

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the members of Sunteck Realty Limited will be held at:

Venue : MIG Club, M.I.G Colony, Bandra (East), Mumbai 400051.

Day and Date : Friday, 27th September, 2013

Time : 6.00 p.m.

AGENDA

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Profit and Loss Account for the year ended on that date together with the Schedules thereon, the Cash Flow Statement, along with the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Share Capital.
3. To appoint a Director in place of Mr. Kishore Vussonji, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ramakant Nayak, who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint M/S. Lodha & Co., Chartered Accountants, as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other provisions applicable, if any, of the Companies Act, 1956, as amended (“the Act”) including any amendments or re-enactment thereof for the time being in force, the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, the provisions of Foreign Exchange Management Act, 1999, as amended and guidelines, rules and regulations framed thereunder **and subject to** the applicable statutes, guidelines, regulations, approvals, consents, permissions or sanctions of the Government of India, the Securities and Exchange Board of India, the Reserve Bank of India and any other appropriate authorities, institutions or bodies and such conditions as may be prescribed by any of the concerned authorities while granting any such Approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter called the **“Board”** which term shall be deemed to include any Committee thereof), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and / or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), on such occasion(s), in the course of one or more tranches, as may be determined by the Board in the course of one or more public or private offerings in domestic and/or one or more international offering(s)/markets, with or without a green shoe option, equity shares and/or equity shares through depository receipts including American Depository Receipts (“ADRs”), Global Depository Receipts (“GDRs”), Foreign Currency Convertible Bonds (“FCCBs”), Foreign Currency Exchangeable Bonds (“FCEBs”), and/or convertible bonds, convertible debentures/preference shares, fully, partly or optionally, and/or other securities convertible into equity shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to equity shares and/or securities including non-convertible debentures with or without detachable/non-detachable warrants and/or warrants with a right exercisable by the warrant-holder to subscribe for equity shares and/or any instruments or securities representing either equity shares, secured premium notes, and/or any other financial instruments in equity shares which would be converted into/exchanged with equity shares at a later date, preference shares

convertible or non-convertible and partly or fully paid-up equity/ debt instrument (all of which are hereinafter collectively referred to as “**Securities**”) the relevant date for which shall be either a) date of issuance, or b) date of conversion as allowed under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “**SEBI Regulations**”) as the Board at its sole discretion or wherever necessary in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, for cash, to any eligible person, including Qualified Institutional Buyers, Foreign/Resident Investors, Institutions/Banks, incorporated bodies, individuals and/or trustees, Foreign Institutional Investors, Mutual Funds, Venture Capital Funds, existing Shareholders or otherwise, whether residents or non-residents and whether or not such investors are members of the Company (collectively referred to as “**Investors**”), by way of Follow On Public Offer or private placement or issued/allotted through a Qualified Institutional Placement under the SEBI Regulations, or by any one or more or a combination of the above model/methods or otherwise and at such time or times and in one or more tranches, secured or unsecured upto an amount of Rs. 2,000/- (Rupees Two Thousand Crores only) in one or more foreign currency(ies), and on such terms and conditions including the number of Securities to be issued, the face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity share to be allotted on redemption/conversion, the ratio, period of conversion, fixing of record date or book closure, in consultation with the Book Running Lead Managers and/or other Advisors or otherwise, as the Board at its sole discretion may decide (“**Issue**”);

RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed of by the Board thereof in its absolute discretion, in such manner and/or on such terms as it may deem fit including offering or placing them with banks/financial institutions/mutual funds or otherwise, as the Board may in its absolute discretion, may deem fit and proper;

RESOLVED FURTHER THAT in case of QIP, pursuant to Chapter VIII of the ICDR Regulations, 2009, the allotment of Equity Shares/Securities shall only be made to Qualified Institutional Buyers within the meaning of Chapter VIII of ICDR Regulations and such securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this Resolution and the QIP Securities shall not be eligible to be sold for a period of one year from the date of allotment except on a recognized stock exchange or except as may be permitted from time to time by the SEBI Regulations;

RESOLVED FURTHER THAT the Company and/or any agency or body authorized by the Company, may issue receipts/certificates representing the underlying securities and/or Equity Shares issued by the Company with such features and attributes as are prevalent in International Capital Markets for instruments of this nature and provide for the tradability or free transferability thereof as per the domestic/international practices, norms and regulations, and under the norms and practices prevalent in the International Markets;

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot from time to time, such number of Equity Shares at such premium as may be decided by the Board in its absolute discretion, upon conversion of such Securities or as may be necessary in accordance with the terms of the offering, including additional Equity Shares, and all such shares shall rank pari- passu with the existing Equity Shares of the Company in all respects including rights to receive dividend;

RESOLVED FURTHER THAT for the purposes of giving effect to any issue and/or allotment of Equity Shares in the Company or Securities or instruments or Securities representing or convertible into Equity Shares in the Company, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion, deem necessary, appropriate or desirable for such purpose, including, without limitation, determining the form and manner of the issue, the class of investors to whom the Equity Shares/Securities are to be issued and allotted, number of Equity Shares/Securities to be allotted in each tranche, issue price, face value, premium amount on issue/conversion of Securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, to appoint Lead Managers, Merchant Bankers, Global Business Coordinators, Book Runners, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodians, Registrars, Trustees, Bankers and all other agencies, to enter into or execute all such agreements/arrangements /MOUs/documents with any such agencies, as may be necessary, to list the Securities and the Equity Shares to be issued on conversion of the said Securities on any Indian and/or Foreign Stock Exchange(s), as it may in its absolute discretion deem fit;

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares or Securities and utilization of

the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of the aforesaid Resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Whole-time Director(s) or any Director(s) or any other Officer(s) of the Company to implement the aforesaid Resolution.”

7. To consider and if thought fit, to pass with or without modification, the following resolution as an **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 198,269,309 and other applicable provisions, if any, of the Companies Act 1956 (“the Act”) and read with schedule XIII of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of the recommendation of the Remuneration Committee and as approved by the Board of Directors, approval of Members of the Company be and is hereby accorded to the re-appointment of Mr. Kamal Khetan as Managing Director of the Company for a period of five (5) years commencing from 30th May 2013 and on terms and conditions as set out in the Explanatory Statement

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration shall be governed by Section II of Part II of Schedule XIII of the Act or any statutory modification thereof and the same shall be treated as the minimum remuneration payable to the Managing Director.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

8. To consider and if thought fit, to pass with or without modification, the following resolution as a **ORDINARY RESOLUTION**:

“**RESOLVED THAT** in partial modification of the resolution passed at the Annual General Meeting held on 18th September, 2012 and pursuant to the provisions of Articles of Association of the Company, Sections 198,269,309, and other applicable Provisions, if any, of the Companies Act, 1956 (“the Act”) as amended or re-enacted from time to time, read with Schedule XIII of the Companies Act 1956, and subject to such approvals as may be necessary, Mr. Jignesh Sanghavi, Executive Director of the Company be paid a remuneration of Rs. 60,00,000/- (Rupees Sixty Lakhs only) per annum or 0.5 % of the Net profits of the Company whichever is higher with effect from 1st April, 2013.

RESOLVED FURTHER THAT Mr. Jignesh Sanghavi shall be subject to retire by rotation.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. Jignesh Sanghavi as approved earlier by the Members at their meeting held on 18th September 2012, shall remain unchanged.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any statutory modification thereof and the same shall be treated as the minimum remuneration payable to the Executive Director.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all

necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

**By Order of the Board of Directors
FOR SUNTECK REALTY LIMITED**

Mumbai: 30th May 2013

**Sd/-
Company Secretary**

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and Share Transfer Books will remain closed from 24th September, 2013 to 27th September, 2013 (both days inclusive).
4. The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchange regarding the Directors who are proposed to be reappointed is given in the annexure to the Notice.
5. Members whose shareholding(s) are in electronic mode are requested to inform any changes relating to address, bank mandate and Electronic Clearing Services (ECS) details to their respective Depository Participants and in case of physical shares, to the Company's Registrar & Share Transfer Agent **LINK INTIME INDIA PRIVATE LIMITED**, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078.
6. Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (D.P.) ID number on all correspondence with the Company.
7. Members/Proxy holders are requested to bring their copies of the Annual Report to the Annual General Meeting
8. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
9. Members are requested to send their queries to the Company, if any, on accounts and operations of the Company at least seven days before the meeting so that the same could be suitably answered at the meeting.
10. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with Link In Time India Private Limited.

Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956, in respect of Special Business set out in Notice:

Item No. 6: The real estate sector is one of the key growth sectors of the Indian economy, which has witnessed a robust growth in the recent past and is expected to sustain reasonable growth momentum on the back of a sustained economic growth.

The Company is one of the leading real estate companies in India having presence in residential, commercial and retail real estate segments either directly or through its subsidiaries/ associates/ joint ventures/ associates and intends to further capitalize on its potential. All these initiatives will require significant outlay of funds over the next 3 –4 years. In order to exploit opportunities in existing businesses and/or explore the scope of any new business opportunities including business acquisitions, capital expenditures, financing new business initiatives, meeting additional working capital requirements arising out of growth in operations, investment in/ loans/ advances to subsidiaries/ joint ventures/ associates and for other corporate purposes, it is necessary for the Company to have access to external funds at different point of times in the future. The Company, therefore, proposes to raise further capital from the domestic or international markets in one or more tranches at an appropriate time.

The resolution in accompanying Notice proposes to create, issue, offer and allot equity shares, Fully / Partly / Optionally Convertible Debentures/Preference shares and/or securities linked to equity shares and/or convertible securities including but not limited to Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), partly or fully paid-up equity/debt instruments as allowed under SEBI (ICDR) Regulations, (hereinafter referred to as "Securities") upto an amount not exceeding Rs. 2,000 Crore inclusive of premium in the course of domestic/ international offerings. Such securities are proposed to be

issued to eligible person including but not limited to resident investors and foreign investors (whether individuals, mutual funds, incorporated bodies, institutions or otherwise), Foreign Financial Institutions and other Qualified Institutional Buyers etc.

The proposed Special Resolution seeks the enabling authorization of the Members to the Board of Directors without the need of any further approval from the Members to undertake to issue securities in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements), Regulation, 2009 as amended from time to time (the “SEBI Regulations”). Pursuant to the above, the Board may, in one or more tranches, issue and allot Equity Shares in the form of Follow-On Public Offer (FPO), Global Depository Receipts (GDRs), and/or American Depository Receipts (ADRs), and/ or External Commercial Borrowings (ECBs) with rights of conversion into shares, and/ or Foreign Currency Convertible Bonds (FCCBs) and/or Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPS/CCPS) convertible into Equity Shares of the Company with voting rights or with differential rights as to voting, dividend or otherwise.

The said allotment by the Board of Directors (‘Board’) shall be subject to the provisions of the SEBI Regulations (as amended from time to time) including the pricing, which shall be calculated in accordance with the provisions of the SEBI Regulations in consultation with the Merchant Banker.

The relevant date for the determination of applicable price for the issue of the Securities shall be as per the SEBI Regulation which in case of allotment of equity shares will be the date of the meeting in which the board of directors or the committee of directors decides to open the proposed issue and in case of securities which are convertible into or exchangeable with equity shares at a later date will be either the date of the meeting in which the board of directors or the committee of directors decides to open the proposed issue of convertible securities or date on which the holder of such securities becomes entitled to apply for the said equity shares as the case may be. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalize the terms of the issue. The securities issued pursuant to the offering would be listed on the Stock Exchanges on which the Company is listed.

The offerings of the Securities may require appointment of Merchant Bankers, Underwriters, Legal Advisors and Experts or such other Authority or Authorities to advise the Company especially in relation to the pricing of the Securities. The detailed terms and conditions of the Issue as and when made will be determined in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other Experts in accordance with the terms of approval of the Government of India, Reserve Bank of India, SEBI and such other authorities as may be required.

Section 81(1A) of the Companies Act, 1956, provides, inter alia, that where it is proposed to increase the Subscribed Share Capital of the Company by allotment of further shares, such further shares shall be offered to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion to the capital paid up on those shares as of that date unless the shareholders decide otherwise by way of a Special Resolution. The Listing Agreements executed by the Company with various Stock Exchanges also provide that the Company shall issue or offer in the first instance all Securities to the existing equity shareholders of the Company unless the shareholders decide otherwise.

The proposed Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and Experts or such other authority or authorities as required to be consulted including in relation to the pricing of the issue in accordance with the normal practice and (b) powers to issue and market any securities issued including the power to issue such Securities in such tranche or tranches.

Accordingly, the consent of the Members is being sought, pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, and SEBI (ICDR) Regulations, and in terms of the provisions of the Listing Agreements, to issue and allot securities as stated in the Special Resolution.

The proposed issue of Securities is in the interest of the Company and your Directors recommend the passing of the resolution under this item as a Special Resolution.

None of the Directors of the Company is interested or concerned in the Resolution set out in Item No. 6 of the Notice.

Item No. 7 : Subject to necessary approval from the Members in the General Meeting, the Board of Directors of the Company in its Meeting held on 30th May 2013, re-appointed Mr. Kamal Khetan as Managing Director of the Company for a further period of five years with effect from 30th May 2013.

Mr. Kamal Khetan is a ‘first generation entrepreneur’ and founder of ‘Sunteck’ group in the year 1999. He has more than two decades of experience in the real estate and construction sector. He is involved in the formulation of corporate strategy and planning and overall execution and management of the Company. He is also involved in the growth and diversification plans of the Company. Mr. Kamal Khetan has an engineering degree in Electronics and Communications from Mangalore University. He is a member of the prestigious Young Presidents’ Organization and is also on the Council of Governors Board of APREA. He is also a MRICS (Royal Institute of Chartered Surveyors). His overall experience, exposure and contrarian view has helped the Company in differentiating itself and its product offerings from competitors. He is a man of prudence and vision as highlighted with the first one to anticipate opportunity in the residential space in India’s most promising commercial hub i.e. Bandra Kurla Complex, Mumbai. Mr. Kamal Khetan is highly valued for his professional deliverance and warmth. He has also earned a well deserved status amongst distinguished clients and business associates globally.

TERMS AND CONDITIONS OF APPOINTMENT OF Mr. Kamal Khetan AS THE MANAGING DIRECTOR:

- 1) The Managing Director will be paid a Total remuneration of Rs.1,00,00,000/- (Rupees One Crore only) p.a. or 2% of Net profits whichever is higher for the FY 2013-14.
- 2) In addition to above, he shall be entitled to following :
 - a) Rent free furnished accommodation.
 - b) Membership of clubs (as per Company’s rules).
 - c) Use of Car, Telephone and Mobile as per the Company’s rule.
 - d) Medical Reimbursement: Medical expenses incurred for self and Family.
 - e) Increment for each year shall be determined by the Remuneration Committee which shall be subject to the approval of Board and members at the General Meeting.
 - f) Following perquisites which shall not be included in the Computation of the ceiling on remuneration specified above:-
 - Gratuity on the basis of 15 days salary for each year of completed service, as per rules of the Company.
 - Leave encashment at the end of the tenure in accordance with the rules of the Company.
 - Contribution to Provident Fund, Superannuation Fund as per the rules of the Company.

The total remuneration in any one financial year shall not exceed the limits prescribed under section 198, 309 and other applicable provisions, read with Schedule XIII of the Act as may for the time being in force, with liberty to the Board of Directors to alter and vary the terms and conditions as may be agreed to between the Board of Directors and the Managing Director.

In the event of absence or inadequacy of profits in any financial year, the remuneration shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any statutory modification thereof and the same shall be treated as the minimum remuneration payable to the Managing Director.

Mr. Kamal Khetan be treated as interested Director in this resolution. None of the other Directors are interested in this resolution.

This explanation together with relevant resolution may be treated as an Abstract of terms and memorandum of interest pursuant to the provisions of Section 302 of the Companies Act 1956.

Item No 8: At the Annual General Meeting held on 18th September, 2012, the members of the Company had approved the increase in the remuneration of the Executive Director. In appreciation of the dedicated efforts and increased amount of responsibilities cast upon the Executive Director, the Remuneration Committee has recommended and Board of Directors have approved the increase in remuneration to Rs. 60,00,000 p.a. or 0.5 % of the Net profits, whichever is higher. There are no changes in the perquisites or other allowances payable to him.

The aggregate of the remuneration as aforesaid shall be within the maximum limit as laid down under Sections 198, 309 and all other applicable provisions, of the Act, read with schedule XIII of the Act as amended from time to time.

Mr. Jignesh Sanghavi is concerned or interested in the resolution. None of the other Directors are interested in this resolution.

This explanation together with relevant resolution may be treated as an Abstract of terms and Memorandum of Interest pursuant to the provisions of Section 302 of the Companies Act 1956.

**By Order of the Board of Directors
FOR SUNTECK REALTY LIMITED**

Mumbai: 30th May 2013

**Sd/-
Company Secretary**

Registered Office:

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

Details of Directors seeking re-appointment at the Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Kishore Vussonji	Mr. Ramakant Nayak
Age	66 years	67 years
Qualifications	Advocate & Solicitor	Degrees in Science and Law
Date of Appointment	19.12.2008	30.01.2010
Expertise	36 yrs. of experience as Advocate and Solicitor	More than 40 yrs. of experience in the field of Commercial Banking.
*Directorship in other Public Limited Companies as on March 31, 2013	Goldcrest Finance (India) Limited Comfund Consulting Limited Krishna Ventures Limited Weizmann Forex Limited Karma Energy Limited	Nitin Fire Protection Industries Limited Max Flex Imaging Systems Limited TRC Financial Services Limited Shree Pushkar Chemicals & Fertilizers Limited Arch Pharmalabs Limited Poddar Developers Limited Intellvisions Software Limited Ashapura Intimates Fashion Limited
Chairman/ Member of the Audit Committee as on March 31, 2012	Member of Audit Committee-Sunteck Realty Limited	Not a Member
Chairman/ Member of the Shareholders'/ Investors/ Grievance Committee as on March 31, 2012	Member of Investors Grievance Committee- Sunteck Realty Limited	Not a Member
No. of Shares held in the Company as on March 31, 2012	Nil	Nil

* Note: Excludes Directorship in Private Limited Companies, Foreign Companies and Government Bodies.

SUNTECK REALTY LIMITEDRegistered Office: 5th Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (East), Mumbai 400057**ATTENDANCE SLIP****30th ANNUAL GENERAL MEETING**

27.09.2013

DP ID	Reg. Folio No.	
Client ID		

Mr./Mrs./Miss. _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the **30th ANNUAL GENERAL MEETING OF THE COMPANY** held at MIG Club, M.I.G Colony, Bandra (East), Mumbai 400051 at 6.00 p.m. on 27th September, 2013.

_____	_____
Proxy's name in Block Letters	Member's/Proxy's Signature

Note: Please fill in this attendance slip and hand it over at ENTRANCE of the MEETING HALL.

-----TEAR HERE -----

SUNTECK REALTY LIMITEDRegistered Office: 5th Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (East), Mumbai 400057**PROXY FORM**

DP ID	Reg. Folio No.	
Client ID		

I/We _____ of _____ being a member/members of Sunteck Realty Limited hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us on my /our behalf at the **THIRTIETH ANNUAL GENERAL MEETING** of the Company to be held on Friday, 27th September, 2013 at 6.00 p.m. or at any adjournment thereof.

Signed this _____ day of _____ 2013

Affix a Rs. 1 Revenue Stamp

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

The background of the cover is a large, stylized illustration of a winding road. The road is depicted with multiple layers of orange and yellow, creating a sense of depth and movement. It curves from the bottom left towards the top right, with white dashed lines indicating the road's edge and lane markings. The overall aesthetic is modern and dynamic.

Ambition and growth never come
with speed limits and barriers

THE STORY SO FAR. . .

At Sunteck, life begins afresh every single day with new hopes, new dreams and goals that go far beyond the sun – our inspiration. Each sunrise is a clarion call to rise, awake and color the corporate canvas with untried ideas, radical thinking and path-breaking innovations. The results are there for all to see. How

new benchmarks are being created, how new icons are rising and how incredible edifices are taking shape. Converting ideas into actions is the fire that keeps Sunteck shining bright. Fueled by passion and the ardent urge to succeed has left behind a trail blazing trajectory of successes and accolades in every

step taken. While flying and reaching new heights is perhaps defined by our DNA, what also matters the most is our deep rooted philosophy and solid pillars of strength. That's what makes us, that's what defines us and that's what constitutes our today and tomorrow.

SUNTECK: BRAND PERSONA

Solid | Understanding | New- Age | Transparent | Ethical | Creative | Knowledge Driven



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 Ltd.

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

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CHAIRMAN'S MESSAGE



Mr. Kamal Khetan

Dear shareholders,

At Sunteck, we have always believed in sticking to the path with a clear goal-post even though there have been a lot of road-blocks and pot-holes in the form of unstable economy and approval uncertainty. Our philosophy to grow by adopting a balanced operational strategy comprising of periodic city centric acquisitions within Mumbai, execution and prudent reinvestments with clear focus on 'cash flow management' have resulted in adding value for all our stakeholders.

Presently, while negativity looms over the sector on account of the weak global outlook, in the long term Indian real estate will witness sustainable demand due to more evolved population, rapid urbanization, favorable demographics, increased buying power, a shift towards nuclear families and a growing service sector.

We, at Sunteck Realty, believe that at this point of time there are several growth oriented opportunities that could be explored judiciously and capitalized by leveraging the aura of the brand 'Sunteck'

- your company enjoys in the premium segment. This aspiration to expand will set another milestone for the company in the years to follow. Our current development portfolio of over 28 mn.sq.ft. spread over 25 projects and 4 rented assets itself speaks about the growth we have been able to achieve within a short span of 6-7 years (post 2008 crisis). Since inception, we have been able to achieve cumulative sales of approximately INR 2,656 crore and collections of approximately INR 1,320 crore.

While strong fundamentals and maintaining negligible debt levels have been the cornerstone of our success, we wish to go full throttle on our execution. With this in mind, we have recruited several industry experts and roped in the best contractors, architects and Interior designers for our various ongoing projects. We are confident that with these improvements, the company will be able to set higher benchmarks and scale greater heights in the years to come.

The talent acquisition policy of your company has laid emphasis on acquiring and honing talent at all levels within the organization. To abet our execution strategy your company is proud to have the industry's best talent on board that are working relentlessly to ensure timely execution. These acquisitions are across varied levels within the hierarchy of the organization. The experience pool of the talent together with strategic initiatives undertaken like the appointment of L& T as our contractors for Sunteck City-Avenue 1 are a step in the direction of achieving operational excellence.

With our 4 projects getting completed in FY2013-14, Our flagship residential project 'Signature Island' located in Bandra Kurla Complex being one of them, we are seeking best possible ways to reward all our stakeholders with the objective to create long term value for them.

I am pleased to inform that your company has won two awards during the year for its excellence in real estate space namely,

- 3 Merit Awards in "APREA (Asia Pacific Real Estate Association Limited) Best Practices Awards 2012" held in Singapore:
- Emerging Markets: Best Country Submission – India (across 9 regions of Asia-Pacific)
- Emerging Markets: Best 1st Year Entrant
- Emerging Markets: Property Valuation
- Sunteck's flagship project i.e. Signature Island won Project of the year award at the 27th National Real Estate Awards from "Accommodation Times" held in Mumbai

I would like to thank our Board Members and the management team whose continuous support and guidance has helped us to achieve the growth where we are right now and expect similar efforts in the coming years to set more milestones in the times to come.

Lastly, I would also like to thank our shareholders, customers, business associates and employees whose continuous efforts have helped the company in achieving this growth. As you are aware, we have always grown despite the tough times and we will strive even hard to capitalize and seize every opportunity that unfolds in the ensuing years to grow and take the company from this level to even greater heights.

Kamal Khetan
Chairman & Managing Director

BKC 'LANDMARKS'

A few things get better with time. We delightfully concur. At Sunteck, we are crafting landmarks at Bandra Kurla Complex that will become the symbol of opulence for generations to come. Quietly sophisticated. Definitely uber chic. Decidedly suave. Quite like you. We invite the privileged few to take a pictorial tour of our creations. We have a feeling that you will love the understated opulence and international lifestyle these creations so effortlessly exude.

Sunteck at the BKC: The latest buzz

Signature Island, Signia Isles and Signia Pearl-the 3 most prestigious and most luxurious projects of Sunteck are shaping up to perfection and completion. A testament to royalty, an ode to luxury and a poem penned down in brick and mortar.



Signia Isles
Bandra Kurla Complex, Mumbai

Signature ISLAND
Bandra Kurla Complex, Mumbai

Signia pearl
Reassuringly Rare
Bandra Kurla Complex, Mumbai

About Bandra Kurla Complex (BKC)

- BKC is the true central business district of the country
- Home to most of the biggest Corporates, Financial Institutions, Bourses & Consulates
- Best Educational Institutions - American School, Dhirubhai Ambani School, Arya Vidya Mandir, Ascent & upcoming Zee school
- Best Hotels & Restaurants - Trident, Sofitel, Grand Hyatt, Taj Lands End, Sahara Star (Also proposed are the Bellagio, Atlantis and Ritz Carlton)
- Best Eateries & Restaurants - Yauatcha, Otto Infinito, Ping-Pong already open & several others set to open in the vicinity
- Multi Specialty Healthcare – Asian Heart Institute, Lilavati Hospital & Research Center
- Best infrastructure which provides a slum free and a hawker free zone
- Most secure and well connected place with Airport around 15 Mins , South Mumbai around 15 Mins (Via sea link).

Signature ISLAND

Bandra Kurla Complex, Mumbai

LUXURY LIVING IN MUMBAI
GETS A NEW ADDRESS.
SIGNATURE ISLAND.
AN ISLAND OF LUXURY, MAJESTY
AND SUPERLATIVE LIVING.



Signia Isles

Bandra Kurla Complex, Mumbai

SIGNIA ISLES.
TALL, BOLD AND MAJESTIC
IN ITS OWN INIMITABLE WAY.
JUST LIKE YOU.



Signia pearl Reassuringly Rare

Bandra Kurla Complex, Mumbai

GET ACCUSTOMED TO ADMIRING
GLANCES EVERY TIME YOU STEP OUT.
SIGNIA PEARL.
TURN ONE-IN-A-MILLION. TURN RARE.



RESIDENTIAL LANDMARKS UPDATE

SunteckCity

The epitome of luxury



FORGING PARTNERSHIPS, BUILDING A NEW FUTURE

Sunteck City, the company has partnered with Disney to offer theme-based residences that will bring alive a magical and dreamlike experience for its little denizens. At Sunteck, there also lies a deep commitment to time, quality and

delivery- come what may. And what better way to reaffirm that, than choosing a contractor which also stays true to the same spirit. Precisely, the reason why Sunteck entered into an agreement with the infrastructure company L &T for its Goregaon project- SunteckCity Avenue-1.



Enjoy Deck Living At Sunteck City



Disney inspired 'Mickey Mouse' shape swimming pool

Signia Oceans

Airoli, Navi Mumbai



WHERE THE CLOUDS WHISPER IN YOUR EARS

This is a blue chip landmark off Palm Beach road. You can call it a 365-day vacation blessed by nature and a majestic highrise with an even more majestic feeling, Signia Oceans located at Airoli, Navi Mumbai, sculpts the skyline in its own proud way. A blue-chip property, it is poised to be the most premium personal space for a privileged few. Project is currently ready for fit-outs.



Signia Orion

Airoli, Navi Mumbai

CREATE RIPPLES LIKE NO OTHER

A waterfront chimera, and a personal haven for a chosen few, Signia Orion brings nature's finest elements- at your doorstep. Crafted with passion and designed by the best, Signia Orion is located at Airoli, Navi Mumbai. Immerse yourself in the highest level of luxury.





Signia High

GET HIGH. ON LIFE.

Borivali (E), Mumbai

TALK TO THE CLOUDS

A towering presence that sculpts the skyline. Where the winds whisper all day and the greens embrace you from all the sides. Presenting Signia High, at Borivali (E). Offering the

most exquisite views, spaces, and amenities that make every moment worth celebrating. And each moment like heaven.



Signia Skys

24-carat nature

Chaoni, Nagpur

FEELS LIKE HEAVEN

Living up to its namesake, the sky, Signia Skys raises the bar, the benchmark and the style quotient to an all-new level in Nagpur. A property that exudes that upper-class confidence and class, Signia Skys is bound

to give birth to new definitions of what a dream-home is all about. The project is currently ready for fit-outs.



COMMERCIAL LANDMARKS UPDATE

YOUR 'CALLING CARD'

In life, and the business of life, there's one thing that makes all the difference. A visiting card. Sunteck Center, is just built for those who love their corporate address to be a signature on its own. A perfectly planned built-for-business architecture, well-equipped infrastructure and most importantly, in the most sought after location. Just 4kms from the International airport, 2 kms from the domestic. Just off the western express highway. And a stone's throw away from all the major utilities. Call it just the 'perfect mix' to write your next big business story. The Projects stands completed.

Sunteck Centre

Vile Parle (E), Mumbai



SUNTECK GRANDEUR

Andheri (W), Mumbai

BE IN THE BUSINESS, IN STYLE.

Not many are privileged to have on a platter, a fine mix of business, pleasure and royalty. Sunteck Grandeur surpasses it all, only to give you an unimaginable space that reeks of blue blood in every inch. Located at Andheri West, it is a kaleidoscope of glass, metal and sculpted especially for you. Sunteck Grandeur- It's what people call- a trump card. A completely ready property and ready for you.



WHERE BUSINESS MEETS PLEASURE

A place known for the sun, surf and sand will now have one more asset to look upto. Sunteck Kanaka- a futuristic retail and business park, situated right in the heart of the city. A confluence of style, grandeur and



abundance, Sunteck Kanaka is just the best calling- card you could ever have in the city when you are talking business.

SUNTECK KANAKA corporate park

Patto Piazza, Panjim Goa

OUR BUSINESS CENTRES

For the new corporate breed, Sunteck has set-up international standard Corporate Business Centre at Bandra Kurla Complex (BKC)



Sunteck & Sunteck
CENTRAKO CERTAINTY



ANNUAL REPORT | 2013

Directors' Report

To the Members,

The Directors take the privilege of presenting the 30th Annual Report and Audited Accounts for the year ended 31st March 2013 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	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Total Income	3815.32	2663.83	5016.80	3036.99
Total Expenditure	1567.73	558.44	2478.80	1351.63
Depreciation	39.59	35.74	140.78	147.66
Interest	959.20	474.01	1101.35	437.06
Profit Before Tax	1025.74	1595.63	1072.80	1100.64
Provision for Tax & Deferred Tax	337.12	412.59	618.79	646.49
Profit After Tax	688.62	1183.04	454.01	454.15

During the year under review, the total revenue earned is Rs. 3815.32 Lacs compared to previous year's revenue of Rs.2663.83 Lacs on standalone basis. The profit before tax stands at Rs.1025.74 Lacs as compared to Rs. 1595.63 Lacs during the previous year. The consolidated revenue for the current year amounted to Rs.5016.80 Lacs against Rs. 3036.99 Lacs compared to the previous year. The profit before tax on consolidated basis stands at Rs.1072.80 Lacs as compared to Rs. 1100.64 Lacs during the previous year.

DIVIDEND

The Board of Directors have recommended Final Dividend of 9% i.e Rs. 0.18/- per Equity share for the FY 2012-13 to be paid on outstanding 6,29,66,207 Equity shares amounting to Rs. 1,13,34,000/- (Rupees One Crore Thirteen Lakhs Thirty Four Thousand Only) for the approval of shareholders.

ESOP 2013

Your Company recognizes and appreciates the critical role played by the employees of the Company and its subsidiaries in bringing about growth of the organization. It strongly feels that the value created by them should be shared with them. To promote the culture of employee ownership in the Company, the Board of Directors of your Company at its meeting held on 11th February, 2013 recommended for the approval of members to introduce and implement a new Employee Stock Option Scheme under the nomenclature "Employee Stock Option Scheme 2013" in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 except employees who are Promoters or belong to the Promoter Group of the Company such number of equity shares and/or options which could give rise to equity shares not exceeding 6,00,000 (Six Lacs Only) Options, under one or more Employee Stock Option Schemes, in one or more tranches and at such price and on such terms and conditions as may be determined by the Compensation Committee in accordance with the terms of ESOP 2013, the guidelines or other applicable provisions of any law issued by the relevant Authority as may be prevailing at the relevant date.

The scheme was approved through postal ballot by way of E- Voting on 15th March 2013 with the requisite majority.

E-VOTING FACILITY WITH NATIONAL SECURITIES DEPOSITORIES LIMITED (NSDL)

Since e-voting has been made mandatory for top 500 listed companies at NSE and BSE and your Company being amongst the top 500 listed Companies, the Company has obtained registration with NSDL for e-voting facility for approval of members of the Company by way of postal ballot. The Company has entered into a Tripartite Agreement with its Registrar and Transfer Agent and National Securities Depository Limited for registration with NSDL for e-voting services.

Directors' Report

(Contd.)

DIRECTORS

Mr. Kishore Vussonji and Mr. Ramakant Nayak, 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, 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 are covered in Management's Discussion and Analysis Report forming part of the Annual Report.

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 2012-13 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 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 2013 (in Rs)	Previous Employment & Designation
Mr. Kamal Khetan (Managing Director) B.E	45 yrs	27th January 2006	20 yrs	75 ,00,000	Promoter of the Company

Directors' Report

(Contd.)

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

- i) 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 .
- ii) Foreign Exchange Earnings and Outgo
 - a) Foreign Exchange Earned: NIL
 - b) Foreign Exchange Outflow: Rs. 6,52,813/-

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 Companies (Cost Accounting Records) Rules, 2011, the Ministry of Corporate Affairs vide the notification dated 3rd June 2011, the Company being engaged in the business of Construction and development, the Cost Compliance Report will be duly filed within 180 days of the completion of the close of the Financial year ended 31st March, 2013.

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 Company has uploaded the information relating to unpaid and unclaimed dividend lying with the Company on the site of the Ministry of Corporate Affairs as well as the Website of the Company for the financial year ended 31st March, 2012.

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.

ACKNOWLEDGMENT

Your Directors would like to express their sincere appreciation and gratitude for the co-operation and assistance from its shareholders, bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the contribution and commitment made by every member of the Sunteck Family.

On behalf of the Board of Directors

Mumbai
30th May, 2013

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 hereby present below the Companies policies and practices on Corporate Governance as mandated under the clause 49 of the Listing Agreement.

BOARD OF DIRECTORS

Composition of the Board

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

The Board of Directors met four times during the Financial Year i.e. on 30th May 2012, 11th August 2012, 10th November 2012 and 11th February, 2013.

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 18th September 2012	Number of Directorship in other public limited companies as on 31st March, 2013	No. of Committee positions held in other public limited companies as on 31st March, 2013	
					Chairman	Member
Mr. Kamal Khetan	Executive Promoter	4	Yes	9	Nil	Nil
Mr. Jignesh Sanghavi	Executive Director	3	Yes	8	Nil	Nil
Mr. Hari V Krishna	Nominee Director	2	No	Nil	Nil	Nil
Mr. Sanjay Dutt	Independent Non- Executive	3	No	Nil	Nil	Nil
Mr. Kishore Vussonji	Independent Non- Executive	2	No	4	Nil	Nil
Mr. Mahadevan Kalahasthi	Independent Non- Executive	4	Yes	2	1	1
Mr. Ramakant Nayak	Independent Non- Executive	3	Yes	8	1	10

*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 OF THE BOARD OF DIRECTORS

(A) AUDIT COMMITTEE:

Constitution of Audit Committee and its functions:

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 30th May 2012, 11th August 2012, 10th November 2012 and 11th February, 2013.

Pursuant to the resignation of Mr. Dinkarry Kothari, Director and appointment of Mr. Sanjay Dutt as Independent Director on the Board of the Company, the Audit Committee of the Board was reconstituted during the year under review. The composition and attendance of the members of the Audit Committee as on 31st March, 2013 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. Kamal Khetan	Executive and Non Independent Director	Member	4	4
Mr. Sanjay Dutt	Non-Executive and Independent Director	Member	4	2
Mr. Kishore Vussonji	Non Executive and Independent Director	Member	4	2
Mr. Hari V Krishna	Nominee Director	Member	4	3

Role of Audit Committee:

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.

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

(B) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Constitution of Shareholders' / Investors' Grievance Committee and its functions:

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.

Role of Shareholders' / Investors' Grievance Committee:

The role of the Shareholders' / Investors' Grievance Committee, inter alia, includes 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 be required from time to time by any statutory, contractual or other regulatory requirements to be attended to by such a Committee.

The Committee met four times i.e. on 30th May 2012, 11th August 2012, 10th November 2012 and 11th February, 2013. Pursuant to the resignation of Mr. Dinkarry Kothari, Director from the Board and appointment of Mr. Sanjay Dutt as an Independent Director of the Committee, the Shareholders/Investors Grievance Committee of the Company was accordingly reconstituted during the year under review. The composition and attendance of the members of the Shareholders/Investors Grievance Committee as on 31st March, 2013 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. Jignesh Sanghavi	Executive Director	Member	4	2
Mr. Sanjay Dutt	Non Executive and Independent Director	Member	4	3
Mr. Kishore Vussonji	Non-Executive and Independent Director	Member	4	2

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.

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

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

(C) REMUNERATION COMMITTEE:

Constitution of Remuneration Committee and its functions:

The Meeting of the Remuneration Committee was held on 30th May, 2012 during the year under review. Pursuant to the resignation of Mr. Dinkarry Kothari, Director, the Remuneration Committee of the Company was accordingly reconstituted during the year under review.

The composition and attendance of the members of the Remuneration Committee as on the 31st March 2013 is as follows:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Sanjay Dutt	Non-Executive and Independent Director	Chairman	1	0
Mr. Mahadeven Kalahasthi	Non-Executive and Independent Director	Member	1	1
Mr. Hari V Krishna	Nominee Director	Member	1	1
Mr. Kishore Vussonji	Non-Executive and Independent Director	Member	1	0

Role of Remuneration Committee:

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 2012-13:

During the year, Mr. Kamal Khetan, Managing Director was paid remuneration amounting to Rs. 75,00,000 (Rupees Seventy Five Lakhs only), and Mr. Jignesh Sanghavi, Executive Director was paid a remuneration of Rs. 35,00,000 (Rupees Thirty Five Lakhs only). Non –Executive Directors were paid sitting fees for attending each meeting of the Board of Directors. The Company has paid Rs.60,000/- as Sitting Fees to Directors during the Financial year 2012-13.

(D) CORPORATE GOVERNANCE COMMITTEE

Constitution of Corporate Governance Committee and its functions:

During the year, the Committee met 4 times on 10th April 2012, 9th July 2012, 11th October 2012 and 11th January 2013.

The Composition and attendance of the members of the Corporate Governance Committee as on the 31st March 2013 is as follows:

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	Nominee Director	Member	4	4

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

Role of Corporate Governance Committee:

The role of the Corporate Governance Committee, inter alia, includes the following:

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

(E) MANAGEMENT COMMITTEE (COMMITTEE OF DIRECTORS)

Constitution of Management Committee and its functions:

The composition and attendance of the members of the Management Committee as on the 31st March 2013 is as follows:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Kamal Khetan	Executive and Non Independent Director	Chairman	8	8
Mr. Jignesh Sanghavi	Executive and Non Independent Director	Member	8	8

Role of Management Committee:

The role of the Management Committee, inter alia, includes the following:

1. To open/close/operate various Bank Accounts like Client Accounts, Settlement Accounts, Own fund Accounts, Fixed Deposit Accounts, and PMS Schemes Accounts etc.
2. To avail 'Corporate Internet Facility' from various Banks/Depository Participants.
3. To opening/close/operate Demat accounts with various Depository Participants.
4. To execute and register Leave & License, Purchase / Sale Agreements and other similar agreements.
5. To change authorized signatories for Bank Accounts, Demat Accounts, etc.
6. To make 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.
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. To make application and Registration for Trade Marks, Patents and Copyrights etc. and appoint attorneys and advisors for this purpose and also sign and execute powers of attorney /vakalatnama in favour of such attorneys/advisors.
10. To 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. To authorize any person to attend AGM/EOGM of other Companies and give him appropriate instructions in relation to voting at such meetings.

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

12. To make 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. To authorize representatives and signatories for Bidding of various Tenders.
14. To authorize 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.
16. 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.

(F) COMPENSATION COMMITTEE

Constitution of Compensation Committee and its functions:

During the year, the meeting of the Committee was held on 28th March, 2013.

The composition and attendance of the members of the Compensation Committee as on the 31st March 2013 is as follows:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Mahadevan Kalahasthi	Non-Executive and Independent Director	Chairman	Nil	Nil
Mr. Kamal Khetan	Executive and Non Independent Director	Member	Nil	Nil
Mr. Ramakant nayak	Non Executive and Non Independent Director	Member	Nil	Nil

Role of Compensation Committee:

The role of the Compensation Committee, inter alia, includes the following:

1. To adopt rules and regulations for implementing the ESOS from time to time
2. To identify the employees eligible to participate under the Scheme
3. To grant Options / Shares to the identified eligible employees and determine the grant date under the ESOP
4. To determine the number of Options / Shares to be granted to each grantee and in aggregate under ESOP
5. To determine the number of Shares of the Company to be covered by each Option Granted
6. To determine the method of exercising the Vested Options, period of Exercise, etc.
7. To determine the Exercise price of the Options / Shares Granted
8. To determine the terms and conditions of any Options / Shares Granted hereunder
9. To determine the terms and conditions under which vested option can lapse in case of termination of employment for misconduct
10. To approve forms for agreements for use under the ESOS
11. To decide all other matters that must be determined in connection with an Option under the Scheme in accordance with SEBI Guidelines
12. To construe and interpret the terms of the Scheme and the Options Granted pursuant to the Scheme
13. To frame suitable policy, procedure and system to comply with the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995 to be followed by the Participant, and
14. To exercise such other powers as may be delegated by the Board from time to time.

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

(G) SPECIAL COMMITTEE (CAPITAL RAISING)

Constitution of Special Committee and its functions:

During the year, there was no meeting of the Special Committee.

The composition and attendance of the members of the Special Committee as on the 31st March 2013 is as follows:

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

Role of Special Committee:

The role of the Special Committee, inter alia, includes the following:

1. To finalise the means of raising the additional capital
2. To decide the quantum of additional capital to be raised within the limits approved by the shareholders
3. To decide the terms and conditions for raising additional capital including the premium, if any
4. To make presentations to prospective investors
5. To decide and appoint bankers, merchant bankers, solicitors and other intermediaries as may be required
6. To approve and adopt Unaudited Balance sheet, Profit & Loss A/c for specific period as may be required
7. To correspond with the concerned authorities
8. To do any other acts as may be necessary for achieving the above mentioned purpose

GENERAL BODY MEETINGS

The Details of the last three Annual General Meetings were held as follows:

Date	Venue	Time	No of Special Resolution
18th September, 2012	MIG Cricket Club, MIG Colony, Bandra (East), Mumbai 400051	5.30 p.m.	2
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

SUBSIDIARY COMPANIES

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 Agreement.

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

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.

DISCLOSURES

(A) Basis of Related Party Transaction

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.

(B) Non Compliances / Strictures/Penalties Imposed

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.

(C) Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the Financial Statements.

(D) Non mandatory requirements

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

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. Annual General Meeting : 27th September, 2013
- ii. Financial Calender:

Accounting year

Financial reporting for the quarter ending June 30, 2013
 Financial reporting for the half year ending September 30, 2013
 Financial reporting for the quarter ending December 31, 2013
 Financial reporting for the year ending March 31, 2014
 Annual General Meeting for the year ended March 31, 2014

:April to March

:On or before 14th August, 2013
 :On or before 14th November, 2013
 :On or before 14th February, 2014
 :On or before 30th May, 2014
 :September, 2014

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

iii. Date of Book Closure:

24th September, 2013 to 27th September, 2013, both days inclusive.

iv. Dividend Payment Date:

The Board has recommended a dividend of 9% i.e. (Rs.0.18 per Share). If declared by the Shareholders in the Annual General Meeting, the same 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 and the National Stock Exchange Limited

The Company confirms that it has paid annual listing fees due to the Stock exchanges for the year ended 2013 - 2014.

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 2012 -2013 was:

Particulars	BSE		NSE	
	High	Low	High	Low
April 2012	384.95	367.00	388.30	360.20
May 2012	382.25	371.50	463.65	366.65
June 2012	375.00	339.00	375.00	337.75
July 2012	365.00	347.00	363.40	341.10
August 2012	368.00	302.05	355.00	295.00
September 2012	380.00	305.00	354.00	305.05
October 2012	330.00	309.85	337.20	311.00
November 2012	399.50	306.25	399.45	308.80
December 2012	504.00	379.40	526.00	379.60
January 2013	563.60	465.80	560.00	465.00
February 2013	505.85	468.90	505.00	468.00
March 2013	479.10	383.80	479.00	382.15

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.

ANNEXURE- I Directors' Report

Report On Corporate Governance (Contd.)

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 share certificates are dispatched within the time limit prescribed under the Listing Agreement.

x. Distribution of shareholding as of 31st March, 2013

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	636	89.57	77983	0.12
5001-10000	15	2.11	54881	0.09
10001-20000	8	1.12	55744	0.09
20001-30000	7	0.98	92495	0.15
30001-40000	4	0.56	70006	0.11
40001-50000	1	0.14	24487	0.04
50001-100000	7	0.98	250967	0.40
100001 and above	32	4.50	62339644	99.00
Total	710	100.00	62966207	100.00

Shareholding Pattern (category wise) as on 31st March, 2013:

Sr. No	Category	No of Shares Holders	No of Shares Held	Percentage of total Holding
1	Promoter Group	14	46245384	73.45
2	Mutual Funds & Financial Institutions	5	109487	0.17
3	FII	23	3600502	5.72
4	Central / State Government	Nil	Nil	Nil
5	Venture Capital funds	Nil	Nil	Nil
6	Clearing Members	27	21829	0.03
7	Trust	1	5029225	7.99
8	NRI (Repat/ Non Repat)	11	6263	0.01
9	Bodies Corporate	72	7124251	11.31
10	Other Public	557	829266	1.32
	Total	710	62966207	100.00

xi Dematerialization of Shares

The Equity shares of the Company 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 Investors' Correspondence :

(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
rnt.helpdesk@intimespectrum.com

(2) **Sunteck Realty Limited**
5th Floor Sunteck Centre
37-40, Subhash Road,
Vile Parle (East)
Mumbai- 400057
www.sunteckindia.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, 2013

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, 2013 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, 2013 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, 2013

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 31st March, 2013, 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 a review of 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 complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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
ICAI Firm Registration No. 301051E

Place: Mumbai
Date: 30th May, 2013

A.M. Hariharan
Partner
Membership No. 38323

Management Discussion and Analysis

A. Macro Economic Environment

1. Global

The economy has witnessed a slow recovery in activity across the globe, though global outlook appears to be better and growth is likely to recover marginally in FY14, with all major geographies (except the Eurozone) expected to improve their economic performance in 2013, supported by lower interest rates which are likely to remain low till 2014. This will invite higher capital flows from FIIs in developing economies like India.

Overall, global real GDP is expected to grow from a low point of 2.7% in 2012 to 3.0% in 2013 and 3.4% in 2014. Escalation of the Eurozone crisis and the US fiscal cliff remain key impediments to global growth.

2. India

A gradual recovery is expected in 2014 due to improvement in the performance of Industry and Services sector. However, in the long term India is expected to achieve better growth rate of 8% over 2013E-2017E thereby surpassing developing and other emerging economies which are expected to achieve growth rate of 3% & 6.5% respectively over the same period.

Inflation has come down after more than 3 years of 7%+ levels, a sanguine indication for kick-start of investment in the economy as this could give RBI comfort to reduce rates, depending on the financial stability of the economy.

Reform based measures and announcements are likely to increase towards the second half of the year besides, a fiscally prudent budget, action on pending legislation like the Insurance and Pension bills, clarity on coal linkages, facilitating MoEF clearances and managing the fuel and fertilizer subsidy (regular hikes in diesel prices, for instance) are merely some of the many steps that would alleviate market sentiment and invite capital inflows.

Structurally, India's macro-economic drivers are still intact owing to its demographic dividend, increase in affordability, strong consumption story and vibrant rural economy.

B. INDUSTRY OVERVIEW

1. Indian Real Estate

India's growing economy has led to a more evolved population with rapid urbanization, favorable demographics, increased buying power, a shift towards nuclear families and a growing service sector which augurs well for sustainable long-term real estate demand. Over 120 mn people are expected to shift to urban areas in the next decade, out of which 4-5% will be contributed by the top seven metros. Consequently, over the next five years additional 1.5 mn housing units are required in the top seven metros.

Developers with good operating parameters – healthy cash flow generation, balanced operating strategy, optimal acquisitions and prudent reinvestments, strength in home cities, good corporate governance and focus on core business will be first choice of preference.

2. Mumbai Overview

Mumbai is one of the most resilient real estate markets in India. Though, it is perceived as 'unaffordable' and 'overpriced' for long, yet it continues to attract buyers if the products are 'rightly priced' in each micro market. Besides, good pace of construction, delivery to invite higher premium than under construction property.

Overall, residential real estate prices are likely to remain firm on the back of increasing input costs (approvals and Fungible FSI premiums), limited availability of inventory in under construction projects (with all approvals in place) and scarcity of land. Pockets of Western Suburbs like Bandra, Andheri, Goregaon & Kandivali and Eastern suburbs like Ghatkopar, Mulund & Bandup continue to show good demand and traction. This is because of limited supply and these destinations emerged as new Commercial Business Districts of Mumbai and gained prominence over South Mumbai because of their connectivity to various parts of the city and proximity to Airport.

Bandra Kurla Complex, The new Financial Hub of Mumbai is considered the prime location for Grade A commercial, retail, hotels and residential developments. The state approving authority i.e. MMRDA has developed 19 hectares of marshy land in the 'E' -block where a number of office buildings have been constructed comprising of private and government offices (state and central), banks, wholesale establishments, etc.

The latest addition is the 'G' - block where the new international finance and business centers are being developed out of which many of them have become operational over last 2-3 years. Besides, the Bandra - Worli Sea Link has also added value to the Bandra realty market.

Management Discussion and Analysis (Contd.)

The property market in Goregaon is witnessing an upward momentum because of improvement in the infrastructure and steady increase in commercial activity leading to huge employment generation. Several areas of Navi Mumbai like Airoli, Vashi and Panvel have also seen increase in demand due to announcement of International Airport in Navi Mumbai which is positioned as a Greenfield international airport offering world – class facilities to passengers, cargo, aircrafts and airlines.

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

Approvals have been slow in the city prior to the amendment of Development Control Regulations (DCR) for Mumbai city/suburbs in early 2012. Post amendment approvals under the Municipal bodies have started showing progress. But the larger projects continue to face approval delays in terms of Environment clearances and 'High-rise' approvals. The government is now trying to take some measures to fast track the project clearances that have been stuck for long. Setting up more committees for environmental clearances is one of those measures.

Further, the Union Cabinet has cleared 'The Real Estate (Regulation and Development) Bill 2013 which is a step in the right direction to bring transparency and prudence across the Real estate sector and bring parity across the board. Certain alterations / modifications are expected in the bill at Centre/State levels to match with the local approval process and practices in various states of the country with regards to Real Estate.

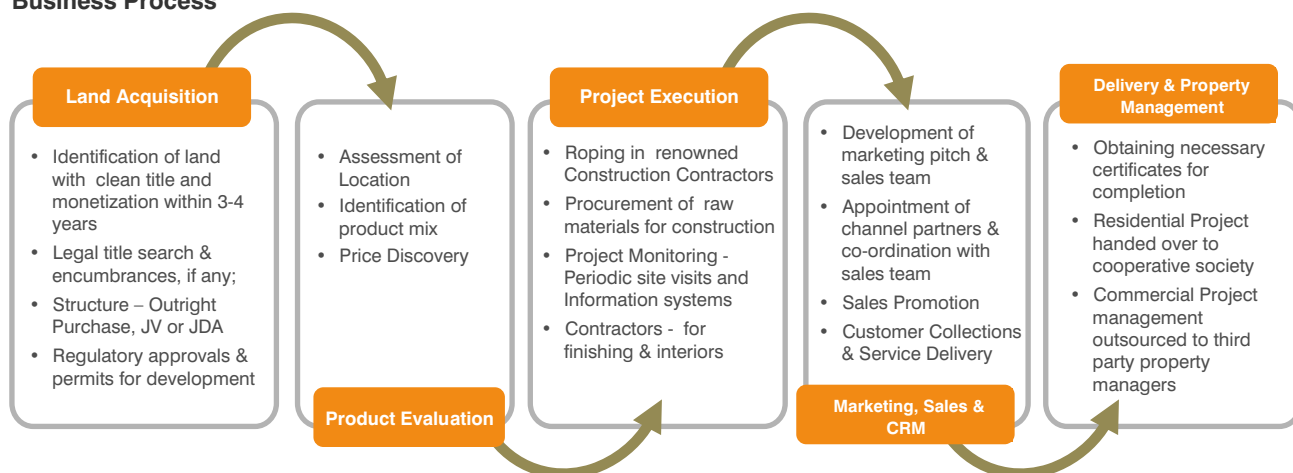
C. Business Overview

Your company is the country's leading real estate development companies with city-centric operations well spread-out across Mumbai region. The company's business focuses on designing, developing and managing high-end and premium residential and commercial properties.

The company has carved a niche for itself in the luxury and ultra luxury segment by differentiating itself in each micro-market through product positioning, brand partnerships and having different reputed channel partners for each product to attract corporate, HNI, and retail customers. Moreover, the company intends to keep servicing the segment 'A' customers in each micro-market to meet their growing needs and complementing their earnings.

To differentiate the company's projects from its peers in the market, your company has developed four brands that well resonate the product offering across the residential and commercial developments. (a) 'Signature' brand - targets ultra luxury residences that are aimed at high-net worth individuals. The property is located in prime city locations and has apartments size of over 7,000 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 micro markets 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.

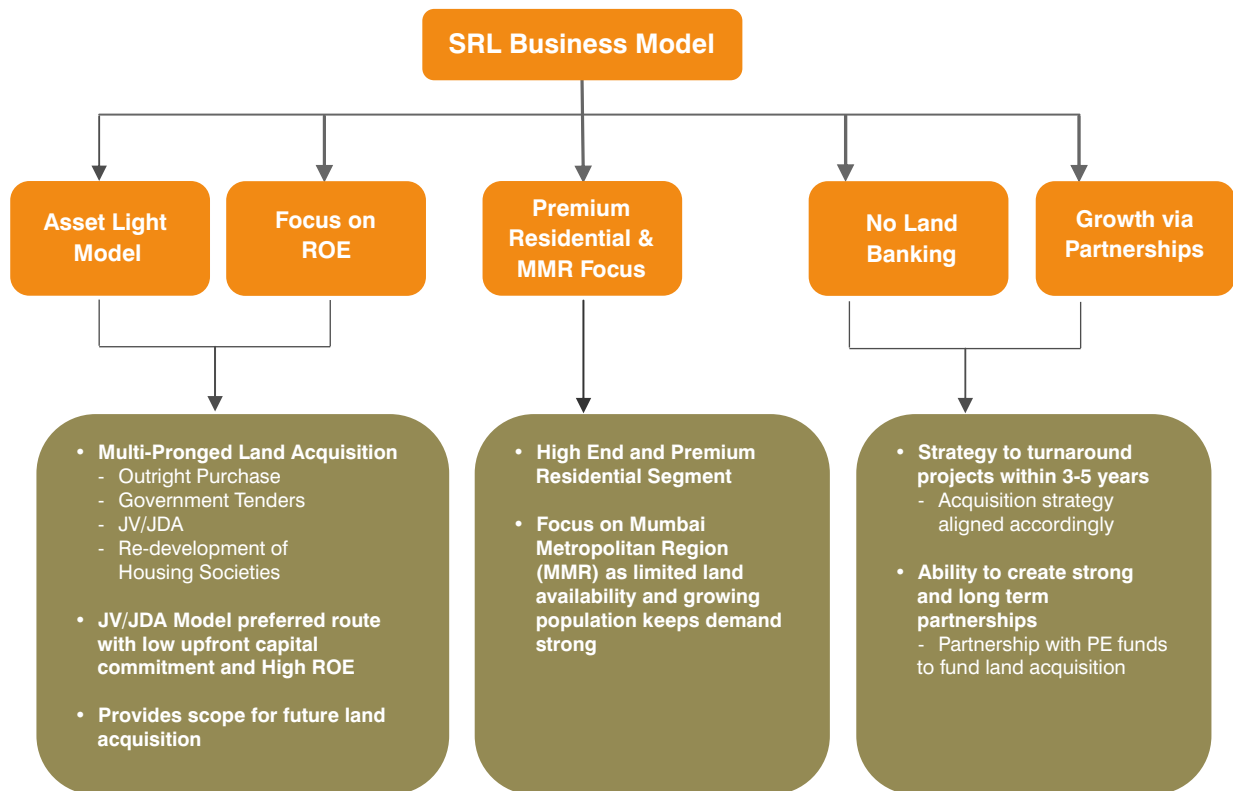
Business Process



Management Discussion and Analysis (Contd.)

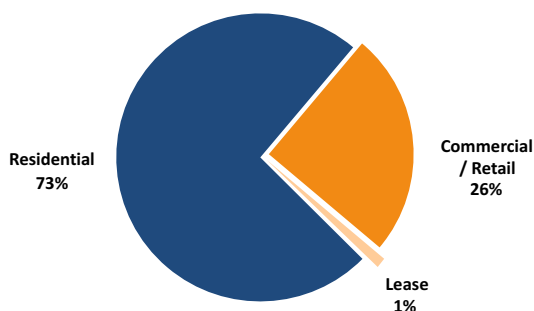
Sustainable Business Model

The company has acquired opportunistic lands periodically through Government Tenders (closed), Joint Development and outright purchase from private corporates which has resulted in getting relatively clean & clear land parcels.

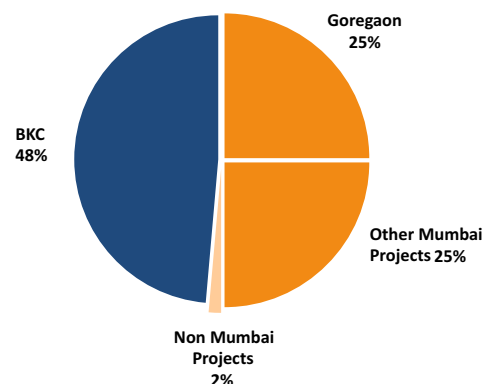


Presently, your company has 25 projects aggregating to development potential of ~28.22 mn.sq.ft. of which over 73% is in the residential segment and the balance in the commercial & retail segment. Out of the said saleable area, the company has an economic interest on ~15.22 mn.sq.ft. of saleable area. Besides, the company also has 4 rented assets in its portfolio with a leasable area of ~0.22 mn.sq.ft. on which the company has an economic interest on 0.14 mn.sq.ft. of the leasable area. These assets are generating steady rental income annually.

Saleable Area Break-Up



Geographical Presence*



*In terms of Investments

Management Discussion and Analysis (Contd.)

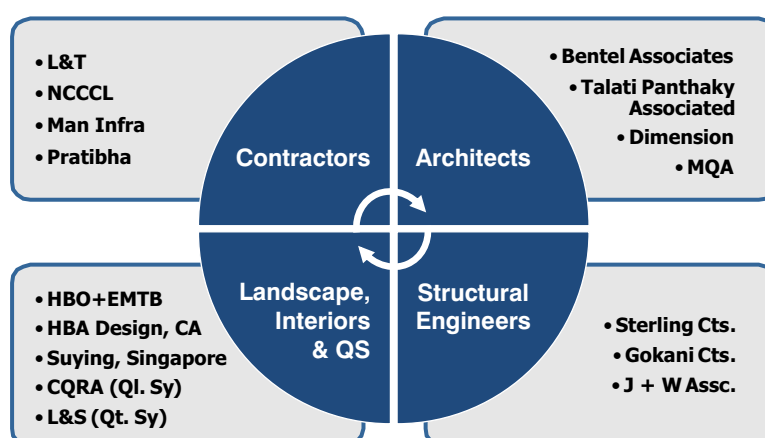
This scale of development portfolio has been achieved within a short span since your company's foray into real estate development business in 2005. The company believes that the demand for residential property in Mumbai will remain strong against the backdrop of factors such as, limited land availability, growing economy and rising immigrant population. In addition, the projects in Mumbai are well-located to gain the first mover advantage post the shift in the central business district from the south of the city primarily Nariman Point to the secondary business districts like Bandra Kurla Complex. Alongside the company is maintaining a strong focus on the projects in Goregaon, Borivali, Andheri, Airoli, Mulund, Ghatkopar, Ville Parle and Sion.

Your company's 3 landmark residential projects in BKC and 2 projects in Goregaon (W) (mixed use development) contribute to a large pie of the revenue potential. The company has chosen these locations for development because **(a) BKC**, has emerged as the new financial hub of the city and is considered most secured & well connected. The locale houses some of the biggest corporates, financial institutions, Bourses, consulates, educational institutions, 7 star Hospitality providers and Multi Specialty Hospitals. **(b) Goregaon**, identified as next Commercial Business District (CBD) of the city by MMRDA (after BKC) is well located and supported with the best infrastructure. The residential potential of the given location is well justified by several back offices of prominent banks like Citi, JP Morgan and also by IT companies that exist there. This together with the thrust on infrastructure projects ensures easy accessibility to the Western Express highway, East - West (through flyover), the link roads like JVLR, the proposed Goregaon - Mulund Link Road and the MUIP's (Mumbai Urban Infrastructure Project) plan to start a Metro link from Charkop to Colaba. In addition, upcoming Oshiwara Suburban train station on the existing Western Railways network would also enhance the connectivity.

Your company's client base include both Indian and multi-national corporations and high net worth individuals currently residing in India and also the NRI's. The company has a separate Customer Relationship Management (CRM) team that provides services to its customers from the date of purchase till the date of delivery.

Your company is also selectively expanding to other geographic regions in India and has acquired few projects located in city-centric locations of cities like Jaipur, Nagour, Goa and Hubli. However, the company's focus on business operations in long term will restrict to select areas within Mumbai.

Key Project Associates



The company has strong in-house project management team partnering with best in class architects, structural engineers and contractors that emphasizes on quality, design and construction of its projects. The company endeavors to deliver high-quality products with contemporary and efficient architecture and timely execution. The company believes that this outsourcing model provides the scalability required to undertake large developments.

During the year, the company's focus was on execution and approvals. It has strengthened its construction team by recruiting industry experts. Further, it has enhanced the Project Management Office (PMO) coverage which could help in efficient planning, budgeting, progress reporting, cost management, project management processes, integrated project schedule - drawing schedule, construction schedule, approvals schedule and procurement plans. Also several key Contracts were awarded to the likes of L&T and several top agencies to ramp up the execution and finishing of the key projects.

Management Discussion and Analysis (Contd.)

International Tie-Ups

The company's focus is to deliver niche living spaces to discerning customers and create more value for them. It has tied-up with international brands like (a) Vertu, a 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 in Mumbai, (b) Disney India for the residents of 'Sunteck City' in Gorgeaon (W) to bring Disney inspired homes to India and create an exciting atmosphere for families to raise their kids.

SWOT Analysis of our Business

STRENGTHS

- Strong Brand Recognition-Premium segment
- Clean & Clear land acquisition track record with low acquisition cost
- Low Leverage – Negligible Debt
- Credible Partnerships and tie-ups
- High level of corporate governance
- Experienced senior management personnel
- Higher cash flow visibility

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 to remain robust due to growing economy
- Shift in trade from south of city from areas such as Nariman Point to BKC, the new
- Financial hub JV & JDAs with low capital commitment resulting in higher ROEs
- Huge visible cash flows to fuel growth by acquiring land parcels at attractive prices

THREATS

- Regulatory changes resulting delays in approvals; further delay in planned launches / completion
- Rising inflation resulting in input cost (approvals & fungible FSI)
- Strong public funding in rural areas impacting labour cost in urban areas
- Stagnant market conditions due to uncertainty in the economy & high interest costs regime

D. Awards & Accolades

During the year, your company has won two awards for its excellence in the real estate space namely,

- Sunteck won 3 Merit Awards in "APREA (Asia Pacific Real Estate Association Limited) Best Practices Awards 2012" held in Singapore:
 - Emerging Markets: Best Country Submission – India (across 9 regions of Asia-Pacific)
 - Emerging Markets: Best 1st Year Entrant
 - Emerging Markets: Property Valuation
- Sunteck's flagship project i.e. Signature Island won Project of the year award at the 27th National Real Estate Awards from "Accommodation Times" held in Mumbai

E. Consolidated Operational & Financial Performance as on March 31, 2013: Your company has achieved cumulative sales of ~INR 26,556 mn since inception and cumulative collections of ~INR 13,201 mn. 3 BKC Residential projects form major part of sales & collections achieved till the end of the year.

Management Discussion and Analysis (Contd.)

During the year, your company achieved new sales of ~INR 6,028 mn compared to ~INR 4,144 mn achieved in FY12. The collections stood at ~INR 3,911 mn compared to ~INR 2,835 mn in FY12. Further, your company reduced its Secured Debt from ~INR 2,634 mn to ~INR 1,028 mn, a decrease of over 61%. Consequently, the net secured debt stands at ~INR 615 mn as on March 31, 2013.

Your company was also assigned 'Care A' rating by Care Ratings during the year. The company got approvals for Sunteck City, 'Avenue 1' Goregaon (W) and construction contract was awarded to L&T.

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 'Project Completion Method (PCM)' of accounting unlike other real estate developers who follow percentage of completion method (POCM) 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.

During the year, the company recognized revenues from one of its commercial property i.e. **Sunteck Grandeur** (as per its Accounting Policy mentioned above) since the project got completed. Consequently, the sales achieved till the end of the fiscal have been recognized and the operating cost has been booked proportionately in the P&L.

Abridged Consolidated Profit & Loss Account

(INR in Lacs)

Particulars	Year Ended	
	March 31, 2013	March 31, 2012
Income from Operations	3,021.18	1,700.39
Other Income	1,995.63	1,336.60
Total Revenue	5,016.81	3,036.99
Total Expenditure	3,944.00	1,936.34
Profit Before Tax	1,072.82	1,100.65
Provision for Taxation	618.80	646.49
Profit After Tax	454.02	454.16

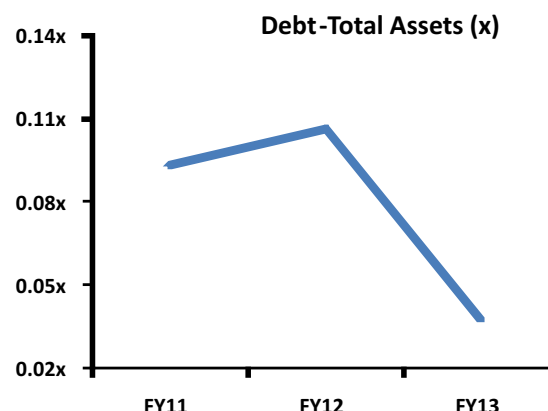
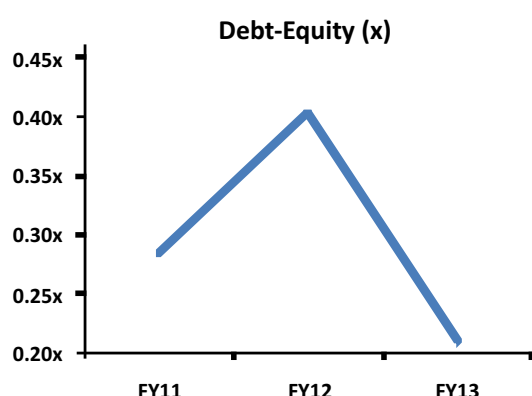
Abridged Consolidated Balance Sheet

(INR in Lacs)

Particulars	Year Ended	
	March 31, 2013	March 31, 2012
Shareholders' Fund	40,035.25	39,768.89
Share Application Money Pending Allotment	8,949.00	25,502.71
Minority Interest	36.95	395.71
Non-Current Liabilities	1,061.66	902.06
Current Liabilities	221,306.00	181,672.13
Total Liabilities	271,388.86	248,241.51
Non-Current Assets	13,732.97	14,209.55
Current Assets	257,655.89	234,031.94
Total Assets	271,388.86	248,241.51

Management Discussion and Analysis

(Contd.)



During the year 'Income from Operations' grew by ~78% to ~INR 3,021 lacs compared to ~INR 1,700 lacs as on March 31, 2012. The increase is due to revenue recognition from one of the commercial property which got completed besides the rental income generated from the rented assets under the company's portfolio.

Other income increased by ~49% to ~INR 1996 lacs during the year compared to ~INR 1,337 lacs as on March 31, 2012. This is mainly on account of dividend received on Investments, interest income and gain on sale of assets / investments. The total expenditure increased by ~96% to ~INR 3,944 lacs during the year compared to previous fiscal due to operating cost of 'Sunteck Grandeur' getting booked (on account of project completion) and increase in marketing & advertising expenses, legal & professional fees.

Secured Debt to Equity Ratio has decreased from 0.28(x) to 0.21(x) while Secured Debt to Total Assets has decreased from 0.09(x) to 0.04(x) over the last three years.

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 from Banks to run the operations efficiently. 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 has appropriate internal control systems covering the gamut of business processes including acquisitions, sales, operations, financials and regulatory reporting. There are clearly defined roles and responsibilities amongst the team through an institutionalized job description and role profile definition. The human resource and related manuals enable all team members to coherently integrate into the company in quick time. Regular internal audits and checks ensure that responsibilities are executed effectively.

The company has implemented various tools to strengthen its systems like (a) Enterprise Resource Planning (ERP) system namely, 'In4velocity' to enhance MIS reporting, (b) 'Sensys' Easy Pay/TDS system for payroll and tax processing, (c) 'Aconex' for project management, which would mean all documents, communication and business processes can be managed in a consistent way.

Your company's statutory auditors are Lodha & Co. which is ranked amongst the top 5 auditors in India. Besides, during the year, your company had also appointed Mahajan & Aibara (one of the leading Indian internal audit organization) to conduct Risk Based Audits so as to provide assurance on controls, compliance, effectiveness and strengthen the necessary functions of operations.

Your company has also employed one of the Big 4 consultants i.e. Pricewaterhouse Coopers (PWC) to ensure a sound system of risk oversight, by identifying key risk areas and take informative decisions towards risks mitigation through suggestions and implementation on the processes (various MIS reporting, ERP and others), organisational development, documentation and Internal Audit Systems.

The Audit Committee of the Board of Directors reviews the effectiveness of internal control and provides suggestions periodically.

Management Discussion and Analysis (Contd.)

G. Human Resource

Organizational strength has always been a key parameter for achieving goals and objectives of your company. At Sunteck, talent acquisition and talent retention are the core thrust areas for the human resources team to ensure a smooth functioning. We observe cultural diversity and lay emphasis on hiring talent that stays true to the brand ethos. Concentrated efforts are made to ensure that employees are provided a platform to exhibit their skills and are simultaneously rewarded for their contribution, dedication and passion.

At Sunteck, the workforce is spread over 13 departments based on the functions like Sales & Marketing, Corporate Finance & Investor Relations, Accounts, HR & Administration, Customer Relation Department (CRM), IT, Legal, Compliance, Project Management Office (PMO), Project Architecture Management & Construction (PAMC), Engineering Procurement & Construction (EPC), Purchase & Contracts and others.

With the objective of being able to scale the Talent portfolio in line with the growth of the company, Sunteck's Organisational Chart has been build by Price Waterhouse Coopers (PWC). Consequently, the company has filled several key positions during the year to strengthen the execution. Your company has grown from ~80 employees in 2009 to ~190 employees in 2013 and has also established a code of conduct to guide its directors and senior executives.

To incentivise the employees and recognize their efforts, the company has announced Employee Stock Option Plan/Scheme (ESOPS 2013). This initiative speaks volumes of your company to undertake employee retention and also further boost the morale of the employee.

The human talent of the company comprise of highly qualified, skilled and experienced professionals. We believe that company's operations and action must result in enhancement of the overall entrepreneurial ability of an individual to gain long term value addition and growth. We undertake every initiative to nurture and hone talent.

A few practices observed by the company to ensure that the multi cultural work environment is maintained whilst giving a learning opportunity to the employee include:

- Extensive and rigorous training programs with upgraded development modules, new practices & methods and superior's assistance to make them equipped with necessary skills and knowledge to handle vital functions of project management and delivery.
- Imparting behavioral training to all employees for maintaining a friendly and healthy working environment. This is conducive for talent retention.
- Building confidence in the employee by constant communication on any developments in the company like new joiners, awards recognition, employees' poll on certain work related matters, news articles, etc. are communicated through mailers on a regular basis.

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 at Sunteck. During the year, the company has been able to achieve good operational numbers due to the employees' continued focus, hard work, efforts, dedication and performance. The company would like to express its gratitude for the support and assistance rendered by its employees and expects the spirit of teamwork to continue in the years to follow.

H. Cautionary Statement

Statements in the Management Discussion and Analysis describing the company's objectives, 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 due to several factors which are beyond the control of the management. 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. The Company assumes no obligation to amend or update forward looking statements in future on the basis of new information, subsequent developments or otherwise.

Standalone Financial Statements

Independent Auditor's Report

To
**The Members of
Sunteck Realty Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Sunteck Realty Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

The Company continues to apply 'project completion method' on transactions and activities of real estate development which it had applied over the years consistently. The Institute of Chartered Accountants of India has issued "Guidance note on Accounting for Real Estate Transactions (Revised 2012)" which is applicable to projects which have commenced on or after April 1, 2012 and also to projects which have already commenced but where revenue is being recognized for the first time on or after April 1, 2012 to follow 'percentage completion method'. There would not be any impact of the aforesaid guidance note on the financial statements for the year considering the criteria prescribed for recognition of revenue.

Our Opinion is not qualified in respect of above matter.

Standalone Financial Statements

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2013 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Place: Mumbai
Date: 30th May, 2013

For LODHA & COMPANY
Chartered Accountants

A. M. Hariharan
Partner
Membership No. 38323
Firm Registration No- 301051E

Annexure to Audit Report

Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date to the members of the SUNTECK REALTY LIMITED.

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 unsecured loan to three parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs. 146,676,248 and the year end balance is Rs. 500,000. The loan was repayable on demand. The parties have repaid the principal amount as and when demanded and have 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.
 - b) The Company has not taken secured or unsecured loan from any party covered in the register maintained under Section 301 of the Act.
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.
 - (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 there under.
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.

Annexure to Audit Report

(Contd.)

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. There are no undisputed statutory dues outstanding as at the year end for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of Income tax, Sales Tax, Wealth tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
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.
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

A. M. Hariharan
Partner
Membership No. 38323
Firm Registration No- 301051E

Place: Mumbai
Date: 30th May, 2013

Standalone Balance Sheet

as at 31st March 2013

(Amount in Rs.)

Particulars	Notes	31.03.13	31.03.12
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	125,932,414	125,932,414
Reserves and Surplus	3	3,590,054,007	3,533,234,860
NON - CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	28	9,064,771	8,150,314
Other Long Term Liabilities	4	43,833,000	20,320,500
Long Term Provisions	5	1,807,001	1,209,000
CURRENT LIABILITIES			
Short Term Borrowings	6	1,382,057,565	1,070,888,744
Trade Payables	7	30,006,390	51,988,936
Other Current Liabilities	8	431,449,744	499,152,898
Short Term Provisions	9	13,288,115	8,800,825
TOTAL		5,627,493,007	5,319,678,491
ASSETS			
NON - CURRENT ASSETS			
Fixed Assets	10		
Tangible Assets		87,753,721	91,075,384
Intangible Assets		850,379	645,762
Non - Current Investments	11	1,094,793,678	1,783,342,539
Long Term Loans and Advances	12	10,944,957	7,702,267
Other Non - Current Assets	13	1,720,592	70,531,682
CURRENT ASSETS			
Current Investments	14	711,742,697	526,298,000
Inventories	15	1,350,805,840	1,125,025,878
Trade Receivables	16	48,624,096	78,005,285
Cash and Bank Balances	17	42,568,856	24,675,376
Short Term Loans and Advances	18	2,211,731,445	1,604,238,230
Other Current Assets	19	65,956,746	8,138,088
TOTAL		5,627,493,007	5,319,678,491
Significant Accounting Policies and the accompanying 1 to 42 notes form an integral part of financial statements			

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

A.M.Hariharan
Partner

Membership No: 38323
Mumbai: 30th May, 2013

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

Kamal Khetan
Chairman & Managing Director

Sanjay Dutt
Director

Kishore Vussonji
Director

Jignesh Sanghavi
Executive Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Profit & Loss Account

for the Year Ended 31st March 2013

(Amount in Rs.)

Particulars	Notes	31.03.13	31.03.12
INCOME			
Revenue from operations	20	318,583,925	137,755,721
Other income	21	62,948,737	128,626,818
Total Revenue (I)		381,532,662	266,382,538
EXPENSES			
Cost of Revenue	22	63,153,117	-
Employee benefits expense	23	40,921,173	18,383,815
Finance cost	24	95,920,715	54,328,508
Depreciation and amortisation expense	10	3,959,785	3,574,432
Other expenses	25	52,697,442	30,532,636
Total expenses (II)		256,652,231	106,819,391
Profit before Exceptional Items and Tax (I - II)		124,880,430	159,563,147
Exceptional Items	37	22,305,600	-
Profit after Exceptional Items and before Tax		102,574,830	159,563,147
Tax Expenses :			
Current tax		32,797,690	35,878,660
Deferred tax		914,457	5,380,220
Profit for the year		68,862,683	118,304,267
Earning per equity share of face value Rs. 2 each:	35		
Basic		1.45	1.88
Diluted		1.09	1.88
Significant Accounting Policies and the accompanying notes form an integral part of financial statements	1 to 42		

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

A.M. Hariharan
Partner

Membership No: 38323
Mumbai: 30th May, 2013

For and on behalf of the Board of Directors
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Executive Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Standalone Cash Flow Statement for the

Year Ended 31st March, 2013

(Amount in Rs.)

Particulars	31.03.13	31.03.12
Cash Flow from Operating Activities		
Profit Before Tax as per Statement of Profit and Loss	124,880,430	159,563,147
Adjusted for:		
Depreciation and Amortisation Expense	3,959,785	3,574,432
Interest Income	(41,177,980)	(77,226,606)
Dividend Income	(7,500,526)	(19,431,350)
Finance Cost	95,920,715	54,328,508
(Profit) / Loss on Sale of Fixed Assets	435,744	(14,378,242)
(Profit) / Loss on Sale of Investments	14,078,219	(16,719,498)
Liabilities no longer required written back	(93,783)	(867,780)
	65,622,174	(70,720,536)
Operating Profit before Working Capital Changes	190,502,605	88,842,610
Adjusted for:		
(Increase)/Decrease in Inventories	(225,707,370)	(399,087,743)
(Increase)/Decrease in Trade Receivables	29,381,189	(41,835,641)
(Increase)/Decrease in Other Receivables	(599,112,919)	156,482,462
Increase/(Decrease) in Other Liabilities and Provisions	(58,542,573)	(853,981,673)
Cash Generated from/(used in) Operations	(663,479,068)	(74,394,871)
Less: Income Tax Paid/(Refund received)	34,306,137	35,827,090
Less: Exceptional Items	22,305,600	-
Net Cash from / (used in) Operating Activities (A)	(720,090,806)	(110,221,960)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,991,073)	(15,317,201)
Sale of Fixed Assets	640,000	21,600,000
Sale of Investments	677,077,700	74,221,809
Purchases of Investments	(2,607,058)	(546,788,264)
Purchases of Investments in Subsidiaries	-	(80,000)
Interest Income	41,177,980	77,226,606
Dividend Income	7,500,526	19,431,350
Net Cash from / (used in) Investing Activities (B)	721,798,074	(369,705,700)
Cash Flow from Financing Activities		
Current account with LLP	(185,444,697)	(524,798,000)
Repayment of Secured Borrowings	(58,822,435)	628,005,000
Dividend Paid (including Dividend Distribution Tax)	(14,495,089)	(16,360,577)
Proceeds From Unsecured Borrowings	369,991,256	442,883,744
Finance Cost	(95,920,715)	(54,328,507)
Net Cash from Financing Activities (C)	15,308,320	475,401,661
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	17,015,589	(4,525,998)
Cash and Cash Equivalents - Opening Balance	1,837,875	6,363,873
Cash and Cash Equivalents - Closing Balance	18,853,463	1,837,875

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.

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

A.M.Hariharan
Partner

Membership No: 38323
Mumbai: 30th May, 2013

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

Kamal Khetan
Chairman & Managing Director

Sanjay Dutt
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Jignesh Sanghavi
Executive Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Significant Accounting

Policies And Notes

Significant Accounting Policies forming part of Financial Statements for the year ended 31st March, 2013

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 recognized on an accrual basis, in accordance with the terms of the respective contract.

vii) Project Management Services

Revenue in respect of Project Management services is recognized on an accrual basis, in accordance with the terms of the respective agreement.

Significant Accounting

Policies And Notes

(Contd.)

e) Inventories

Inventories comprise 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 and development rights	Land and development rights (including development cost) are valued at lower of cost and net realizable value. Costs include land acquisition cost and initial development cost.
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 and 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 and 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 (wherever 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.

Significant Accounting

Policies And Notes

(Contd.)

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.

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 unrecognized 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.

Significant Accounting

Policies And Notes

(Contd.)

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.

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 comprises of unencumbered cash and bank balances.

Notes to Financial Statement

(Amount in Rs.)

Particulars	31.03.13	31.03.12
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, 2013	31st March, 2012
	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, 2013		31st March, 2012	
	Number of shares	% of holding shares	Number of shares	% of holding shares
Manisha Khetan	24,251,407	38.51	24,219,380	38.46
Eskay Infrastructure Development Private Limited	-	-	5,693,419	9.04
Pantacle Facility Management Private Limited	8857419	14.07	-	-
Kotak Mahindra Trusteeship Services Limited A/C Kotak Alternate Opportunities (India) Fund	5,029,225	7.99	5,531,566	8.78

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.)

	31.03.13	31.03.12
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	4,767,380	1,809,773
Add: Transferred from surplus balance in the statement of profit and loss	-	2,957,607
Closing balance	4,767,380	4,767,380
Surplus in the statement of profit and loss		
Balance as per last financial statements	317,059,493	216,234,754
Profit for the year	68,862,683	118,304,267
Balance available for appropriation	385,922,176	334,539,022
Less: Appropriations		
Proposed final equity dividend (Dividend per share Rs. 0.18; Previous year Rs. 0.12)	11,333,917	7,556,045
Interim equity dividend (Dividend per share Nil; Previous year Rs. 0.12)	-	7,556,045
Tax on proposed dividend	1,926,199	2,451,553
Transferred to general reserve	-	2,957,607
Dividend distribution tax credit from subsidiaries	(1,216,580)	(3,041,720)
Closing balance	373,878,640	317,059,492
Total reserves and surplus	3,590,054,007	3,533,234,860
4 Other Long Term Liabilities		
Other		
Security deposits received for premises given on lease	43,833,000	20,320,500
Total other long term liabilities	43,833,000	20,320,500
5 Long Term Provisions		
Provision for employee benefits		
Gratuity	1,486,000	1,209,000
Leave Entitlement	321,001	-
Total long term provisions	1,807,001	1,209,000
6 Short Term Borrowings		
Secured loan		
From bank	569,182,565	628,005,000
Unsecured Loans		
From other		
Body corporates	812,875,000	442,883,744
Total short term borrowings	1,382,057,565	1,070,888,744

Terms & Conditions for Secured Loan taken from Bank

- 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 receivables thereon.
- The term loan is further secured by way of lien on fixed deposits with bank of Rs.23,484,464 (Previous year Rs. 22,837,500).
- The interest rate on above term loan is Base rate + 4.5% spread.
- Repayment Schedule of Secured Term Loan

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
Repayment Schedule		
less than 1 years	-	-
1 - 3 years	569,182,565	628,005,000

e Loan from body corporates

The Company has taken a loan amounting to Rs 812,875,000 (Previous Year Rs. 410,883,744) @ 10% and an interest free loan of Rs. Nil (Previous Year Rs. 32,000,000) which are repayable on demand.

7 Trade Payables

Trade payables (Refer note 33 for details of dues to micro, small and medium enterprises)	30,006,390	51,988,936
Total trade payables	30,006,390	51,988,936

8 Other Current Liabilities

Unclaimed Dividend	230,929	-
Interest accrued but not due on borrowings	44,406,767	36,736,497
Current Account with LLPs	12,702	-
Others		
Statutory dues	4,930,583	4,364,331
Advance received from customers	362,646,243	389,150,325
Security deposits for premises given on lease	4,937,500	28,950,000
Payable in respect of capital expenditures	517,348	1,182,308
Billed in advance	13,767,672	38,769,437
Total other current liabilities	431,449,744	499,152,898

9 Short Term Provisions

Provision for employee benefits		
Gratuity	23,000	19,000
Leave Entitlement	4,999	-
Others		
Proposed equity dividend	11,333,917	7,556,045
Dividend distribution tax on proposed dividend	1,926,199	1,225,780
Total short term provisions	13,288,115	8,800,825

Notes to Financial Statement

(Contd.)

Note No.10 Fixed Assets

(Amount in Rs.)

Sr. No	Fixed Assets	Gross Block			Depreciation / Amortisation			Net Block			
		As at 1 April 2012	Additions	Deduction	As at 31 March 2013	For the year*	Deduction	As at 31 March 2013	Closing As at 31 March 2012		
a) Tangible Assets											
	Building	52,560,767	414,116	-	52,974,883	1,713,481	876,991	-	2,590,472	50,384,411	50,847,286
	Furniture and fixtures	29,156,037	341,750	-	29,497,787	2,207,786	1,854,050	-	4,061,836	25,435,951	26,948,252
	Vehicles	1,810,101	-	1,810,101	-	732,473	1,884	734,357	-	-	1,077,628
	Office equipment	1,279,058	89,800	-	1,368,858	111,419	63,063	-	174,482	1,194,376	1,167,639
	Air Conditioners	4,686,733	258,164	-	4,944,897	366,563	230,279	-	596,842	4,348,054	4,320,168
	Computers and Peripherals	4,780,204	506,430	-	5,286,634	3,565,762	486,782	-	4,052,544	1,234,090	1,214,442
	Total	94,272,900	1,610,260	1,810,101	94,073,059	8,697,484	3,513,050	734,357	11,476,176	82,596,883	85,575,415
Assets given on operating lease											
	Furniture and fixtures	3,857,441			3,857,441	309,041	244,176		553,217	3,304,224	3,548,399
	Air Conditioners	2,083,269			2,083,269	131,700	98,955		230,655	1,852,614	1,951,570
	Total	5,940,710	-	-	5,940,710	440,741	343,131	-	783,872	5,156,838	5,499,969
b) Intangible Assets											
	Computer Software	837,590	380,813	-	1,218,403	191,828	176,196	-	368,024	850,379	645,762
	Total	837,590	380,813	-	1,218,403	191,828	176,196	-	368,024	850,379	645,762
	Current Year	101,051,199	1,991,073	1,810,101	101,232,172	9,330,053	4,032,377	734,357	12,628,072	88,604,100	91,721,146
	Previous Year	85,655,952	22,778,453	7,383,206	101,051,200	5,853,710	3,637,791	161,448.00	9,330,053	91,721,146	

* Includes Depreciation of Rs. 72,591 (Previous year Rs. 63,359) transferred to Construction work in progress

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
11 Non - Current Investments		
Long term trade investments (valued at cost unless stated otherwise)		
Investment in property	142,837,878	140,510,820
Investment in Equity Instruments (Unquoted)		
Investment in Subsidiaries		
Starlight Systems Private Limited 400,000 (Previous year 320,000) equity shares of Rs. 10 each fully paid up	399,366,106	413,270,000
Satguru Infocorp Services Private Limited 375,000 (Previous year 375,000) equity shares of Rs. 10 each fully paid up	104,384,070	104,384,070
Amenity Software Private Limited 50,000 (Previous year 50,000) equity shares of Rs. 10 each fully paid up	14,085,125	14,085,125
Magenta Computer Software Private Limited 50,000 (Previous year 50,000) equity shares of Rs. 10 each fully paid up	13,132,750	13,132,750
Skystar Buildcon Private Limited 9,990 (Previous year 9,990) equity shares of Rs. 10 each fully paid up	99,900	99,900
Sunteck Property Holding Private Limited 10,000 (Previous year 10,000) equity shares of Rs. 10 each fully paid up	100,000	100,000
Starlight Systems (I) Private Limited (Refer Note No. 41) NIL (Previous year 8,000) equity shares of Rs. 10 each fully paid up	-	80,000
Sahrish Construction Private Limited 10,000 (Previous year NIL) equity shares of Rs. 10 each fully paid up	100,000	-
Eleanor lifespaces Pvt. Ltd. (formerly known Signature Island Buildcon Pvt. Ltd.) 10,000 (Previous year NIL) equity shares of Rs. 10 each fully paid up	100,000	-
Investment in joint ventures		
Piramal Sunteck Realty Private Limited 500,001 (Previous year 500,001) equity shares of Rs. 10 each fully paid up (including Nil (Previous year Nil) share of Non-Voting of Class B of Rs. 10 each)	284,532,010	284,532,010
Investment in Debentures		
Quoted		
Starlight Systems Private Limited NIL (Previous year 4,150) 15% Non-Convertible Debentures of Rs.100,000 each fully paid up	-	466,176,399
Unquoted		
Starlight Systems Private Limited NIL (Previous year 684,752) Zero Coupon Optionally Convertible Debentures of Rs. 100 each fully paid up	-	68,475,200
Starlight Systems Private Limited NIL (Previous year 1,037) 15% Optionally Convertible Debentures of Rs. 100,000 each fully paid up	-	116,420,426
Long term investments other than trade (valued at cost unless stated otherwise)		
Investment in Equity Instruments (Quoted)		
Punjab Communication Limited 1,000 (Previous year 1,000) equity shares of Rs. 10 each fully paid up	12,600	12,600
Investment in Equity Instruments (Unquoted)		
Samhrutha Habitat Infrastructure Private Limited 220,378 (Previous year 2,755,378) equity shares of Rs. 10 each fully paid up	2,203,780	28,303,780
Saraswat Co-op. Bank Limited 70 (Previous year 70) equity shares of Rs. 10 each fully paid up	700	700
Advaith Infraprojects Private Limited 1,990 (Previous year 1,990) equity shares of Rs. 10 each fully paid up	19,990	19,990
Investment in compulsorily convertible preference shares(Unquoted)		
Advaith Infraprojects Private Limited 800,100 (Previous year 800,100) compulsorily convertible preference shares of Rs. 10 each fully paid up	8,001,000	8,001,000

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
Investment in limited liability partnership firms		
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	50,000
Nariman Infrastructure LLP	111,669	111,669
Pathway Buildcon LLP	50,000	50,000
Starlight Systems (I) LLP (Refer Note No. 41)	80,000	-
Investment in a partnership firm		
Kanaka & Associates	50,000,000	50,000,000
Total non current investments	1,094,793,678	1,783,342,539
Notes		
Aggregate market value of quoted investments	43,250	466,364,999
Aggregate amount of quoted investments	12,600	466,188,999
Aggregate amount of unquoted investments	1,094,781,078	1,317,153,540
Details of investment in partnership firm	As at 31st March, 2013	As at 31st March, 2012
	% 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		
Loans to body corporate	500,000	-
Security deposits	1,165,700	1,159,200
Others		
Prepaid expenses	3,847,654	2,733,370
Advance income tax (net of provision of Rs. 123,904,475 ;		
Previous year Rs. 91,055,215)	5,431,603	3,809,697
Total long term loan and advances	10,944,957	7,702,267
13 Other Non - Current Assets		
Other		
Interest accrued on Fixed Deposit	1,720,592	507,182
Interest accrued on Debentures	-	70,024,500
Total other non current assets	1,720,592	70,531,682
14 Current Investments		
Unquoted		
Investment in Equity Instruments		
Satguru Capital & Finance Private Limited	1,500,000	1,500,000
150,000 (Previous year 150,000) equity shares of Rs. 10 each fully paid up		
Current account balance in LLP's		
Nariman Infrastructure LLP	440,085,000	440,035,000
Topzone Mercantile Company LLP	25,195,500	22,793,000
Uniworth Realty LLP	46,050,000	45,065,000
V3 Designs LLP	38,785,000	16,905,000
Starlight Systems (I) LLP (Refer Note No. 41)	160,127,197	-
Total current investments	711,742,697	526,298,000
Aggregate amount of unquoted investments	711,742,697	526,298,000

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
15 Inventories (valued at lower of cost and net realizable value)		
(As certified by management)		
Construction work - in - progress (Refer Note No. 33)	1,075,901,322	1,125,025,878
Completed Units	274,904,518	-
Total Inventories	1,350,805,840	1,125,025,878
16 Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	39,246	6,386
Unsecured, considered good	176,120	368,667
Others		
Secured, considered good	1,474,640	229,662
Unsecured, considered good	46,934,090	77,400,570
(Including Receivable from subsidiaries and joint ventures Rs. 31,465,278; Previous year Rs.29,796,632)		
Total trade receivables	48,624,096	78,005,285
17 Cash and Bank Balances		
i) Cash and cash equivalents		
Balances with bank	18,235,369	1,341,119
Cash in hand	618,094	496,757
	18,853,463	1,837,876
ii) Other bank balances		
Fixed Deposit with Bank		
Deposit with original maturity for more than 12 months	23,484,464	22,837,500
Earmarked bank balances		
Unpaid dividend bank account	230,929	-
	23,715,393	22,837,500
Total cash and bank balances	42,568,856	24,675,376
Bank Deposits given as security		
Fixed deposit with bank of Rs. 23,484,464 (Previous year Rs. 22,837,500) 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 body corporate	514,931,157	26,160
Advances recoverable in cash or in kind or for value to be received	4,924,262	5,128,730
Security deposits	686,756	686,756
Others		
Non - convertible debentures application money	719,154,000	719,154,000
Optionally convertible redeemable preference shares application money	945,170,000	842,093,000
Advances towards projects	12,206,425	21,111,170
Advances towards transferable development rights	9,687,600	9,687,600
Prepaid expenses	4,319,293	5,010,688
Duties and taxes recoverable	449,656	1,340,126
Advances to employee	202,296	-
Total short term loans and advances	2,211,731,445	1,604,238,230

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
19 Other Current Assets		
Interest accrued on loans and advances	40,873,216	8,138,088
Unbilled Revenue	25,083,530	-
Total other current assets	65,956,746	8,138,088
20 Revenue From Operations		
Sales of Commercial Units	135,833,750	-
Sale of services		
Rent on immovable property	56,834,625	55,419,887
Project management fees	114,574,398	71,517,361
Brand fees	7,227,672	7,180,366
Maintenance services on immovable property	4,113,480	3,638,107
Total revenue from operations	318,583,925	137,755,721
21 Other Income		
Interest income on		
Fixed deposit with bank	895,116	258,004
Loans & Advances	40,282,864	76,968,602
Share of Profit From LLP (Refer Note No. 41)	14,176,448	-
Dividend income on		
Long term investment in subsidiaries	7,500,526	18,750,000
Current investment in mutual fund	-	681,350
Net gain on sale of fixed assets	-	14,378,242
Net gain on sale of investments	-	16,719,498
Liabilities no longer required written back	93,783	867,780
Other Income	-	3,342
Total other income	62,948,737	128,626,818
22 Cost of Revenue		
Land Cost	24,955,871	-
Construction materials & Other Expenses	38,197,246	-
Total	63,153,117	-
23 Employee Benefits Expense		
Salaries and wages	38,708,330	16,481,294
Contribution to provident and other funds	1,813,495	1,757,692
Staff welfare expenses	399,348	144,829
Total employee benefit expense	40,921,173	18,383,815
24 Finance Costs		
Interest expenses (Including interest paid on duties and taxes Rs. 66,900; Previous year Nil)	95,920,715	47,401,148
Other borrowing cost	-	6,927,360
Total finance costs	95,920,715	54,328,508

Notes to Financial Statement

(Contd.)

(Amount in Rs.)		
Particulars	31.03.13	31.03.12
25 Other Expenses		
Advertisement expenses	1,848,331	209,315
Payment to auditors (Refer Note No.36)	646,400	566,493
Business promotion expenses	2,980,832	2,227,960
Commission and brokerage expenses	550,000	-
Directors' sitting fees	60,000	65,000
Electricity expenses	2,957,242	2,235,617
Legal and professional fees	11,293,254	5,703,508
Membership fees and entrance fees	1,973,059	3,411,725
Pay and park charges (net of non-operating income directly attributable to such expenses of Rs. 2,752,491; Previous year Rs. 3,000,000)	1,825,881	1,225,770
Rates and taxes	1,011,604	1,269,920
Repairs and maintenance to		
Building	4,391,203	9,294,606
Others	1,701,058	1,747,771
Loss on sale of investments (Net)	14,078,219	-
Loss on sale of fixed assets	435,744	-
Telephone and communication expenses	577,250	381,220
Traveling and conveyance expenses	2,679,531	302,370
Insurance	726,220	43,252
Miscellaneous expenses	2,961,618	1,848,109
Total other expenses	52,697,442	30,532,636

26 Contingent liabilities and commitments

(Amount in Rs.)

Particulars	31.03.13	31.03.12
a. Contingent Liabilities (To the extent not provided for)		
(i) Disputed Income tax	-	3,845,122
(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
(iii) 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
Total (a)	-	16,452,326
b. Commitments	-	-
Total (b)	-	-
Total (a) + (b)	-	16,452,326

27 Lease

- a. Initial direct cost such as Legal cost, Brokerage cost etc. are charged immediately to Statement of Profit and Loss.

Notes to Financial Statement

(Contd.)

(Amount in Rs.)		
Particulars	31.03.13	31.03.12
b. Premises given on operating lease:		
The total future minimum lease rentals receivable at the Balance Sheet date is as under:		
The total future minimum lease rentals receivable at the Balance Sheet date is as under:		
For a period not later than one year	1,207,213	45,221,006
For a period later than one year and not later than five years	-	1,207,213
For a period later than five years	-	-
c. Lease income recognized in Statement of Profit and Loss for the year ended 31st March, 2013 is Rs. 56,834,625/-(Previous Year Rs. 55,419,887).		

(Amount in Rs.)		
28 Deferred Tax Liability / (Asset)		
Particulars	31.03.13	31.03.12
Deferred tax liability Related to Fixed assets (Depreciation / Amortization)	9,660,137	8,548,739
Gross deferred tax liability	9,660,137	8,548,739
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	595,364	398,425
Gross deferred tax asset	595,364	398,425
Net Deferred Tax Liability / (Asset)	9,064,771	8,150,314

29 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:

(Amount in Rs.)		
Particulars	31.03.13	31.03.12
1 Components of Employer Expense		
(a) Current Service Cost	393,332	206,103
(b) Interest Cost	98,240	72,480
(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	(210,572)	43,417
(h) Total expense/(gain) recognised in the Statement of Profit and Loss	281,000	322,000

Notes to Financial Statement

(Contd.)

(Amount in Rs.)

Particulars	31.03.13	31.03.12
2 Net (Asset)/Liability recognised in Balance Sheet		
(a) Present Value of Obligation at the end of the year	1,509,000	1,228,000
(b) Fair Value of Plan Assets as at end of the year	-	-
(c) (Asset)/Liability recognised in the Balance Sheet	1,509,000	1,228,000
3 Change in Defined Benefit Obligation (DBO) during the year ended as on 31st March, 2013		
(a) Present Value of Obligation as at beginning of the year	1,228,000	906,000
(b) Current Service Cost	393,332	206,103
(c) Interest Cost	98,240	72,480
(d) Liability Transferred in	-	-
(e) Actuarial (Gain)/Loss	-	-
(f) Past Service Cost	-	-
(g) Actuarial (Gains) / Losses on obligations	(210,572)	43,417
(f) Present Value of Obligation as at end of the year	1,509,000	1,228,000
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

30 Related Party Disclosures

1 Name of the Related Parties :

(i) Related Parties where control exists, irrespective of whether transaction has occurred or not:

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 (up to 21st March, 2013)
Sahrish Construction Pvt. Ltd.(from 10th July, 2012)
Eleanor Lifespaces Pvt. Ltd. (formerly known as Signature Island Buildcon Pvt. Ltd.)

Notes to Financial Statement

(ii) Related Parties with whom transactions have taken place during the year

a Joint Ventures :

Piramal Sunteck Realty Private Limited

Piramal Sunteck Realty Mauritius Limited (up to 14th September, 2012)

Piramal Sunteck International Limited (up to 14th September, 2012)

V3 Designs LLP

Uniworth Realty LLP

Nariman Infrastructure LLP

Pathway Buildcon LLP

Assable Buildcon LLP

Starlight Systems (I) LLP (from 22nd March, 2013)

b Partnership Firm:

Kanaka and Associates

c Other Associates:

Topzone Mercantile Company LLP

d Key Management Personnel:

Mr. Kamal Khetan – Chairman & Managing Director

Mr. Jignesh Sanghavi – Whole Time Director

e 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.

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:

Particulars	Subsidiary		Associates / Joint Venture		Entity / Persons having Significant Influence		Key Management Personnel	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Sales:								
Management and Brand Fees (Income From Operations)	105,374,335	87,582,774	16,427,735	3,716,453	-	-	-	-
Expenses:								
Directors Remuneration	-	-	-	-	-	-	11,000,000	9,964,180
Income:								
Interest and rent income	12,733,007	90,406,500	11,088	435,900	-	-	-	-
Dividend income	7,500,000	18,750,000	-	-	-	-	-	-
Others:								
Loans and advances Given/(Received)	858,483	(41,171,642)	-	(17,503,275)	-	-	-	(448,000)
Interest on Loans and Advances NCD / OCD	-	-	-	435,900	-	-	-	-
Non - Current Investments in Subsidiary - Optionally Convertible Debentures	-	582,596,825	-	-	-	-	-	-
Non - Current Investments-LLP-Fixed Capital	-	-	80,000	211,669	-	-	-	-
Current Investment -LLP-Current Capital	-	-	172,489,306	477,703,000	-	-	-	-
Non - Current Investments-Firm/ Shares	100,000	180,000	1,000,000	(111,674)	-	-	-	-
Purchase of Development Rights			106,929,569					
Outstanding:								
Trade Receivables	27,141,993	29,116,864	4,323,285	679,768	-	-	-	-
Application Money granted towards Optionally Convertible Redeemable Preference Shares	-	-	945,170,000	842,093,000	-	-	-	-
Loans and advances Given	500,000	-	-	26,160	-	-	-	-
Non - Current Investment in shares	531,367,951	545,151,845	284,532,010	334,532,010	-	-	-	-
Non - Current Investments-LLP/ Firm-Fixed Capital	-	-	125,817,769	75,737,769	-	-	-	-
Current Investment -LLP/Firm-Current Capital	-	-	696,023,006	524,798,000	-	-	-	-
Non - Current Investments in Subsidiary - Optionally Convertible Debentures	-	651,072,025	-	-	-	-	-	-

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 Transaction	31.03.13	31.03.12
Kanaka and Associates	Interest and rent income	11,088	495,300
	Loan given /(received)	1,233,759	(17,362,215)
Piramal Sunteck Realty Private Limited	Management and Brand Fees (Income From Operations)	16,427,735	4,099,248
	Reimbursement Expenses	-	2,124,884
	Application Money granted towards Optionally Convertible Redeemable Preference Shares	103,077,000	261,450,000
Starlight Systems Private Limited	Management and Brand Fees (Income From Operations)	8,760,903	92,463,239
	Reimbursement Expenses	-	19,169,248
	Application Money granted towards Optionally Convertible Redeemable Preference Shares	-	(524,550,000)
	Investment in Non Convertible Debentures and Optionally Convertible Debentures	-	582,596,825
	Interest accrued on Debentures	-	77,805,000
	Investments in Shares	-	80,000
Starlight Systems (I) Private Limited	Management and Brand Fees (Income From Operations)	91,575,986	-
	Purchase of Investment	100,000	-
	Interest and rent income	12,601,500	-
	Reimbursement Expenses	-	18,870
	Application Money granted towards Optionally Convertible Redeemable Preference Shares	-	8,218,000
	Optionally Convertible Redeemable Preference Shares Application Money converted to Current Investment LLP Current Capital	-	439,585,000
Nariman Infrastructure Private Limited	Non - Current Investment in LLP Fixed Capital	-	(111,669)
	Non - Current Investment in LLP Fixed Capital	-	111,669
Nariman Infrastructure LLP	Current Investment in LLP Current Capital	50,000	440,035,000
	Current Investment in LLP Current Capital	2,402,500	22,793,000
Topzone Mercantile Company LLP	Current Investment in LLP Current Capital	985,000	3,745,000
Uniworth Realty LLP	Current Investment in LLP Current Capital	21,880,000	11,130,000
V3 Design LLP	Investments in LLP Fixed Capital	-	50,000
Assable Buildcon LLP	Investments in LLP Fixed Capital	-	50,000
Pathway Buildcon LLP	Current Investment in LLP Current Capital	145,920,208	-
Starlight System(I) LLP	Non - Current Investment in LLP Fixed Capital	80,000	-
Amenity Software Private Limited	Dividend Income	3,750,000	5,625,000
Magenta Computer Software Private Limited	Dividend Income	3,750,000	5,625,000
Mr. Kamal Khetan	Directors Remuneration	7,500,000	7,000,000
Mr. Jignesh Sanghavi	Directors Remuneration	3,500,000	2,964,180
Satguru Infocorp Services Private Limited	Dividend Income	-	7,500,000
	Management and Brand Fees (Income From Operations)	5,037,446	4,140,561

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.)

31. Disclosure of amounts at the year end and maximum amount of loans & advances outstanding during the year are as follows:

(Amount in Rs.)

Particulars	As at 31st March, 2013	Maximum Amounts	Investment in equity shares made by subsidiaries in holding company	As at 31st March, 2012	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	-
Starlight Systems Private Limited Zero						
Coupon Optionally Convertible Debentures*	-	68,475,200	7,500,000	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
Loans and Advances to associates						
Piramal Sunteck Realty Private Limited						
Optionally Convertible Redeemable						
Preference Shares Application Money	945,170,000	945,170,000	-	842,093,000	1,005,693,000	-
Loans and Advances to firm/company in						
which directors are interested	-	-	-	-	-	-
Loans and advances to others						
Advaith Infra projects Private Limited						
Non - convertible debentures						
application money*	719,154,000	719,154,000	-	719,154,000	719,154,000	-

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

32. Investments in Joint Ventures and the company's share in their Assets & Liabilities, Income & Expenditure, Profit & Loss and Contingent Liability.

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

- Piramal Sunteck Realty Private Limited (PSRPL) -50%
- Piramal Sunteck Realty Mauritius Limited (PSRML) -50%
- Piramal Sunteck International Limited (PSIL) -50%
- Nariman Infrastructure LLP (NIL) -50%
- 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	NIL	URL	VDL	KANAKA	ABL	PBL
LIABILITIES								
Reserves and Surplus	Current Year	402,814,213	-	-	-	-	-	-
	Previous Year	416,868,453	-	-	-	-	(2,500)	(2,500)
Optionally Convertible Redeemable								
Preference Shares Application Money	Current Year	945,170,000	-	-	-	-	-	-
	Previous Year	842,144,000	-	-	-	-	-	-
Non - Current Liabilities	Current Year	297,102	-	-	438,344	-	-	-
	Previous Year	627,087	-	-	438,344	-	-	-
Current Liabilities	Current Year	1,031,664,824	8,427	730,359	6,552,267	180,316,641	3,750	3,750
	Previous Year	1,013,119,456	4,158,273	705,277	330,781	132,422,923	2,500	2,500
ASSETS								
Fixed Assets	Current Year	1,649,995	-	-	19,499	27,138	-	-
	Previous Year	1,878,701	-	-	-	18,655	-	-
Non - Current Assets	Current Year	3,764,596	-	-	22,500	331,250	-	-
	Previous Year	625,929,630	-	-	22,500	331,250	-	-
Current Assets	Current Year	2,379,659,763	440,203,855	46,830,359	47,812,856	229,958,254	53,750	53,750
	Previous Year	1,650,078,880	440,153,701	45,807,777	16,927,031	182,073,019	50,000	50,000
INCOME	Current Year	3,910,306	-	-	-	-	-	-
	Previous Year	14,146,425	-	-	-	-	-	-
EXPENSES	Current Year	17,823,446	-	-	-	-	3,851	3,851
	Previous Year	9,217,346	-	-	-	-	2,500	2,500
PROFIT AFTER TAX	Current Year	(14,054,241)	-	-	-	-	(3,851)	(3,851)
	Previous Year	3,519,216	-	-	-	-	(2,500)	(2,500)
CONTINGENT LIABILITY	Current Year	-	-	25,000,000	-	-	-	-
	Previous Year	-	-	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 Piramal Sunteck Realty Mauritius Limited (PSRML) & Piramal Sunteck International Limited (PSIL) incorporated in Mauritius.

Notes to Financial Statement

(Contd.)

33 Construction Work-in-Progress

Amount in Rs.

Particulars	Increase /(decrease) in Construction WIP (2012-2013)	As at 31st March, 2013	Increase /(decrease) in Construction WIP (2011-2012)	As at 31st March, 2012
Land cost	24,725,405	739,292,393	237,099,388	764,017,798
Legal and professional fees*	3,167,264	11,431,579	5,500,463	14,598,843
Finance costs	(60,271,960)	98,162,559	29,457,354	37,890,599
Employee benefits expenses	2,437,907	1,028,839	1,557,320	3,466,746
Other project related expenses	79,065,940	225,985,952	125,536,577	305,051,892
Closing Construction Work-in-Progress		1,075,901,322		1,125,025,878
Less: Opening Construction Work-in-Progress				
		1,125,025,878		725,874,776
		(49,124,556)	399,151,102	399,151,102

* Cost of construction of units completed during the year amounting to Rs. 338,057,635 transferred to finished stock (Completed units)

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

(Amount in Rs.)

Particulars	31.03.13	31.03.12
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	-	-

35 Earnings per share (EPS)

Profit before Exceptional items but after tax (Rs.)	91,168,283	118,304,268
Less : Exceptional Items(Rs.)	22,305,600	-
Profit after Exceptional Items and Tax(Rs.)	68,862,682	118,304,267
Weighted average number of equity shares of Rs. 2 in calculating basic and diluted EPS(No.)	62,966,207	62,966,207
Basic EPS		
Before Exceptional Items(Rs.)	1.45	1.88
After Exceptional Items(Rs.)	1.09	1.88
Diluted EPS		
Before Exceptional Items(Rs.)	1.45	1.88
After Exceptional Items(Rs.)	1.09	1.88

Notes to Financial Statement

(Contd.)

36 Payment to auditors (excluding Service Tax)

(Amount in Rs.)

Particulars	31.03.13	31.03.12
As auditor		
Audit fee	450,000	350,000
Tax audit fee	150,000	150,000
In other capacity		
Certification fee	25,000	25,000
Re-imbursement of expenses	21,400	41,493
Total auditors remuneration	646,400	566,493

- 37 Exceptional item represents amount paid towards stamp duty and registration charges (crystalised during the year) on account of amalgamation of two companies with the company in the year 2008-09.

(Amount in Rs.)

Particulars	31.03.13	31.03.12
38 Expenditure in Foreign Currency (accrual basis)		
Membership fees	576,481	449,343
Travelling Expenses	76,332	-
	652,813	449,343

- 39 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.

40

- In the opinion of the management, all 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.

- 41 Share of Profit from LLP represents accumulated profit of the investee company, namely starlight System (I) Pvt. Ltd. which was converted in the Limited Liability Partnership (LLP) during the year. The carrying value of investment of Rs. 80,000 has in terms of the LLP agreement considered as fixed capital. The aforesaid accumulated profit included in 'Current account balance in LLP' can be distributed by the LLP after the end of 3 years from the date of conversion. i.e. 22nd March, 2013.

- 42 Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

Signature to Notes No. 1 to 42

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

Kamal Khetan
Chairman & Managing Director

Jignesh Sanghavi
Executive Director

Sanjay Dutt
Director

M. Kalahasthi
Director

Kishore Vussonji
Director

Rachana Hingarajia
Company Secretary

Mumbai: 30th May, 2013

Consolidated Financial Statements

Auditor's Report

To
The Board of Directors
Sunteck Realty Limited

We have audited the accompanying consolidated financial statements of Sunteck Realty Limited ('the Parent Company'), its subsidiaries, joint ventures and associates (collectively referred to as 'the Group'), which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss for the year then ended and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Group in accordance with the accounting principles generally accepted in India; This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Group's preparation and presentation of consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors in the financial statements of subsidiaries, joint ventures and an associate as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the consolidated statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- (c) in the case of the consolidated Cash flow statement of the Group for the year ended on that date.

Emphasis of Matter

The Group continues to apply 'project completion method' on transactions and activities of real estate development which it had applied over the years consistently. The impact of "Guidance note on Accounting for Real Estate Transactions (Revised 2012)" issued by Institute of Chartered Accountants of India recommending the accounting treatment to be followed by real estate enterprises on the financial statements for the year has not been quantified by the Group.

Our Opinion is not qualified in respect of above matter.

Other Matters:

We did not audit the financial statements of ten subsidiaries, six joint ventures and an associate included in the consolidated financial statements, which comprises total assets of Rs. 22,011,569,087 as at March 31st, 2013 and total revenue of Rs. 210,044,763 for the year then ended.

Place: Mumbai
Date: 30th May, 2013

For LODHA & COMPANY
Chartered Accountants
A. M. Hariharan
Partner
Membership No. 38323
Firm Registration No- 301051E

Consolidated Balance Sheet

as at 31st March 2013

(Amount in Rs.)

Particulars	Notes	31.03.13	31.03.12
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	119,932,414	119,932,414
Reserves and Surplus	3	3,883,578,046	3,856,956,467
SHARE APPLICATION MONEY PENDING ALLOTMENT	34	894,900,000	2,550,271,000
MINORITY INTEREST		3,695,493	39,570,940
NON - CURRENT LIABILITIES			
Long Term Borrowings	4	538,344	707,931
Deferred Tax Liabilities	29	9,144,368	8,552,068
Other Long Term Liabilities	5	93,309,758	78,643,943
Long Term Provisions	6	3,188,182	2,301,500
CURRENT LIABILITIES			
Short Term Borrowings	7	5,082,198,480	4,881,152,158
Trade Payables	8	3,169,705,854	3,247,876,118
Other Current Liabilities	9	13,863,464,869	10,027,961,108
Short Term Provisions	10	15,230,364	10,223,926
TOTAL		27,138,886,172	24,824,149,572
ASSETS			
NON - CURRENT ASSETS			
Fixed Assets			
Tangible Assets	11	143,668,473	154,091,741
Intangible Assets		1,818,443	1,949,814
Goodwill on Consolidation		598,736,912	634,409,683
Non - Current Investments	12	337,900,404	452,107,347
Deferred Tax Assets	29	1,887,699	1,394,878
Long Term Loans and Advances	13	287,564,640	177,001,383
Other Non - Current Assets	14	1,720,592	-
CURRENT ASSETS			
Current Investments	15	26,695,500	217,839,051
Inventories	16	20,762,810,723	19,035,563,045
Trade Receivables	17	575,605,558	369,015,269
Cash and Bank Balances	18	413,094,488	274,292,422
Short Term Loans and Advances	19	3,919,555,171	3,497,525,477
Other Current Assets	20	67,827,569	8,959,461
TOTAL		27,138,886,172	24,824,149,572

Significant Accounting Policies and accompanying notes form an integral part of the financial statements

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

A.M. Hariharan
Partner

Membership No: 38323
Mumbai: 30th May, 2013

Kamal Khetan
Chairman & Managing Director

Sanjay Dutt
Director

Kishore Vussonji
Director

Jignesh Sanghavi
Executive Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Consolidated Profit & Loss Account

for the year ended 31st March 2013

(Amount in Rs.)

	Notes	31.03.13	31.03.12
INCOME			
Revenue from operations	21	302,117,809	170,038,539
Other income	22	199,562,691	133,660,068
Total Revenue	(I)	501,680,500	303,698,607
EXPENSES			
Operating expense	23	98,328,046	33,206,535
Employee benefits expense	24	44,977,828	22,480,277
Finance cost	25	110,135,157	50,943,450
Depreciation and amortization expense	11	14,078,328	14,765,752
Other expenses	26	104,574,898	72,238,350
Total Expenses	(II)	372,094,257	193,634,364
Profit before exceptional Items and Tax	(I - II)	129,586,243	110,064,243
Exceptional Items		22,305,600	-
Profit after Exceptional Items and before Tax		107,280,643	110,064,243
Tax Expenses :			
Current tax		61,440,873	60,483,022
Short / (Excess) taxation of earlier years		357,077	-
Deferred tax		96,142	4,165,722
Profit for the year before minority interest		45,386,551	45,415,499
Less: Minority interest		5,168,733	14,341,950
Profit for the year after Minority Interest		40,217,818	31,073,549
Earning per equity share (EPS) of face value Rs. 2 each:	35		
Basic & Diluted EPS before Exceptional Items		1.04	0.52
Basic & Diluted EPS after Exceptional Items		0.67	0.52
Significant Accounting Policies and accompanying notes			
form an integral part of the financial statements		1 to 40	

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

A.M. Hariharan
Partner

Membership No: 38323
Mumbai: 30th May, 2013

Kamal Khetan
Chairman & Managing Director

Sanjay Dutt
Director

Kishore Vussonji
Director

Jignesh Sanghavi
Executive Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Consolidated Cash Flow Statement for the

Year Ended 31st March, 2013

(Amount in Rs.)

Particulars	31.03.13	31.03.12
Cash Flow from Operating Activities		
Profit before tax as per Statement of Profit and Loss	- 129,586,243	- 110,064,243
Adjusted for:		
Depreciation and Amortization Expense	14,078,328	14,765,752
Interest Income	(117,212,127)	(73,113,078)
Dividend Income	(1,737,047)	(3,201,113)
Finance Cost	110,135,157	50,943,450
(Profit) / Loss on Sale of Fixed Assets	435,744	(14,378,242)
(Profit) / Loss on Sale of Investments	(79,208,237)	(39,064,971)
Liabilities no longer required written back	(130,126)	(3,661,910)
	(73,638,308)	(67,710,112)
Operating Profit before Working Capital Changes	55,947,935	42,354,132
Adjusted for:		
(Increase)/Decrease in Inventories	(1,662,240,054)	(3,338,768,604)
(Increase)/Decrease in Trade Receivables	(206,590,289)	(352,881,572)
(Increase)/Decrease in Other Receivables	(631,464,335)	(517,734,731)
Increase/(Decrease) in Other Liabilities and Provisions	3,772,797,688	3,414,154,362
Cash Generated from / (used in) Operations	1,328,450,945	(752,876,413)
Less: Income Tax Paid	64,593,439	115,826,852
Less: Exceptional Items	22,305,600	-
Net Cash from / (used in) Operating Activities (A)	1,241,551,907	(868,703,266)
Cash Flow from Investing Activities		
Sale of Fixed Assets	640,000	21,600,000
Purchase of Fixed Assets	(5,710,231)	(16,881,525)
Sale of Investments	325,407,664	185,457,077
Purchase of Investments	(4,745,758)	(210,812,587)
Business (Acquisition) / Dilution	(5,371,409)	3,390,000
Interest Income	117,212,127	73,113,078
Dividend Income	1,737,047	3,201,113
Net Cash from / (used in) Investing Activities (B)	429,169,440	59,067,155
Cash Flow from Financing Activities		
Proceeds from Optionally Convertible Redeemable Preference Shares	(1,655,371,000)	106,892,500
Proceeds/(repayment or redemption of) from Borrowings	200,876,736	858,868,729
Dividend Paid (including Dividend Distribution Tax)	(8,191,768)	(21,054,389)
Finance Cost	(110,135,157)	(50,943,450)
Net Cash from / (used in) Financing Activities (C)	(1,572,821,189)	893,763,390
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	97,900,157	84,127,278
Cash and Cash Equivalents - Opening Balance	237,764,387	153,637,111
Cash and Cash Equivalents - Closing Balance	335,664,544	237,764,387

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

A.M. Hariharan
Partner

Membership No: 38323
Mumbai: 30th May, 2013

Kamal Khetan
Chairman & Managing Director

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Director

Rachana Hingarajia
Company Secretary

Consolidated Notes

to Policies

(Contd.)

Significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31st March, 2013

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. Investment in Associate Companies has been accounted under the equity method as per (AS-23)- "Accounting for Investments in Associates in Consolidated Financial Statements".
- iv. 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.
- v. Minority'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.
- vi. Minority's share of net assets of consolidated subsidiaries is identified and presented as minority interest in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- 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

(Contd.)

(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	100%
Starlight Systems (India) Private Limited (up to 21st March, 2013)	India	80%
Sunteck Property Holdings Private Limited	India	100%
Skystar Buildcon Private Limited	India	100%
Eleanor lifespaces Pvt. Ltd. (formerly known as Signature Island Buildcon Pvt. Ltd.)	India	100%
Sahrish Constructions Private Limited (from 10th July, 2012)	India	100%
II 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 LLP	India	50%
Starlight systems (I) LLP (from 22nd March, 2013)	India	80%
Piramal Sunteck Mauritius Limited (up to 14th September, 2012)	Mauritius	50%
Piramal Sunteck International Limited (up to 14th September, 2012)	Mauritius	50%
III Associates		
Topzones Mercantile Company LLP	India	25%

d) Use of Estimates

The Preparation of financial statements in conformity with generally accepted accounting principles require 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.

Consolidated Notes

to Policies

(Contd.)

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 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.

vii. Project Management Services

Revenue in respect of Project Management services is recognised on an accrual basis, in accordance with the terms of the respective agreement.

f) Inventories

Inventories comprise 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 and development rights

Land and development rights (including development cost) are valued at lower of cost and net realizable value. Costs include land acquisition cost and initial development cost.

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 and 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 and 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 (wherever 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.

Consolidated Notes

to Policies

(Contd.)

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 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

Consolidated Notes

to Policies

(Contd.)

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 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.)

	31.03.13	31.03.12
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	As at 31st March, 2013	As at 31st March, 2012
	Number of shares	Number of shares
Outstanding at the beginning of the year	59,966,207	59,966,207
Issued during the year	-	-
Bought back 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. Shares of holding company held by subsidiaries

3,000,000 (Previous year 3,000,000) equity shares of Rs. 2 each fully paid-up, of holding company are held by subsidiary companies which are eliminated for the purpose of consolidation

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

Equity shares of Rs. 2 each fully paid	As at 31st March, 2013		As at 31st March, 2012	
	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
Eskay Infrastructure Development Private Limited	5,693,419	9.04	5,693,419	9.04
Kotak Mahindra Trusteeship Services Limited				
A/C Kotak Alternate Opportunities (India) Fund	5,531,566	8.78	5,531,566	8.78

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 daten being 01/06/2008.

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
3 Reserve & Surplus		
Capital Reserves		
Balance as per last financial statements	32,068,614	24,139,185
Add: Adjustment related to earlier years	-	7,929,429
Closing Balance	32,068,614	32,068,614
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	100,000	-
Less: Transfer to surplus in statement of Profit & Loss on redemption of debentures	(100,000)	-
Add: Transferred from surplus in statement of Profit and Loss	-	100,000
Closing Balance	-	100,000
General Reserve		
Balance as per last financial statements	12,562,333	7,541,887
Add: Transferred from surplus in statement of Profit and Loss	2,730,356	5,020,446
Closing Balance	15,292,689	12,562,333
Surplus in the statement of profit and loss		
Balance as per last financial statements	199,935,476	197,462,984
Add: Profit for the year	40,217,818	31,073,549
Less/(Add) : Appropriations		
Proposed equity dividend (Dividend per share Rs. 0.18; Previous year Rs. 0.12)	11,334,575	7,556,045
Interim Equity Dividend (Dividend per share Rs. Nil; Previous year Rs.0.12)	-	7,196,045
Tax on Equity Dividend	2,621,664	1,843,209
Transferred to General Reserve	2,730,356	5,020,446
Transferred to/from Debentures Redemption Reserve	(100,000)	100,000
Adjustment related to earlier years	-	7,425,310
Adjustment for dividend paid to subsidiaries in respect of shares of holding company	(360,000)	(540,000)
Closing Balance	223,926,699	199,935,476
Total Reserves and Surplus	3,883,578,046	3,856,956,467
4 Long Term Borrowings		
Secured loans		
Term loans		
From Banks	-	169,587
Unsecured loans		
From body corporates & Others	538,344	538,344
Total Long Term Borrowings	538,344	707,931
5 Other Long Term Liabilities		
Other		
Security deposits received for premises given on Lease	93,309,758	78,643,943
Total Other Long Term Liabilities	93,309,758	78,643,943

Consolidated Notes to

Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
6 Long Term Provisions		
Provision for employee benefits	3,188,182	2,301,500
Total long term provisions	3,188,182	2,301,500
7 Short Term Borrowings		
Secured loans		
Term Loan		
From banks	1,027,797,994	2,633,990,913
Unsecured Loans		
From body corporates and others	4,054,400,486	1,192,061,244
Optionally convertible debentures (OCD) issued by a subsidiary	-	417,900,000
Non convertible debentures (NCD) issued by a subsidiary	-	637,200,000
Total short term borrowings	5,082,198,480	4,881,152,158
8 Trade Payables		
Trade Payables	3,169,705,854	3,247,876,118
Total trade Payables	3,169,705,854	3,247,876,118
9 Other Current Liabilities		
Current maturities of long term borrowings	169,587	333,085
Interest accrued but not due on borrowings	154,615,075	270,422,108
Unclaimed dividend	230,929	-
Others		
Statutory dues	38,497,244	67,892,935
Advance received from customers	13,090,718,229	9,291,046,946
Payable in respect of capital expenditure	517,348	1,182,308
Security deposits received for premises given on Lease	34,610,956	56,285,531
Billed in advance	544,105,502	340,798,195
Total other current liabilities	13,863,464,869	10,027,961,108
10 Short Term Provisions		
Provision for tax (net of advance tax Rs.NIL; Previous year Rs. 38,442,827)	7,311	186,913
Provision for employee benefits	50,999	38,500
Others		
Proposed equity dividend	11,333,917	7,556,045
Tax on proposed equity dividend	3,838,138	2,442,468
Total short term provisions	15,230,364	10,223,926

Consolidated Notes to

Financial Statement

(Contd.)

Note - 11
Non Current Assets - Fixed Assets
(Amount in Rs.)

Sr. No	Fixed Assets	Gross Block (At cost)				Accumulated Depreciation and Amortisation				Net Block	
		As at 1st April 2012	Additions	Deduction	As at 31 March 2013	Upto 1st April 2012	Depreciation charge For the year*	Deduction	Upto 31 March 2013	As at 31 March 2013	As at 31 March 2012
A Tangible Assets											
1	Own Assets										
	Building	52,560,767	414,116	-	52,974,883	1,713,481	876,991	-	2,590,472	50,384,411	50,847,286
	Furniture and fixtures	29,197,887	1,995,837	-	31,193,724	2,209,210	2,574,253	-	4,783,463	26,410,261	51,545,408
	Vehicles	17,460,603	-	1,810,101	15,650,502	5,445,709	1,488,682	734,357	6,200,034	9,450,467	12,014,894
	Office equipment	3,425,664	203,645	-	3,629,309	915,428	166,692	-	1,082,120	2,547,189	2,510,236
	Air Conditioners										
	(Plant & Machinery)	4,722,283	775,780	-	5,498,063	371,217	255,335	-	626,552	4,871,511	6,326,408
	Computers and Peripherals	19,365,042	1,668,390	-	21,033,432	16,955,866	1,219,802	-	18,175,668	2,857,764	2,409,176
	Total	126,732,246	5,057,768	1,810,101	129,979,913	27,610,911	6,581,756	734,357	33,458,310	96,521,605	125,653,408
2	Assets given on operating lease										
	Furniture and fixtures	123,129,740	193,950	-	123,323,690	72,946,378	7,797,474	-	80,743,852	42,579,838	25,626,631
	Air Conditioners	6,389,158	77,700	-	6,466,858	1,602,114	297,714	-	1,899,828	4,567,030	2,811,702
	Total	129,518,898	271,650	-	129,790,548	74,548,492	8,095,188	-	82,643,680	47,146,868	28,438,333
B Intangible Assets											
	Computer Software	2,517,533	380,813	-	2,898,346	567,719	512,184	-	1,079,903	1,818,443	1,949,814
	Total	2,517,533	380,813	-	2,898,346	567,719	512,184	-	1,079,903	1,818,443	1,949,814
	CURRENT YEAR	258,768,676	5,710,231	1,810,101	262,668,806	102,727,122	15,189,128	734,357	117,181,893	145,486,916	156,041,554
	PREVIOUS YEAR	241,809,104	24,342,777	7,383,206	258,768,675	87,825,804	15,082,765	161,448	102,727,121	156,041,554	

* Includes Depreciation of Rs.1,110,797/- (Previous year Rs. 297,013/-) transferred to Construction work in progress

Consolidated Notes to

Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
12 Non - Current Investments		
Long Term Trade investments (valued at cost unless stated otherwise)		
Investment in property	180,763,188	178,419,930
Investment in transferable development rights		
Balance as per last financial statements	-	57,390,642
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
Closing Balance	-	-
Investment in Equity Instruments (Unquoted)		
Samhrutha Habitat Infrastructure Private Limited	2,203,780	28,303,780
2,755,378 (Previous year 2,535,000) equity shares of Rs. 10 each fully paid up		
Advaith Infraprojects Private Limited	19,990	19,990
1,990 (Previous year 1,990) equity shares of Rs. 10 each fully paid up		
Saraswat Co-op. Bank Limited	1,500	1,700
70 (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		
Investment in Equity Instruments (Quoted)		
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 Infra projects Private Limited	8,001,000	8,001,000
800,100 (Previous year 800,100) compulsorily convertible preference shares of Rs. 10 each fully paid up		
Investment in mutual fund units* (Unquoted)		
IDFC Fund	-	55,950,000
Reliance Fund	-	34,500,000
HDFC Fund	50,000,000	50,000,000
ICICI Fund	20,000,000	20,000,000
* Fixed Maturity Plans		

Consolidated Notes to

Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
Unquoted Investment in an Associate		
Topzone Mercantile Company LLP	75,401,100	75,401,100
(Cost of acquisition towards goodwill)		
Total non-current investments	337,900,404	452,107,347
Notes		
Aggregate market value of quoted investments	77,875,950	162,377,725
Aggregate amount of quoted investments	71,278,346	161,728,346
Aggregate amount of unquoted investments	266,622,058	290,379,000
13 Long Term Loan and Advances		
Unsecured, considered good		
Capital advances	-	2,051,509
Security deposits	18,799,267	9,879,950
Others		
Advances recoverable in cash or in kind or for value to be received	219,928,934	119,966,993
Prepaid expenses	3,847,654	2,733,370
Advance income tax (net of provision Rs.221,215,814; Previous year Rs. 121,729,273)	44,988,786	42,369,561
Total long term loan and advances	287,564,640	177,001,383
14 Other Non-Current Assets		
Interest accrued on FD	1,720,592	-
Total other non-current assets	1,720,592	-
15 Current Investments		
Unquoted equity instruments		
Unquoted Investment in Shares		
Sunteck Wealthmax Capital Private Limited	1,500,000	1,500,000
150,000 (Previous year 150,000) equity shares of Rs. 10 each fully paid up		
Investment in LLP (Current Capital)		
Topzone Mercantile Company LLP	25,195,500	22,793,000
Investment in mutual fund units (Unquoted)		
HDFC Fund	-	16,478,654
ICICI Fund	-	101,131,433
IDFC Fund	-	75,935,923
Reliance Fund	-	41
Total current investments	26,695,500	217,839,051
Notes		
Aggregate market value of quoted investments	-	-
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	26,695,500	217,839,051
16 Inventories (valued at lower of cost and net realizable value)		
(As certified by management)		
Construction work - in - progress (Refer note 33)	20,487,906,205	19,035,563,045
Completed Units	274,904,518	-
Total inventories	20,762,810,723	19,035,563,045

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
17 Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	2,993,068	406,048
Unsecured, considered good	4,032,173	2,631,631
Others		
Secured, considered good	7,065,346	4,789,311
Unsecured, considered good	561,514,971	361,188,279
Total trade receivables	575,605,558	369,015,269
18 Cash and Bank Balances		
i) Cash and Cash Equivalent		
Cash in hand	3,430,642	2,572,386
Balances with bank	332,233,903	235,192,001
	335,664,545	237,764,387
ii) Cash and Bank Balances		
Fixed Deposit with Bank		
Deposit with original maturity for more than 12 months	53,331,372	22,837,500
Deposit with original maturity for more than 3 months but less than 12 months	23,867,642	13,690,535
Earmarked bank balances - Unpaid dividend bank account	230,929	-
	77,429,943	36,528,035
Total Cash and Bank Balances	413,094,488	274,292,422
19 Short Term Loans and Advances		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	87,665,240	95,475,411
Security deposits	686,756	1,172,436
Others		
Advances to body corporates	2,912,770,664	2,558,654,268
Advances to joint venturer	-	4,901,665
Advances towards projects	48,097,978	21,111,170
Duties and taxes recoverable	8,642,800	8,686,024
Prepaid expenses	132,850,133	78,682,903
Non-convertible debentures application money	719,154,000	719,154,000
Advances towards transferable development rights	9,687,600	9,687,600
Total short term loans and advances	3,919,555,171	3,497,525,477
20 Other Current Assets		
Interest accrued on fixed deposit	808,393	821,373
Interest accrued on investment	41,935,646	8,138,088
Unbilled revenue	25,083,530	-
Total other current assets	67,827,569	8,959,461

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
21 Revenue From Operations		
Sales of Commercial Units	135,833,750	-
Sale of services		
Rent from properties	143,983,909	156,338,875
Project management fees	8,205,345	1,858,227
Maintenance Services	4,113,480	3,638,107
Other services	9,981,325	8,203,330
Total revenue from operations	302,117,809	170,038,539
22 Other Income		
Interest income on		
Fixed deposit with bank	2,806,382	6,332,162
Loans & Advances	40,282,864	9,421,049
Current investments	11,146,099	10,062,000
Others	62,976,782	47,297,867
Dividend income on		
Current investments	1,727,051	3,190,443
Long- term investments	9,996	10,670
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 investments	79,208,237	22,345,473
Liabilities no longer required written back	130,126	3,661,910
Other income	1,275,154	240,754
Total other income	199,562,691	133,660,068
23 Operating Expenses		
Cost of Land, Development and Construction		
Land Cost	24,955,871	-
Construction materials & Other Expenses	38,197,246	-
Lease rent	29,601,539	30,632,935
Other operating expense	5,573,390	2,573,600
Total operating expenses	98,328,046	33,206,535
24 Employee Benefits Expense		
Salaries and wages	42,614,901	20,324,577
Contribution to provident and other funds	1,879,344	1,862,418
Staff welfare expenses	483,584	293,282
Total employee benefit expense	44,977,828	22,480,277
25 Finance Costs		
Interest expenses	110,135,157	43,705,573
Other borrowing cost	-	7,237,877
Total finance costs	110,135,157	50,943,450
26 Other Expenses		
Advertising expenses	32,857,115	495,888
Payment to auditors (Refer Note No.36)	1,049,689	922,388
Bank Charges	323,521	287,954
Business promotion expenses	4,576,066	5,102,393
Directors' Sitting Fees	60,000	65,000

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
Exhibition expenses	3,764,315	5,312,218
Commission and brokerage expenses	2,821,894	2,117,937
Electricity expenses	5,184,453	4,476,718
Exchange rate difference (Net)	7,076	-
Legal and professional fees	12,352,000	9,307,236
Membership fees and entrance fees	1,973,059	3,436,725
Pay and park charges (net of non operating income directly attributable to such expenses of Rs. 3,000,000; Previous year Rs. 3,000,000)	1,825,881	1,225,770
Rates and taxes	1,952,349	2,087,890
Repairs and maintenance to		
Building	4,544,543	9,477,510
Others	12,926,439	15,956,735
Loss on sale of Fixed Asset	435,744	-
Telephone and communication expenses	1,016,052	628,888
Traveling and conveyance expenses	5,281,808	1,502,102
Insurance	1,208,084	1,194,338
Rent	126,000	112,000
Miscellaneous expenses	10,288,811	8,528,660
Total other expenses	104,574,898	72,238,350
27 Contingent liabilities and commitments		
Particulars		
a. Contingent Liabilities (to the extent not provided for)		
(i) Disputed Income Tax Matters	-	19,614,638
(ii) Bank Guarantee	16,500,000	16,000,000
(iii) Stamp duty and registration charges arising on amalgamation or reconstruction of various companies carried out as per High Court Order under section 394 of the Companies Act, 1956	-	Amount not ascertainable
Total (a)	16,500,000	35,614,638
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 LLP with them.	25,000,000	25,000,000
Total (b)	25,000,000	25,000,000
Total (a) + (b)	41,500,000	60,614,638

28 Leases

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

b. Particulars

Premises given on operating lease:

Consolidated Notes to Financial Statement

(Contd.)

(Amount in Rs.)

	31.03.13	31.03.12
The total future minimum lease rentals receivable at the Balance Sheet date is as under:		
For a period not later than one year	64,865,103	122,082,551
For a period later than one year and not later than five years	14,624,725	91,434,337
For a period later than five years	-	-
c. Particulars		
Premises taken on operating lease:		
The total future minimum lease rentals payable at the Balance Sheet date is as under:		
For a period not later than one year	27,424,192	27,104,200
For a period later than one year and not later than five years	41,181,178	67,946,800
For a period later than five years	-	-
d. Lease income recognized in Statement of Profit and Loss for the year ended 31st March, 2013 is Rs. 143,98,909 (Previous Year Rs. 156,338,875).		
e. Lease payment recognized in Statement of Profit and Loss for the year ended 31st March, 2013 is Rs. 29,727,539 (Previous Year Rs. 30,774,935).		

29 Deferred tax liability / Asset

(Amount in Rs.)

	31.03.13	31.03.12
Deferred Tax Asset:		
Deferred tax liability		
Related to Fixed assets (Depreciation / Amortization)	210,123	144,913
Gross deferred tax liability	210,123	144,913
a. Deferred tax asset		
Related to Fixed assets (Depreciation / Amortization)	1,714,265	1,340,903
Impact of expenditures charged to the statement of profit and loss in the year but allowed for tax purposes on payment basis	383,559	198,888
Gross deferred tax asset	2,097,823	1,539,791
Net Deferred Tax Asset	1,887,699	1,394,878
b. Deferred Tax Liability:		
Deferred tax liability		
Related to Fixed assets (Depreciation / Amortization)	9,808,331	9,112,393
Gross deferred tax liability	9,808,331	9,112,393
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	663,963	560,325
Others		
Gross deferred tax asset	663,963	560,325
Net Deferred Tax Liability	9,144,368	8,552,068

Consolidated Notes to

Financial Statement

(Contd.)

(Amount in Rs.)

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:

	31.03.13	31.03.12
1 Components of Employer Expense		
(a) Current Service Cost	832,200	583,743
(b) Interest Cost	224,400	116,960
(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	(987,600)	177,297
(h) Total expense/(gain) recognised in the Statement of Profit and Loss	69,000	878,000
2 Net (Asset)/Liability recognised in Balance Sheet		
(a) Present Value of Obligation at the end of the year	2,874,000	2,340,000
(b) Fair Value of Plan Assets as at end of the year	-	-
(c) (Asset)/Liability recognised in the Balance Sheet	2,874,000	2,340,000
3 Change in Defined Benefit Obligation (DBO) during the year		
(a) Present Value of Obligation as at beginning of the year	2,805,000	1,462,000
(b) Current Service Cost	832,200	583,743
(c) Interest Cost	224,400	116,960
(d) Liability Transferred in	-	-
(e) Actuarial (Gain)/Loss	-	-
(f) Past Service Cost	-	-
(g) Actuarial (Gains) / Losses on obligations	(987,600)	177,297
(f) Present Value of Obligation as at end of the year	2,874,000	2,340,000
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 of 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 Name of the Related Parties :

Related Parties with whom transactions have taken place during the year

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 - Executive Director

c Entity/Person/s having Significant Influence:

Jignesh Sanghvi (HUF)

Mrs.Manisha Khetan

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		Key Management Personnel/ Entity / Persons having Significant Influence	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Expenses:				
Directors' Remuneration				
Mr. Kamal Khetan	-	-	7,500,000	7,000,000
Mr. Jignesh Sanghavi	-	-	3,500,000	2,964,180
Others:				
Investment in associate(in current capital)				
Topzone Mercantile Company LLP	2,402,500	22,793,000	-	-
Advance received towards sale of flat				
Jignesh Sanghvi (HUF)	-	-	3,884,195	-
Mr. Jignesh Sanghavi	-	-	-	7,500,000
Particulars	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Outstanding balances at the year end				
Trade Payable (Directors' Remuneration)				
Mr. Jignesh Sanghavi	-	-	-	35,820
Current account balance in an Associate				
Topzone Mercantile Company LLP	25,195,500	75,401,100	-	-
Investment in an Associate(Fixed Capital)				
Topzone Mercantile Company LLP	75,401,100	-	-	-
Advance received towards sale of flat				
Mr. Kamal Khetan	-	-	21,500,000	21,500,000
Mrs.Manisha Khetan	-	-	137,450,000	137,450,000
Mr. Jignesh Sanghavi	-	-	12,500,000	12,500,000
Jignesh Sanghvi (HUF)	-	-	3,884,195	-

- 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 and the Group share in their Assets & Liabilities, Income & Expenditure, Profit & Loss and Contingent Liability.

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

Piramal Sunteck Realty Private Limited (PSRPL) -50%

Nariman Infrastructure LLP (NIL) -50%

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	NIL	URL	VDL	Kanaka	ABL	PBL
LIABILITIES								
Reserves and Surplus	Current Year	402,814,213	-	-	-	-	-	-
	Previous Year	413,349,236	-	-	-	-	-	-
Optionally Convertible Redeemable Preference Shares Application Money	Current Year	945,170,000	-	-	-	-	-	-
	Previous Year	1,133,193,000	-	-	-	-	-	-
Non - Current Liabilities	Current Year	297,102	-	-	438,344	-	-	-
	Previous Year	671,843	-	-	438,344	-	-	-
Current Liabilities	Current Year	1,031,664,823	8,427	730,359	6,555,604	180,316,641	3,750	3,750
	Previous Year	365,423,390	-	805,647	161,491	92,460,637	-	-
ASSETS								
Fixed Assets	Current Year	1,649,995	-	-	19,499	27,138	-	-
	Previous Year	1,605,474	-	-	-	27,985	-	-
Non - Current Assets	Current Year	3,764,596	-	-	22,500	331,250	-	-
	Previous Year	587,045,517	-	-	-	355,667	-	-
Current Assets	Current Year	2,379,659,763	440,203,855	46,830,359	47,812,856	229,958,254	53,750	53,750
	Previous Year	1,329,114,694	-	42,065,647	5,615,242	142,076,986	-	-
INCOME	Current Year	3,910,306	-	-	-	-	-	-
	Previous Year	12,326,991	-	-	-	-	-	-
EXPENSES	Current Year	17,823,446	-	-	-	-	3,851	3,851
	Previous Year	3,897,955	-	-	-	-	-	-
PROFIT AFTER TAX	Current Year	(14,054,241)	-	-	-	-	(3,851)	(3,851)
	Previous Year	5,790,998	-	-	-	-	-	-
CONTINGENT LIABILITY	Current Year	-	-	25,000,000	-	-	-	-
	Previous Year	-	-	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	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Land cost	14,430,775,902	13,745,668,743
Legal and professional fees	170,686,166	125,209,566
Finance cost	1,736,536,032	1,429,375,117
Employee benefits expenses	154,016,027	108,653,245
Other project related expenses	3,995,892,078	3,626,656,374
Closing Construction Work-in-Progress	20,487,906,205	19,035,563,045
Less: Opening Construction Work-in-Progress	19,035,563,045	15,696,497,427
Work-in-Progress	1,452,343,159	3,339,065,618

* 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.

- The above company shall allot 28,409 numbers of OCRPS on or before 31st March, 2014.

- The above company 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.)

Particulars	31.03.13	31.03.12
Profit after Tax after minority interest & before considering exceptional items	62,523,418	31,073,549
Profit after Tax after minority interest & after considering exceptional items	40,217,818	31,073,549
Weighted average number of equity shares of Rs. 2 in calculating basic and diluted EPS	59,966,207	59,966,207
Basic & Diluted EPS before Exceptional Items	1.04	0.52
Basic & Diluted EPS after Exceptional Items	0.67	0.52

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.)

- 38** Exceptional item represents amount paid towards stamp duty and registration charges (crystallised during the year) on account of amalgamation of two companies with the holding company in the year 2008-09
- 39**
- In the opinion of the management, all 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/ 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.
- 40** Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

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

Sanjay Dutt
Director

Kishore Vussonji
Director

Jignesh Sanghavi
Executive Director

M. Kalahasthi
Director

Rachana Hingarajia
Company Secretary

Mumbai: 30th May, 2013

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 2013

(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	205,157,301	294,775,620	94,775,620	8,911,847	101,380,293	45,986,321	14,876,284	31,110,037	NIL
2	Satguru Infocorp Services Pvt Ltd	3,750,000	119,338,950	179,204,541	179,204,541	7,586,200	65,442,904	21,974,224	7,368,305	14,605,919	-
3	Magenta Computer Software Pvt Ltd	500,000	54,328,370	59,340,061	59,340,061	18,836,330	9,894,784	7,848,406	1,499,583	6,348,823	-
4	Amenity Software Pvt Ltd	500,000	55,509,559	60,526,927	60,526,927	17,823,680	9,782,619	7,679,235	1,470,058	6,209,177	3,750,000
5	Skystar Buildcon Pvt Ltd	100,000	(31,288,289)	1,985,083,117	1,985,083,117	NIL	202,530	(31,275,420)	658	(31,276,078)	NIL
6	Sunteck Property Holdings Pvt Ltd	100,000	(60,453)	67,225	67,225	100	NIL	(15,035)	NIL	(15,035)	NIL
7	Eleanor Lifespaces Pvt Limited	100,000	(32,997)	579,503	579,503	NIL	NIL	(21,775)	NIL	(21,775)	NIL
8	Sahrish Constructions Pvt limited	100,000	8,392	1,190,687	1,190,687	NIL	110,000	12,143	3,751	8,392	NIL



Corporate Office: 5th Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (East),
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Email: info@sunteckindia.com | www.sunteckindia.com

FORM A

1.	Name of the Company	Sunteck Realty Limited	
2.	Annual financial statements for the year ended	31 st March 2013	
3.	Type of Audit observation	Unqualified / Matter of Emphasis	
4.	Frequency of observation	Appeared for the first time	
5.	To be signed by-		
	Designation	Name	Signature
	• CEO/Managing Director	Mr. Kamal Khetan	
	• CFO / Head of Finance Department	Mr. Rajeshkumar Mundra	
	• Auditor of the Company	M/s Lodha & Co. Firm Registration No. 301051E Mr.A.M. Hariharan Partner Membership No. 38323	 
	• Audit Committee Chairman	Mr. Mahadevan Kalahasthi	