per equity share of face value Rs. 2 each:	34		
Basic		1.88	0.98
Diluted		1.88	0.98
Significant Accounting Policies and the accompanying notes form an integral part of financial statements	1 to 40		

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

R.P. Baradiya
Partner

Membership No: 44101
Mumbai: 30th May, 2012

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

Kamal Khetan
Chairman & Managing Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Jignesh Sanghavi
Executive Director

Ramakant Nayak
Director

Standalone Cash Flow Statement for the

Year Ended 31st March, 2012

(Amount in Rs.)

	31.03.12	31.03.11
Cash Flow from Operating Activities		
Profit Before Tax as per Statement of Profit and Loss	159,563,148	86,244,368
Adjusted for:		
Depreciation and Amortisation Expense	3,574,432	2,953,896
Interest Income	(77,226,606)	(3,211,553)
Dividend Income	(19,431,350)	(7,590,724)
Finance Cost	54,328,508	20,727
(Profit) / Loss on Sale of Fixed Assets	(14,378,242)	-
(Profit) / Loss on Sale of Investments	(16,719,498)	-
Liabilities no longer required written back	(867,780)	-
	(70,720,537)	(7,827,654)
Operating Profit before Working Capital Changes	88,842,610	78,416,714
Adjusted for:		
(Increase)/Decrease in Inventories	(399,087,743)	(424,134,364)
(Increase)/Decrease in Trade Receivables	(41,835,641)	61,366,093
(Increase)/Decrease in Other Receivables	84,828,282	833,035,566
Increase/(Decrease) in Other Liabilities and Provisions	121,203,442	(234,891,661)
Cash Generated From Operations	(146,049,050)	861,182,388
Less: Income Tax Paid	(35,827,090)	(28,518,393)
Net Cash from / (used in) Operating Activities (A)	(110,221,959)	832,663,995
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(15,317,201)	(69,643,565)
Sale of Fixed Assets	21,600,000	-
Sale of Investments	74,221,809	82,553,533
Purchases of Investments	(1,071,586,264)	(75,526,101)
Purchases of Investments in Subsidiaries	(80,000)	(386,111,574)
Interest Income	77,226,606	3,211,553
Dividend Income	19,431,350	(894,503,700)
Net Cash from / (used in) Investing Activities (B)	(894,503,700)	(437,925,430)
Cash Flow from Financing Activities		
Proceeds From Secured Borrowings	628,005,000	(501,828)
Repayment of Unsecured Borrowings	-	(435,121,456)
Dividend Paid (including Dividend Distribution Tax)	(16,360,577)	(15,130,948)
Proceeds From Unsecured Borrowings	442,883,744	-
Finance Cost	(54,328,507)	1,000,199,661
Net Cash from / (used in) Financial Activities (C)	1,000,199,661	(450,774,959)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(4,525,997)	(56,036,393)
Cash and Cash Equivalents - Opening Balance	6,363,873	62,400,266
Cash and Cash Equivalents - Closing Balance	1,837,876	6,363,873

Note:

- 1) The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in the Accounting Standards- 3 on "Cash Flow Statements".
- 2) Previous years' figures have been regrouped/rearranged wherever necessary to conform to the current years' presentation.

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

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

R.P. Baradiya
Partner

Membership No: 44101
Mumbai: 30th May, 2012

Kamal Khetan
Chairman & Managing Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Jignesh Sanghavi
Executive Director

Ramakant Nayak
Director

Standalone Notes to

Policies

Significant Accounting Policies forming part of Financial Statements for the year ended 31st March, 2012

1 SIGNIFICANT ACCOUNTING POLICIES

a) Nature of Operations

The Company is engaged in the business of real estate/ real estate development and incidental services.

b) Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention, on accrual basis. GAAP comprises mandatory Accounting Standards issued by the Companies (Accounting Standards) Rules, 2006 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.

c) Use of Estimates

The Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

d) Revenue recognition

i) Revenue for real estate development/sale

The Company follows completed project method of accounting. Direct/Allocable expenses incurred during the year are debited to work- in-progress account. The revenue is accounted for as and when the significant risks and rewards of ownership of the units in real estate have passed or deemed to have passed to the buyer and the Projects get completed or substantially completed, to the extent that the economic benefits will flow to the Company and the revenue can be reliably measured.

ii) Rent

Rental Income is recognized on a time proportion basis as per the contractual obligations agreed with the respective tenant.

iii) Interest

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Dividend

Dividend Income is recognised when the shareholders' right to receive payment is established by the balance sheet date.

v) Profit /Loss from Partnership Firms/LLP

Share of profit / loss from firms in which the Company is a partner is accounted for in the financial period ending on (or before) the date of the balance sheet on the basis of audited accounts and as per the terms of the respective partnership deed.

vi) Maintenance Services

Revenue in respect of maintenance services is recognised on an accrual basis, in accordance with the terms of the respective contract.

e) Construction Work in Progress

Construction Work In Progress comprises of Land and development rights, Construction materials, Work-in-progress, completed unsold flats/units. These are valued at lower of the cost or net realizable value.

Standalone Notes to

Policies

(Contd.)

Construction Work in Progress are valued as follows:

Land	Land and development rights including development cost and borrowing costs.
Construction materials	Construction materials are valued at cost if the completed unsold flats/units in which they will be incorporated are expected to be sold at or above cost otherwise lower of cost or net realizable value. Cost is determined on a weighted average basis.
Work-in-progress (Land/ Real Estate under development)	Work-in-progress is valued at cost if the completed unsold flats/units are expected to be sold at or above cost otherwise at lower of cost or net realizable value. Cost includes direct expenditure relating to construction activity (including land cost) and indirect expenditure (including borrowing costs) during the construction period to the extent the expenditure is related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the Statement of profit and loss.
Completed unsold flats/units	Lower of cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business; less estimated costs of completion (where ever applicable) and estimated costs necessary to make the sale.

f) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress includes expenditure incurred till the assets are put into intended use.

g) Depreciation and Amortization

Depreciation of tangible fixed assets is provided using the Straight Line Method at the rates and in the manner as prescribed under schedule XIV of the Companies Act, 1956. In case of intangible fixed assets – Software, the same is amortized over a period of five years.

h) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet dates and if there is any indication of impairment based on internal/external factors. 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 weighted average cost of capital. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation), had no impairment loss been recognized.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

i) Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary decline in the value of the investments.

Standalone Notes to

Policies

(Contd.)

j) Employee benefits

Defined Contribution Plan

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the period when the contributions to the fund are due. There are no other obligations other than the contribution payable to the government funds.

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 Statement of profit and loss and are not deferred.

Compensated absences

Short term

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of the benefit expected to be availed by the employees.

Long Term

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to statement of profit and loss in the year in which such gains or losses are determined.

k) Borrowing Costs

Borrowing costs relating to acquisition and/or construction of qualifying assets are capitalized to the extent that the funds are borrowed and used for purpose of constructing a qualifying asset until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs which are not related to acquisition and/or construction activities nor are incidental thereto are charged to the Statement of profit and loss.

l) Taxation

Tax expense comprises of current income tax and deferred income tax. 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 recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Minimum Alternative Tax (MAT) credit is recognised as an asset and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

m) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Foreign Currency assets and liabilities (monetary items) are translated at the exchange rate prevalent at the date of the Balance Sheet. Non – Monetary item such as investments are carried at historical cost using the exchange rate on the date of transaction.

Standalone Notes to

Policies

(Contd.)

Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

n) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) Provisions, Contingent Liabilities and Contingent Assets

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.

Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the notes to accounts of financial statements.

Contingent Assets are neither recognized nor disclosed in the financial statements.

p) Share Issue Expenses

Share issue expenses are adjusted against Securities Premium Account.

q) Leases

i) Where Company is the lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating lease. Operating lease payments are recognised as an expense in the Statement of profit and loss on Straight Line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the Lease.

ii) Where Company is the lessor

Assets representing Lease arrangements given under operating leases are included in Investments. Lease income is recognized in the Statement of profit and loss on Straight Line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the Lease.

r) Cash Flow Statement

Cash flow statement has been prepared under the 'Indirect Method'. Cash and cash equivalents, in the cash flow statement comprise unencumbered cash and bank balances.

Notes to Financial Statement

(Amount in Rs.)

	31.03.12	31.03.11
2 Share Capital		
Authorised		
93,750,000 (Previous year 93,750,000) Equity Shares of Rs. 2 each	187,500,000	187,500,000
1,250,000 (Previous year 1,250,000) Preference Shares of Rs. 10 each	12,500,000	12,500,000
Total authorised share capital	200,000,000	200,000,000
Issued, Subscribed and Paid up		
62,966,207 (Previous year 62,966,207) Equity Shares of Rs. 2 each		
fully paid up	125,932,414	125,932,414
Total issued, subscribed and fully paid up share capital	125,932,414	125,932,414
a) Reconciliation of shares outstanding at the beginning and at the end of the year		
Equity shares of Rs. 2 each	31st March, 2012	31st March, 2011
	Number of Shares	Number of Shares
Outstanding at the beginning of the year	62,966,207	62,966,207
Issued during the year	-	-
Outstanding at the end of the year	62,966,207	62,966,207

b) Terms/rights attached to equity shares

"The Company has only one class of Equity Share having value of Rs. 2 Each with an entitlement of one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders. "

c) Shares held by holding/ ultimate holding Company and /or their subsidiaries/ associates

3,000,000 shares out of issued, subscribed and paid up share capital are held by Subsidiary Companies.

d) Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs. 2 each fully paid	31st March, 2012		31st March, 2011	
	Number of shares	% of holding shares	Number of shares	% of holding shares
Manisha Khetan	24,219,380	38.46	24,219,380	38.46
Kamal Khetan	2,943,412	4.67	3,643,412	5.79
Eskay Infrastructure Development Private Limited	5,693,419	9.04	3,375,000	5.36
Kotak Mahindra Trusteeship Services Limited A/C Kotak Alternate Opportunities (India) Fund	5,531,566	8.78	5,983,307	9.50

e) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

- 3,551,391 (Previous year 3,551,391) shares were allotted pursuant to the High Court Order dated 24/11/2008 on Amalgamation of Satguru Corporate Services Private Limited with the Company to the shareholders of Satguru Corporate Services Private Limited effective date being 01/04/2006.
- 2,001,109 (Previous year 2,001,109) shares were allotted pursuant to the High Court Order dated 12/12/2008 on Amalgamation of Amrut Consultancy Private Limited with the Company to the shareholders of Amrut Consultancy Private Limited effective date being 01/06/2008.

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
3 Reserves and Surplus		
Securities premium account		
Balance as per last financial statements	3,211,407,987	3,211,407,987
Add: Received during the year	-	-
Closing balance	3,211,407,987	3,211,407,987
General reserve		
Balance as per last financial statements	1,809,773	1,809,773
Add: Transferred from surplus balance in the statement of profit and loss	2,957,607	-
Closing balance	4,767,380	1,809,773
Surplus in the statement of profit and loss		
Balance as per last financial statements	216,234,754	166,155,826
Profit for the year	118,304,267	61,976,859
Balance available for appropriation	334,539,022	228,132,685
Less: Appropriations		
Proposed final equity dividend (Dividend per share Rs. 0.12; Previous year Rs. 0.18)	7,556,045	11,333,917
Interim equity dividend (Dividend per share Rs. 0.12; Previous year Rs. Nil)	7,556,045	-
Tax on dividend	2,451,553	1,838,654
Transferred to general reserve	2,957,607	-
Dividend distribution tax credit from subsidiaries	(3,041,720)	(1,274,640)
Closing balance	317,059,492	216,234,754
Total reserves and surplus	3,533,234,860	3,429,452,513
4 Other Long Term Liabilities		
Other		
Security deposits received from clients	20,320,500	13,635,000
Total other long term liabilities	20,320,500	13,635,000
5 Long Term Provisions		
Provision for employee benefits	1,209,000	906,000
Total long term provisions	1,209,000	906,000
6 Short Term Borrowings		
Secured loan		
From bank	628,005,000	-
Unsecured Loans		
From other		
Body corporates	442,883,744	-
Total short term borrowings	1,070,888,744	-

Term Loan

ICICI Bank

a) The term loan is secured by way of mortgage of land situated at Borivali (Realty project - Signia High) and Andheri (Realty project - Sunteck Grandeur) and schedule receivables thereon

b) The term loan is further secured by way of lien on fixed deposits with bank of Rs. 22,837,500.

c) The interest rate on above term loan is Base rate + 4.5% spread.

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
d) Repayment Schedule of Secured Term Loan		
Repayment Schedule		
less than 1 years	-	-
1 - 3 years	628,005,000	-
Loan from body corporates		
The Company has taken a loan amounting to Rs. 410,883,744 (Previous Year Rs. Nil) @ 10% and an interest free loan of Rs. 32,000,000 (Previous Year Rs. Nil) from two Body Corporates which are repayable on demand.		
7 Trade Payables		
Trade payables (Refer note 33 for details of dues to micro, small and medium enterprises)	51,988,936	19,636,907
Total trade payables	51,988,936	19,636,907
8 Other Current Liabilities		
Interest accrued but not due on borrowings	36,736,497	28,744
Others		
Statutory dues	4,364,331	6,286,913
Advance received from customers	389,150,325	358,294,426
Security deposits received from clients	28,950,000	15,187,500
Payable in respect of capital expenditures	1,182,308	-
Billed in advance	38,769,437	-
Total other current liabilities	499,152,898	379,797,583
9 Short Term Provisions		
Provision for employee benefits	19,000	-
Provision for tax (net of advance tax of Rs. 35,827,090; Previous year Rs. Nil)	51,570	-
Others		
Proposed equity dividend	7,556,045	11,333,917
Dividend distribution tax on proposed dividend	1,225,780	1,838,654
Total short term provisions	8,852,395	13,172,571

Notes to Financial Statement

(Contd.)

10 Fixed Assets

(Amount in Rs.)

Sr. No	Fixed Assets	Gross Block (At Cost)			Depreciation and Amortisation				Net Block		
		As at 1 April 2011	Additions	Deduction	As at 31 March 2012	Upto 31 March 2011	For the year*	Deduction	Upto 31 March 2012	As at 31 March 2012	As at 31 March 2011
a)	Tangible Assets										
	Building	59,943,973	-	7,383,206	52,560,767	977,087	897,842	161,448	1,713,481	50,847,286	58,966,886
	Furniture and fixtures	13,070,552	16,085,485	-	29,156,037	1,040,644	1,167,141	-	2,207,785	26,948,252	12,029,908
	Vehicles	1,810,101	-	-	1,810,101	560,513	171,960	-	732,473	1,077,628	1,249,588
	Office equipment	720,973	558,085	-	1,279,058	62,647	48,772	-	111,419	1,167,639	658,326
	Air Conditioners	2,708,168	1,978,565	-	4,686,733	204,382	162,182	-	366,564	4,320,168	2,503,786
	Computers and Peripherals	4,624,834	155,370	-	4,780,204	2,808,518	757,244	-	3,565,762	1,214,442	1,816,316
	Total	82,878,601	18,777,505	7,383,206	94,272,900	5,653,791	3,205,142	161,448	8,697,484	85,575,415	77,224,810
	Assets given on operating lease										
	Furniture and fixtures	1,332,089	2,525,352	-	3,857,441	98,902	210,140	-	309,042	3,548,399	1,233,187
	Air Conditioners	896,638	1,186,631	-	2,083,269	50,834	80,865	-	131,699	1,951,570	845,804
	Total	2,228,727	3,711,983	-	5,940,710	149,736	291,005	-	440,741	5,499,969	2,078,991
b)	Intangible Assets										
	Computer Software	548,625	288,965	-	837,590	50,183	141,645	-	191,828	645,762	498,442
	Total	548,625	288,965	-	837,590	50,183	141,645	-	191,828	645,762	498,442
	Current Year	85,655,952	22,778,453	7,383,206	101,051,200	5,853,710	3,637,791	161,448	9,330,053	91,721,147	79,802,243
	Previous Year	23,473,640	62,182,312	-	85,655,952	2,868,804	2,984,905	-	5,853,710	79,802,243	
	* Includes Depreciation of Rs. 63,359 (Previous year Rs. 31,009) transferred to Construction work in progress										

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
11 Non - Current Investments		
Long term trade investments (valued at cost unless stated otherwise)		
Investment in property	140,510,820	139,660,819
Investment in transferable development rights		
Balance as per last financial statements	57,390,642	80,000,202
Add: Purchased during the year	64,422,540	-
Less: Transferred to construction work - in - progress	64,422,540	-
Less: Returned during the year	57,390,642	22,609,560
Closing Balance	-	57,390,642
Unquoted equity instruments		
Investment in subsidiaries		
Starlight Systems Private Limited	413,270,000	413,270,000
320,000 (Previous year 320,000) equity shares of Rs. 10 each fully paid up		
Satguru Infocorp Services Private Limited	104,384,070	104,384,070
375,000 (Previous year 375,000) equity shares of Rs. 10 each fully paid up		
Amenity Software Private Limited	14,085,125	14,085,125
50,000 (Previous year 50,000) equity shares of Rs. 10 each fully paid up		
Magenta Computer Software Private Limited	13,132,750	13,132,750
50,000 (Previous year 50,000) equity shares of Rs. 10 each fully paid up		
Skystar Buildcon Private Limited	99,900	99,900
9,990 (Previous year 9,990) equity shares of Rs. 10 each fully paid up		
Sunteck Property Holding Private Limited	100,000	100,000
10,000 (Previous year 10,000) equity shares of Rs. 10 each fully paid up		
Starlight Systems (I) Private Limited	80,000	-
8,000 (Previous year Nil) equity shares of Rs. 10 each fully paid up		
Investment in joint ventures		
Nariman Infrastructure Private Limited	-	111,669
Nil (Previous year 5,000) equity shares of Rs. 10 each fully paid up		
Piramal Sunteck Realty Private Limited	284,532,010	284,532,010
500,001 (Previous year 500,001) equity shares of Rs. 10 each fully paid up (including Nil (Previous year 1) share of Non-Voting of Class B of Rs. 10 each)		
Investment in Debentures		
Quoted		
Starlight Systems Private Limited	466,176,399	-
4,150 (Previous year Nil) 15% Non-Convertible Debentures of Rs. 100,000 each fully paid up		
Unquoted		
Starlight Systems Private Limited	68,475,200	68,475,200
684,752 (Previous year 684,752) Zero Coupon Optionally Convertible Debentures of Rs. 100 each fully paid up		
Starlight Systems Private Limited	116,420,426	-
1,037 (Previous year Nil) 15% Optionally Convertible Debentures of Rs. 100,000 each fully paid up		
Other long term investments (valued at cost unless stated otherwise)		
Quoted equity instruments		
Punjab Communication Limited	12,600	12,600
1,000 (Previous year 1,000) equity shares of Rs. 10 each fully paid up		
Unquoted equity instruments		
Investment in shares		
Samhrutha Habitat Infrastructure Private Limited	28,303,780	26,100,000
2,755,378 (Previous year 2,535,000) equity shares of Rs. 10 each fully paid up		
Saraswat Co-op. Bank Limited	700	700
70 (Previous year 70) equity shares of Rs. 10 each fully paid up		

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
Advaith Infraprojects Private Limited 1,990 (Previous year Nil) equity shares of Rs. 10 each fully paid up	19,990	-
Sunteck Wealthmax Capital Private Limited 150,000 (Previous year 150,000) equity shares of Rs. 10 each fully paid up	-	1,500,000
Investment in compulsorily convertible preference shares		
Advaith Infraprojects Private Limited 800,100 (Previous year Nil) compulsorily convertible preference shares of Rs. 10 each fully paid up	8,001,000	-
Investment in limited liability partnership firm		
Topzone Mercantile Company LLP	75,401,100	75,401,100
Uniworth Realty LLP	50,000	50,000
V3 Designs LLP	75,000	75,000
Assable Buildcon LLP	50,000	-
Nariman Infrastructure LLP	111,669	-
Pathway Buildcon LLP	50,000	-
Investment in a partnership firm		
Kanaka & Associates	50,000,000	50,000,000
Total non current investments	1,783,342,539	1,248,381,585
Notes		
Aggregate market value of quoted investments	466,364,999	52,000
Aggregate amount of quoted investments	466,188,999	12,600
Aggregate amount of unquoted investments	1,317,153,540	1,248,368,985
Details of investment in partnership firm	31st March, 2012	31st March, 2011
	% Rs.	% Rs.
Kanaka & Associates		
Sunteck Realty Limited	50 50,000,000	50 50,000,000
Kanaka & Associates (Proprietor)	50 50,000,000	50 50,000,000
Total capital of firm	100,000,000	100,000,000
12 Long Term Loan and Advances		
Unsecured, considered good		
Security deposits	1,845,956	1,964,136
Others		
Prepaid expenses	2,733,370	-
Advance income tax (net of provision of Rs. 55,228,125; Previous year Rs. 55,228,125)	3,861,267	3,861,267
Total long term loan and advances	8,440,593	5,825,403
13 Other Non - Current Assets		
Other		
Interest accrued on debentures	70,024,500	-
Total other non current assets	70,024,500	-
14 Current Investments		
Unquoted		
Investment in shares		
Sunteck Wealthmax Capital Private Limited 150,000 (Previous year 150,000) equity shares of Rs. 10 each fully paid up	1,500,000	-
Current account balance in LLP's		-
Nariman Infrastructure LLP	440,035,000	-

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
Topzone Mercantile Company LLP	22,793,000	-
Uniworth Realty LLP	45,065,000	41,320,000
V3 Designs LLP	16,905,000	5,775,000
Total current investments	526,298,000	47,095,000
Aggregate amount of unquoted investments	526,298,000	47,095,000
15 Inventories (valued at lower of cost and net realizable value)		
(As certified by management)		
Construction work - in - progress (Refer note 32)	1,125,025,878	725,874,776
Total inventories	1,125,025,878	725,874,776
16 Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	6,386	6,386
Unsecured, considered good	368,667	28,000
Others		
Secured, considered good	229,662	177,100
Unsecured, considered good	77,400,570	35,958,158
Total trade receivables	78,005,285	36,169,644
17 Cash and Bank Balances		
i) Cash and cash equivalents		
Balances with bank	1,341,119	6,358,798
Cash in hand	496,757	5,075
	1,837,876	6,363,873
ii) Cash and Bank Balances		
Fixed Deposit with Bank		
Deposit with original maturity for more than 12 months	22,837,500	-
Total cash and bank balances	24,675,376	6,363,873
Bank Deposits given as security		
Fixed deposit with bank of Rs. 22,837,500 (Previous year Rs. Nil) are given on lien to bank as a security towards Company's term loan facility.		
18 Short Term Loans and Advances		
Unsecured, considered good		
Loans and advances to related parties	26,160	64,460,017
Advances recoverable in cash or in kind or for value to be received	5,128,730	8,947,999
Others		
Advances to director	-	448,000
Non - convertible debentures application money	719,154,000	-
Optionally convertible redeemable preference shares application money	842,093,000	1,536,560,000
Advances towards projects	21,111,170	215,608,913
Advances towards transferable development rights	9,687,600	-
Prepaid expenses	5,010,688	2,049,347
Duties and taxes recoverable	1,340,126	255,030
Total short term loans and advances	1,603,551,474	1,828,329,306
19 Other Current Assets		
Interest accrued on fixed deposit	507,182	-
Interest accrued on investment	8,138,088	-
Total other current assets	8,645,270	-

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
20 Revenue From Operations		
Sale of services		
Rent on immovable property	55,419,887	38,728,349
Project management	71,517,361	95,452,174
Brand fees	7,180,366	10,035,176
Maintenance charges	3,638,107	1,727,534
Total revenue from operations	137,755,721	145,943,233
21 Other Income		
Interest income on		
Fixed deposit with bank	258,004	-
Long term investments	76,968,602	-
Others	-	3,211,553
Dividend income on		
Long term investment in subsidiaries	18,750,000	7,500,000
Current investment in mutual fund	681,350	90,724
Net gain on sale of fixed assets	14,378,242	-
Net gain on sale of investments in transferable development rights	16,719,498	-
Liabilities no longer required written back	867,780	56,889
Other income	3,342	18,000
Total other income	128,626,819	10,877,166
22 Employee Benefits Expense		
Salaries and wages	16,481,294	20,502,971
Contribution to provident and other funds	1,757,692	1,730,461
Staff welfare expenses	144,829	152,754
Total employee benefit expense	18,383,815	22,386,186
23 Finance Costs		
Interest expenses	47,401,148	93,410
Other borrowing cost	6,927,360	-
Total finance costs	54,328,508	93,410
24 Other Expenses		
Advertisement expenses	209,315	12,220,499
Auditors' remuneration	566,493	500,000
Business promotion expenses	2,227,960	3,698,243
Commission and brokerage expenses	-	1,699,950
Directors' sitting fees	65,000	65,000
Electricity expenses	2,235,617	1,514,901
Exchange rate difference (Net)	-	264,605
Legal and professional fees	7,110,118	14,907,314
Membership fees and entrance fees	3,411,725	566,758
Pay and park charges (net of non-operating income directly attributable to such expenses of Rs. 3,000,000; Previous year Rs. 1,581,667)	1,225,770	2,287,817
Rates and taxes	1,269,920	1,716,619
Repairs to		
Building	9,294,606	874,199
Others	341,161	188,339
Sundry balances written off	-	800,000
Telephone and communication expenses	381,220	402,408
Traveling and conveyance expenses	302,370	887,728
Insurance	43,252	25,304
Miscellaneous expenses	1,848,110	2,522,856
Total other expenses	30,532,637	45,142,540

Notes to Financial Statement

(Contd.)

25 Contingent liabilities and commitments (to the extent not provided for)

(Amount in Rs.)

	31.03.12	31.03.11
a. Contingent Liabilities		
(i) Income tax	3,845,122	1,070,059
(ii) Stamp duty and registration charges arising on amalgamation or reconstruction of various companies carried out as per High Court Order's under section 394 of the Companies Act, 1956	Amount not ascertainable	Amount not ascertainable
Total (a)	3,845,122	1,070,059
Commitments		
Company's share in a corporate guarantee given to a Bank on behalf of a partnership firm in which company is a partner towards credit facility	12,607,204	64,092,072
Total (b)	12,607,204	64,092,072
Total (a) + (b)	16,452,326	65,162,131

b. The Maharashtra Chambers of Housing Industry ('MCHI') had filed a writ petition in Bombay High Court challenging the levy of Value Added Tax ('VAT') w.e.f. June 20, 2006 under MVAT Act, 2002 on sale of premises under construction which has been recently dismissed by the Bombay High Court and has ordered to pay the MVAT liability. Under the premises ownership agreement / letter of allotment entered into by the Company, such liability ultimately needs to be borne by the purchaser of the premises, for which the Company is in process of sending the demand letters to the purchasers of the premises to pay MVAT liability and hence, no provision thereof is considered necessary.

c. The Maharashtra Chambers of Housing Industry (MCHI) had filed a writ petition with Bombay High Court challenging the levy of service tax on construction of complex and residential service introduced in the Budget of 2010 which has been recently dismissed by the Bombay High Court and has ordered to pay the service tax liability amount. Further, MCHI has filed a writ petition with Supreme Court challenging the Bombay High Court order which has been admitted by the Apex Court. Meanwhile, the Company has deposited the service tax liability amount to the government authorities/service tax department. No provision of interest liability is considered necessary as the same will be recovered from the customer.

26 Lease

a. All the initial direct income are charged to Statement of Profit and Loss

(Amount in Rs.)

	31.03.12	31.03.11
b. Premises given on operating lease:		
The total future minimum lease rentals receivable at the Balance Sheet date is as under:		
For a period not later than one year	45,221,006	29,934,707
For a period later than one year and not later than five years	49,806,267	95,027,273
For a period later than five years	-	-

c. Lease income recognized in Statement of Profit and Loss for the year ended 31st March, 2012 is Rs. 55,419,887 (Previous Year Rs. 38,728,349).

Notes to Financial Statement

(Contd.)

27 Deferred Tax Liability / (Asset)

(Amount in Rs.)

	31.03.12	31.03.11
Deferred tax liability		
Related to Fixed assets (Depreciation / Amortization)	8,548,739	2,770,093
Gross deferred tax liability	8,548,739	2,770,093
Deferred tax asset		
Impact of expenditures charged to the statement of profit and loss in the year but allowed for tax purposes on payment basis	398,425	-
Gross deferred tax asset	398,425	-
Net Deferred Tax Liability / (Asset)	8,150,314	2,770,093

28 Employee Benefits Disclosures

Defined Benefit Plans - Gratuity

As per Accounting Standard - 15 "Employees Benefits", the disclosure as defined in the Accounting Standard are given below:

1 Components of Employer Expense

(a) Current Service Cost	206,103	482,913
(b) Interest Cost	72,480	9,280
(c) Expected Return on Plan Assets	-	-
(d) Curtailment Cost/ (Credit) – (Excess fund of last year)	-	-
(e) Settlement Cost/(Credit)	-	-
(f) Past Service Cost	-	-
(g) Actuarial (Gain)/Loss	43,417	297,807
(h) Total expense/(gain) recognised in the Statement of Profit and Loss	322,000	790,000

2 Net (Asset)/Liability recognised in Balance Sheet

(a) Present Value of Obligation at the end of the year	1,228,000	906,000
(b) Fair Value of Plan Assets as at end of the year	-	-
(c) (Asset)/Liability recognised in the Balance Sheet	1,228,000	906,000

3 Change in Defined Benefit Obligation (DBO) during the year ended as on 31st March, 2012

(a) Present Value of Obligation as at beginning of the year	906,000	116,000
(b) Current Service Cost	206,103	482,913
(c) Interest Cost	72,480	9,280
(d) Liability Transferred in	-	-
(e) Actuarial (Gain)/Loss	-	-
(f) Past Service Cost	-	-
(g) Actuarial (Gains) / Losses on obligations	43,417	297,807
(h) Present Value of Obligation as at end of the year	1,228,000	906,000

4 Changes in the Fair Value of Plan Assets

(a) Present Value of Plan Assets as at beginning of the year	-	-
(b) Contribution by employer	-	-
(c) Expected Return on Plan Assets	-	-

Notes to Financial Statement

(Contd.)

	(Amount in Rs.)	
	31.03.12	31.03.11
(d) Actuarial Gain/(Loss)	-	-
(e) Transfer from other Company	-	-
(f) Benefits Paid	-	-
(g) Fair Value of Plan Assets as at end of the year	-	-
5 Actuarial Assumptions		
(a) Discount Rate (per annum)	8.00%	8.00%
(b) Expected Rate on Return on Assets	NA	NA
(c) Salary Escalation Rate*	6.50%	6.50%
*takes into account the inflation, seniority, promotions and other relevant factors		

29 Related Party Disclosures

1 Relationships:

Parties where control exists

a Subsidiary Companies:

Amenity Software Private Limited
Magenta Computer Software Private Limited
Satguru Infocorp Services Private Limited
Starlight Systems Private Limited
Sunteck Property Holdings Private Limited
Skystar Buildcon Private Limited
Starlight Systems (I) Private Limited

b Step-down Subsidiary Companies

Signature Island Buildcon Private Limited

c Joint Ventures:

Piramal Sunteck Realty Private Limited
Piramal Sunteck Realty Mauritius Limited
Piramal Sunteck International Limited
V3 Designs LLP
Uniworth Realty LLP
Nariman Infrastructure Private Limited (upto 21st September, 2011)
Nariman Infrastructure LLP (from 22nd September, 2011)
Pathway Buildcon LLP
Assable Buildcon LLP
Kanaka and Associates

d Other Associates:

Topzone Mercantile Company LLP

e Key Management Personnel:

Mr. Kamal Khetan – Chairman & Managing Director
Mr. Jignesh Sanghavi – Whole Time Director

f Entity/Person/s having Significant Influence:

Starteck Infraprojects Private Limited

Note : Related party relationship is as identified by the management and relied upon by the Auditors.

Notes to Financial Statement

(Contd.)

2. The following transactions were carried out with the related parties referred in 1 above, in the ordinary course of business during the year: (Amount in Rs.)

Particulars	Subsidiary		Associates / Joint Venture		Entity / Persons having Significant Influence		Key Management Personnel	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011	For the year ended 31st March, 2012	For the year ended 31st March, 2011	For the year ended 31st March, 2012	For the year ended 31st March, 2011	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Sales:								
Business Auxiliary Services Received	-	-	-	-	2,124,358	-	-	-
Management and Brand Fees (Income From Operations)	87,582,774	116,861,174	3,716,453	27,973,035	-	-	-	-
Expenses:								
Directors Remuneration	-	-	-	-	-	-	9,616,069	5,942,979
Income:								
Interest and rent income	90,406,500	-	435,900	-	-	-	-	-
Dividend income	18,750,000	7,500,000	-	-	-	-	-	-
Others:								
Optionally Convertible Redeemable Preference Shares Application Money Given / (Received)	(524,550,000)	624,850,000	(169,917,000)	(1,166,500,000)	-	-	-	-
Unsecured Borrowings Received / (Repaid)	-	-	-	-	-	(172,425,200)	-	(127,325,000)
Loans and advances Given / (Received)	(41,171,642)	47,256,642	(17,503,275)	14,830,272	-	-	(448,000)	448,000
Interest on Loans and Advances	-	-	435,900	2,842,353	-	-	-	-
Non - Current Investments in Subsidiary	-	-	-	-	-	-	-	-
- Optionally Convertible Debentures	582,596,825	386,000,000	-	-	-	-	-	-
Non- Current Investments-LLP-Fixed Capital	-	-	211,669	75,312,500	-	-	-	-
Current Investment -LLP-Current Capital	-	-	477,703,000	47,095,000	-	-	-	-
Non - Current Investments-Firm/ Shares	180,000	-	(111,674)	111,674	-	-	-	-

Notes to Financial Statement

(Contd.)

Particulars	(Amount in Rs.)					
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2011
Outstanding:						
Trade Receivables	29,116,864	-	679,768	8,603,081	-	-
Optionally Convertible Redeemable Preference Shares Application Money Given / (Received)	-	25,790,115	-	-	-	-
Loans and advances Given / (Received)	-	524,550,000	842,093,000	-	-	-
Non - Current Investment in shares/ firm	545,151,845	47,071,642	26,160	17,388,375	-	-
Non - Current Investments-LLP-Fixed Capital	-	545,071,945	334,532,010	334,643,679	-	-
Current Investment -LLP-Current Capital	-	-	75,737,769	75,526,100	-	-
Non - Current Investments in Subsidiary - Optionally Convertible Debentures	651,072,025	68,475,200	524,798,000	47,095,000	-	-

Notes:

- Related party relationships are as identified by the Management and relied upon by the Auditors.
- No balances in respect of the related parties has been provided for/written off/written back.

Notes to Financial Statement

(Contd.)

3 The following are the disclosure in respect of Material Related Party Transactions during the year: (Amount in Rs.)

Name of the entity	Type of transactions	31.03.12	31.03.11
Kanaka and Associates	Interest Income	495,300	2,842,353
	Loan given /(received)	(17,362,215)	14,830,272
Stardeck Infraprojects Private Limited	Business Auxiliary Services	-	2,124,358
Piramal Sunteck Realty Private Limited	Management Fees*	4,099,248	27,973,035
	Reimbursement Expenses	2,124,884	-
	Investment in Shares	-	5
	Optionally Convertible Redeemable Preference Shares Application Money-given/ (received)	261,450,000	(1,597,867,000)
Starlight Systems Private Limited	Management Fees and Brand Fees, Office Rent etc. (Income From Operations)*	92,463,239	109,528,228
	Reimbursement Expenses	19,169,248	-
	Investments in Shares	-	385,800,000
	Optionally Convertible Redeemable Preference Shares Application Money-Given / (Received)	(524,550,000)	524,550,000
	Investment in Non Convertible Debentures and Optionally Convertible Debentures	582,596,825	-
	Interest accrued on Debentures	77,805,000	-
Starlight Systems (I) Private Limited	Investments in Shares	80,000	-
	Reimbursement Expenses	18,870	-
Nariman Infrastructure Private Limited	Optionally Convertible Redeemable Preference Shares Application Money-given / (received)	8,218,000	431,367,000
	Optionally Convertible Redeemable Preference Shares Application Money converted to Current Investment LLP Current Capital	439,585,000	-
	Non - Current Investment in LLP Fixed Capital	(111,669)	111,669
Nariman Infrastructure LLP	Non - Current Investment in LLP Fixed Capital	111,669	-
	Current Investment in LLP Current Capital	440,035,000	-
Topzone Mercantile Company LLP	Current Investment in LLP Current Capital	22,793,000	-
Uniworth Realty LLP	Current Investment in LLP Current Capital	3,745,000	41,320,000
V3 Design LLP	Current Investment in LLP Current Capital	11,130,000	5,775,000
Assable Buildcon LLP	Investments in Shares	50,000	-
Pathway Buildcon LLP	Investments in Shares	50,000	-
Amenity Software Private Limited	Dividend Income	5,625,000	937,500
Magenta Computer Software Private Limited	Dividend Income	5,625,000	937,500
Satguru Infocorp Services Private Limited	Dividend Income	7,500,000	5,625,000
	Brand Fees (Income from operations)*	4,140,561	7,332,946

* Includes service tax

Notes: (i) Related party relationships are as identified by the Management and relied upon by the Auditors.
(ii) No balances in respect of the related parties has been provided for/written off/written back.

Notes to Financial Statement

(Contd.)

30 Disclosure of amounts at the year end and maximum amount of loans/advances/investments outstanding during the year are as follows:

(Amount in Rs.)

Particulars	As at 31st March, 2012	Maximum Amounts	Investment in equity shares made by subsidiaries in holding company	As at 31st March, 2011	Maximum Amounts	Investment in equity shares made by subsidiaries in holding company
Name of the entity						
Loans and Advances to Subsidiaries						
Skystar Buildcon Private Limited						
Loan	-	45,371,642	-	47,071,642	60,400,000	-
Starlight Systems Private Limited						
Zero Coupon Optionally Convertible Debentures*	68,475,200	68,475,200	7,500,000	-	-	-
Starlight Systems Private Limited						
Optionally Convertible Redeemable Preference Shares Application Money	-	555,650,000	7,500,000	524,550,000	603,300,000	7,500,000
Loans and Advances to associates						
Piramal Sunteck Realty Private Limited Optionally Convertible Redeemable Preference Shares Application Money	842,093,000	1,005,693,000	-	-	-	-
Loans and Advances to firm/ company in which directors are interested	-	-	-	-	-	-
Loans and advances to others						
Advaith Infraprojects Private Limited Non - convertible debentures application money*	719,154,000	719,154,000	-	-	-	-

* The advance is in nature where interest charged is below section 372A of Companies Act, 1956

31 Investments in Joint Ventures and the company's share in their assets and liabilities

The interest of the Company in Joint ventures is listed below :

Piramal Sunteck Realty Private Limited (PSRPL) -50%

Nariman Infrastructure Private Limited (NIPL) - 50% (upto 21st September, 2011)

Nariman Infrastructure LLP (NIL) -50% (from 22nd September, 2011)

Uniworth Realty LLP (URL)-50%

V3 Designs LLP (VDL) -50%

Assable Buildcon LLP (ABL) 50%

Pathway Buildcon LLP (PBL) 50%

Kanaka and Associates (Partnership Firm)50%

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

Particulars		PSPRL	NIPL	NIL	URL	VDL	KANAKA	ABL	PBL
LIABILITIES									
Reserves and Surplus	Current Year	416,868,453	-	-	-	-	-	(2,500)	(2,500)
	Previous Year	413,349,236	63,497	-	-	-	-	-	-
Optionally Convertible Redeemable Preference Shares Application Money	Current Year	842,144,000	-	-	-	-	-	-	-
	Previous Year	1,133,193,000	431,367,000	-	-	-	-	-	-
Non - Current Liabilities	Current Year	627,087	-	-	-	438,344	-	-	-
	Previous Year	671,843	-	-	-	438,344	-	-	-
Current Liabilities	Current Year	1,013,119,456	-	4,158,273	705,277	330,781	132,422,923	2,500	2,500
	Previous Year	365,423,390	7,997,788	-	805,647	161,491	92,460,637	-	-
ASSETS									
Fixed Assets	Current Year	1,378,701	-	-	-	22,500	18,655	-	-
	Previous Year	1,605,474	-	-	-	-	27,985	-	-
Non - Current Assets	Current Year	625,929,630	-	-	-	-	331,250	-	-
	Previous Year	587,045,517	-	-	-	-	355,667	-	-
Current Assets	Current Year	1,650,078,880	-	440,153,701	45,807,777	16,927,031	182,073,019	50,000	50,000
	Previous Year	1,329,114,694	439,478,284	-	42,065,647	5,615,242	142,076,986	-	-
INCOME	Current Year	14,146,425	-	-	-	-	-	-	-
	Previous Year	12,326,991	-	-	-	-	-	-	-
EXPENSES	Current Year	9,217,346	-	-	-	-	-	2,500	2,500
	Previous Year	3,897,955	12,776	-	-	-	-	-	-
PROFIT AFTER TAX	Current Year	3,519,216	-	-	-	-	-	(2,500)	(2,500)
	Previous Year	5,790,998	(3,486)	-	-	-	-	-	-
CONTINGENT LIABILITY	Current Year	-	-	-	25,000,000	-	-	-	-
	Previous Year	117,250,000	-	-	25,000,000	-	-	-	-

Note:

Disclosure of financial data as per Accounting Standards-27 "Financial Reporting of Interest in the Joint Venture" has been made based on the standalone audited financial statements of the above Joint Venture entities. There is no Capital commitment at the year end in respect of above joint ventures. All above entities are incorporated in India except PSRML and PSIL which are incorporated in Mauritius.

Notes to Financial Statement

(Contd.)

32 Construction Work-in-Progress

Amount in Rs.

Particulars	Increase /(decrease) in Construction WIP (2011-2012)	As at 31st March, 2012	Increase /(decrease) in Construction WIP (2010-2011)	As at 31st March, 2011
Land cost	237,099,388	764,017,798	292,893,730	526,918,410
Legal and professional fees	5,500,463	14,598,843	5,720,858	9,098,380
Finance costs *	29,457,354	37,890,599	8,433,245	8,433,245
Employee benefits expenses	1,557,320	3,466,746	1,256,875	1,909,426
Other project related expenses	125,536,577	305,051,892	115,904,897	179,515,315
Total	399,151,102	1,125,025,878	424,209,605	725,874,776

* The Finance Cost has been transferred to Construction Work-in- Progress in accordance with AS- 16 " Borrowing Costs".

33 Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(Amount in Rs.)

	31.03.12	31.03.11
The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under:		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

34 Earnings per share (EPS)

Profit after tax	118,304,268	61,976,860
Weighted average number of equity shares of Rs. 2 in calculating basic and diluted EPS	62,966,207	62,966,207
Basic EPS	1.88	0.98
Diluted EPS	1.88	0.98

35 Auditors' Remuneration (excluding Service Tax)

Auditors' Remuneration		
As auditor		
Audit fee	350,000	350,000
Tax audit fee	150,000	150,000
In other capacity		
Certification fee	25,000	-
Re-imbursement of expenses	41,493	-
Total auditors remuneration	566,493	500,000

Notes to Financial Statement

(Contd.)

	(Amount in Rs.)	
	31.03.12	31.03.11
36 Expenditure in Foreign Currency (accrual basis)		
Business promotion expenses	-	146,760
Membership fees	449,343	-
Legal and professional fees	-	3,361,564
Foreign travel, subscription, etc.	-	421,682
	449,343	3,930,006

37 The Company's normal operating cycle in respect of operations relating to under construction real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects and other business is based on 12 months period. Assets and Liabilities have been classified into current and non-current based on the operating cycle of respective businesses.

38

- In the opinion of the management, any of the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which these are stated.
- The accounts of certain Trade Receivables, Trade Payables, Loans and Advances and banks are, however, subject to formal confirmations or reconciliations and consequent adjustments, if any. However there is no indication of dispute on these accounts, other than those mentioned in the Financial Statements. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments.

39 Current year's financial statements have been presented in accordance with the Revised Schedule VI, previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

40 The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

Signature to Notes No 1 to 40

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

Kamal Khetan
Chairman & Managing Director

Jignesh Sanghavi
Executive Director

M. Kalahasthi
Director

Ramakant Nayak
Director

Rachana Hingarajia
Company Secretary

Mumbai: 30th May, 2012

Consolidated Financial Statements

Auditor's Report

**To
The Members,
Sunteck Realty Limited.**

1. We have audited the attached Consolidated Balance Sheet of Sunteck Realty Limited (the 'Parent Company'), its Subsidiaries, Joint Ventures and an Associate collectively referred to as the 'the Sunteck Group' as at March 31, 2012, the Consolidated Statement of Profit & Loss and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Parent Company's management and have been prepared by them 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 the 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 consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of the eight subsidiaries, six joint ventures and an associate whose separate financial statements reflect total assets of Rs. 21,583,163,795 as at March 31, 2012 and total revenue of Rs. 121,723,818 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and an associate is based solely on the report of the other auditors.
4. The Company has consolidated the financial statements of two foreign joint ventures whose financial statements reflect total assets of Rs. 13,914,775 as on 31st March, 2012 and net loss of Rs. 9,085,755 for the year ended on that date. These financial statements and other information have been audited by other auditors in the respective country upto 31st December, 2011 and adjustments made for the effects of significant transactions upto 31st March, 2012. The reports of other auditors have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these joint ventures is based solely on the report of other auditors and the management's representation provided to us.
5. We report that the Consolidated financial statements have been prepared by the Parent Company's management in accordance with the requirements of the Accounting Standards (AS) 21 - Consolidated Financial Statements, Accounting Standards (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standards (AS) 27 - Financial Reporting of Interests in Joint Ventures prescribed by Companies (Accounting Standards) Rules, 2006 as amended from time to time.
6. In our opinion and to the best of our information read together with para 3 and 4 above and according to the explanations given to us, the said financial statements read together with accompanying notes give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles accepted in India:
 - (i) In the case of Consolidated Balance Sheet, of state of affairs of the Sunteck Group as at March 31, 2012;
 - (ii) In the case of Consolidated Statement of Profit and Loss, of the profit of the Sunteck Group for the year ended on that date; and
 - (iii) In the case of Consolidated Cash Flow Statement, of cash flows of the Sunteck Group for the year ended on that date.

**For LODHA & COMPANY
Chartered Accountants**

**R. P. Baradiya
Partner
Membership No. 44101
Firm Registration No- 301051E**

**Place: Mumbai
Date: 30th May, 2012**

Consolidated Balance Sheet

as at 31st March 2012

(Amount in Rs.)

	Notes	31.03.12	31.03.11
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	119,932,414	119,932,414
Reserves and Surplus	3	3,899,945,365	3,884,423,003
Share Application Money Pending Allotment	34	2,971,317,500	2,864,425,000
Minority Interest		39,570,940	25,208,990
NON - CURRENT LIABILITIES			
Long Term Borrowings	4	707,931	8,314,497
Deferred Tax Liabilities	29	8,552,068	3,859,206
Other Long Term Liabilities	5	78,643,943	85,382,836
Long Term Provisions	6	2,301,500	1,462,000
CURRENT LIABILITIES			
Short Term Borrowings	7	4,881,152,158	4,014,676,863
Trade Payables	8	3,247,876,118	2,976,036,439
Other Current Liabilities	9	10,027,961,108	6,883,654,356
Short Term Provisions	10	10,223,926	14,997,603
TOTAL		25,288,184,971	20,882,373,207
ASSETS			
NON - CURRENT ASSETS			
Fixed Assets			
Tangible Assets	11	154,091,740	152,535,375
Intangible Assets	11	1,949,814	1,447,925
Capital Work-In-Progress		-	7,461,252
Goodwill on Consolidation		677,398,583	680,284,466
Non - Current Investments	12	452,107,347	346,331,309
Deferred Tax Assets	29	1,394,878	867,737
Long Term Loans and Advances	13	177,001,384	205,232,299
Other Non - Current Assets	14	-	41,675,536
CURRENT ASSETS			
Current Investments	15	217,839,051	259,194,607
Inventories	16	19,035,563,045	15,696,497,427
Trade Receivables	17	369,015,269	16,133,697
Cash and Bank Balances	18	274,292,422	274,296,577
Short Term Loans and Advances	19	3,918,571,977	3,197,453,677
Other Current Assets	20	8,959,461	2,961,319
TOTAL		25,288,184,971	20,882,373,207
Significant Accounting Policies and the accompanying notes form an integral part of financial statements	1 to 39		

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

R.P. Baradiya
Partner

Membership No: 44101
Mumbai: 30th May, 2012

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

Kamal Khetan
Chairman & Managing Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Jignesh Sanghavi
Executive Director

Ramakant Nayak
Director

Consolidated Profit & Loss Account

for the year ended 31st March 2012

(Amount in Rs.)

	Notes	31.03.12	31.03.11
INCOME			
Revenue from operations	21	170,038,539	202,356,207
Other income	22	133,660,069	102,835,490
Total Revenue (I)		303,698,608	305,191,697
EXPENSES			
Operating expense	23	33,206,535	36,243,266
Employee benefits expense	24	22,480,278	26,556,281
Finance cost	25	50,943,450	34,372,235
Depreciation and amortization expense	11	14,765,752	14,728,344
Other expenses	26	72,238,352	107,234,424
Total Expenses (II)		193,634,367	219,134,550
Profit for the year before tax (I - II)		110,064,241	86,057,147
Tax Expenses :			
Current tax		60,483,022	50,970,960
Short / (Excess) taxation of earlier years		-	75,614
Deferred tax		4,165,722	1,375,207
Profit for the year before minority interest		45,415,497	33,635,364
Less: Minority interest		14,341,950	6,379,778
Add: Reversal of loss on conversion of subsidiaries to joint venture / LLP		-	4,518,779
Profit for the year after Minority Interest		31,073,547	31,774,365
Earning per equity share of face value Rs. 2 each:	35		
Basic		0.52	0.53
Diluted		0.52	0.53
Significant Accounting Policies and the accompanying 1 to 39 notes form an integral part of financial statements			

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

R.P. Baradiya
Partner

Membership No: 44101
Mumbai: 30th May, 2012

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

Kamal Khetan
Chairman & Managing Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Jignesh Sanghavi
Executive Director

Ramakant Nayak
Director

Consolidated Cash Flow Statement for the

Year Ended 31st March, 2012

(Amount in Rs.)

	31.03.12	31.03.11
Cash Flow from Operating Activities		
Profit before tax as per Statement of Profit and Loss	110,064,241	86,057,146
Adjusted for:		
Depreciation and Amortization Expense	14,765,752	14,728,344
Interest Income	(73,113,079)	(85,624,425)
Dividend Income	(3,201,113)	(12,429,427)
Finance Cost	50,943,450	34,372,235
(Profit) / Loss on Sale of Fixed Assets	(14,378,242)	-
(Profit) / Loss on Sale of Investments	(39,064,971)	(3,485,125)
Preliminary Expense written off	-	17,122
Liabilities no longer required written back	(3,661,910)	-
Sundry Balances written off	-	825,950
	(67,710,113)	(50,815,598)
Operating Profit before Working Capital Changes	42,354,129	35,241,548
Adjusted for:		
(Increase)/Decrease in Inventories	(3,336,168,101)	(6,833,010,597)
(Increase)/Decrease in Trade Receivables	(352,881,572)	63,465,383
(Increase)/Decrease in Other Receivables	(748,598,938)	596,125,503
Increase/(Decrease) in Other Liabilities and Provisions	3,414,154,362	(1,023,494,249)
Cash Generated From Operations	(981,140,121)	(878,148,002)
Less: Income Tax Paid	(115,826,852)	(17,937,205)
Net Cash from / (used in) Operating Activities (A)	(865,313,268)	(896,085,207)
Cash Flow from Investing Activities		
Sale of Fixed Assets	21,600,000	-
Purchase of Fixed Assets	(16,881,525)	(11,078,292)
Sale of Investments	185,457,077	111,823,846
Purchase of Investments	(210,812,587)	(194,399,292)
Interest Income	73,113,079	85,624,425
Dividend Income	3,201,113	12,429,427
Net Cash from / (used in) Investing Activities (B)	55,677,156	4,400,115
Cash Flow from Financing Activities		
Proceeds from Optionally Convertible Redeemable Preference Shares	106,892,500	782,515,000
Proceeds /(repayment) from Borrowings	858,868,729	147,424,937
Dividend Paid (including Dividend Distribution Tax)	(21,054,389)	(17,624,226)
Finance Cost	(50,943,450)	(34,372,235)
Net Cash from / (used in) Financing Activities (C)	893,763,390	877,943,476
Net Increase/ Decrease in Cash and Cash Equivalents (A+B+C)	84,127,277	(13,741,617)
Cash and Cash Equivalents - Opening Balance	153,637,111	167,378,727
Cash and Cash Equivalents - Closing Balance	237,764,387	153,637,111

Note:

- 1) The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in the Accounting Standards- 3 on "Cash Flow Statements".
- 2) Previous years' figures have been regrouped/rearranged wherever necessary to conform to the current years' presentation.

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

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

R.P. Baradiya
Partner

Membership No: 44101
Mumbai: 30th May, 2012

Kamal Khetan
Chairman & Managing Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Jignesh Sanghavi
Executive Director

Ramakant Nayak
Director

Consolidated Notes

to Policies

(Contd.)

Significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31st March, 2012

1 SIGNIFICANT ACCOUNTING POLICIES

a) Nature of Operations

Sunteck Realty Limited ('The Parent Company') and its subsidiary companies collectively referred to as "Group". The group is primarily engaged in the business of real estate/ real estate development and incidental services.

b) 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) Rules, 2006 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.

c) Principles of consolidation

The consolidated financial statements relate to the group. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- ii. Interest in Joint Ventures has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures".
- iii. The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- iv. Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- v. Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- vi. Investment in Associate Companies has been accounted under the equity method as per (AS-23)- "Accounting for Investments in Associates in Consolidated Financial Statements".
- vii. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- viii. The list of Subsidiary Companies, Joint venture and an Associate which are included in the consolidation and the Company's holdings therein are as under :

Consolidated Notes

to Policies

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(Amount in Rs.)

	Country of Incorporation	Proportion of ownership interest
I. Subsidiary Companies		
Amenity Software Private Limited	India	100%
Magenta Computer Software Private Limited	India	100%
Satguru Infocorp Services Private Limited	India	100%
Starlight Systems Private Limited	India	80%
Starlight Systems India Private Limited	India	80%
Sunteck Property Holdings Private Limited	India	100%
Skystar Buildcon Private Limited	India	100%
II Step Down Subsidiary Company		
Signature Island Buildcon Private Limited	India	80%
III Joint Venture		
Piramal Sunteck Realty Private Limited	India	50%
Kanaka and Associates	India	50%
V3 Designs LLP	India	50%
Uniworth Realty LLP	India	50%
Assable Buildcon LLP	India	50%
Pathway Buildcon LLP	India	50%
Nariman Infrastructure Private Limited (upto 21st September, 2011)	India	50%
Nariman Infrastructure LLP (from 22nd September, 2011)	India	50%
Piramal Sunteck Mauritius Limited	Mauritius	50%
Piramal Sunteck International Limited	Mauritius	50%
IV Associates		
Topzones Mercantile Company LLP	India	25%

d) Use of Estimates

The Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

e) Revenue recognition

i. Revenue for real estate development/sale

The Group follows completed project method of accounting. Direct/Allocable expenses incurred during the year are debited to work- in-progress account. The revenue is accounted for as and when the significant risks and rewards of ownership of the units in real estate are passed or deemed to have passed to the buyer and the Projects get completed or substantially completed, to the extent that the economic benefits will flow to the Group and the revenue can be reliably measured.

ii. Rent

Rental Income is recognized on a time proportion basis as per the contractual obligations agreed with the respective tenant.

iii. Interest

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Consolidated Notes

to Policies

(Contd.)

iv. Dividend

Dividend Income is recognised when the shareholders' right to receive payment is established by the balance sheet date.

v. Profit /Loss from Partnership Firms/LLP

Share of profit / loss from firms in which the Group is a partner is accounted for in the financial period ending on (or before) the date of the balance sheet on the basis of audited accounts and as per the terms of the respective partnership deed.

vi. Maintenance Services

Revenue in respect of maintenance services is recognised on an accrual basis, in accordance with the terms of the respective contract.

f) Construction Work-in-Progress

Construction Work In Progress comprises of Land and development rights, Construction materials, Work-in-progress, completed unsold flats/units. These are valued at lower of the cost or net realizable value.

Construction Work in Progress are valued as follows:

Land	Land and development rights including development cost and borrowing costs.
Construction materials	Construction materials are valued at cost if the completed unsold flats/units in which they will be incorporated are expected to be sold at or above cost otherwise lower of cost or net realizable value. Cost is determined on a weighted average basis.
Work-in-progress (Land/ Real Estate under development)	Work-in-progress is valued at cost if the completed unsold flats/units are expected to be sold at or above cost otherwise at lower of cost or net realizable value. Cost includes direct expenditure relating to construction activity (including land cost) and indirect expenditure (including borrowing costs) during the construction period to the extent the expenditure is related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account.
Completed unsold flats/units	Lower of cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business; less estimated costs of completion (where ever applicable) and estimated costs necessary to make the sale.

g) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress includes expenditure incurred till the assets are put into intended use.

h) Depreciation

Depreciation on tangible fixed assets is provided using the Straight Line Method at the rates and in the manner as prescribed under schedule XIV of the Companies Act, 1956. In case of intangible fixed assets – Software, the same is amortized over a period of five years.

i) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet dates and if there is any indication of impairment based on internal/external factors. 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 weighted average cost of capital. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated

Consolidated Notes

to Policies

(Contd.)

to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation), had no impairment loss been recognized. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

j) Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary decline in the value of the investments.

k) Employee benefits

Defined Contribution Plan

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the fund are due. There are no other obligations other than the contribution payable to the government funds.

Defined Benefit Plan

Group'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 Profit and Loss Account and are not deferred.

Compensated absences

Short term

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of the benefit expected to be availed by the employees.

Long Term

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to profit and loss account in the year in which such gains or losses are determined.

l) Borrowing Costs

Borrowing costs relating to acquisition and/or construction of qualifying assets are capitalized to the extent that the funds are borrowed and used for purpose of constructing a qualifying asset until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs which are not related to acquisition and/or construction activities nor are incidental thereto are charged to the Profit and Loss account.

m) Taxation

Tax expense comprises of current income tax and deferred income tax. 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 Group 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 Group re-assesses unrecognised deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become

Consolidated Notes

to Policies

(Contd.)

reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Minimum Alternative Tax (MAT) credit is recognised as an asset and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

n) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Foreign Currency assets and liabilities (monetary items) are translated at the exchange rate prevalent at the date of the Balance Sheet. Non – Monetary item such as investments are carried at historical cost using the exchange rate on the date of transaction.

Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

o) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p) Provisions, Contingent Liabilities and Contingent Assets

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.

Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the notes to accounts of financial statements.

Contingent Assets are neither recognized nor disclosed in the financial statements.

q) Share Issue Expenses

Share issue expenses are adjusted against Securities Premium Account.

r) Leases

i) Where Group is the lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating lease. Operating lease payments are recognised as an expense in the Profit and Loss Account on Straight Line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the Lease.

ii) Where Group is the lessor

Assets representing Lease arrangements given under operating leases are included in Investments. Lease income is recognized in the Profit and Loss Account on Straight Line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the Lease.

s) Cash Flow Statement

i) Cash flow statement has been prepared under the 'Indirect Method'.

ii) Cash and cash equivalents, in the cash flow statement comprise unencumbered cash and bank balances.

Consolidated Notes to

Financial Statement

(Amount in Rs.)

	31.03.12	31.03.11
2 Share Capital		
Authorised		
93,750,000 (Previous year 93,750,000) Equity Shares of Rs. 2 each	187,500,000	187,500,000
1,250,000 (Previous year 1,250,000) Preference Shares of Rs. 10 each	12,500,000	12,500,000
Total authorised share capital	200,000,000	200,000,000
Issued, Subscribed and Paid up		
59,966,207 (Previous year 59,966,207) Equity Shares of Rs. 2 each fully paid up	119,932,414	119,932,414
Total issued, subscribed and fully paid up share capital	119,932,414	119,932,414
a) Reconciliation of shares outstanding at the beginning and at the end of the year		
Equity shares of Rs. 2 each	31st March, 2012	31st March, 2011
	Number of Shares	Number of Shares
Outstanding at the beginning of the year	59,966,207	59,966,207
Issued during the year	-	-
Outstanding at the end of the year	59,966,207	59,966,207

b) Terms/rights attached to equity shares

The Company has only one class of Equity Share having value of Rs. 2 Each with an entitlement of one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs. 2 each fully paid	31st March, 2012		31st March, 2011	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Manisha Khetan	24,219,380	38.46%	24,219,380	38.46%
Kamal Khetan	2,943,412	4.67%	3,643,412	5.79%
Eskay Infrastructure Development Private Limited	5,693,419	9.04%	3,375,000	5.36%
Kotak Mahindra Trusteeship Services Limited A/C Kotak Alternate Opportunities (India) Fund	5,531,566	8.78%	5,983,307	9.50%

d) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

- 3,551,391 (Previous year 3,551,391) shares were allotted pursuant to the High Court Order dated 24/11/2008 on amalgamation of Satguru Corporate Services Private Limited with the Company to the shareholders of Satguru Corporate Services Private Limited effective date being 01/04/2006.
- 2,001,109 (Previous year 2,001,109) shares were allotted pursuant to the High Court Order dated 12/12/2008 on amalgamation of Amrut Consultancy Private Limited with the Company to the shareholders of Amrut Consultancy Private Limited effective date being 01/06/2008.

3 Reserve & Surplus		
Capital reserves		
Balance as per last financial statements	67,128,085	24,200,855
Add: Adjustment related to earlier years	7,929,429	42,927,230
Closing balance	75,057,514	67,128,085

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
Securities premium account		
Balance as per last financial statements	3,612,290,044	3,612,290,044
Add: Received during the year	-	-
Closing balance	3,612,290,044	3,612,290,044
Debentures redemption reserve		
Balance as per last financial statements	-	-
Add: Transferred from surplus in statement of Profit and Loss	100,000	-
Closing balance	100,000	-
General reserve		
Balance as per last financial statements	7,541,887	5,732,671
Add: Transferred from surplus in statement of Profit and Loss	5,020,446	1,809,216
Closing balance	12,562,333	7,541,887
Surplus in the statement of profit and loss		
Balance as per last financial statements	197,462,984	173,360,798
Profit for the year	31,073,547	31,774,365
Less: Appropriations		
Proposed equity dividend (Dividend per share Rs. 0.12; Previous year Rs. 0.18)	7,556,045	11,333,917
Interim equity dividend (Dividend per share Rs. 0.12; Previous year Rs. Nil)	7,196,045	-
Tax on equity dividend	4,884,929	3,663,686
Transferred to general reserve	5,020,446	1,809,216
Transferred to debentures redemption reserve	100,000	-
Adjustment related to earlier years	7,425,311	-
Dividend distribution tax credit from subsidiaries	(3,041,720)	(1,274,640)
Reversal of reserves on dividend from subsidiaries	(540,000)	(7,860,000)
Closing balance	199,935,474	197,462,985
Total reserves and surplus	3,899,945,365	3,884,423,003
4 Long Term Borrowings		
Secured loans		
Term loans		
From others - vehicle loan	169,587	2,896,153
Unsecured loans		
From body corporates	538,344	5,418,344
Total long term borrowings	707,931	8,314,497
5 Other Long Term Liabilities		
Other		
Security deposits received from clients	78,643,943	85,382,836
Total other long term liabilities	78,643,943	85,382,836
6 Long Term Provisions		
Provision for employee benefits	2,301,500	1,462,000
Total long term provisions	2,301,500	1,462,000
7 Short Term Borrowings		
Secured loans		
Term Loan		
From banks	2,633,990,913	1,941,541,923

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
Unsecured Loans		
Loans repayable on demand		
From body corporates and others	1,192,061,244	499,334,940
Optionally convertible debentures (OCD) issued by a subsidiary	417,900,000	521,600,000
Non convertible debentures (NCD) issued by a subsidiary	637,200,000	1,052,200,000
Total short term borrowings	4,881,152,157	4,014,676,863
8 Trade Payables		
Trade payables	3,247,876,118	2,976,036,439
Total trade payables	3,247,876,118	2,976,036,439
9 Other Current Liabilities		
Current maturities of long term borrowings	333,085	470,082
Interest accrued but not due on borrowings	270,422,108	299,092,372
Others		
Statutory dues	67,892,935	50,993,434
Advance received from customers	9,291,046,946	6,464,185,861
Payable in respect of capital expenditure	1,182,308	-
Security deposits received from clients	56,285,531	68,912,607
Billed in advance	340,798,195	-
Total other current liabilities	10,027,961,108	6,883,654,356
10 Short Term Provisions		
Provision for tax (net of advance tax Rs. 38,442,827; Previous year Rs. Nil)	186,913	-
Provision for employee benefits	38,500	-
Others		
Proposed equity dividend	7,556,045	11,333,917
Tax on proposed equity dividend	2,442,468	3,663,686
Total short term provisions	10,223,926	14,997,603

Consolidated Notes to Financial Statement

(Contd.)

11 Fixed Assets

(Amount in Rs.)

Sr. No	Fixed Assets	Gross Block (At cost)			Depreciation and Amortisation				Net Block		
		As at 1 April 2011	Additions	Deduction/ (Adjustments)	As at 31 March 2012	Upto 31 March 2011	For the year*	Deduction/ (Adjustments)	Upto 31 March 2012	As at 31 March 2012	As at 31 March 2011
a	Tangible Assets										
1	Own Assets										
	Building	59,943,973	-	7,383,206	52,560,767	977,087	897,842	161,448	1,713,481	50,847,286	58,966,886
	Furniture and fixtures	70,621,850	16,127,335	-	86,749,185	30,392,215	4,811,562	-	35,203,777	51,545,408	40,229,635
	Vehicles	17,460,603	-	-	17,460,603	3,786,952	1,658,757	-	5,445,709	12,014,894	13,673,650
	Office equipment	2,578,536	847,128	-	3,425,664	744,651	170,777	-	915,428	2,510,236	1,833,886
	Air conditioners	5,275,643	2,173,529	-	7,449,172	835,026	287,738	-	1,122,764	6,326,408	4,440,617
	Computers and peripherals	18,805,222	559,820	-	19,365,042	14,413,818	2,542,048	-	16,955,866	2,409,176	4,391,404
	Total	174,685,826	19,707,812	7,383,206	187,010,432	51,149,748	10,368,724	161,448	61,357,025	125,653,407	123,536,078
2	Assets given on operating lease										
	Furniture and fixtures	63,053,090	2,525,352	-	65,578,442	35,834,732	4,117,079	-	39,951,811	25,626,631	27,218,358
	Air conditioners	2,475,638	1,186,631	-	3,662,269	694,699	155,868	-	850,567	2,811,702	1,780,939
	Total	65,528,728	3,711,983	-	69,240,711	36,529,431	4,272,947	-	40,802,378	28,438,333	28,999,297
b	Intangible Assets										
	Computer Software	1,594,550	922,983	-	2,517,533	146,625	421,094	-	567,719	1,949,814	1,447,925
	Total	1,594,550	922,983	-	2,517,533	146,625	421,094	-	567,719	1,949,814	1,447,925
	Current Year	241,809,104	24,342,777	7,383,206	258,768,676	87,825,804	15,062,765	161,448	102,727,121	156,041,554	153,983,300
	Previous Year	179,325,355	63,865,705	1,381,957	241,809,104	73,197,638	14,848,938	220,773	87,825,804	153,983,300	
	* Includes depreciation of Rs. 297,013 (Previous year Rs. 120,594) transferred to Construction work-in-progress										

Consolidated Notes to

Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
12 Non - Current Investments		
Long Term Trade investments (valued at cost unless stated otherwise)		
Investment in property	178,419,930	177,553,729
Investment in transferable development rights		
Balance as per last financial statements	57,390,642	80,000,202
Add: Purchased during the year	64,422,540	-
Less: Transferred to construction work - in - progress	64,422,540	-
Less: Returned during the year	57,390,642	22,609,560
Closing Balance	-	57,390,642
Investment in government or trust securities		
IDBI Bank Limited	-	2,000,000
Nil Bond (Previous year 2) of Rs. 1,000,000 each		
Other long term investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Samhrutha Habitat Infrastructure Private Limited	28,303,780	26,100,000
2,755,378 (Previous year 2,535,000) equity shares of Rs. 10 each fully paid up		
Towell Piramal Sunteck LLC	-	4,874,291
Advaith Infraprojects Private Limited	19,990	-
1,990 (Previous year Nil) equity shares of Rs. 10 each fully paid up		
Saraswat Co-op. Bank Limited	1,700	1,700
170 (Previous year 170) equity shares of Rs. 10 each fully paid up		
Janakalyan Sahakari Bank Limited	10,000	10,000
1000 (Previous year 1000) equity shares of Rs. 10 each fully paid up		
Mandavi Bank Limited	2,000	2,000
200 (Previous year 200) equity shares of Rs. 10 each fully paid up		
North Canara Bank Limited	50	50
2 (Previous year 2) equity shares of Rs. 25 each fully paid up		
Shamrao Vithal Bank Limited	1,250	1,250
50 (Previous year 50) equity shares of Rs. 10 each fully paid up		
Essar Steel Limited	218,201	218,201
4,500 (Previous year 4,500) equity shares of Rs. 10 each fully paid up		
Sunteck Wealthmax Capital Private Limited	-	1,500,000
150,000 (Previous year 150,000) equity shares of Rs. 10 each fully paid up		
Quoted equity instruments		
Punjab Communication Limited	12,600	12,600
1,000 (Previous year 1,000) equity shares of Rs. 10 each fully paid up		
MRPL Limited	247,656	247,656
5,000 (Previous year 5,000) equity shares of Rs. 10 each fully paid up		
PSL Limited	1,018,090	1,018,090
2,000 (Previous year 2,000) equity shares of Rs. 10 each fully paid up		
Investment in compulsorily convertible preference shares (Unquoted)		
Advaith Infraprojects Private Limited	8,001,000	-
800,100 (Previous year Nil) compulsorily convertible preference shares of Rs. 10 each fully paid up		
Investment in mutual fund units* (Quoted)		
IDFC Fund	55,950,000	-

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
Reliance Fund	34,500,000	-
HDFC Fund	50,000,000	-
ICICI Fund	20,000,000	-
* Fixed Maturity Plans		
Investment in an Associate		
Topzone Mercantile Company LLP (Cost of acquisition towards goodwill)	75,401,100	75,401,100
Total non-current investments	452,107,347	346,331,309
Notes		
Aggregate market value of quoted investments	162,377,725	520,450
Aggregate amount of quoted investments	161,728,346	1,278,346
Aggregate amount of unquoted investments	290,379,000	345,052,963
13 Long Term Loan and Advances		
Unsecured, considered good		
Capital advances	2,051,509	-
Security deposits	9,879,950	6,590,603
Others		
Advances recoverable in cash or in kind or for value to be received	119,966,993	165,296,478
Prepaid expenses	2,733,370	-
Advance income tax (net of provision Rs. 121,729,273; Previous year Rs. 101,878,585)	42,369,561	33,345,218
Total long term loan and advances	177,001,383	205,232,299
14 Other Non-Current Assets		
Interest accrued on loans	-	41,675,536
Total other non-current assets	-	41,675,536
15 Current Investments		
Unquoted equity instruments		
Sunteck Wealthmax Capital Private Limited 150,000 (Previous year 150,000) equity shares of Rs. 10 each fully paid up	1,500,000	-
Current account balance in an associate	22,793,000	-
Investment in mutual fund units (Unquoted)		
HDFC Fund	16,478,654	39
ICICI Fund	101,131,433	170,000,000
IDFC Fund	75,935,923	89,194,529
Reliance Fund	41	39
Total current investments	217,839,051	259,194,607
Notes		
Aggregate market value of quoted investments	-	-
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	217,839,051	259,194,607
16 Inventories (valued at lower of cost and net realizable value) (As certified by management)		
Construction work - in - progress (Refer note 33)	19,035,563,045	15,696,497,427
Total inventories	19,035,563,045	15,696,497,427

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
17 Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	406,048	406,048
Unsecured, considered good	2,631,631	2,274,163
Others		
Secured, considered good	4,789,311	6,717,126
Unsecured, considered good	361,188,279	6,736,360
Total trade receivables	369,015,269	16,133,697
18 Cash and Cash Balances		
i) Cash and Cash Equivalent		
Cash on hand	2,572,386	215,755
Balances with bank	235,192,001	153,421,356
	237,764,387	153,637,111
ii) Cash and Bank Balances		
Fixed Deposit with Bank		
Deposit with original maturity for more than 12 months	22,837,500	-
Deposit with original maturity for more than 3 months but less than 12 months	13,690,535	120,659,466
	36,528,035	120,659,466
Total cash and cash balances	274,292,422	274,296,577
19 Short Term Loans and Advances		
Unsecured, considered good		
Loans and advances to related parties	26,161	17,388,375
Advances recoverable in cash or in kind or for value to be received	131,699,250	110,295,762
Security deposits	1,172,436	3,443,443
Others		
Advances to body co operates	2,522,404,268	1,827,898,164
Advances to joint venturer	4,901,665	-
Advances towards projects	21,111,170	726,680,964
Advances to directors	-	448,000
Duties and taxes recoverable	8,686,024	1,746,180
Prepaid expenses	78,682,903	3,547,789
Non - convertible debentures application money	719,154,000	-
Advances towards transferable development rights	9,687,600	-
Optionally convertible redeemable preference shares application money	421,046,500	506,005,000
Total short term loans and advances	3,918,571,977	3,197,453,677
20 Other Current Assets		
Interest accrued on fixed deposit	821,373	232,003
Interest accrued on investment	8,138,088	2,729,316
Total other current assets	8,959,461	2,961,319
21 Revenue From Operations		
Sale of services		
Rent on immovable property	43,009,487	29,946,674
Project management	1,858,227	8,167,888

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
Maintenance of industrial park	-	4,621,500
Rent on lease property	113,329,388	141,554,831
Maintenance charges	3,638,107	1,727,534
Other services	8,203,330	16,337,780
Total revenue from operations	170,038,539	202,356,207
22 Other Income		
Interest income on		
Fixed deposit with bank	6,332,162	14,145,789
Long- term investments	9,421,050	70,000
Current investments	10,062,000	8,493,663
Others	47,297,867	62,914,974
Dividend income on		
Current investments	3,190,443	12,336,196
Long- term investments	10,670	93,231
Net gain on sale of fixed asset	14,378,242	-
Net gain on sale of investments in transferable development rights	16,719,498	-
Net gain on sale of current investments	22,345,473	3,485,124
Liabilities no longer required written back	3,661,910	1,278,513
Other income	240,754	18,000
Total other income	133,660,069	102,835,490
23 Operating Expenses		
Lease rent	30,632,935	31,200,106
Other operating expense	2,573,600	5,043,160
Total operating expenses	33,206,535	36,243,266
24 Employee Benefits Expense		
Salaries and wages	20,324,578	24,223,976
Contribution to provident and other funds	1,862,418	1,830,366
Staff welfare expenses	293,282	501,939
Total employee benefit expense	22,480,278	26,556,281
25 Finance Costs		
Interest expenses	43,705,573	34,372,235
Other borrowing cost	7,237,877	-
Total finance costs	50,943,450	34,372,235
26 Other Expenses		
Advertising expenses	495,888	12,492,332
Auditors' remuneration	922,388	1,020,639
Bank Charges	287,954	2,259,073
Business promotion expenses	5,102,393	9,070,403
Directors' Sitting Fees	65,000	65,000
Exhibition expenses	5,312,218	2,362,980
Commission and brokerage expenses	2,117,937	4,407,683
Donation paid	-	5,110,000
Electricity expenses	4,476,720	4,732,130
Exchange rate difference (Net)	-	252,549
Legal and professional fees	9,307,236	26,031,452

Consolidated Notes to

Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
Membership fees and entrance fees	3,436,725	566,758
Pay and park charges (net of non operating income directly attributable to such expenses of Rs. 3,000,000; Previous year Rs. 1,581,667)	1,225,770	2,287,817
Rates and taxes	2,087,890	2,484,667
Repairs to		
Building	9,477,510	1,312,327
Others	15,956,738	17,573,407
Sundry balances written off	-	825,950
Telephone and communication expenses	628,888	542,425
Traveling and conveyance expenses	1,502,102	4,138,165
Insurance	1,194,338	772,018
Rent	112,000	216,000
Miscellaneous expenses	8,528,660	8,710,648
Total other expenses	72,238,352	107,234,424
27 Contingent liabilities and commitments (to the extent not provided for)		
a. Contingent Liabilities		
(i) Disputed Income Tax Matters	19,614,638	20,965,424
(ii) Bank Guarantee	16,000,000	132,750,000
(iii) Stamp duty and registration charges arising on amalgamation or reconstruction of various companies carried out as per High Court Order's under section 394 of the Companies Act, 1956	Amount not ascertainable	Amount not ascertainable
Total (a)	35,614,638	153,715,424
b. Commitments		
The Group may have to pay directly to Rajasthan Financial Corporation (RFC) on behalf of Man Industrial Corporation Limited, towards repayment of the loans, as per the Development Agreement entered by the Uniworth Realty Limited with them.	25,000,000	25,000,000
Total (b)	25,000,000	25,000,000
Total (a) + (b)	60,614,638	178,715,424

- c. The Maharashtra Chambers of Housing Industry ('MCHI') had filed a writ petition in Bombay High Court challenging the levy of Value Added Tax ('VAT') w.e.f. June 20, 2006 under MVAT Act, 2002 on sale of premises under construction which has been recently dismissed by the Bombay High Court and has ordered to pay the MVAT liability. Under the premises ownership agreement / letter of allotment entered into by the Group, such liability ultimately needs to be borne by the purchaser of the premises, for which the Group is in process of sending the demand letters to the purchasers of the premises to pay MVAT liability and hence, no provision thereof is considered necessary.
- d. The Maharashtra Chambers of Housing Industry (MCHI) had filed a writ petition with Bombay High Court challenging the levy of service tax on construction of complex and residential service introduced in the Budget of 2010 which has been recently dismissed by the Bombay High Court and has ordered to pay the service tax liability amount. Further, MCHI has filed a writ petition with Supreme Court challenging the Bombay High Court order which has been admitted by the Apex Court. Meanwhile, the Group has deposited the service tax liability amount to the government authorities/service tax department. No provision of interest liability is considered necessary as the same will be recovered from the customer.

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

28 Lease

a. All the initial direct income/payment are charged to Statement of Profit and Loss

b. Premises given on operating lease:

The total future minimum lease rentals receivable at the Balance Sheet date is as under:

For a period not later than one year	122,082,551	125,111,733
For a period later than one year and not later than five years	91,434,337	213,516,888
For a period later than five years	-	-

c. Premises taken on operating lease:

The total future minimum lease rentals receivable at the Balance Sheet date is as under:

For a period not later than one year	27,104,200	26,586,200
For a period later than one year and not later than five years	67,946,800	94,871,000
For a period later than five years	-	-

d. Lease income recognized in Statement of Profit and Loss for the year ended 31st March, 2012 is Rs. 156,338,875 (Previous Year Rs. 171,501,505).

e. Lease payment recognized in Statement of Profit and Loss for the year ended 31st March, 2012 is Rs. 30,774,935 (Previous Year Rs. 31,416,106).

29 Deferred tax liability / Asset

a. Deferred Tax Asset:

Deferred tax liability

Related to Fixed assets (Depreciation / Amortization)	144,913	-
Gross deferred tax liability	144,913	-

Deferred tax asset

Related to Fixed assets (Depreciation / Amortization)	1,340,903	867,737
Impact of expenditures charged to the statement of profit and loss in the year but allowed for tax purposes on payment basis	198,888	-
Gross deferred tax asset	1,539,791	867,737
Net Deferred Tax Asset	1,394,878	867,737

b. Deferred Tax Liability:

Deferred tax liability

Related to Fixed assets (Depreciation / Amortization)	9,112,393	3,859,206
Gross deferred tax liability	9,112,393	3,859,206

Deferred tax asset

Impact of expenditures charged to the statement of profit and loss in the year but allowed for tax purposes on payment basis	560,325	-
Gross deferred tax asset	560,325	-
Net Deferred Tax Liability	8,552,068	3,859,206

30 Employee Benefits Disclosures

Defined Benefit Plans - Gratuity

As per Accounting Standard - 15 "Employees Benefits", the disclosure as defined in the Accounting Standard are given below:

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.12	31.03.11
1 Components of Employer Expense		
(a) Current Service Cost	583,743	740,849
(b) Interest Cost	116,960	53,390
(c) Expected Return on Plan Assets	-	-
(d) Curtailment Cost/ (Credit) – (Excess fund of last year)	-	-
(e) Settlement Cost/(Credit)	-	-
(f) Past Service Cost	-	-
(g) Actuarial (Gain)/Loss	177,297	251
(h) Total expense/(gain) recognised in the Statement of Profit and Loss	878,000	794,490
2 Net (Asset)/Liability recognised in Balance Sheet		
(a) Present Value of Obligation at the end of the year	2,340,000	1,462,000
(b) Fair Value of Plan Assets as at end of the year	-	-
(c) (Asset)/Liability recognised in the Balance Sheet	2,340,000	1,462,000
3 Change in Defined Benefit Obligation (DBO) during the year ended as on 31st March, 2012		
(a) Present Value of Obligation as at beginning of the year	1,462,000	667,500
(b) Current Service Cost	583,743	740,849
(c) Interest Cost	116,960	53,400
(d) Liability Transferred in	-	-
(e) Actuarial (Gain)/Loss	-	-
(f) Past Service Cost	-	-
(g) Actuarial (Gains) / Losses on obligations	177,297	251
(f) Present Value of Obligation as at end of the year	2,340,000	1,462,000
4 Changes in the Fair Value of Plan Assets		
(a) Present Value of Plan Assets as at beginning of the year	-	-
(b) Contribution by Employer	-	-
(c) Expected Return on Plan Assets	-	-
(d) Actuarial Gain/(Loss)	-	-
(e) Transfer from other Company	-	-
(f) Benefits Paid	-	-
(g) Fair Value of Plan Assets as at end of the year	-	-
5 Actuarial Assumptions		
(a) Discount Rate (per annum)	8.00%	8.00%
(b) Expected Rate on Return on Assets	NA	NA
(c) Salary Escalation Rate*	6.50%	6.50%

*takes into account the inflation, seniority, promotions and other relevant factors

31 Related Party Disclosures

1 Relationships:

Parties where control exists

a Associates:

Topzone Mercantile Company LLP

Consolidated Notes to

Financial Statement

(Contd.)

b Key Management Personnel:

Mr. Kamal Khetan – Chairman & Managing Director

Mr. Jignesh Sanghavi – Whole Time Director

c Entity/Person/s having Significant Influence:

Stardeck Infraprojects Private Limited

Note : Related party relationship is as identified by the Management and relied upon by the Auditors.

- 2 The following transactions were carried out with the related parties referred in 1 above, in the ordinary course of business during the year:

(Amount in Rs.)

Nature of transactions	Associates / Joint Venture		Key Management Personnel/ Entity / Persons having Significant Influence	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Expenses:				
Directors' Remuneration	-	-	9,619,069	5,942,979
Business Auxiliary Services				2,124,358
Others:				
Loan and Advances given / (repaid)	-	-	(448,000)	-
Current account balance in an associate	22,793,000	-	-	-
Particulars				
Outstanding balances at the year end				
Trade Payable	-	-	35,820	-
Loan and Advances	-	-	-	448,000
Current account balance in an Associate	22,793,000	-	-	-
Investment in an Associate	75,401,100	75,401,100	-	-
Advance received towards flat	-	-	158,950,000	158,950,000

Notes:

- (i) Related party relationships are as identified by the Management and relied upon by the Auditors.
(ii) No balances in respect of the related parties have been provided for/written off/written back.

32 Investments in Joint Ventures

The interest of the Company in Joint ventures are listed below :

Piramal Sunteck Realty Private Limited (PSRPL) -50%

Piramal Sunteck Realty Mauritius Limited (PSRML) -50%

Piramal Sunteck International Limited (PSIL) -50%

Nariman Infrastructure Private Limited (NIPL) - 50% (upto 21st September, 2011)

Nariman Infrastructure LLP (NIL) -50% (from 22nd September, 2011)

Uniworth Realty LLP (URL)-50%

V3 Designs LLP (VDL) -50%

Kanaka and Associates (Partnership Firm) (Kanaka)-50%

Assable Buildcon LLP (ABL) 50%

Pathway Buildcon LLP (PBL) 50%

Consolidated Notes to

Financial Statement

(Contd.)

(Amount in Rs.)

Particulars		PSPRL	NIPL	NIL	URL	VDL	KANAKA	ABL	PBL	PSRML	PSIL
LIABILITIES											
Reserves and Surplus	Current Year	416,868,453	-	-	-	-	-	(2,500)	(2,500)	-	-
	Previous Year	413,349,236	63,497	-	-	-	-	-	-	-	-
Optionally Convertible Redeemable Preference Shares Application Money	Current Year	842,144,000	-	-	-	-	-	-	-	-	-
	Previous Year	1,133,193,000	431,367,000	-	-	-	-	-	-	-	-
Non - Current Liabilities	Current Year	627,087	-	-	-	438,344	-	-	-	-	-
	Previous Year	671,843	-	-	-	438,344	-	-	-	-	-
Current Liabilities	Current Year	1,013,119,456	-	4,158,273	705,277	330,781	132,422,923	2,500	2,500	5,163,685	6,995,098
	Previous Year	365,423,390	7,997,788	-	805,647	161,491	92,460,637	-	-	95,881,035	99,472,985
ASSETS											
Fixed Assets	Current Year	1,878,701	-	-	-	22,500	18,655	-	-	-	-
	Previous Year	1,605,474	-	-	-	-	27,985	-	-	-	-
Non - Current Assets	Current Year	625,929,630	-	-	-	-	331,250	-	-	6,913,939	-
	Previous Year	587,045,517	-	-	-	-	355,667	-	-	99,394,933	94,471,141
Current Assets	Current Year	1,650,078,880	-	440,153,701	45,807,777	16,927,031	182,073,019	50,000	50,000	17,934	25,515
	Previous Year	1,329,114,694	439,478,284	-	42,065,647	5,615,242	142,076,986	-	-	11,000	818,430
INCOME	Current Year	14,146,425	-	-	-	-	-	-	-	1,086,689	-
	Previous Year	12,326,991	-	-	-	-	-	-	-	1,459,623	-
EXPENSES	Current Year	9,217,346	-	-	-	-	-	2,500	2,500	2,843,398	2,786,169
	Previous Year	3,897,955	12,776	-	-	-	-	-	-	2,637,387	1,669,208
PROFIT AFTER TAX	Current Year	3,519,216	-	-	-	-	-	(2,500)	(2,500)	(1,756,709)	(2,786,169)
	Previous Year	5,790,998	(3,486)	-	-	-	-	-	-	(1,177,764)	(1,669,208)
CONTINGENT LIABILITY	Current Year	-	-	-	25,000,000	-	-	-	-	-	-
	Previous Year	117,250,000	-	-	25,000,000	-	-	-	-	-	-

Note:

Disclosure of financial data as per Accounting Standards-27 "Financial Reporting of Interest in the Joint Venture" has been made based on the standalone audited financial statements of the above Joint Venture entities. There is no Capital commitment at the year end in respect of above joint ventures. All above entities are incorporated in India except PSRML and PSIL which are incorporated in Mauritius.

Consolidated Notes to

Financial Statement

(Contd.)

33 Construction Work-In-Progress

(Amount in Rs.)

Particulars	Increase /(decrease) in Construction WIP (2011-2012)	For the year ended 31st March, 2012	Increase /(decrease) in Construction WIP (2010-2011)	For the year ended 31st March, 2011
Land cost	1,658,646,427	13,745,668,743	5,210,971,735	12,087,022,316
Legal and professional fees	33,630,265	125,209,566	35,744,172	91,579,301
Finance cost *	751,269,137	1,429,375,117	470,870,952	696,681,998
Employee benefits expenses	48,379,298	108,653,245	38,710,723	60,273,947
Other project related expenses	847,140,491	3,626,656,374	1,076,690,058	2,760,939,865
Total	3,339,065,618	19,035,563,045	6,832,987,640	15,696,497,427

* The Finance Cost has been transferred to Construction Work-in- Progress in accordance with AS- 16 " Borrowing Costs".

34 Share Application Money Pending Allotment

Terms and Conditions of Optionally Convertible Redeemable Preference Shares (OCRPS)

On allotment of OCRPS, the Share Application money paid of the below Companies shall be adjusted as under for each OCRPS:

a) Skystar Buildcon Private Limited

- (i) Rs. 10 towards the face value
- (ii) Rs. 31,490 towards premium in full.

b) Piramal Sunteck Realty Private Limited

- (i) Rs. 10 towards the face value
- (ii) Rs. 9,990 towards premium in full.

c) Starlight Systems Private Limited

- (i) Rs. 10 towards the face value
- (ii) Rs. 12,990 towards premium in full.

- The above companies shall allot 223,877 numbers of OCRPS on or before 31st March, 2013.

- The above companies have sufficient authorised capital to allot the OCRPS.

35 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

(Amount in Rs.)

	31.03.12	31.03.11
Profit/ (loss) after tax	31,073,547	31,774,365
Weighted average number of equity shares of Rs. 2 in calculating basic and diluted EPS	59,966,207	59,966,207
Basic EPS (Rs.)	0.52	0.53
Diluted EPS (Rs.)	0.52	0.53

36 The Group operates in Single Segment i.e. Real Estate \ Real Estate Development and therefore Segment Reporting as per AS-17 ' Segment Reporting' is not applicable.

37 The Group's normal operating cycle in respect of operations relating to under construction real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects and other business is based on 12 months period. Assets and Liabilities have been classified into current and non-current based on the operating cycle of respective businesses.

Consolidated Notes to

Financial Statement

(Contd.)

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a. In the opinion of the management, any of the assets other than fixed assets and non- current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which these are stated.

b. The accounts of certain Trade Receivables, Trade Payables, Loans and Advances and banks are, however, subject to formal confirmations/reconciliations and consequent adjustments, if any. However there is no indication of dispute on these accounts, other than those mentioned in the Financial Statements. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments.

39 Current year's financial statements have been presented in accordance with the Revised Schedule VI, previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

Signature to Notes No 1 to 39

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

Kamal Khetan
Chairman & Managing Director

Jignesh Sanghavi
Executive Director

M. Kalahasthi
Director

Ramakant Nayak
Director

Rachana Hingarajia
Company Secretary

Mumbai: 30th May, 2012

Details of Subsidiaries

Particulars of the Subsidiary Companies of Sunteck Realty Limited
Disclosure Pursuant to the General circular dated 8th February 2011 issued by Ministry of Corporate Affairs under section 212 of the Companies Act 1956 for the year ended 31st March 2012

(Amount in Rs.)

Sr.No	Name of Subsidiary Company	Paid up Capital	Reserves	Total assets	Total Liabilities	Investments	Turnover / Total Income	PBT	Provision for tax	PAT	Proposed Dividend
1	Starlight Systems Pvt Ltd	4,000,000	180,803,780	17,773,079,034	17,773,079,034	347,778,585	137,627,456	73,705,617	15,180,765	58,524,852	NIL
2	Satguru Infocorp Services Pvt Ltd	3,750,000	109,120,344	160,753,300	160,753,300	7,586,200	54,080,034	13,008,790	4,051,716	8,957,074	NIL
3	Magenta Computer Software Pvt Ltd	500,000	52,366,861	58,438,505	58,438,505	18,836,330	8,736,127	7,066,883	1,346,600	5,720,283	3,750,000
4	Amenity Software Pvt Ltd	500,000	53,687,694	59,334,257	59,334,257	17,823,680	9,064,327	7,351,955	1,400,920	5,951,035	3,750,000
5	Skystar Buildcon Pvt Ltd	100,000	(12,211)	1,658,874,793	1,658,874,793	NIL	191,100	(2,412)	NIL	(2,412)	NIL
6	Sunteck Property Holdings Pvt Ltd	100,000	(45,418)	76,642	76,642	100	NIL	(35,948)	NIL	(35,948)	NIL
7	Starlight Systems(I) Pvt Ltd	100,000	(57,778)	47,222	47,222	NIL	NIL	(57,778)	NIL	(57,778)	NIL
8	Signature Island Buildcon Pvt Ltd	100,000	(11,222)	100,000	100,000	NIL	NIL	(11,222)	NIL	(11,222)	NIL



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