

**F I F T I E T H
ANNUAL REPORT
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SATELLITE ENGINEERING LIMITED

50TH
ANNUAL REPORT 2011-2012

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Anand A. Shah *Chairman & Managing Director*
Mr. Aniket A. Shah *Whole-time Director*
Mr. Vinod Parikh
Mr. Janak G. Nanavaty

REGISTERED OFFICE:

404, Swagat Building,
C.G. Road, Ellisbridge,
Ahmedabad - 380 006.

BANKERS:

Punjab National Bank

AUDITORS:

M/s Apaji Amin & Co.
304, Aakansha Building,
Navarangpura,
Ahmedabad - 380009.

REGISTRAR & TRANSFER AGENTS:

M/s Computech Sharecap Ltd
147, Mahatma Gandhi road,
Opp Jehangir Art Gallery, Fort,
Mumbai – 400023.

AUDIT COMMITTEE:

Mr. Janak G. Nanavaty *Chairman*
Mr. Vinod Parikh *Member*
Mr. Aniket A. Shah *Member*

SHARE TRANSFER COMMITTEE:

Mr. Janak G. Nanavaty *Chairman*
Mr. Aniket A. Shah *Member*

SHAREHOLDERS GRIVANCE COMMITTEE:

Mr. Janak G. Nanavaty *Chairman*
Mr. Aniket A. Shah *Member*

REMUNERATION COMMITTEE:

Mr. Janak G. Nanavaty *Chairman*
Mr. Vinod Parikh *Member*
Mr. Aniket A. Shah *Member*

ISIN :

INE087C01015

CIN:

L29259GJ1962PLC001130

CONTENTS	Page No.
Notice	2
Directors' Report	3
Management Discussion	6
Corporate Governance	7-13
Auditors' Report	14-16
Balance Sheet	17
Statement of Profit & Loss	18
Notes to Financial Statement	19-29
Cash flow Statement	30

NOTICE

NOTICE is hereby given that 50th Annual General Meeting of the Members of Satellite Engineering Limited, will be held on Saturday, the 29th September, 2012 at 11.00 a.m. at the Registered office of the Company at 404, Swagat Building, C.G. Road, Ellisbridge, Ahmedabad- 380006 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Vinodchandra M. Parikh, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company and fix their remuneration.

NOTES:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Under the provisions of Companies Act, 1956, voting is by show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000/-.
- The Proxies should be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 27th September, 2012 to Saturday, the 29th September, 2012 (both days inclusive).
- At the ensuing Annual General Meeting, Mr. Vinodchandra M. Parikh, retire by rotation and being eligible offers himself for re-appointment. The information or details pertaining to both of them to be provided in terms of clause 49 of the Listing Agreement with the Stock Exchange is furnished in the statement of Corporate Governance published elsewhere in this Annual Report.
- The Company's shares are listed at Mumbai Stock Exchange. The Company has paid listing fees to Mumbai Stock Exchange Limited for financial year 2012-2013.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail address, so far, are requested to get their e-mail addresses, in respect of electronic holding with Depository through their concerned Depository Participants. Members who hold shares in Physical form, are requested to get their shares dematerialized. Please also note that you will be entitled to be furnished free of cost, with a copy of the Annual Report of the Company and all other documents required by law to be attached thereto, upon receipt of a requisition from you, any time, as a member of the Company. Such a requisition may be sent to the Registered Office of the Company at the address given below.

Date: 14.08.2012
Registered Office :
404, Swagat Building,
C.G. Road, Ellisbridge,
Ahmedabad - 380 006.

For Satellite Engineering Limited

Anand A. Shah
Managing Director

DIRECTORS' REPORT

Dear Shareholder:

Your Directors are pleased to present the 50th Annual Report with the Audited Accounts of the Company for the year ended 31.3.2012.

FINANCIAL RESULTS :

(Rs. In Lacs)

Particulars	2011-2012	2010-2011
Total Income	22.15	66.99
Profit /(Loss) before Depreciation & Tax	(14.04)	14.78
Less : Depreciation	12.11	14.20
Profit /(Loss) Before Tax	(26.15)	0.58
Less : Provision for Tax		
Current Taxes	—	0.12
Short/(Excess) Provisions	—	0.27
Net Profit/(Loss) After Tax	(26.15)	0.19
Balance brought forward	(360.36)	(360.55)
Balance carried to Balance sheet	(386.51)	(360.36)
Earnings per share	(0.76)	0.01

FINANCIAL HIGHLIGHTS:

OPERATIONS:

During the year, the total turnover has been decreased and stood at Rs. 21.82 Lacs as compared to last year's Rs. 56.85 Lacs. The Company has incurred net loss after tax of Rs. 26.15 Lacs as compared to net profit of Rs. 0.19 Lacs of the last year. Overall working was affected due to general slowdown in the Industry.

DIVIDEND :

Your Directors do not recommended any dividend for the year, due to loss of the current year and carried forward loss of the past years.

FUTURE PROSPECTS:

At the forefront of completing 50 years in the lighting industry, we have developed ourselves and our relations into good business. We at this year are adding our focus from the traditional distribution networks for our products to huge corporate vendorships. We at this year are going to develop and automatize our machineries to meet with the demand for the products. We have already started placing the roots into corporate mechanisms, and hope to start reaping the fruits soon. On the export front, we are renewing relationships with our export customers, and are focusing on acquiring their orders with the new technology being installed in our plants. We hope to achieve this with the financial support of the Banks.

We are working on establishing a joint venture with our Asian partners, and will be starting LED production, at the earliest. We are also planning on establishing trade relations to equip us with new technology and better market roots.

RISKS AND CONCERNS:

The Company keeps facing stiff competition by our Asian neighbors, and unhealthy competition form the Local markets. With an experience of 50 years, we have developed relations, and are soon working on countering the same.

Energy Conservation

(Information under section 217(1)(e) of the Companies Act, 1956.)

The company has a continuous focus on energy conservation. Regular studies are conducted to analyses quantitative energy conservation patterns, and variances are rigorously scrutinized. The company regularly benchmarks its energy conservation levels and consistently works towards improving efficiencies, towards getting the cost of energy down for every unit produced.

Annual Report 2011-2012

Total energy consumption and energy consumption per unit of production :

Particulars		<u>31-03-2012</u>	<u>31-03-2011</u>
(A) Power and Fuel Consumption:			
Electricity:			
(a) Purchased			
Units	Kwh	14352	29572
Total Amount	Rs.	118407	243971
Rate/ Unit	Rs.	8.25	8.25
(b) Own Generation through Diesel Generator set			
Units	Kwh	—	—
Unit per liter of Diesel Oil	Kwh	—	—
Cost/Unit	Rs.	—	—

(B) Consumption per Unit of Production :

Electricity consumed per vial (in units) — —

(C) Foreign Exchange Earnings & Outflow :

There is no foreign exchange earnings during the year (last year NIL), while foreign exchange outgo of the company is Nil (Last year Nil).

DIRECTORS:

In accordance with the provisions of the Articles of Association and of the Companies Act 1956, Mr. Vinodchandra M. Parikh, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

The brief particulars of director, for which approval of members for their appointment or re-appointment is sought, has been provided in the Corporate Governance Report pursuant to Clause 49 of the Listing Agreement.

PUBLIC DEPOSITS:

The company has not invited or accepted any deposits under Section 58A of the Companies Act, 1956, from the public, during the year.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance and certificate obtained from practicing Chartered Accountant confirming its compliance, is provided separately and forming part of this Report. The Board of Directors supports the basic principles of corporate governance. In addition to this, the board lays strong emphasis on transparency, accountability and integrity.

Report on Management Discussion and Analysis is provided in separate section and forming part of this report.

FORMATION OF VARIOUS COMMITTEES:

Details of various committees constituted by the Board of Directors are given in the Corporate Governance Report annexed which forms part of this report.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A):

The provisions of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1988 as amended are not applicable to the company, as there are no employees whose remuneration is in excess of the limits prescribed.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 I would like to state the following:

In the preparation of the Annual Accounts, the applicable accounting standards have been followed.

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 ended on 31st March, 2012.

The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The Directors have prepared the attached statements of accounts for the year ended 31st March, 2012 on a going concern basis.

REVOCAION OF SUSPENSION ON BSE

The Company's shares are presently under suspension category at Mumbai Stock Exchange (BSE), since last 4 years and trading of shares is not done. The Company had applied for the revocation of suspension for trading of shares at BSE and submitted all the necessary documents to BSE. The Board of Directors pleased to inform that In-principle approval for revocation of suspension in trading of equity shares was granted by BSE through letter dated July 23, 2012. In near future, the company's shares will once again start trading at BSE and it will helpful to all the Shareholders of the Company.

AUDITORS & AUDITORS REPORT:

M/s. Apaji Amin & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and have shown his willingness to re-appoint, if approved by the members in the ensuing Annual General Meeting. Shareholders are requested to appoint auditors from the conclusion of this Annual general Meeting up to the conclusion of the next Annual General Meeting and fix their remuneration.

Notes forming part of the accounts are self explanatory as far as Auditor's Report is concerned and therefore, it do not require any further comments.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their gratitude for the valuable assistance and co-operation extended by the Bankers, vendors, customers, advisors, the general public and for the valued efforts and dedication shown by the Company employees at all levels. Your Directors also sincerely acknowledge the confidence and faith reposed by the shareholders of the Company.

By order of the Board

14th August, 2012
Ahmedabad

Anand A. Shah
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF THE ANNUAL REPORT

OVERVIEW, FUTURE PROSPECTS & OUTLOOK :

Company is planning to increase its output, as the Company has confirmed order from domestic market as well as export market. Many Indian Companies like Anchor, Havells etc, and foreign companies situated at different countries like Philippines, Holland, Singapore have confirmed their order for supply of engineering goods to our Company. The management of the Company is planning to launch the LED products, keeping in view, future demand of engineering goods market which saves lots of energy and electricity. The Company has been trying best to develop the new products and technology which may take at least one and half years to develop and come to the track. Modernization of plant by executing / installing fully atomized and well equipped plant through new technologies with the financial support of the Bank are also one of the priority motto of the Board of Directors of the Company.

RISKS & CONCERNS :

The company faces stiff competition from imported Chinese goods and unhealthy competition from the local unorganized players. Also the Company was confronted by Labor Unions and hence loss of well settled business. Frequent change in Exchange rate resulting into exchange fluctuation and government policies are also risk factor for Company's business.

INTERNAL CONTROL SYSTEM :

The company has got adequate internal control system and procedure relating to the purchase of various raw materials, stores and other consumables. The plants are sending regular and timely reports to the Managing Director and other Management Executives at Head Office and corrective actions as and when, required are being taken by Head Office.

STATUTORY COMPLIANCE :

Managing Director of the company is the Compliance Office. Moreover the company has retained services of a Practicing Company Secretary for making compliance of all provisions of Companies Act, Securities Contract and Regulation Act, SEBI Act etc.

INDUSTRIAL RELATIONS :

During the year Labor Unions have caused loss of production to the Company by stopping work from time to time and thereby Export Business of the Company was lost. However, in the coming days. Labor will not affect the growth of the Company.

REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has stipulated Corporate Governance Standards for Listed Companies vide Clause 49 in the listing agreement with the Stock Exchanges.

Corporate Governance is Corporate discipline extended transparency, integrity and accountability towards all stakeholders. Corporate Governance helps to achieve excellence to enhance stakeholders' value by focusing on long-term value creation without compromising on integrity, social obligations and regulatory compliances.

Company's Philosophy on Corporate Governance

Satellite Engineering Limited has always been committed to the principal of sound Corporate Governance to promote the effective functioning of the Board and its Committee & to assist it in the exercise of its responsibility. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

The Company's continued endeavor is to achieve good governance which ensures our performance rules with integrity whereby ensuring the truth, transparency accountability & responsibility in all our dealings with our employees, shareholders, consumers & the community at large. Apart from compliance with the statutory provisions of Company Law, allied acts & Listing Agreements, our disclosure seeks to attend best practice in corporate governance. We believe that sound corporate governance is critical to enhance & retain stakeholders trust.

The Board of Directors represents the interest of the Company's stakeholders, for optimizing long term value by way of providing necessary guidance and strategic vision to the Company. The Board also ensure that the Company's management and employees operate with highest degree of ethical standard. Corporate Governance is strongly driven by our values such as quality, commitment, customer orientation & integrity.

Board of Directors:

The Company's Board comprises of 4 Directors with a mix of executive/non-executive and promoter/independent directors. Out of total Board members, Chairman & Managing Director is Executive Promoter Director, One is Executive Promoter Director designated as Whole-time Director and other 2 are Non-Executive Independent Directors. The composition of Board complies with the requirements of the Corporate Governance code with 50% of the directors being non-executive Independent directors.

The Board normally meets once in a quarter. Additional meetings are held as and when required. During the year under review, Board of Directors met 4 times, viz 30th April, 2011, 11th August, 2011, 15th November, 2011, and 8th February, 2012 and the 49th Annual General Meeting was held on 30th September, 2011. The gap between any two meetings did not exceed four months.

The table below provides the composition of the Board, their attendance at Board meetings & AGM and number of other directorship, chairmanship/membership of other companies.

Name of the Director Designation & Age	Category	Date of Appointment	No. of other Directorship held in public companies in India	No. of other Board committees of which Member (M) /Chairman (C)	Board meeting attended	Attendance at the last AGM	No. of Shares held & % of holding (of the Company) (as on 31st March, 2012)
Mr. Anand A. Shah Chairman & Managing Director 53 Years	Promoter - Executive Non - Independent Director	14/04/1992	0	0	4	Yes	1358714 (39.73%)
Mr. Aniket A. Shah Whole-time Director 28 Years	Promoter - Executive Non Independent Director	20/01/2009	0	0	4	Yes	62500 (1.83%)
Mr. Janakbhai G. Nanavaty Vaidya Director 56 Years	Non Executive Independent Director	23/10/2000	2	0	4	Yes	—
Mr. Vinodchandra Parikh Director 76 Years	Non Executive Independent Director	20/01/2009	1	0	4	Yes	—

Annual Report 2011-2012

Notes:

- (1) This number excludes the directorships/committee memberships held in private companies and also of the Company. Committees include Audit Committee and Shareholders' Grievance Committee as per Clause 49 of The Listing Agreement.
- (2) As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the directors hold directorship in more than 15 public companies & membership of board committees (audit/remuneration/investors grievance committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

None of the Non-executive Directors has any pecuniary relationship. Non-executive Directors have no transaction with the company. The details of sitting fees, commission and remuneration paid to each director appear later under the disclosure relating to Remuneration to Directors.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING :

Name of Director	Mr. Vinodchandra M. Parikh
Date of Birth	26/06/1935
Date of appointment	20/01/2009
Qualifications	B.Com, MBA, LLB, DTP
Expertise in specific functional areas	Practicing as Advocate in High Court. Rich experience over 40 years in different laws and legal matter. Also has general administrative skill.
List of Co. in which Directorship held	1. Pearl Paper Products Ltd. 2. Navratna Marketing Pvt. Ltd.
Chairman/ Member of the Committees of the Board of Directors of the Co.	Two- member (Audit Committee & Remuneration Committee)
Chairman/ Member of the committees of Directors of other Co.	None

CODE OF CONDUCT

The Board of Directors has adopted the Code of Business Conduct and Ethics for the Directors and Senior Management. The said Code has been communicated to the Directors and the Members of the senior Management. All Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the year ended on 31st March 2012. A declaration to this effect duly signed by Chairman & Managing Director of the Company is attached herewith and forms part of Corporate Governance Report.

Audit COMMITTEE:

The Audit Committee comprises of 3 members, Mr. Janak G. Nanavaty as a Chairman of the Committee & Mr. Vinodchandra Parikh and Mr. Aniket Shah as Members. Two members are Non-Executive Independent Directors and Mr. Aniket Shah is a Promoter – Executive Director.

The above composition meets all the requirements of Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956. Manager (Accounts) has acted as the Secretary of the Audit Committee. Statutory Auditors are invited as and when required.

During the year under review, 4 meetings were held on 30th April, 2011, 11th August, 2011, 15th November, 2011 and 8th February, 2012. The chairman of Audit Committee had attended last Annual General Meeting of the company held on 30th September, 2011. The Audit Committee at its meeting held on 30th April, 2011, 11th August, 2011, 15th November, 2011 and 8th February, 2012 reviewed the unaudited financial results for the quarter ended on March 31, 2011, June 30, 2011, September 30, 2011 and December 31, 2011. In the meeting held on 11th August, 2011, the committee has also reviewed the Audited Balance Sheet and Profit and Loss Account together with draft Auditor's Report for the Financial Year 2010-11 and recommended to be placed before the Board for their approval.

Details of attendance of members of the Audit Committee are as under:

Name	Designation	Attendance
Mr. Janakbhai G. Nanavati	Chairman	4
Mr. Vinodchandra Parikh	Member	4
Mr. Aniket Shah	Member	4

BROAD TERMS OF REFERENCE

The broad terms of reference of the Committee as approved by the Board includes overseeing of the Company's financial reporting process, the appointment of statutory auditors and internal auditors, reviewing the quarterly and annual financial statements before submission to the Board for approval, compliance with listing and other legal requirements relating to financial statements, reviewing adequacy of the internal Control and internal audit function, etc.

In addition to the above, the Committee shall have such functions/role/powers as may be specified in the Companies Act, Listing Agreement with stock exchanges or any other applicable law.

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information as mentioned in Clause 49 (II)(E) of the Listing Agreement.

Shareholders' Grievance COMMITTEE:

The Shareholders Grievance Committee as a committee of the Board has been constituted mainly to focus on the redressal of Shareholders / Investors Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. The Shareholder Grievance Committee comprises of 2 members, Mr. Mr. Janakbhai G. Nanavati as the Chairman of the Committee & Mr. Aniket Shah as the Member. The Chairman is Non-Executive Independent Director, while member is Non-Independent Director.

During the year, 4 meetings were held on 30th April, 2011, 11th August, 2011, 15th November, 2011 and 8th February, 2012. The Company had not received any complaints from the Shareholders and so no complaint was pending as on 31st March, 2012.

Manager (Accounts) has provided secretarial support to the Committee.

The equity shares of the Company are under suspended category at BSE and so there was no trading took place during the whole financial year.

The Board has delegated powers for approving transfer and transmission of shares and issue of duplicate shares to Share Transfer Committee. The Share Transfer Committee met 8 times and carried out transfer and dematerialization work, during the year. The Company has no transfers pending at the close of the financial year.

Remuneration Committee

The Remuneration Committee as a committee of the Board has been constituted mainly to determine and recommend to Board, the company's policies on remuneration packages for executive and non- executive directors. The Remuneration Committee comprises of 3 members, Mr. Janak G. Nanavaty as the Chairman of the Committee & Mr. Vinod Parikh and Mr. Aniket Shah as Members. Chairman and One member are Non-Executive Independent Directors.

The remuneration committee of the Company reviews the remuneration of Managing/Executive Directors. The remuneration of Managing Director is approved by the Remuneration Committee based on criteria such as industries benchmark, Company's performance, and industry performance/track record of the Managing Personnel of the Company. Such remuneration decided by the Remuneration committee with consultation of the board as per the current financial position and soundness of the Company.

One meeting was held as on 11th August, 2011, during the year under review, where all the members were present. In that meeting, Mr. Aniket Shah was appointed as Whole-time Director of the Company for 3 years on the terms and conditions, as approved by the members in the last Annual general meeting held on 30th September, 2011.

The Company has paid remuneration by way of salary of Rs.1.80 Lacs to Mr. Anand Shah, Managing Director of the Company and Rs. 1.44 Lacs to Mr. Aniket Shah, Whole-time Director of the Company. No perquisites and allowances were paid to both the persons, even though the same has been approved by the members in general meeting, due to loss made by the Company. Non- executive Directors have no transaction with the Company. The Company does not pay any sitting fees to any Director, for attending Board Meetings. The Company does not pay any severance fees.

SUBSIDIARY COMPANY :

The Company does not have any subsidiary Company.

OTHER COMPLIANCES :

The Company has no materially significant related party transactions with its promoters, the directors or the management or relatives etc. that may have potential conflicts with the interests of the Company at large.

For details about related parties transactions, see Notes on Accounts of the balance sheet of the Company.

There were no instances of non-compliance or Penalties, imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years. However, the Company's shares are under suspended category at BSE and no trading was carried out during the whole financial year.

Annual Report 2011-2012

In preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

Business risk evaluation and management is an ongoing process within the Organization. During the period under review, a detailed exercise on the Business Risk Management was carried out covering all aspects of business operations.

The Company has already appointed Mr. Anand A. Shah, as Chairman, CEO & Managing Director. Certification from him was placed as a part of good Corporate Governance practice in the Annual Accounts of FY 2011-12.

General Body Meetings :

Details of the last three Annual General Meetings are as under :

AGM	Date	Time	Venue	No. of special Resolutions passed
47 th AGM	30 th September, 2009	12.30 p.m.	Regd. Office : 404, Swagat Building, C.G. Road, Ellisbridge, Ahmedabad - 380 006	0
48 th AGM	30 th September, 2010	12.30 p.m.	Regd. Office : 404, Swagat Building, C.G. Road, Ellisbridge, Ahmedabad - 380 006	0
49 th AGM	30 th September, 2011	11.00 a.m.	Regd. Office : 404, Swagat Building, C.G. Road, Ellisbridge, Ahmedabad - 380 006	1

At the AGM held on 30th September, 2011, 1 (One) special resolution was passed for appointment of Mr. Aniket Shah as a Whole-time Director of the Company. The special resolution indicated above was passed by show of hands.

POSTAL BALLOT :

The Company has not passed any resolution through postal ballot during the year under reference. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed through Postal Ballot.

CEO/CFO Certification :

The Company is duly placing a certificate to the Board from the Chairman, CEO & Managing Director in accordance with the provisions of Clause 49(V) of the Listing Agreement. The aforesaid certificate duly signed by the Chairman, CEO & Managing Director in respect of the financial year ended 31st March, 2012 has been placed before the Board and given elsewhere in this Annual Report.

Means of Communication :

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings .

The Company also informs by way of intimation to the stock exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters.

Shareholders' INFORMATION:

REGISTERED OFFICE : 404, Swagat Building, C.G. Road, Ellisbridge, Ahmedabad - 380 006

DATE, TIME, VENUE OF ANNUAL GENERAL MEETING :

The 50th Annual General Meeting of the members of the company is scheduled to be held on Saturday, 29th September, 2012 at 11.00 A.M. at its Registered Office of the company at 404, Swagat Building, C.G. Road, Ellisbridge, Ahmedabad - 380 006. All the members are invited to attend the meeting.

The Members / Proxies who intend to attend the meeting are requested to bring the Attendance slip sent herewith duly filed in to the meeting.

Financial calendar

- Financial year 2011-12 (April 1, 2011 to March 31, 2012)

Results were/will be announced on (all Unaudited)

- 11th August, 2011 - first quarter
- 15th November, 2011 - half year
- 8th February, 2012 - third quarter
- 15th May, 2012 - fourth quarter and annual

- Financial year 2012-13 (April 1, 2012 to March 31, 2013)

Results will be announced on

- Last week of July 2012 - first quarter
- Last week of October 2012 - half year
- Last week of January 2013 - third quarter
- Last week of April 2013 - fourth quarter and annual (unaudited)

BOOK CLOSURE:

Thursday, the 27th September, 2012 to Saturday, the 29th September, 2012 (both days inclusive)

DETAILS OF SHARES:

Types of shares : Equity Shares

No. of paid up shares : 34,20,000

Market lot of shares : 1 share

STOCK CODE	: Name of Stock Exchange	Co.Code no.
	Mumbai Stock Exchange	522279

LISTING

The Company's shares are listed on the Stock Exchange at Mumbai. The Company has paid listing fees for financial year 2012-2013. However, the Stock Exchange, Mumbai has suspended the trading in the securities of the Company, due to some technical reason. The Company had applied for the revocation of suspension for trading of shares at BSE and submitted all the necessary documents to BSE. In-principle approval for revocation of suspension in trading of equity shares was granted by BSE through letter dated July 23, 2012. In near future, the company's shares will once again start trading at BSE and it will be helpful to all the Shareholders of the Company.

STOCK DATA

The shares of the Company have not been traded during last financial year and hence no information is submitted.

SHARE TRANSFER SYSTEM :

Applications for transfer of shares in physical form are processed by the Company's Registrar & Transfer Agent M/s. Computech Sharecap Limited. The Share Transfer Committee constituted for transfer / transmission of shares, issue of duplicate shares and allied matters considers and approves the share transfer once in fortnight subject to transfer instrument being valid and complete in all respects.

The Company has obtained half yearly certificates from Company Secretary in Practice for compliance of share transfer formalities as per the requirement of Clause 47(c) of the Listing Agreement with Stock Exchange. The Company has also carried out quarterly Secretarial Audit for the reconciliation of Share Capital as required under SEBI circular no. 16 dated 31st December 2002.

Distribution of Shareholding (as on March 31, 2012)

a. On the basis of Shares held

Number of Equity Shares held (Range)	Number of shareholders	Percentage to total share-holders	Number of shares held	Percentage to total shares held
Up to 500	4142	90.36	552606	16.16
501 - 1000	233	5.08	196358	5.74
1001 - 2000	86	1.87	124866	3.65
2001 - 3000	26	0.57	65009	1.90
3001 - 4000	18	0.39	61197	1.79
4001 - 5000	15	0.33	72435	2.12
5001 - 10000	48	1.05	319382	9.34
Above 10000	16	0.35	2028147	59.30
Total	4584	100.00	3420000	100.00

Annual Report 2011-2012

b. On the basis of Category

Sr. Description	No. of members		No. of shares	
	Nos.	%	Nos.	%
A Promoters Holding				
Directors & Relatives	7	0.15	1623014	47.46
B Non Promoter Holding				
Resident Individual (incl. HUF)	4489	97.93	1595149	46.64
Non Resident Individual	52	1.13	72926	2.13
Mutual Fund, Nationalized Bank etc.	1	0.02	900	0.03
Domestic Companies	35	0.77	128011	3.74
Total:	4584	100.00	3420000	100.00

PAN REQUIREMENT FOR TRANSFER OF SHARES IN PHYSICAL FORM

The Securities & Exchange Board of India (SEBI) has mandated the submission Permanent Account Number (PAN) for securities market transactions & off market/private transactions involving Transfer of Shares in Physical Form of Listed Companies. Therefore it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Company/Registrar & Share Transfer Agents for Registration of such transfers. Members/Investors are therefore requested to make note of the same & submit their PAN Card copy to the Company/ Registrar & Share Transfer Agents.

DETAILS OF DIVIDEND

The Board of Directors has not recommended any dividend due to current year's losses.

DETAILS OF UNPAID DIVIDEND

As the Company has not paid any dividend, in past many years and so there is no unpaid dividend amount.

Outstanding GDRs/ADRs/Warrants/any other Convertible Instruments

The Company does not have any outstanding instruments of the captioned type.

NOMINATION FACILITY

It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members who are holding shares in physical mode and has not appointed nominee or want to change the nomination, are requested to send us nomination form duly filed in and signed by all the joint holders.

CHANGE IN SHAREHOLDERS DETAILS

In case you are holding your shares in dematerialised form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialisation of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our R&T agent of the company M/s. Computech Sharecap Limited, as per address mentioned below.

INVESTORS COMMUNICATION

Share Transfers / Dematerialisation or other queries relating to Shares of the Company should be addressed to :

M/s. Computech Sharecap Limited.

Unit : Satellite Engineering Limited

147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Fort, Mumbai-400023

Ph. 22 – 22635000 / 01 / 02 Fax : 22 – 22635000 e-mail: umesh019@gmail.com

DECLARATION UNDER CODE OF CONDUCT

As required under Clause 49(l)(D) of the Listing Agreement, it is hereby affirmed that all the Board Members and Senior Management Personnel have complied with Code of Conduct of the Company. The Company has obtained confirmation for the compliance of Code of Conduct from the Board Members and Senior Management Personnel on an annual basis.

Ahmedabad
14th August, 2012

Anand Shah
Managing Director

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, Mr. Anand A. Shah, Chairman, CEO & Managing Director of Satellite Engineering Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the balance sheet and profit and Loss account, its schedule and notes to the accounts and cash flow statements for the year ended 31st March, 2012 and that to the best of my knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards , applicable laws and regulations.
2. I also certify that based on my knowledge and information provided to me, there are no transaction entered into by the Company during the year which are fraudulent , illegal or violate the company's code of conduct.
3. I accept the responsibilities for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps taken or propose to take to rectify these deficiencies.
4. I have indicated to the Auditors and the Audit Committee
 - (a) significant change in internal control over financial reporting during the year.
 - (b) significant changes in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and
 - (c) instances of significant fraud of which I have become aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

14th August, 2012
Ahmedabad

Anand A. Shah
Chairman & Managing Director

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

To the members of the Satellite Engineering Limited

We have examined the compliance of corporate governance by Satellite Engineering Limited for the financial year ended on 31st March, 2012 stipulated in clause 49 of the listing agreement of the said company with the stock exchange of India.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation there of, adopted by the company for ensuring the compliance of the condition 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 explanation given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

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

For **M/s.Apaji Amin & Co**
Chartered Accountants

Place : Ahmedabad
Date : 14/08/2012

T. B. Sethna
(Partner)
M. No. 35476

AUDITORS' REPORT

**To The Members,
Satellite Engineering Ltd.**

We have audited the attached Balance Sheet of **Satellite Engineering Ltd.** as at 31st March, 2012 and the Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion the Balance Sheet and Profit & Loss Account dealt with by this Report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ;
 - (e) On the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
 - ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date;

For **M/s.Apaji Amin & Co**
Chartered Accountants

T. B. Sethna
(Partner)
M. No. 35476

Place : Ahmedabad
Date : 14/08/2012

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 of our report of even date

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal during the year and the going concern status of the Company is not affected.
2. In respect of its inventories
 - a) As explained to us, inventories were physically verified during the year by the management at regular intervals.
 - b) In our opinion and according to the information and explanations given to us; the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. As explained to us; there were no material discrepancies noticed on physical verification.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii)(b), (c) and (d) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
 - b. According to the information and explanations given to us, the Company has taken loans, secured or unsecured, from Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 of Rs 397,582 during the year under consideration. The maximum amount outstanding at any time during the year is Rs.3,613,191 and the year-end balance is Rs.3,709,573.
 - c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - d. In respect of loans taken by the Company, the loans are interest free and the principal amount is repayable on demand.
 - e. There is no overdue amount in respect of loans taken by the Company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets. 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 instances of continuing failure to correct major weakness in the internal control.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees Five Lacs in respect of any parties during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

Annual Report 2011-2012

6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the companies Act, 1956 and the rules framed there-under.
7. The company does not have formal internal audit system. However the company has adequate internal audit system commensurate with the size and nature of its business.
8. The company is not prescribed by the Central Government to maintain the cost U/s. 209(1) (d) of the companies Act, 1956.
9. In respect of statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Service Tax, Income Tax, Custom Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were out standing as at 31st March, 2012 for a period of more than six month date of becoming payable.
 - b) According to the information and explanation given to us, there are no undisputed dues of service tax, Income tax, Custom duty , Cess or any other statutory dues which have not been deposited on account of any dispute.
10. The Company has accumulated losses of Rs. 38,650,838 at the end of the financial year and it has incurred cash losses of Rs. 1,403,590 in the financial year under report and had also incurred cash losses in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4[xiii] of the companies (Auditors' Report) Order, 2003 is not applicable to the company.
14. The company has no transaction relating to dealing or trading in shares securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The company has not raised term loans. Therefore, clause 4(xv) of the companies (Auditors' Report) Order, 2003 is not applicable to the company.
17. According to the information and explanations given to us and 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. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the period covered by Audit Report, the company has not issued any debentures. Therefore, a clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

For **M/s.Apaji Amin & Co**
Chartered Accountants

T. B. Sethna
(Partner)
M. No. 35476

Place : Ahmedabad
Date : 14/08/2012

Satellite Engineering Limited

BALANCE SHEET AS AT MARCH 31, 2012

	Notes	March31,2012 ₹	March31,2011 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	34,200,000	34,200,000
(b) Reserves and Surplus	4	-21,843,502	-19,228,474
		<u>12,356,498</u>	<u>14,971,526</u>
Non-current Liabilities			
(a) Long Term Borrowings	5	3,709,573	3,334,191
(b) Deferred Tax Liabilities (net)	6	-	-
(c) Other Long Term Liabilities	7	-	-
(d) Long Term Provisions	8	-	2,272,461
		<u>3,709,573</u>	<u>5,606,652</u>
Current Liabilities			
(a) Short Term Borrowings	9	4,583,559	5,165,450
(b) Trade Payables	10	598,145	570,044
(c) Other Current Liabilities	10	4,191,442	2,650,496
		<u>9,373,146</u>	<u>8,385,990</u>
TOTAL		<u>25,439,217</u>	<u>28,964,168</u>
ASSETS			
Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	8,844,923	10,056,361
(ii) Intangible Assets	12	-	-
(iii) Capital Work-In-Progress		-	-
(iv) Intangible Assets under Development		-	-
(b) Non-current Investments	13	21,160	30,294
(c) Long Term Loans and Advances	14	-	1,612,200
(d) Other Non-current Assets	15		
		<u>8,866,083</u>	<u>11,698,855</u>
Current Assets			
(a) Inventories	16	9,337,982	10,320,170
(b) Trade Receivables	17	6,829,949	6,292,606
(c) Cash and Cash Equivalents	18	405,203	652,537
(d) Short Term Loans and Advances	14	-	-
		<u>16,573,134</u>	<u>17,265,312</u>
TOTAL		<u>25,439,217</u>	<u>28,964,168</u>
Summary of Significant Accounting Policies	2	-0.25	-0.01
The Accompanying Notes are an integral part of the Financial Statements.			

As per our audit report of the even date
For APAJI AMIN & CO.
Chartered Accountants
Firm Registration No. : 100513W

Tehmul Sethna
Partner
Membership No.: 35476
Place: Ahmedabad
Dated: August 14, 2012

For and on behalf of

Anand A. Shah *Chairman & Managing Director*
Vinodbhai Parikh *Director*
Janak G. Nanavaty *Director*
Aniket A. Shah *Director*
Place: Ahmedabad
Dated: August 14, 2012

Annual Report 2011-2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Notes	2011 - 12 ₹	2010 - 11 ₹
Revenue from Operations (Gross)	19	2,181,910.00	5,684,559
Less: Excise Duty		-	-
Revenue from Operations (Net)		2,181,910.00	5,684,559
Other Income	20	33,209.14	1,013,947
Total Revenue	(I)	2,215,119.14	6,698,507
Expenses:			
Cost of Raw Materials and Packing Materials Consumed	21	-	-
Purchases of Traded Goods	22	321,078.51	3,750,270
Increase in Finished, Traded and Work-In-Progress Inventories	22	982,187.69	-1,561,457
Manufacturing Expenses	23	319,619.00	1,513,682
Employee Benefits Expenses	24	435,822.00	116,182
Administrative and General Expenses	25	1,560,001.99	1,401,969
Selling and Marketing Expenses	26	-	-
Share of Profit from Investment in Partnership Firm		-	-
Total Expenses	(II)	3,618,709.21	5,220,646
Earnings before Interest, Tax, Depreciation and Amortisation	(I - II)	-1,403,590.07	1,477,860
Depreciation and Amortisation Expenses	11,12	1,211,438.00	1,420,169
Finance Costs	27	-	-
Profit Before Tax		-2,615,028.07	57,691
Tax Expenses:			
(i) Current Tax		-	12,000
(ii) Deferred Tax		-	-
(iii) Excess Provision of Earlier Years		-	26,633
Net Profit for the Year		-2,615,028.07	19,058
Earnings Per Equity Share:			
Basic and Diluted (in ₹)		-0.76	0.01

[Nominal value of Share ₹ 10 (March 31, 2011: ₹ 10)]

Summary of Significant Accounting Policies

2

The Accompanying Notes are an integral part of the Financial Statements.

As per our audit report of the even date

For APAJI AMIN & CO.

Chartered Accountants

Firm Registration No. : 100513W

Tehmul Sethna

Partner

Membership No.: 35476

Place: Ahmedabad

Dated: August 14, 2012

For and on behalf of

Anand A. Shah Chairman & Managing Director

Vinodbhai Parikh Director

Janak G. Nanavaty Director

Aniket A. Shah Director

Place: Ahmedabad

Dated: August 14, 2012

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2012

1 CORPORATE INFORMATION

Satellite Engineering Ltd. (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a leading vertically integrated Indian Electrical company with global operations, engaged in the development, manufacture and marketing of Lighting products and accessories and are headquartered in India. Company has manufacturing locations situated at Gujarat, i.e. Ahmedabad and Gandhidham.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

(c) Tangible Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises Purchase Price, Borrowing Costs if capitalization criteria are met and any other directly attributable cost of bringing the asset to its working condition for the intended use, net off of any trade discounts and rebates. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized. Capital assets under erection/installation are stated in the Balance Sheet as "Capital Work-in-Progress".

(d) Research and Development Costs

Capital expenditure on Research and Development is reported as Tangible/Intangible Assets under relevant head. Revenue expenditure incurred is charged to revenue in the year in which it is incurred and the same is grouped under the respective head of expenses in the Statement of Profit and Loss.

(e) Intangible Assets

Intangible Assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible Assets are amortized on a Straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an Intangible Asset will not exceed 10 years from the date when the asset is available for use.

(f) Intangible Assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible Assets are amortized on a Straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an Intangible Asset will not exceed 10 years from the date when the asset is available for use.

(i) Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher, except for leasehold land and Intangible Assets.

(ii) Depreciation on assets acquired / sold during the year has been provided on pro-rata basis.

(iii) Leasehold Land is amortised over the period of the lease.

(iv) Assets costing individually Rs 5,000 or less are depreciated fully in the year of acquisition.

(g) Impairment of Assets

- (i) The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(h) Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term. All leases are cancellable in nature and subject to renewal each year.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

(i) Investments

Investments, which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Investments in share of foreign subsidiaries are reported in Indian Currency at the rate of exchange prevailing on the date of transaction. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(j) Inventories

- (i) Raw materials, Packing materials, fuel, stores and spares are valued at lower of cost and net realizable value. Cost includes Purchase Price and other directly attributable costs incidental thereto. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
- (ii) Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
- (iii) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- (iv) Provision for diminution in value of inventories has been made for expired, obsolete, non-moving and slow-moving inventories as per the management's estimate.

(k) Revenue Recognition

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

(i) Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of goods. Excise Duty deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year. Excise duty is accounted on the basis of both, payments made in respect of goods cleared and also provision made for goods lying in bonded warehouse. VAT and Sales Tax are charged to Revenue.

(ii) Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(iii) Export Incentives

Export Incentives are recognized as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(l) Miscellaneous Expenditure Not Written-off

Miscellaneous Expenditure represents the expenses incurred on Initial Public Offer and the same need to be adjusted against Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

(m) Foreign Currency Translation

- (i) Transactions in the foreign currencies are recorded at the exchange rate in force on the date of transactions.
- (ii) Loans denominated in foreign currencies are translated at the rates prevailing on the date of the Balance Sheet; the resultant exchange gains/losses are dealt with in the Statement of Profit and Loss.
- (iii) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.
- (iv) Exchange differences that arise on settlement in respect of liabilities incurred for the purpose of acquiring fixed assets are recognized in the Statement of Profit and Loss.
- (v) The difference in translation of monetary assets and liabilities, and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss.
- (vi) Non monetary items other than fixed assets are carried in terms of historical cost denominated in a foreign currency using the exchange rate at the date of transactions.

(n) Retirement and Other Employee Benefits

(i) Defined Contribution Plan

Company's contribution paid/payable during the year to retirement benefit in the form of Provident Fund, Employees state Insurance Corporation and Labour Welfare Fund are recognized in the Statement of Profit and Loss. The Company has no obligation, other than the contribution paid/payable.

(ii) Defined Benefit Plan

The Company operates two defined benefit plans for its employees, viz., Gratuity and Leave Encashment. The costs of providing benefits under these plans are determined on the basis of Actuarial Valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the Statement of Profit and Loss.

(o) Income Taxes

Tax Expense comprises of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. 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 Income Taxes reflect the impact of Timing Differences between Taxable Income and Accounting Income originating during the Current Year and reversal of timing differences for the earlier years. Deferred Tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

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

(p) Earnings Per Share

The Company reports basic Earning Per Share (EPS) in accordance with Accounting Standard 20 on Earning Per Share.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus and preferential issue.

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

(q) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise cash on hand, cash at bank, short-term investments with an original maturity of three months or less and remittances in transit.

(r) Derivative Instruments

- (i) The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income during the same period in which transaction occurs. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. The Company does not enter into forward contracts for trading or speculation purpose.
- (ii) As per the ICAI Announcement, derivative contracts, other than foreign currency forward contracts covered under AS-11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedge item, is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored. The Company does not enter into derivative contracts for trading or speculation purpose.

(s) Provisions

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

(t) Contingent Liabilities

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(u) Segment Reporting

Identification of Segment

The Company's operating businesses are organized and managed separately according to the nature of products and activities, with each segment representing a strategic business unit that has different products and activities through similar market operations. The analysis of geographical segments is based on the geographical segments is based on the geographical location of the customers.

(v) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of Profit / (Loss) from continuing operations. In its measurement, the Company does not include Depreciation and Amortization expense, Finance Costs and Tax expenses.

3 SHARE CAPITAL

	March 31, 2012		March 31, 2011	
	No.	in Rupees	No.	in Rupees
Authorised Shares				
Equity Shares of ₹ 10 each	8,000,000.00	80,000,000.00	8,000,000.00	80,000,000.00
	8,000,000.00	80,000,000.00	8,000,000.00	80,000,000.00
Issued, Subscribed and Fully Paid-up Shares				
Equity Shares of Rs. 10/- each	3,420,000.00	34,200,000.00	3,420,000.00	34,200,000.00
	3,420,000.00	34,200,000.00	3,420,000.00	34,200,000.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2012		March 31, 2011	
	No.	in Rupees	No.	in Rupees
Equity Shares				
At the Beginning of the year	3,420,000.00	34,200,000.00	3,420,000.00	34,200,000.00
Add: Issued During the Year	-	-	-	-
Outstanding at the End of the year	3,420,000.00	34,200,000.00	3,420,000.00	34,200,000.00

(b) Aggregate Number of Bonus Shares issued during the period of five years immediately preceding the reporting date:

	2007 - 08	2010 - 11
	No.	No.
Equity Shares:		
Alloted as Fully paid bonus shares by capitalisation of Security Premium		

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

Equity Shares	March 31, 2012		March 31, 2011	
	No.	% Holding	No.	% Holding
Rajesh M Sanghvi (HUF)	225600	6.6	225600	6.6
Anand A Shah	1358714	39.73	1358714	39.73
Anand A Shah (HUF)	201800	5.9	201800	5.9

(d) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each equity shareholder is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Annual Report 2011-2012

4 RESERVES AND SURPLUS

	March 31, 2012 ₹	March 31, 2011 ₹
(a) Capital Reserve		
Balance as per Last Financial Statements	7,336.19	7,336.19
Closing Balance	7,336.19	7,336.19
(b) Security Premium Account		
Balance as per Last Financial Statements	16,800,000.00	16,800,000.00
Add: Security premium credited on Issue of Preference Shares	-	-
Less: Utilised on Redemption of Preference Shares	-	-
Closing Balance	16,800,000.00	16,800,000.00
(c) Surplus		
Balance as per Last Financial Statements	-36,035,810.00	-36,054,868.00
Net Profit for the year	-2,615,028.05	19,058.00
Net Surplus in the Statement of Profit and Loss	-38,650,838.05	-36,035,810.00
GRAND TOTAL	-21,843,501.86	-19,228,473.81

5 LONG TERM BORROWINGS

	Non-current Portion		Current Portion	
	March 31, 2012 ₹	March 31, 2011 ₹	March 31, 2012 ₹	March 31, 2011 ₹
Loan From Directors				
Anand A Shah	3,613,190.89	3,233,190.89		
Aniket Anand Shah	78,800.00	101,000.00		
N.S. Patel	17,582.00	-		
	3,709,572.89	3,334,190.89	-	-
The above amount includes:				
Secured Borrowings				
Unsecured Borrowings	3,709,572.89	3,334,190.89		
Amount disclosed under the head "Other Current Liabilities" (Note 10)				
Net Amount	3,709,572.89	3,334,190.89	-	-

6 DEFERRED TAX LIABILITIES (NET)

	Long Term	
	March 31, 2012 ₹	March 31, 2011 ₹
Deferred Tax Liability		
Impact of Difference between depreciation/ amortisation as per Income Tax and charged for the Financial Reporting	-	-
Gross Deferred Tax Liabilities	-	-
Deferred Tax Asset		
Impact of Expenditure charged to the Statement of Profit and Loss in the Current Year, but allowed for tax purposes in following years on payment basis	-	-
Gross Deferred Tax Assets	-	-
Deferred Tax Liabilities (Net)	-	-

Satellite Engineering Limited

7 OTHER LONG-TERM LIABILITIES

	Long Term	
	March 31, 2012	March 31, 2011
	₹	₹
Deposits from C & F Agents	-	-

8 PROVISIONS

	Long Term	
	March 31, 2012	March 31, 2011
	₹	₹
Provision for Employee Benefits		
Provision for Gratuity	-	-
Provision for Leave Encashment	-	-
	-	-
Other Provisions		
Provision for Tax (net of advances)	-	-
Proposed Equity Dividend	-	-
Provision for Tax on Proposed Equity Dividend	-	-
Provision for Doubtful Debts		2,272,461.00
	-	2,272,461.00
	-	2,272,461.00

9 SHORT-TERM BORROWINGS

	Short Term	
	March 31, 2012	March 31, 2011
	₹	₹
Secured Borrowings From Banks:		
Bank Overdraft	4,583,558.89	5,165,449.65
	4,583,558.89	5,165,449.65
The above amount includes:		
Secured Borrowings	4,583,558.89	5,165,449.65
Unsecured Borrowings	-	-
	4,583,558.89	5,165,449.65

10 OTHER CURRENT LIABILITIES

	Short Term	
	March 31, 2012	March 31, 2011
	₹	₹
Trade Payables		
Dues to Related Parties (Note 34)	-	-
Other Payables	598,144.67	570,044.00
Other Liabilities		
Sundry Creditors for Expense	408,446.12	1,056,926.00
Duties & Taxes	-110,145.27	-
Others	3,893,141.59	1,593,570.00
	4,191,442.44	3,220,540.00

Annual Report 2011-2012

11 TANGIBLE ASSETS

₹

	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at April 1, 2011	Additions	Disposals	Balance as at March 31, 2012	Balance as at April 1, 2011	Charge for the year	Disposals	Balance as at March 31, 2012	Balance as at March 31, 2011	Balance as at March 31, 2012
Freehold Land	35,241.82	-	-	35,241.82	-	-	-	-	35,241.82	35,241.82
Buildings	6,789,434.05	-	-	6,789,434.05	4,251,356.31	226,765.00	-	4,478,121.31	2,538,077.74	2,311,312.74
Plant and Machineries	55,008,852.05	-	-	55,008,852.05	47,763,579.34	948,150.00	-	48,711,729.34	7,245,272.71	6,297,122.71
Furniture, Fixtures and Equipments	1,977,460.58	-	-	1,977,460.58	1,777,614.71	32,879.00	-	1,810,493.71	199,845.87	166,966.87
Vehicles	179,358.24	-	-	179,358.24	172,315.59	1,505.00	-	173,820.59	7,042.65	5,537.65
Computers	813,892.00	-	-	813,892.00	783,011.42	2,139.00	-	785,150.42	30,880.58	28,741.58
GRAND TOTAL	64,804,238.74	-	-	64,804,238.74	54,747,877.37	1,211,438.00	-	55,959,315.37	10,056,361.37	8,844,923.37

12 INTANGIBLE ASSETS

₹

	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at April 1, 2011	Additions	Disposals	Balance as at March 31, 2012	Balance as at April 1, 2011	Charge for the year	Disposals	Balance as at March 31, 2012	Balance as at March 31, 2011	Balance as at March 31, 2012
Licences & Commercial Rights									-	-
Patents / Trademarks									-	-
Computer software									-	-
Technical Knowhow									-	-
Total	-	-	-	-	-	-	-	-	-	-
Intangible Assets under Development	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	-	-	-	-	-	-	-	-	-	-
<i>Previous Years Figures</i>									-	-

13 NON CURRENT INVESTMENTS

	March 31, 2012	March 31, 2011
	₹	₹
Non-trade Investments (Valued at Cost unless stated otherwise)		
Maitry Society Ltd	1,500.00	1,500.00
Sand Plast Ltd	1,000.00	1,000.00
Modern Wollen Ltd	18,660.00	18,660.00
Birla MNS Fund	-	28,794.01
	21,160.00	49,954.01
Less: Provision for diminution in the value of investments	-	19,660.00
	21,160.00	30,294.01

14 LONG-TERM LOANS AND ADVANCES

		Non-current Portion		Current Portion	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		₹	₹	₹	₹
Capital Advances					
Unsecured, considered good	(A)	-	-	-	-
Security deposit					
Secured, considered good	(B)	-	552,562.00	-	-
Loans and Advances to Related Parties (note 34)					
Unsecured, considered good	(C)	-	-	-	-
Advances recoverable in Cash or Kind					
Unsecured, considered good	(D)	-	1,059,638.00	-	-
Other Loans and Advances					
Prepaid expenses		-	-	-	-
Loans to employees		-	-	-	-
Balances with Statutory Authorities		-	-	-	-
	(E)	-	-	-	-
Total (A + B + C + D + E)		-	1,612,200.00	-	-

15 OTHER NON-CURRENT ASSETS

	Non-current Portion	
	March 31, 2012	March 31, 2011
	₹	₹
Unsecured, considered good unless stated otherwise		
Non-current Bank Balances (Note 18)	-	-
Unamortised Expenditure, to the extent not written-off		
Unamortised Miscellaneous Expenditure	-	-
Others		
Interest accrued on Fixed Deposits	-	-
	-	-
	-	-

16 INVENTORIES [Valued at lower of cost and net realisable value]

	Short Term	
	March 31, 2012	March 31, 2011
	₹	₹
Raw Materials and Packing Materials	3,933,305.00	4,121,049.00
Finished Goods	1,339,848.00	1,856,697.00
Traded Goods	61,450.00	30,005.00
Work-in-progress	4,003,379.00	4,312,418.69
	9,337,982.00	10,320,169.69

17 TRADE RECEIVABLES

	Current Portion	
	March 31, 2012	March 31, 2011
	₹	₹
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	5,514,999.52	6,292,606.00
Other receivables		
Unsecured, considered good	1,314,949.00	-
	1,314,949.00	-
	6,829,948.52	6,292,606.00

Annual Report 2011-2012

18 CASH AND CASH EQUIVALENTS

	Non-current Portion		Current Portion	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Balances with Schedule Banks:	-	-	110,836.46	103,339.70
Cash on Hand	-	-	294,366.93	549,196.93
	-	-	294,366.93	549,196.93
	-	-	405,203.39	652,536.63
			2011 - 12	2010 - 11
			₹	₹

19 REVENUE FROM OPERATIONS

Sale of Finished Goods				
Domestic			2,181,910.00	5,684,559.08
Exports			-	-
Sale of Traded Goods				
Domestic			-	-
Exports			-	-
Revenue from Operations (Gross)			2,181,910.00	5,684,559.08
Less: Excise Duty *			-	-
Revenue from Operations (Net)			2,181,910.00	5,684,559.08

20 OTHER INCOME

Other Non-operating Income			33,209.14	1,013,947.47
			33,209.14	1,013,947.47

21 COST OF RAW MATERIALS AND PACKING MATERIALS CONSUMED

Inventory at the beginning of the Year			-	-
Add : Purchases			-	-
			-	-
Less : Inventory at the end of the Year			-	-
Cost of Raw Materials and Packing Materials Consumed			-	-

22 (INCREASE)/DECREASE IN INVENTORIES

Inventory at the end of the Year				
Traded Goods			9,337,982.00	10,320,169.69
Work-in-progress (*)			-	-
Finished Goods			-	-
			9,337,982.00	10,320,169.69
Purchases of Traded Goods			321,078.51	3,750,269.55
Inventory at the beginning of the Year				
Traded Goods			10,320,169.69	8,758,713.00
Work-in-progress (*)			-	-
Finished Goods			-	-
			10,320,169.69	8,758,713.00
			982,187.69	(1,561,456.69)

Satellite Engineering Limited

	2011 - 12 ₹	2010 - 11 ₹
23 MANUFACTURING EXPENSES		
Carriage Outward Expenses	2,615.00	352.00
Casual Labour Charges	120,234.00	186,040.00
Consumable Stores Expense	700.00	200.00
Excise Duty Expenses	32,303.00	
Packing Material Expense	32,490.00	
Carriage Inward Expenses	2,060.00	5,640.00
Electric Burning Expenses	15,350.00	243,971.39
Factory Expenses	734.00	111,752.00
Labour Charges Expenses	103,722.00	821,797.00
Water Charges Expenses	7,012.00	
Contract Labour	9,559.00	
Freight Charges	38,435.00	93,869.00
Packing Charges	3,466.00	1,000.00
	-	-
	319,619.00	1,513,682.39
24 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	434,262.00	97,213.00
Contribution to Provident and Other Fund	-	3,540.00
Gratuity Expense	-	15,000.00
Staff Welfare Expenses	1,560.00	429.00
	435,822.00	116,182.00
25 ADMINISTRATIVE AND GENERAL EXPENSES		
Office Administration Expenses	1,530,001.99	1,351,969.00
	1,560,001.99	1,401,969.00
Payment to Auditor:		
As Auditor:		
Audit Fee	30,000.00	50,000.00
Tax Audit Fee	-	-
In Other Capacity:		
Management Services	-	-
Other Services (Certification Fees)	-	-
	30,000.00	50,000.00
26 SELLING AND MARKETING EXPENSES	-	-
27 FINANCE COST	-	-
28 EARNINGS PER SHARE (EPS)		

	March 31, 2012	March 31, 2011
Net Profit as per Statement of Profit and Loss	-2,615,028.07	19,058.31
Opening number of Equity Shares	Nos. 3,420,000	3,420,000
Equity Shares issued during the year	Nos. -	-
Weighted Average Number of Equity Shares in calculating Basic EPS	Nos. 3,420,000	3,420,000
Weighted Average Number of Equity Shares in calculating Diluted EPS	Nos. 3,420,000	3,420,000
Basic and Diluted Earning Per Share	(in Rs.) -0.76	0.01
Nominal Value of Shares	(in Rs.) 10.00	10.00

29 Previous Year Comparatives

The figures of the Previous Year have been regrouped/rearranged wherever necessary to conform to Current Year's classifications.

As per our audit report of the even date

For APAJI AMIN & CO.

Chartered Accountants

Firm Registration No. : 100513W

Tehmul Sethna

Partner

Membership No.: 35476

Place: Ahmedabad

Dated: August 14, 2012

For and on behalf of

Anand A. Shah Chairman & Managing Director

Vinodbhai Parikh Director

Janak G. Nanavaty Director

Aniket A. Shah Director

Place: Ahmedabad

Dated: August 14, 2012

Annual Report 2011-2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	-2,615,028	57,691
Adjustments for:		
Depreciation and amortisation	1,211,438	1,420,169
(Profit) / loss on sale / write off of assets		-400,000
Interest Expense		574,126
	1,211,438	1,594,295
Operating profit / (loss) before working capital changes	-1,403,590	1,651,986
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	-537,343	-5,280,908
Short-term loans and advances	-	1,143,865
Long-term loans and advances	1,612,200	-1,097,318
Decrease in Inventories	982,188	-1,561,457
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	28,101	73,772
Other current liabilities	1,540,946	1,371,310
Long-term provisions	-2,272,461	636,311
	1,353,631	-4,714,425
Cash generated from operations	-49,959	-3,062,439
Net income tax (paid) / refunds		-26,633
Net cash flow from / (used in) operating activities (A)	-49,959	-3,089,072
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances		-178,587
Proceeds from sale of fixed assets		400,000
Current Investments not considered as Cash and Cash equivalents - Proceeds from sale	9,134	
Net cash flow from / (used in) investing activities (B)	9,134	221,413
C. Cash flow from financing activities		
Repayment of long term borrowing	375,382	-873,628
Interest paid		-574,126
Net increase / (decrease) in working capital borrowings	-581,891	4,407,921
Net cash flow from / (used in) financing activities (C)	-206,509	2,960,167
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	-247,334	92,507
Cash and cash equivalents at the beginning of the year	652,537	560,030
Cash and cash equivalents at the end of the year [Note No. 18]	405,203	652,537

Summary of Significant Accounting Policies

2

As per our audit report of the even date

For APAJI AMIN & CO.

Chartered Accountants

Firm Registration No. : 100513W

Tehmul Sethna

Partner

Membership No.: 35476

Place: Ahmedabad

Dated: August 14, 2012

For and on behalf of

Anand A. Shah *Chairman & Managing Director*

Vinodbhai Parikh *Director*

Janak G. Nanavaty *Director*

Aniket A. Shah *Director*

Place: Ahmedabad

Dated: August 14, 2012

Satellite Engineering Limited

Satellite Engineering Limited

Registered Office : 404, Swagat Building, Besides Lal Bungalow, C.G. Road, Ahmedabad - 380006.

ATTENDANCE SLIP

50TH ANNUAL GENERAL MEETING, SEPTEMBER 29, 2012.

Reg. Folio No. _____

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

I hereby record my presence at the 50th ANNUAL GENERAL MEETING of the Company being held on Saturday, the 29th September 2012 at 11.00 a.m. at Registered Office situated at 404, Swagat Building, Besides Lal Bungalow, C.G. Road, Ahmedabad - 380006.

Member's/ Proxy's name in BLOCK letters

Member's/ Proxy's Signature

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE MEETING PLACE.

----- (TEAR HERE) -----

Satellite Engineering Limited

Registered Office : 404, Swagat Building, Besides Lal Bungalow, C.G. Road, Ahmedabad - 380006.

FORM OF PROXY

I/We _____ of _____
in the district of _____ being a member/members of the above-named company hereby
appoint _____ of _____
in the district of _____ or failing him _____
of _____ in the district of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 50TH ANNUAL GENERAL MEETING of the Company to be held on 29th September, 2012 and/ or at any adjournment thereof.

Signed this _____ day _____ 2012.

Signature _____

Affix
Re. 1
Revenue
Stamp

Reg. Folio No. _____

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

BOOK-POST

To,

If Undelivered please return to :

Satellite Engineering Limited
404, Swagat Building,
Besides Lal Bungalow,
C.G. Road, Ahmedabad - 380006.