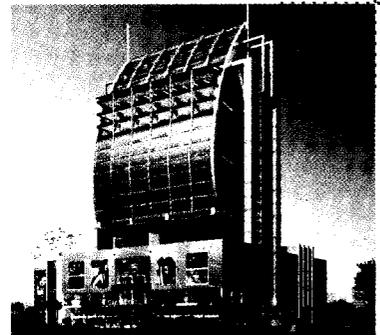




ANNUAL REPORT 2008-09

Satra Properties (India) Limited







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LETTER TO SHAREHOLDERS



Dear Shareholders,

It is my privilege to present you the 26th Annual Report of your Company for the financial Year 2008-09.

The year proved to be a challenging one for the economy in general and a few sectors like real estate in particular. The world is in throes of an economic slowdown, yet we are happy to see India swim against the tide and remain one of the few growth regions in the world. This phase presents both challenges and opportunities, and I am sure that given our strong fundamentals, we will capitalize on these opportunities and successfully tackle the challenges. While the country's economy is on a

strong growth path, inflation is threatening to slow down the overall growth rate. A tighter monetary policy and higher interest rates present a challenge to India Inc., including the realty sector, to complete projects within stipulated cost and time.

The unexpected and unpredictable situation gave rise to new challenges to the organization. This resulted in various steps taken by your company to mitigate the unprecedented volatility and challenges such as i) Change in scope of projects from shopping malls to commercials and residentials, ii) disinvestment in SPV's, iii) focus on completing the on-going projects in scheduled time, iv) launched new marketing strategies for effective Sales and generating Cash Flows, v) Rescheduling the debt portfolio.

With government commitment to bring down the fiscal deficit upto 5.5%, targeting the growth at 9% of GDP and various economic reforms, will see the growth and stability in the Indian Economy. This in turn will generate demand in Real Estate Sector specially in Housing and Commercial.

To ensure that Satra stays on its growth path, we are investing in intellectual and human capital and constantly upgrading our systems and processes. Simultaneously, we are also identifying and foraying into newer geographies and growth areas to give stable and consistent returns on investments in the years ahead. Let us take the challenge and work together to take the Company to newer heights. Our efforts to conduct our business in cost effective manner will continue, and I look forward to another year of good performance

In spite of the liquidity crisis in the market we have not relented on expenditures on ongoing projects and our expansion plans. It was possible for us to weather this storm and withstand the adversity with continued support of our investors, bankers, creditors and the employees of the company.

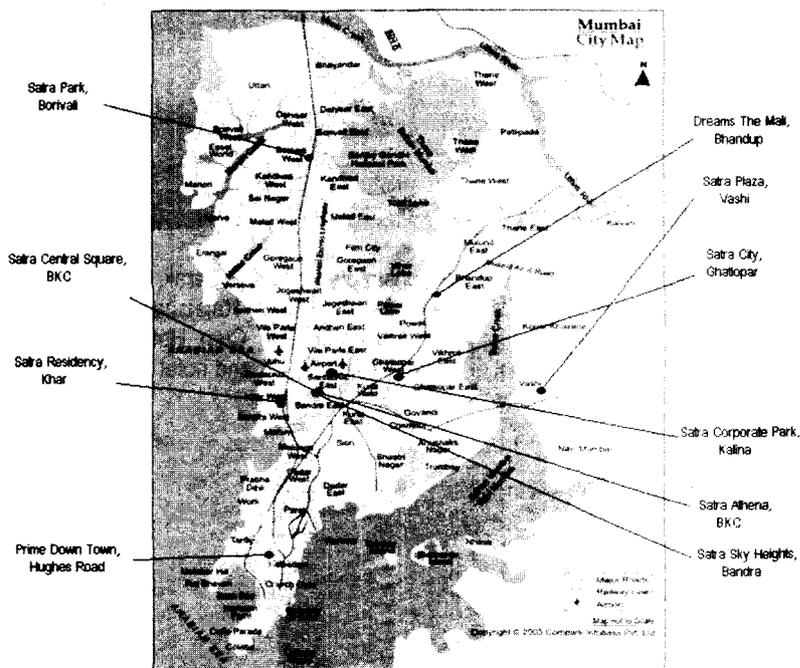
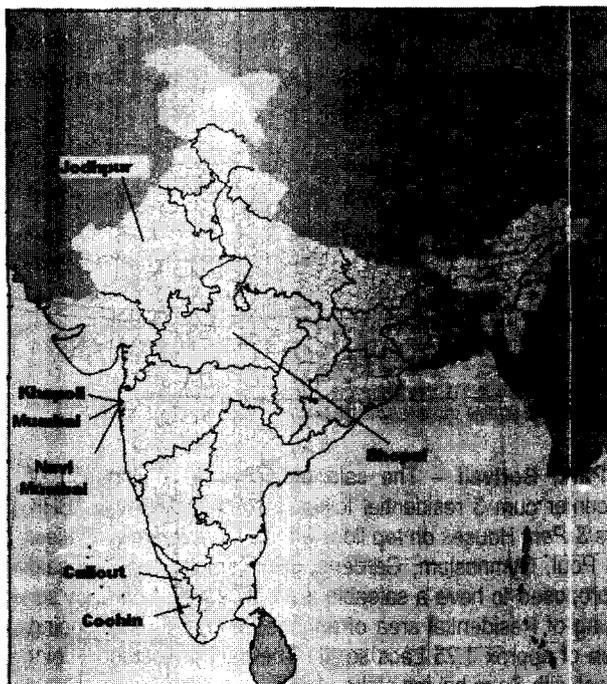
I take this opportunity to express my gratitude to various stakeholders for their wholehearted co-operation and look forward to your continued support and patronage in the future.

Warm Regards,

Praful Satra
Chairman cum Managing Director
31st July, 2009



SATRA'S PRESENCE IN INDIA – REAL ESTATE SECTOR

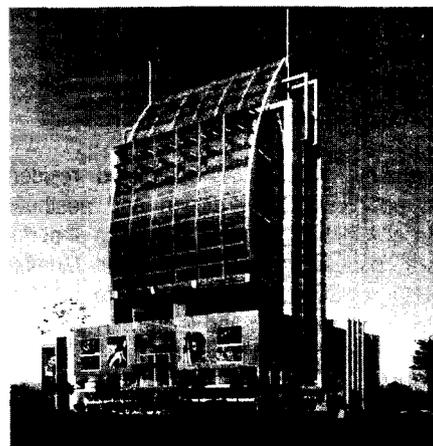


Satra Properties (India) Limited, its subsidiaries & SPV's has a bouquet of projects comprising of Malls, Residential, Commercial, Hotels & Township

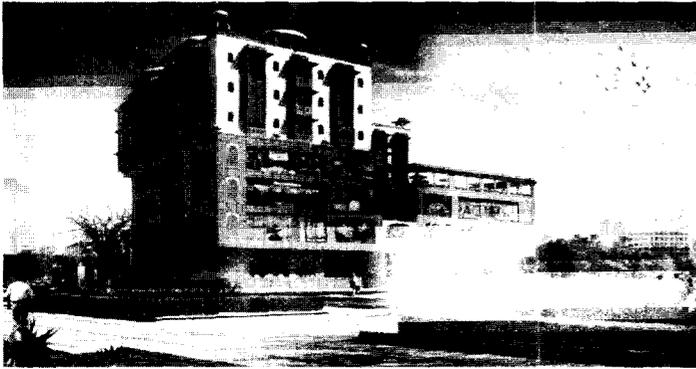
Ongoing and Completed Projects



1) **Dreams The Mall, Bhandup** - will offer an unprecedented mix of retails & entertainment, offering visitors the chance to shop at their favorite store as well as catch a movie and enjoy food court. The Mall offers frontage of 1400 ft and is comprised of approx 8.35 Lacs sq.ft. at the Junction of L.B.S. Marg and Bhandup Station. The said project is in Joint Development with other Developer.



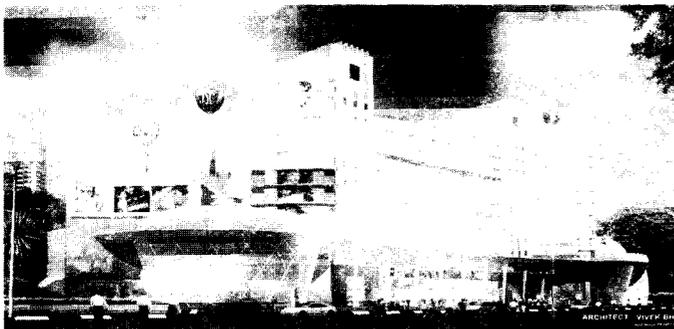
2) **Satra Galleria, Calicut** – located on Mavoor Road in Calicut, is spread over about 1 Lac sq.ft. which offers Anchor Stores, Vanilla Shops, food court, Amusement Zone. The Project includes 2 screen multiplex, which is first ever multiplex in Kerala. The Construction work is in full swing.



3) Satra Galleria, Jodhpur – to be constructed at Nayi Sarak, a prime shopping street located in the Vicinity of Jodhpur, Rajasthan. The Company has proposed to built Shopping Mall Cum Hotel comprising of shopping complex of approx 70,000 sq. ft. and hotel of approx 52,250 sq.ft. The construction work is in full swing.



4) Satra Residency, Khar - A Completed residential project combines high end technology, design and aesthetics to meet customer aspirations through superior standards of performance and service and has changed the skyline of Khar, Mumbai. The said building is of 13 storey tower with all the modern architectural design and amenities for entertainment and leisure. The project consist of apartments and Pent House with Sea View.



5) Prime Down Town, Hughes Road – It's an 50 storey residential tower that overlooks the Arabian Sea at Hughes Road, admeasuring 5,64,000 sq.ft. approximately that offers single flat on each floor, with various amenities like gymnasium, aerobic centre, yoga room, Jacuzzi & so on. The said project is in joint development with Satra's share being of approx. 1,69,200 Sq. ft.



6) Satra Park, Borivali – The said project is a combination of shopping center cum 3 residential tower. Luxurious 2BHK & 3BHK Apartments & Pent Houses on top floor with all the modern amenities, Swimming Pool, Gymnasium, Gardens, Jain Temple, etc. The said project is proposed to have a saleable area of approx 4.65 Lacs sq. ft. comprising of Residential area of approx 3.40 sq. ft. & Shopping Center area of approx 1.25 Lacs sq. ft.. The said project is in Joint Development with Satra having stake of 65%.



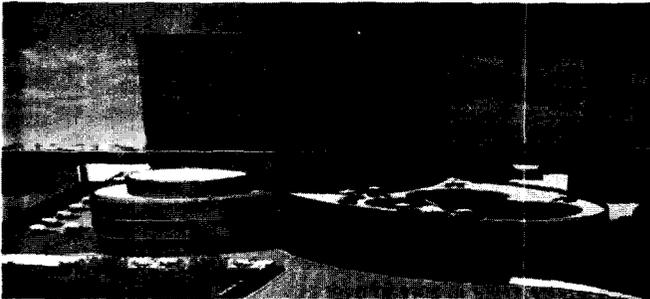
7) Satra Plaza, Vashi – is located in sector 19-D on Palm Beach Marg, the proposed Shopping Center Cum Commercial Complex Stands Strong on the pillars of innovation, operational excellence, customer centric approach & diversified talent. The proposed Shopping Center Cum Commercial Complex is spread over about 6.50 Lacs sq.ft. and offers a frontage of 650 Sq. ft. The project offers nano offices ideal for APMC Merchants and also organized markets for hardware & interior items. The RCC work of the project is nearing completion.



Future Projects:



1) **Bhopal** – The proposed township is strategically located in the vicinity of New Market Area, the Central Business District as well as high street of Bhopal. Land has been acquired from the State Government of Madhya Pradesh in Auction. The Township project is spread over 15 Acres of Land. The said project is in SPV with Satra having stake of 26%.



2) **Satra Palace, Cochin** – The project is proposed to be a 5 Star hotel situated on Bolgatty Island and is surrounded by Arabian Sea backwaters, adjacent to 100 Years old heritage structure, the Bolgatty Palace. The Company has acquired the land and the plans are approved. The hotel will have a built up area of approximately 1.64 Lacs sq.ft..



3) **Satra Corporate Park, Kalina** – one of commercial projects is proposed to be constructed in Kalina, Santacruz is in proximity to the domestic airport. The estimated saleable area is approximately 2.27 Lacs sq.ft. The project will comprise of ultra modern offices & ensuring improved indoor environment by ensuring daylight and natural view.



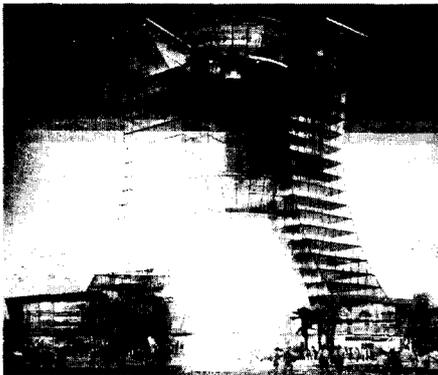
4) **Satra City, Ghatkopar** – The Project is undertaken under the SRA Scheme & will be constructed off LBS Marg, Ghatkopar. The hilly location of the project will add value and aesthetic touch to the project. The saleable area of the proposed project comprises of 6 residential towers that offers about 8.22 Lacs sq.ft. space. The project is expected to have landscaped gardens, swimming pools, and gymnasium.



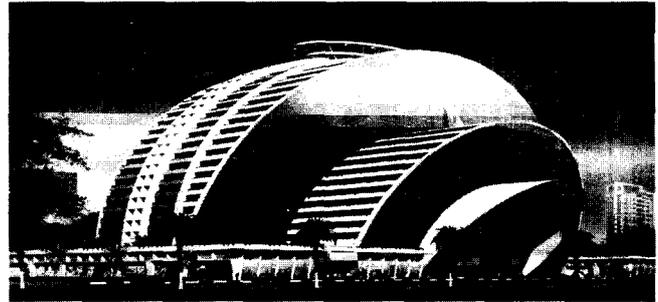
5) **Satra Springs, Khopoli** – a Township Project spread over a 68 acre layout on Mumbai – Pune Highway offering a frontage of 1 Km. The saleable area of proposed project is 28.33 Lacs sq.ft. It includes ultra luxurious lagoon villas, malls, mini golf course, temple, school and community hospital. It will offer water bodies within the complex, with green landscaping. The said project is in SPV with Satra having stake of 20%.



6) Satra Sky Heights – a Proposed Premium Project is strategically located at Bandra (W). The company plans to offer apartments, duplex & pent house with sea view from high floors. The saleable area of proposed tower is 98,691 sq.ft. approx.



7) Satra Athena, Bandra Kurla Complex – is proposed to be constructed in the heart of Bandra Kurla Complex. The project comprises of premium office blocks furnished with amenities suitable for corporate clients. The area is upcoming financial hub of Mumbai where many corporate offices of reputed companies are situated. The estimated saleable area for project is approximately 3.15 Lacs sq.ft. The said project is in SPV with Satra having stake of 17.50%



8) Satra Central Square, Bandra Kurla Complex – The estimated saleable area of the project is approximately 3.75 Lacs sq.ft. The proposed project is undertaken under the SRA scheme and will construct premium office spaces.



9) Dubai, a proposed Hi-end commercial project consisting of ground plus 9 storey tower is spread over built-up area of approx 97,000 sq. ft.

Today, your Company is in an enviable position of being the catalyst of change in Mumbai.

Disclaimer:

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



BUSINESS MODULE

Vision -

"We have dreamt of enriching the lives of our brethren by creating world class real estate solutions and redefining lifestyles standards".....

Quite aptly, we are headed towards this direction".

Our Mission defines our ethos, our goals -

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

Vitality:

- Identifying the projects at Prime Location.
- Acquiring Land Reserves at competitive prices.
- Creating the State-of-Art Projects of International Standards.
- To control the time & Cost of the project by adopting innovative techniques & Processes
- Creating a dedicated and confident work force through continual development process.
- To Develop customer Centric approach
- Strong Marketing Network.
- Majority of Projects are located at premium locations in Mumbai.



COMPANY INFORMATION

Board of Directors

Chairman cum Managing Director : Praful N. Satra
Executive Director : Rajan P. Shah
Independent Director : Vidyadhar D. Khadiikar
Independent Director : Vinayak D. Khadiikar
Independent Director : K. Jawahar Mahi

Company Secretary/ Compliance Officer : Vicky M. Kundaliya

Chief Financial Officer : Bhavesh V. Sanghavi

Auditors : B S R & Associates
Bhuta Shah & Co.

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

Registered Office : Dev Plaza, 2nd Floor,
Opp. Andheri Fire Station, S.V. Road,
Andheri (W), Mumbai – 400058. INDIA
Tel.: +91 022-2671 9999
Fax: +91 022-2620 3999
Email: info@satraproperties.in
Website: www.satraproperties.in

Registrar & Share Transfer Agent : **Adroit Corporate Services Pvt. Ltd.**
19/20, Jaferbhoy Industrial Estate,
1st Floor, Makhwana Road, Marol Naka,
Andheri (E), Mumbai – 400059.
Tel.: 022-2895 4060/6060
Fax. No.: 022-2850 3748
Email: adroit@vsnl.net



DIRECTOR'S PROFILE

1) **Mr. Praful N. Satra**, our Promoter and Chairman cum Managing Director has a total experience of over 25 years in domestic and international business which includes 9 years of experience in Real Estate Development. Mr. Praful Satra has been the visionary behind the success of our Company. He has vast experience in execution and management of a wide variety of construction and development of projects. His main activities include Identification of Land, Business Planning & Marketing. He is the chairman of Investment Committee, Borrowing Committee and Rights Issue Committee of our company

Mr. Satra holds Directorship in various Companies; Satra Buildcon Private Limited, Satra Estate Development Private Limited, Satra Lifestyles Private Limited, Satra Infrastructure & Land Developers Private Limited, Satra International Realtors Ltd., Satra Reality & Builders Limited, Satra Re-Development Company Limited, Satra Infrastructure Development Private Limited, Satra Land Development Private Limited, Satra Property Development Private Limited, Satra Retail Private Limited, Shravan Developers Private Limited, Prime Multi Tiles Trading Private Limited, Anupam Stock Broking Private Limited, BKC Developers Private Limited, Satra Novelties Private Limited, Sejal Architectural Glass Limited, C. Bhansali Developers Private Limited, Deepmala Infrastructure Pvt. Ltd., Savla Realtors & Developers Private Limited as on March 31, 2009. He is a member of the Audit Committee of Sejal Architectural Glass Limited.

Mr. Satra holds 7,94,47,500 shares of the Company in his name as on March 31, 2009.

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

Mr. Shah holds Directorship in various Companies; Alif International Private Limited, Satra Buildcon Private Limited, Satra Estate Development Private Limited, Satra Lifestyles Private Limited, Satra Infrastructure & Land Developers Private Limited, Satra Reality & Builders Limited, Satra Re-Development Company Limited, Satra Infrastructure Development Private Limited, Satra Property Development Private Limited, Shravan Developers Private Limited as on March 31, 2009.

Mr. Shah does not hold any shares of the Company in his name as on March 31, 2009.

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

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

Mr. Khadilkar does not hold any shares of the Company in his name as on March 31, 2009.

4) **Mr. K. Jawahar Mahi**, our Independent Director holds a Bachelors degree in Arts from Osmania University, Hyderabad. He is a former Indian Revenue Service (IRS) officer. He has over 9 years of experience in real estate business and corporate management. Mr. Mahi joined our Company on May 26, 2007 and is the Chairman of Shareholders' / Investors' Grievance Committee and a member of the Remuneration Committee of our Company.

Mr. K. Jawahar Mahi holds Directorship in Joy Homecreation Limited, Rosebud Project Private Limited, Joy Aman Homecreations Private Limited, Veejoy Home Private Limited and Jyot Fashions Private Limited as on March 31, 2009.

Mr. K. Jawahar Mahi does not hold any shares of the Company in his name as on March 31, 2009.

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

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

Mr. Khadilkar does not hold any shares of the Company in his name as on March 31, 2009.



NOTICE

Notice is hereby given that the Twenty-Sixth Annual General Meeting of the Members of Satra Properties (India) Limited will be held on **TUESDAY, September 29, 2009 at 5.00 P.M.** at **PRIME PARTY HALL, SHAFI MANSION, IRLA SOCIETY ROAD, VILE PARLE (WEST), MUMBAI – 400 056**, to transact the following business:

Ordinary Business:

- To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2009 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
- To appoint a Director in place of Mr. Vidyadhar D. Khadilkar, who retires by rotation, and being eligible offers himself for re-appointment.
- To appoint a Director in place of Mr. K. Jawahar Mahi, who retires by rotation, and being eligible offers himself for re-appointment.
- Appointment of Auditors

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

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

By Order of the Board of Directors

Vicky M. Kundaliya
Company Secretary
Mumbai, July 31, 2009.

Registered Office:

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

Notes:

- The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment, re-appointment as Directors under Item Nos. 2 and 3 above, are also annexed.
- A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of the limited Companies, societies, etc., must be supported by appropriate resolution/authority, as applicable.
 - The Register of Members and Transfer Books of the Company will be closed from September 22, 2009 to September 29, 2009 (both days inclusive).
- Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, Adroit Corporate Services Pvt. Ltd. Members holding shares in electronic form must send the advise about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agents.

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

| Particulars | Mr. K. Jawahar Mahi | Mr. Vidyadhar D. Khadilkar |
|--|---|--|
| Date of Birth | 27/09/1964 | 16/09/1958 |
| First Date of Appointment as Director | 26/05/2007 | 26/05/2007 |
| Qualifications | Bachelor in Arts | Diploma in Civil and Sanitary Engineering |
| Expertise in specific Functional Areas | Wide experience in Real Estate business | Wide experience in Engineering field. |
| Directorships held in other Public Companies (excluding foreign companies and section 25 companies) | • Joy Homecreation Ltd. | • Satra Property Developers Pvt. Ltd. |
| Memberships/Chairmanships of committees of other Public companies (includes only Audit Committee and Shareholders/Investors Grievance Committee) | NIL | Audit Committee Chairman • Satra Property Developers Pvt. Ltd. |
| Number of Shares held in the Company | NIL | NIL |



DIRECTORS' REPORT

To
The Members,
SATRA PROPERTIES (INDIA) LIMITED

Your Directors are pleased to present the 26th Annual Report and the Audited Accounts for the Financial Year ended March 31, 2009.

1) Financial Highlights

The Financial Performance of the Company for the Financial Year ended March 31, 2009 is summarized below:

(Rs. In Lacs)

| FINANCIAL RESULTS | | |
|---|-----------------|-----------------|
| Particulars | Current Year | Previous Year |
| Profit / (Loss) before taxation | 493.35 | 5,590.08 |
| Less: Provision for Taxation | | |
| Current | 509.91 | 1,883.38 |
| Earlier | 12.46 | (53.39) |
| Deferred | (201.55) | (14.51) |
| Fringe Benefit Tax | | |
| Current | 4.39 | ----- |
| Earlier Years Taxation | 0.51 | 1.38 |
| Net Profit After Taxation | 167.63 | 3,773.22 |
| Add : Profit b/f from Previous years | 2,672.17 | 574.08 |
| Add : Transferred on Amalgamation | ----- | 189.92 |
| Profits available for Appropriation | 2,839.80 | 4,537.22 |
| Less: Appropriation | | |
| Transferred to General Reserve | ----- | 1,500.00 |
| Dividend on Preference Shares | 59.20 | 127.48 |
| Tax on Dividend on Preference Shares | 10.06 | 21.67 |
| Dividend on Equity Shares | ----- | 155.36 |
| Tax on Dividend on Equity Shares / credit availed | (24.82) | 26.40 |
| On dividend distribution tax paid by subsidiary | | |
| Interim Dividend paid on Equity Shares | ----- | 29.19 |
| Tax on Interim Dividend paid on Equity Shares | ----- | 4.96 |
| Balance Profit c/f to Balance Sheet | 2795.80 | 2,672.16 |

2) Operations :-

The year 2008-09 witnessed the overall recession in the economy, particularly in the real estate industry, which created an adverse impact on the revenues. To continue the operations of various projects your Company had to depend upon borrowed funds which resulted in higher finance cost and thereby squeezing the profit margin of the Company. As a result the turnover of the Company has decreased from Rs. 194.23 Crores to Rs. 105.88 Crores and Net Profit After Tax reduced from Rs. 37.73 Crores to Rs. 1.67 Crores.

Due to subdued demand in various segments of real estate in particular commercial projects, your Directors were of the view to change the scope of few projects from Shopping Mall to residential premises so as to develop marketable product and thereby increase the future profitability of the Company.



Status of the various Projects as on March 31, 2009:

a. Satra Residency, Khar:

The 13 storey residential project is successfully completed and possession is given.

b. Satra Plaza, Vashi:

Pursuing to the market trends of real estate industry, we have planned to change the scope of the project from "Shopping Mall cum Office Complex" to "Shops cum Office Complex". However plans for development of commercial project remain unchanged and the construction work of the project is in the full swing and the RCC work of the said project is completed up to 90%.

c. Satra Galleria, Calicut:

The project is the combination of Mall and Hotel. The construction work of the said project is in full swing & the RCC work of the said project is completed up to 78%.

d. Residential Project, Hughes Road:

The proposed residential project is a joint venture project. The RCC Work as per the approved plan is completed and approvals for further FSI is awaited.

e. Satra Galleria, Jodhpur:

Pursuing to the market trends of real estate industry, we have planned to change the scope of the project from "Shopping Mall " to "Shopping Mall cum Hotel". The construction work upto plinth level is completed and further construction activity is in progress.

f. Residential cum Commercial Project, Borivali:

In view of the present economic scenario, your Company has planned to change the scope of project from "Shopping Mall" to "Shopping Complex cum Residential building". The project is the combination of commercial complex cum 3 residential towers consisting 16 storeys each. The construction work of commercial complex is more than 75% completed and the proposed residential activity will commence once the plans are approved.

3) Transfer to Reserves:

In view of the inadequate profits for the year under review, the Board of Directors of your Company has not appropriated any amount from profit & Loss Account to General Reserves.

4) Dividend:

During the year under review, the Company has earned Net Profit after Tax of Rs. 1.67 Crores as compared to Rs. 37.73 Crores for the previous year. In the absence of adequate profits, your directors have not recommended any Preference Dividend and Equity dividend the financial year 2008-2009. However, the amount of Preference Dividend has been appropriated from the current profits of the Company.

5) (A) Acquired Interest in Wholly Owned Foreign Subsidiary :-

During the year under review, your Company has acquired Interest, through subscription, in Wholly Owned Subsidiary Company, incorporated in Dubai, named as "Satra International Realtors Limited" with the main object of investing and developing Real Estate, buying shares and stocks in UAE Companies and world wide and to own properties in Emaar, Nakheel or any properties as approved by JAFZA. The said Company has acquired plot of land which is proposed to be developed for Commercial Offices with Modern and Hi end amenities and shall consist of ground plus 9 floors.

(B) Rights Issue :-

During the year under review, the Directors of the Company has recommended the Rights issue and constituted a Rights Issue Committee. Further, the Board of Directors has decided to defer the Rights Issue till the market sentiment improves.

(C) Investment & Disinvestment in a Partnership Firm.

During the year under review, your Company had invested in a Partnership Firm for the development of Slum Project. However as the project execution could not be started as planned, your Company decided to disinvest from the said firm.

The audited Consolidated Financial Statements based on the financial statements received from subsidiary companies, as approved by their respective board of directors, have been prepared in accordance with the Accounting Standard – 21 – "Consolidated Financial Statements" and Accounting Standard – 23 – "Accounting for Investment in Associates", notified under Section 211 (3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006, as applicable.



As required under Section 212 of the Companies Act, 1956, the Audited Balance Sheets as on March 31, 2009 and Profit & Loss Account for the Financial Year ended March 31, 2009 along with the reports of the Auditors and Directors thereon of Satra Property Developers Private Limited, Satra Infrastructure & Land Developers Private Limited, Satra Estate Development Private Limited, Satra Buildcon Private Limited, Satra Lifestyles Private Limited and Satra International Realtors Limited (prepared as per Indian GAAP) are annexed and form part of this Annual Report.

6) Reconstitution of the Committees:

Pursuant to the resignation tendered by some of the Directors during the year under review, the Board of Directors reconstituted the Board and Committees as follows:

(A) Board of Directors

| Sr. No. | Names of Directors | Designation |
|---------|----------------------------|--------------------------------|
| 1 | Mr. Praful N. Satra | Chairman cum Managing Director |
| 2 | Mr. Rajan P. Shah | Executive Director |
| 3 | Mr. Vidyadhar D. Khadilkar | Independent Director |
| 4 | Mr. K. Jawahar Mahi | Independent Director |
| 5 | Mr. Vinayak D. Khadilkar | Independent Director |

(B) Audit Committee

| Sr. No. | Names of Members | Designation |
|---------|----------------------------|-------------|
| 1 | Mr. Vinayak D. Khadilkar | Chairman |
| 2 | Mr. Vidyadhar D. Khadilkar | Member |
| 3 | Mr. Rajan P. Shah | Member |

(C) Shareholders Grievance Committee

| Sr. No. | Names of Members | Designation |
|---------|----------------------------|-------------|
| 1 | Mr. K. Jawahar Mahi | Chairman |
| 2 | Mr. Vidyadhar D. Khadilkar | Member |
| 3 | Mr. Rajan P. Shah | Member |

(D) Remuneration Committee

| Sr. No. | Names of Members | Designation |
|---------|----------------------------|-------------|
| 1 | Mr. Vidyadhar D. Khadilkar | Chairman |
| 2 | Mr. Vinayak D. Khadilkar | Member |
| 3 | Mr. K. Jawahar Mahi | Member |

(E) Investment Committee

| Sr. No. | Names of Members | Designation |
|---------|-----------------------|-------------|
| 1 | Mr. Praful Satra | Chairman |
| 2 | Mr. Rajan Shah | Member |
| 3 | Mr. Vinayak Khadilkar | Member |

(F) Borrowing Committee

| Sr. No. | Names of Members | Designation |
|---------|----------------------------|-------------|
| 1 | Mr. Praful Satra | Chairman |
| 2 | Mr. Rajan Shah | Member |
| 3 | Mr. Vidyadhar D. Khadilkar | Member |

(G) Rights Issue Committee

| Sr. No. | Names of Members | Designation |
|---------|----------------------------|-------------|
| 1 | Mr. Praful Satra | Chairman |
| 2 | Mr. Rajan Shah | Member |
| 3 | Mr. Vidyadhar D. Khadilkar | Member |



7) Directors :-

During the year under review, Mrs. Minaxi P. Satra, Chairperson cum Non-Executive Director and Mr. Pisupati Subrahmanyam, Independent and Non-Executive Director has resigned. Further, during the year under review, Dr. Vijay N. Satra, Executive Director has resigned and the Board of Directors has accepted the resignation.

Mr. Vidyadhar D. Khadiikar, Independent Director and Mr. Jawahar Mahi, Independent Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

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

8) Fixed Deposits:

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

9) Insurance:

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

10) Directors Responsibility Statement:

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

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures except in case of Borivali project wherein the Management perception has been explained elsewhere in Report.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the annual accounts on a going concern basis.

11) Corporate Governance and Management Discussion and Analysis Statement:-

A report on Corporate Governance is attached to this Report as also a Management Discussion and Analysis Statement.

12) Auditors Report:

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

1. The Auditors remark regarding the Borivali project wherein construction cost arising out of significant change in structural plan of the project have been provided in work in progress instead of charging to Profit and loss Account. The Management is of the view that during the year under review, the Company has changed the structural plan of the Borivali Project from Commercial complex to Commercial cum residential complex to improve the overall profitability of the project. As a result, in order to facilitate the construction as per revised plan, certain existing structures at the site have been demolished subsequent to the year end. Management has revised its estimated cost to complete the revised commercial cum residential project and believes that the overall margins of the revised project will be adequate to recover the construction cost of demolished area. Hence, the construction cost of demolished area continues to be included in the construction work-in-progress and has not been charged to the Profit and Loss Account during the year.
2. The Auditors remark regarding non-payment of undisputed statutory dues more than six months wherein the Company has not paid statutory dues relating to Sales Tax of Rs. 1,44,000/- and Income Tax of Rs. 17,84,77,466/-. The Management have to state that



during the year under review there was an overall recession in the economy and the Real Estate Industry in particular. This affected the overall performance in terms of generating fresh sales, completing the projects as per the scheduled time and liquidation of Debtors in time and hence your Company could not pay some of its statutory dues in time. However the Management has taken effective steps to liquidate its debtors and your Company is confident to meet its statutory liabilities very soon.

3. The Auditors remark regarding defaults in certain cases wherein Company has defaulted in repayment of dues to its bankers and financial institutions, the Management have to state that during the year under review there was an overall recession in the economy and Real Estate Industry in particular. In view of the recession, Reserve Bank of India had announced various policies for restructuring/ rephasing of loans by Banks / Financial Institution. Accordingly applications for re-schedulement of various project loans were pending with the various Banks / Financial Institution as on 31st March, 2009 and the same were accepted by the concern Banks / Financial Institutions. Out of the said Banks, Syndicate Bank and Indian Bank approved the re-schedulement of the Project Finance on 30th June, 2009. However as on date, your Company has started making payments and based on the revised sanction has cleared all the dues outstanding as on 31st March, 2009. The Management is confident that it will clear all the total outstanding dues very soon.

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

13) Auditors:

The Company's Auditors, M/s. B S R & Associates, Chartered Accountants, and M/s. Bhuta Shah & Co., Chartered Accountants, retire at the conclusion of the forthcoming 26th Annual General Meeting and are eligible for re-appointment. The retiring auditors have furnished a Certificate of their eligibility for re-appointment under section 224(1)(B) of the Companies Act, 1956 and have indicated their willingness for re-appointment.

Pursuant to the recommendation of the Audit Committee at their meeting held on July 31, 2009 for re-appointment of M/s. B S R & Associates and M/s. Bhuta Shah & Co., as the Statutory Auditors of the Company for the Financial Year 2009-10 to hold office till the conclusion of next Annual General Meeting of the Company, the Board of Directors have, at their meeting held on July 31, 2009 approved re-appointment of M/s. B S R & Associates and M/s. Bhuta Shah & Co., as the Statutory Auditors of the Company for the Financial Year 2009-10 to hold office till the conclusion of the next Annual General Meeting of the Company. However, their re-appointment is subject to the approval of the Shareholders of the Company at the forthcoming Annual General Meeting of the Company.

14) Personnel:

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

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

15) Particulars of Conservation of Energy, Technology Absorption and Foreign Earning and Outgo:

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

16) Appreciation:

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

For and on behalf of the Board of Directors

Praful N. Satra
Chairman and Managing Director
Mumbai, July 31, 2009



Management Discussion & Analysis Statement

Industry Structure & Development:

Global Economy

The Year 2008-2009 witnessed the recession in the overall global economy and real estate sector in particular. The world has witnessed the worst ever recession during the year, perhaps the worst then the great depression of the 30's. The last quarter of the year saw a series of events that terminated in the collapse of several venerable financial institutions in the U.S. and elsewhere. The reverberations were felt around the world, with the real estate being the worst hit. Governments of various countries have come out of maximum stimulus packages to pushen the impact of recession and absorb some of the losses. Some of the economist feel that the worst is not over and the slow down is likely to take the further toll on the world economies, while some are positive that the revival is not too far away.

Indian economy:

While India has not witnessed the kind of major turmoil in the advanced economies, it has certainly being impacted adversely. The major followed of the recession in the developed countries has been its impact on the inflow of capital to emerging nations including India which started drying off and resulting in net outflow of capital. Industries and Services sectors were denied the required funding for not only growth but even for their day to day operations. The worst hit industries is Real Estate and Construction, IT/ITES sector, Traditional Exports of Diamonds, Textiles etc., The positive and timely measures initiated by Government and RBI have resulted in controlling inflations well above expectations. It is widely accepted that India is in a much better position than many other economies to achieve an early and fast recovery.

Real Estate Sector:

The sub-prime crisis which surpassed in the US early on which considered the forerunner of the economic recession in that country. It soon engulfed the entire global economy. The real estate sector, thus was the first casualty in the global meltdown, the defaults in payments coupled with the sharp fall in the property prices resulted in the crash in the market. Funding by the banking system into this sector dried up totally. There has been subdued demand as a result of which the activity has come to a standstill in many countries which consequently eroded customer sentiments deeply. It is widely believed that the recovery of global real estate sector will take longer to recover than the global economy.

As the IT / ITES Sector has been the mainstay of the demand for the office space for the last few years, the crisis in the world economy too fizz out of the booming real estate sector. These down turn combined with the high interest costs brought the sector to the brink across the country. Considering the present economic conditions buyers are deferring their decisions to acquire the property and are more likely to invest once the economy recovers and investor's confidence is restored. Judging from the pronouncements made by the governments from time to time, we can expect more positive and concrete fiscal steps which will result in providing the required support to the Real Estate Sector for an early recovery.

Opportunities:

Most studies are unanimous that there is a short fall of around 30 millions dwelling units in the country. However more than 90% of these would be at a price range that very few private developers have really looked at – budgets of between Rs. 10 lacs to Rs.15 lacs. With the melt down, more developers have started looking up in this segment to do for housing – "NANO HOUSE", which can be brought within the reach of the common man.

We being Mumbai Centric Company with renewed focus on residential segment, great opportunities lies in the segment as there is tremendous demand for affordable and luxurious apartments due to mushroomed growth of population in Mumbai and Suburban areas. Further, Mumbai offers scope for redevelopment and Slum Rehabilitation projects.

The focus of the Government to undertake turnkey and infrastructure projects through Public Private Partnership (PPP) would result in huge opportunities in development of basic amenities like water, sanitation, sewerage and transportation.

With the Government considering the introduction of REIT's and REMF's, it would bring great liquidity in the Real Estate market and in turn create lesser burden of borrowing cost and increased profitability of the Real Estate companies.



Risks and Threats:

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

Market Recession:

Your Company might encounter demand recession. To mitigate this risk, your Company has created a diverse and comprehensive portfolio spanning residential, commercial and retail properties of various sizes, location and prices. In addition, the Management has a good experience in managing land banks, putting it in a strong position to counter any downtrend.

Change in Government Policies:

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

Project Execution:

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

Human Resources:

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

Financial Resources:

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

Land Availability:

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

Calamities & Disasters:

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

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

Future Outlook:

The Country is currently excited with the prospect of a stable and aggressive government at the Centre. Inflation which has been controlled effectively and is expected to be held in check, interest rate have started moving southwards and the buyers will be attractive to borrow at cheaper rates of interest. In the long run supply will be moderated to be in line with demand and gap currently existing on account of unsold stocks is likely to be breached. New projects launched with innovate products and aggressive marketing will be the strategy for this sector. Success will depend on the ability of the enterprise to convert its land bank to projects in the shortest possible time span.

Segment-wise or Product-wise Performance:

The Company is operating in a single segment i.e. Real Estate and trading in Properties and TDR's and hence there is only one reportable segment.

Outlook:

Your Company standard of Innovations, Quality, & Trust has been established and constantly up-graded, these are clearly reflected in the projects undertaken by the Company. The Company proposes to do integrated developments on the large scale in the future.



Based on the economic outlook of the Indian Economy and Strengths and current financial performance, your company has multiple opportunities for growth and diversification across all lines of Business. Key priorities going forward includes focusing on execution for current and planned projects, building a Pan India Presence, expanding into the base of investors and retail customers and pursuing new business opportunities and achieving the highest standards of professionalism, ethics and customers service.

Your Company is optimistic about delivering superior results in future, based on experience, available land reserves, and project execution skills.

Internal Control System and their Adequacy:

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

The internal control system has been designed to ensure that the financial and other records are reliable for preparing financial data and for maintaining accountability of assets. The internal control systems are supplemented by management reviews, documents, policies, guidelines and procedures.

There exists a dynamic internal check system, which helps in improving the efficiency and effectiveness of internal control system.

Discussion on Financial Performance with respect to Operational Performance:

Profit & Loss Account:

The Total income of your Company during the year decreased by 41% from Rs. 20,717 Lacs in fiscal 2008 to Rs. 12,202 Lacs in fiscal 2009. This was primarily due to decrease of 45% in top line from Rs. 19,423 Lacs to Rs. 10,588 lacs.

Decrease in revenue from construction activities by Rs. 1,363 Lacs is mainly due to subdued demand in various segments of real estate as a result of which there is slow down in the construction activity. Even due to general negative trend in the Real Estate Sector, the Company did not trade in properties and restricted its trade in TDR to Rs. 5,369 Lacs as compared to Rs. 7,478 Lacs in the year 2008.

During the year under review, Total expenditure decreased by 23% from Rs. 15,127 Lacs in fiscal year 2008 to Rs. 11,709 Lacs in fiscal year 2009, primarily due to overall slow down in construction activities.

However, the Finance cost increased from Rs. 864 Lacs in the fiscal year 2008 to Rs. 3,314 Lacs in the fiscal year 2009 which was an increase of 283%.

The above resulted in decrease of 96% in the overall profit margins of the Company from Rs. 3,773 Lacs in fiscal year 2008 to Rs. 167 Lacs in the fiscal year 2009.

The adverse financial performance of the Company can be attributed to the following:

- Global recession during the year
- Slow down in the economic activities
- Realty Sector worst hit
- Increase in Finance cost
- Increase in Inflation
- Liquidity crisis
- Negative sentiments of Investors

Balance Sheet:

During the year under review, there is an increase in construction work in progress by 19% from Rs. 23,238 Lacs to Rs. 27,636 Lacs due to additional construction expenditure on various ongoing projects of the Company.

During the year under review, Company's Loans and advances increased by 32% from Rs. 11,929 Lacs to Rs. 15,803 Lacs due to advances given to subsidiary companies.



During the year your Company's Current Liabilities decreased by 29% from 18,464 lacs to Rs. 13,094 Lacs which was mainly due to decrease in advance booking money received against property and decrease in creditors.

During the year, Company's share capital remained same as before at Rs. 3847 lacs.

During the year, Reserves and Surplus of the Company increased by 3% from Rs. 3971 Lacs to Rs. 4094 Lacs due to marginal increase in current year's profit.

During the year, Loan funds increased by 76% from Rs. 19,102 Lacs to Rs. 33,662 Lacs, this is mainly due to additional debt which was used primarily to finance land acquisitions, construction and related expenses of the ongoing and new projects and investing in subsidiary and associate companies.

In spite of adverse market conditions across the globe, your Company has a positive bottom line.

Human Resources:

Our people are most important asset and we value their talent, integrity and dedication. We offer a highly entrepreneurial culture with a team based approach that we believe encourage growth and motivate our employees. We have been successful in attracting and retaining key professionals and intent to continue to seek fresh talent to further enhance and grow our business.

The staff strength of our Company comprises of professionals possessing qualifications and experience in the field of engineering, finance, law and business management which has decreased from 52 in the fiscal year 2008 to 46 in the fiscal year 2009.

The Company is in the process of recruiting more professionals and experienced personnel.

Information Technology:

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

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

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

Cautionary Statement:

Statement in the Management Discussion and Analysis Report detailing the Company's objective, projections, estimates, expectations or predictions may be forward-looking statements within the meaning applicable securities, laws and regulations. These statements being based on certain assumptions and expectation of future events, actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions, finished goods prices, change in government regulations and tax regime etc. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of subsequent development, information or event.



REPORT ON CORPORATE GOVERNANCE:

Corporate Governance is a systematic process by which organization is directed, administered, managed and controlled. It is a process to manage the business affairs of the Company towards enhancing business prosperity and accountability with the objective of realizing long term shareholder value, while taking into account the interests of the other stakeholders. In this dynamic environment, shareholders across the globe evince keen interest in the performance of the companies and thus good corporate governance is of paramount importance for companies seeking to distinguish themselves in the global footprint.

The equity shares of the Company are listed and admitted to dealings on the Bombay Stock Exchange Limited (BSE). Pursuant to the provisions of the revised Clause 49 of the Listing Agreement, a report on Corporate Governance for the financial year ended March 31, 2009, is furnished below:

1. Philosophy of Company on Corporate Governance:-

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

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

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

2. Board of Directors:

• Composition:

The Company believes that an active, well informed, and independent Board of Directors is vital to achieve the apex standard of corporate governance. The Board of Directors of the Company of an optimal combination of executive, non-executive and independent directors so to preserve and maintain the independence of the Board and **Composition as on 31st March, 2009** is as follows:

| Particulars | Composition of the Board | | Minimum Requirement as per Clause 49 |
|---------------------------------------|--------------------------|----------------------|--------------------------------------|
| | No. of Directors | % of Total Directors | |
| Non-Executive & Independent Directors | 3 | 60.00 | 50% |
| Executive Directors | 2 | 40.00 | - |
| Total | 5 | 100.00 | |

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



The attendance of Directors at the Board Meetings (BM) held during the financial year under review and at the last Annual General Meeting (AGM), number of directorships, memberships and chairmanships in other public companies is as follows:

| Name | Category | Attendance at Board Meetings held during F.Y. 2008-09. | | Attendance at last AGM held on 29.09.08 | Number of Other Directorship - # | Other Committee positions in Public Ltd Co's. - \$ | |
|--|------------------|--|----------|---|----------------------------------|--|----------|
| | | Held | Attended | | | Member | Chairman |
| Mr. Praful N. Satra - ** (Chairman cum Managing Director w.e.f. 20.03.09) (Executive Director) | Non- Independent | 7 | 7 | Yes | 9 | 1 | NIL |
| Mr. Rajan P. Shah (Executive Director) | Non- Independent | 7 | 6 | Yes | 6 | 1 | NIL |
| Mr. Vinayak D. Khadilkar – (Non-Executive Director) | Independent | 7 | 7 | Yes | NIL | NIL | NIL |
| Mr. K. Jawahar Mahi – (Non-Executive Director) | Independent | 7 | 4 | Yes | 1 | NIL | NIL |
| Mr. Vidyadhar D. Khadilkar (Non-Executive Director) | Independent | 7 | 7 | Yes | 1 | NIL | 1 |
| Mrs. Minaxi P. Satra - ** (Chairperson and Non-Executive Director) (Resigned w.e.f. 10.03.09) | Non-Independent | 6* | 6 | Yes | 7 | NIL | NIL |
| Dr. Vijay N. Satra - ** (Executive Director) (Resigned w.e.f. 20.03.09) | Non Independent | 6* | 5 | Yes | NIL | NIL | NIL |
| Mr. Pisupati Subrahmanyam - ** (Non-Executive Director) (Resigned w.e.f. 10.03.09) | Independent | 6* | 6 | Yes | 4 | 2 | NIL |

- The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

** - Dr. Vijay N. Satra, Executive Director's resignation was accepted by the Board of Directors w.e.f. 20.03.2009.

Mrs. Minaxi P. Satra, Chairperson and Non-Executive Director and Mr. Pisupati Subrahmanyam, Independent and Non-Executive Director resigned w.e.f. 10.03.2009. Mr. Praful N. Satra, Managing Director was appointed as Chairman cum Managing Director w.e.f. 20.03.2009.

\$ - In accordance with clause 49, Memberships / Chairmanships of only the Audit Committees & Shareholders / Investors Grievance Committees of all public limited companies (including private limited companies which is subsidiary of the public limited companies) have been considered.

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

Mr. Praful N. Satra, Mrs. Minaxi P. Satra and Dr. Vijay N. Satra, Directors are related with each other (inter-se) during the year.

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

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



- **Board Meetings:**

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

- ✓ April 14, 2008,
- ✓ April 26, 2008,
- ✓ July 31, 2008,
- ✓ August 29, 2008,
- ✓ October 27, 2008,
- ✓ January 31, 2009,
- ✓ March 20, 2009

The Board of Directors has not passed any Resolution through Circular Resolution during the financial year under review.

The Twenty-Fifth Annual General meeting was held on September 29, 2008.

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

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

In the preparation of the annual accounts, the applicable accounting standards have been followed and there is no significant material departure.

3. Audit Committee

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

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

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

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

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

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



Satra Properties (India) Limited

• Composition

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

The Audit Committee comprises of the following Directors as on 31st March, 2009, two-thirds of whom are Independent Directors:

| Name of Directors | Tenure | | Position | Category |
|----------------------------|------------|------------|----------|--------------------------------------|
| | From | To | | |
| Mr. Vinayak D. Khadilkar | May 26, 07 | - | Chairman | Non-Executive & Independent Director |
| Mr. K. Jawahar Mahi | May 26, 07 | Aug 29, 08 | Member | Non-Executive & Independent Director |
| Dr. Vijay N. Satra | Oct 31, 07 | Mar 20, 09 | Member | Executive Director |
| Mr. Vidyadhar D. Khadilkar | Aug 29, 08 | - | Member | Non-Executive & Independent Director |
| Mr. Rajan P. Shah | Mar 20, 09 | - | Member | Executive Director |

All the Members of Audit Committee are financially literate and have relevant accounting and financial management expertise as required under Clause 49 of the Listing agreement. The Company Secretary acts as the Secretary to the Audit Committee.

• Meetings and Attendance during the year

The Audit Committee met five times during the Financial Year 2008-2009. The gap between two meetings did not exceed four months. The details of attendance of the Members and Secretary at these Meetings are as follows:

| Name | Attendance at the Meeting held on | | | | |
|--|-----------------------------------|------------|------------|------------|------------|
| | 26.04.2008 | 31.07.2008 | 25.08.2008 | 27.10.2008 | 31.01.2009 |
| Mr. Vinayak D. Khadilkar | Yes | Yes | Yes | Yes | Yes |
| Mr. K. Jawahar Mahi (Resigned w.e.f. August 29, 2008) | Yes | Yes | Yes | N.A. | N.A. |
| Dr. Vijay N. Satra | No | Yes | Yes | Yes | Yes |
| Mr. Vidyadhar D. Khadilkar (Appointed w.e.f. August 29, 2008) | N.A. | N.A. | N.A. | Yes | Yes |
| Mr. Vicky M. Kundaliya | Yes | Yes | Yes | Yes | Yes |

Note: The Audit Committee was reconstituted in the Board Meeting held on August 29, 2008, by appointing Mr. Vidyadhar D. Khadilkar, in place of Mr. K. Jawahar Mahi as Member of the Audit Committee. The Audit Committee was again reconstituted in the Board Meeting held on March 20, 2009, by appointing Mr. Rajan P. Shah, in place of Dr. Vijay N. Satra as Member of the Audit Committee.

The Chairman of the Audit Committee was present at 25th Annual General Meeting held on September 29, 2008.

4. Subsidiaries

During the year under review, your Company has acquired interest by incorporating a Wholly Owned Subsidiary Company in Dubai, namely Satra International Realtors Limited.

Mr. Vidyadhar D. Khadilkar, Independent Director is appointed as Director in Satra Property Developers Private Limited, a material non listed Indian Wholly Owned Subsidiary Company, as required by provision of the listing agreement.

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



5. Remuneration Committee

Brief description of terms of reference:

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

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

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

The Remuneration / Compensation Committee of the Company is constituted in conformity with the Clause 49 of the Listing Agreement read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

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

| Name of Directors | From | Position | Category |
|----------------------------|------------|----------|--------------------------------------|
| Mr. Vidyadhar D. Khadilkar | May 26, 07 | Chairman | Non Executive & Independent Director |
| Mr. Vinayak D. Khadilkar | May 26, 07 | Member | Non Executive & Independent Director |
| Mr. K. Jawahar Mahi | May 26, 07 | Member | Non Executive & Independent Director |

- **Meetings and Attendance during the year**

During the financial year under review, the Remuneration / Compensation Committee did not meet.

The Chairman of the Remuneration Committee was present at the 25th Annual General Meeting of the Company held on September 29, 2008.

- **Remuneration Policy**

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

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



a. Details of remuneration paid to Managing & Executive Directors during the year 2008-2009 is given below:

(Amount in Rs.)

| Particulars | Mr. Praful N. Satra | Mr. Rajan P. Shah | Dr. Vijay N. Satra (resigned w.e.f. March 20, 2009) |
|--------------|---------------------|--------------------|---|
| Salary | 24,00,000/- | 12,00,000/- | 11,00,000/- |
| Perquisites | NIL | NIL | NIL |
| Commission | 2,61,264/- | NIL | NIL |
| Total | 26,61,264/- | 12,00,000/- | 11,00,000/- |

- Commission is determined on the basis of the Net Profits of the Company for the particular Financial year, subject to the ceiling as stipulated in Sections 198 & 309 of the Companies Act, 1956.
- Commission payable to Managing Director is subject to approval of the Audited Annual Accounts for the Financial Year 2008-2009 by the members at the 26th Annual General Meeting.
- Appointment, terms, conditions and payment of remuneration to the Managing Director / Whole time Director / Executive is governed by the resolutions passed by the Remuneration / Compensation Committee, Board of Directors and Members of the Company, where necessary. The remuneration structure comprises salary, incentive allowances, perquisites and allowance, contribution to provident fund and superannuation, as per the Company's policy.
- The Company does not have any Employee Stock Option Scheme.
- The Company has entered into one pecuniary transaction with one of its Non-Executive Director for sale of shop in one of its project and has received an advance against the same. Since the transaction is not material, the said transaction does not affect the independence of the Director of the Company.

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

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

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

c. Details of sitting fees paid to the Non-Executive Directors for the financial year 2008-2009.

| Name of Directors | (Amt. in Rs.) Sitting Fees |
|----------------------------|-------------------------------|
| Mrs. Minaxi P. Satra | 90,000 |
| Mr. Vidyadhar D. Khadilkar | 1,90,000 |
| Mr. Vinayak D. Khadilkar | 1,75,000 |
| Mr. K Jawahar Mahi | 1,45,000 |
| Mr. Pisupati Subrahmanyam | 90,000 |

6. Shareholders Grievance Committee

I. Constitution and Terms of Reference of the Committee:

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



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

| Name | From | To | Position | Category |
|----------------------------|------------|----|-----------|--|
| Mr. K. Jawahar Mahi | May 26, 07 | - | Chairman | Non Executive & Independent Director |
| Mr. Vidyadhar D. Khadilkar | May 26, 07 | - | Member | Non Executive & Independent Director |
| Mr. Rajan P. Shah | May 26, 07 | - | Member | Executive Director |
| Mr. Vicky M. Kundaliya | May 26, 07 | - | Secretary | Company Secretary & Compliance Officer |

II. Name and Designation of Compliance officer:

Mr. Vicky M. Kundaliya – Company Secretary is the Compliance Officer of the Company.

III. Shareholders Complaints:

| Nature of Complaints | Received | Cleared | Pending |
|--|-----------|-----------|------------|
| Non receipt of Share Certificates duly transferred | 3 | 3 | NIL |
| Non receipt of Dividend Warrants | 5 | 5 | NIL |
| Non-receipt of Annual Report | 3 | 3 | NIL |
| Letters from SEBI | NIL | NIL | NIL |
| Letters from Stock Exchanges | 3 | 3 | NIL |
| Correspondence construed as Complaint | NIL | NIL | NIL |
| Total | 14 | 14 | NIL |

IV. Meetings and attendance during the year:

During the financial year under review, the Shareholders'/Investors' Grievances Committee met Four times, i.e. on April 26, 2008, July 31, 2008, October, 27, 2008 and January 31, 2009. All the Members of the said Committee attended all the Committee meetings.

7. General Body Meetings:

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

| Financial Year | AGM No. | Venue | Day and Date | Time |
|----------------|------------------|--|---------------------------|-----------|
| 2007-08 | 25 th | Prime Party Hall, Shafi Mansion, Irla Society Road, Vile Parle (W), Mumbai – 400056. | Monday, September 29, 08 | 5.00 P.M. |
| 2006-07 | 24 th | | Tuesday, September 11, 07 | 5.00 P.M. |
| 2005-06 | 23 rd | | Monday, June 12, 06 | 4.00 P.M. |

b) Special Resolutions passed at the last three AGMs:

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

At the 25th AGM held on September 29, 2008

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

At the 24th AGM held on September 11, 2007

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

At the 23rd AGM held on June 12, 2006

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



c) Passing of Resolutions by Postal Ballot:

Pursuant to Section 192A of the Companies Act, 1956 and Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the Company has passed the Resolutions through Postal Ballot as per the details mentioned below:

| Date of Report by the Scrutinizer | Date of Declaration of Results / Date of Approval of Members | Name of the Scrutinizer | Resolution passed through Postal Ballot |
|-----------------------------------|--|---|---|
| June 19, 08 | June 19, 08 | Mr. Hemanshu L. Kapadia of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries | 1. To invest in Satra Properties Limited (proposed) or any other name as may be approved by concerned authorities, the proposed Wholly Owned Subsidiary Company to be incorporated in Dubai in excess of the limits prescribed in Section 372A of the Companies Act, 1956. – Special Resolution 2. To invest in Satra Property Development Private Limited in excess of the limits prescribed in Section 372A of the Companies Act, 1956. – Special Resolution 3. To appoint Dr. Vijay N. Satra, as Whole-Time Director of the Company. – Special Resolution |
| January 13, 09 | January 14, 09 | Mr. Hemanshu L. Kapadia of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries | 1. To accord Power to the Board of Directors to sell, lease or dispose of the whole or substantially the whole of the Undertaking as prescribed under Section 293(1)(a) of the Companies Act, 1956. – Ordinary Resolution |

| Date of Resolution | No. of Resolution | No. of Votes | | | % of Votes | | |
|--------------------|-------------------|--------------|---------|----------|------------|---------|---------|
| | | In Favour | Against | Invalid | In Favour | Against | Invalid |
| 19.06.08 | 01 | 12,21,16,045 | 1,855 | 2,01,891 | 99.8323 | 0.0016 | 0.1651 |
| | 02 | 12,21,15,810 | 2,075 | 2,01,906 | 99.8322 | 0.0017 | 0.1651 |
| | 03 | 12,21,14,445 | 2,225 | 2,03,121 | 99.8310 | 0.0019 | 0.1661 |
| 14.01.09 | 01 | 13,17,86,599 | 7,290 | 1,999 | 99.9930 | 0.0055 | 0.0015 |

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed for the Postal Ballot conducted during the year for the resolutions mentioned above. The results of the Postal Ballot were announced by the Chairperson of the Company at the Registered Office of the Company. Thus, all the aforesaid Resolutions have been passed by overwhelming majority of members who cast their vote. Resolutions, if required, shall be passed by Postal Ballot during the financial year 2009-2010, as per the prescribed procedure.



8. Disclosures:

- a. **Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**
During the year under review, there was no materially significant related party transactions with the Promoters, Directors, etc. that may have potential conflict with the interests of the Company at large.
- b. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years:**
There has been no non-compliance of any legal requirements nor have there been any strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.
- c. **Whistle Blower policy and affirmation that no personnel has been denied access to the audit Committee:**
The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. However, a formal Whistle Blower policy is not in place.
- d. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the clause:**
The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges. Compliance/Non- Compliance of the non- mandatory requirements of this clause has been detailed hereof.

9. Means of Communication:

- I. **Quarterly / Half Yearly / Annual results:**
Quarterly / Half Yearly / Annual results are regularly submitted to the Stock Exchanges where the securities of the Company are listed pursuant to the provisions of the Listing agreement and are published in the newspapers. The Company has also displayed the results as specified under Clause 41 of the Listing Agreement on the Company's website www.satraproperties.in
- II. **Newspapers wherein results are normally published:**
Free Press Journal (English) and Navshakti (Marathi, the regional language).
- III. **Any Website, where displayed and whether Website also displays official news releases:**
The Company has its Official Website namely www.satraproperties.in, which is providing all the project related and general information about the Company. The Company is regular in submitting all the relevant information with the BSE. To have an easy access to all such information by the Shareholders/Investors, etc., the Company has made arrangements by making direct link from the Company's website to BSE website with company's code, so that our shareholders can have latest updates submitted to the Stock Exchange.
- IV. **Whether presentations made to institutional investors or to the analysts:**
No specific presentation has been made to institutional investors or to the analysts.

10. General Shareholders Information:

1. **26th Annual General Meeting**

| | | |
|-----------|---|---|
| Day, Date | : | Tuesday, September 29, 2009 at 5 p.m. |
| Venue | : | Prime Party Hall Safi Mansion, Irla Society Road, Vile Parle (West), Mumbai – 400056. |
2. **Financial Year** : April 1, 2008 to March 31, 2009.
3. **Date of Book Closure** : The Company's Register of Members and Share Transfer Books will remain closed from September 22, 2009 to September 29, 2009 (both days inclusive).
4. **Listing on Stock Exchanges** : Bombay Stock Exchange Limited
Floor, 25, P. J. Towers,
Dalal Street, Mumbai – 01.

The Company has paid the Listing fees for the year 2009-2010 to the aforesaid Stock Exchanges.
5. **Stock Code** : Equity Shares - 508996.
Preference Shares - 700124.



Satra Properties (India) Limited

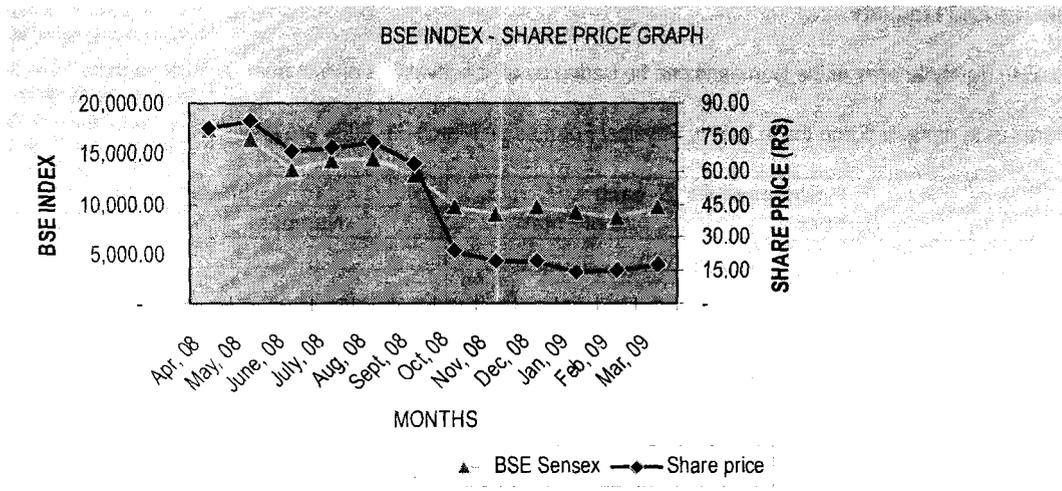
- 6. **ISIN Number** : Equity Shares - INE086E01021.
Preference Shares - INE086E04017.
- 7. **CIN Number** : L65910MH1983PLC030083.
- 8. **Registration Number** : 030083
- 9. **Market Price Data** : High, Low during each month in last financial year

The performance of the equity shares of the Company on the Bombay Stock Exchange Limited (BSE) depicting the liquidity of the Company's equity Shares for the financial year ended March 31, 2009, on the said exchange is given hereunder:

| Months | High - Rs. | Low - Rs. | Volume - Nos. |
|-----------------|------------|-----------|---------------|
| April, 2008 | 92.00 | 70.25 | 23,58,963 |
| May, 2008 | 88.00 | 75.75 | 13,44,566 |
| June, 2008 | 84.45 | 64.25 | 17,19,606 |
| July, 2008 | 87.00 | 62.20 | 23,63,254 |
| August, 2008 | 74.90 | 67.60 | 20,13,867 |
| September, 2008 | 79.50 | 57.50 | 46,02,220 |
| October, 2008 | 64.00 | 19.10 | 16,35,859 |
| November, 2008 | 26.00 | 18.80 | 4,24,703 |
| December, 2008 | 21.35 | 17.00 | 4,61,803 |
| January, 2009 | 21.35 | 14.00 | 1,95,652 |
| February, 2009 | 16.74 | 12.46 | 2,23,400 |
| March, 2009 | 18.25 | 11.00 | 6,31,847 |

11. Stock Performance:

Your Company's Closing Share Price movement during the Financial Year 2008-2009 on BSE vis-à-vis respective indices:





12. Registrar and Share Transfer Agent:

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

Adroit Corporate Services Private Limited
Unit: Satra Properties (India) Limited
 19/20 Jaferbhoy Industrial Estate, Makwana Road,
 Marol Naka, Andheri (East), Mumbai – 400059.
 Time: 9.30 a.m. to 5.30 P.M. (From Monday to Saturday)
 Tel: +91 - (022) – 28594060 / 6060, Fax: +91 (022) 28503748
 Email: adroits@vsnl.net / Website: www.adroitcorporate.com

13. Share Transfer System:

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

14. Distribution of Shareholding as on March 31, 2009.

| Number of Shares held (F. V. of Rs. 2/- each) | Shareholders | | Shares | |
|---|--------------|---------------|---------------------|---------------|
| | Number | % of Total | Number | % of Total |
| 1 - 500 | 3090 | 78.97 | 4,52,184 | 0.29 |
| 501 - 1,000 | 347 | 8.87 | 2,55,677 | 0.16 |
| 1,001 - 2,000 | 183 | 4.68 | 2,67,627 | 0.17 |
| 2,001 - 3,000 | 48 | 1.23 | 1,34,256 | 0.09 |
| 3,001 - 4,000 | 20 | 0.51 | 72,008 | 0.05 |
| 4,001 - 5,000 | 28 | 0.71 | 1,33,361 | 0.09 |
| 5,001 - 10,000 | 46 | 1.17 | 3,15,821 | 0.20 |
| 10,001 - above | 151 | 3.86 | 15,37,27,066 | 98.95 |
| Total | 3,913 | 100.00 | 15,53,58,000 | 100.00 |

15. Dematerialisation of Shares And Liquidity

As per the directions of SEBI, Equity Shares of the Company can be traded by all the investors only in dematerialised form.

The details of Equity Shares dematerialised and those held in Physical Form as on March 31, 2009 are given hereunder:

| Particulars of Shares | Shares of Rs. 2/- each | | Shareholders | |
|-----------------------|------------------------|---------------|--------------|---------------|
| | Number | % of Total | Number | % of Total |
| Dematerialised Form | | | | |
| - NSDL | 10,19,43,455 | 65.62 | 2,231 | 57.01 |
| - CDSL | 53,90,820 | 3.47 | 1,603 | 40.97 |
| Sub-total | 10,73,34,275 | 69.09 | 3,834 | 97.98 |
| Physical Form | 4,80,23,725 | 30.91 | 79 | 2.02 |
| Total | 15,53,58,000 | 100.00 | 3,913 | 100.00 |

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



16. Capital Built - Up

The Equity Capital Built – Up of the Company up to March 31, 2009 is as follows:

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

The 8% Cumulative Redeemable Preference Capital Built – Up of the Company up to March 31, 2009 is as follows:

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

17. Outstanding ADRs / GDRs

As on March 31, 2009, the Company did not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

18. Site Address:

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

| Sr. No. | Name of the Proposed Projects | Projects Location | Type of Projects |
|---------|-------------------------------|---------------------|--|
| 1 | Satra Plaza | Vashi, Navi Mumbai | Commercial Offices cum Shopping Center |
| 2 | Satra Park | Borivali, Mumbai | Residential cum Shopping Center |
| 3 | Dreams The Mall | Bhandup, Mumbai | Shopping Mall |
| 4 | Satra Galleria | Calicut, Kerala | Mall cum Hotel |
| 5 | Satra Galleria | Jodhpur, Rajasthan | Mall cum Hotel |
| 6 | Prime Down Town | Hughes Road, Mumbai | Residential |

19. Address for Correspondence

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

ADROIT CORPORATE SERVICES PRIVATE LIMITED
Unit: Satra Properties (India) Limited
 19/20 Jaferbhoy Industrial Estate, Makwana Road,
 Marol Naka, Andheri (East), Mumbai – 400059
 Tel: +91 - (022) – 28594060 / 28596060 Fax : +91 (022) 28503748
 Email: adroits@vsnl.net / Website: www.adroitcorporate.com



20. Non -Mandatory Requirements:

1. The Board:

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

2. Remuneration Committee:

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

3. Shareholder Rights:

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

4. Audit Qualifications:

The Qualifications in the Audit Report for the financial year under review has been discussed in the Director's Report

5. Training of Board Members:

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

6. Mechanism for evaluating non-executive Board Members:

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

7. Whistle Blower Policy:

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

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

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

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

Praful N. Satra
Chairman cum Managing Director
Mumbai, July 31, 2009



CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

SATRA PROPERTIES (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by SATRA PROPERTIES (INDIA) LIMITED (" the Company) for the financial year ended March 31st, 2009, as stipulated in Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited (BSE).

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

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

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

**For Hemanshu Kapadia & Associates
Company Secretaries**

**Hemanshu Kapadia
Proprietor
C.P. No. 2285
Mumbai, July 31, 2009**



C.E.O. / C.F.O. CERTIFICATION:

To,
The Board of Directors
Satra Properties (India) Limited
Dev Plaza, 2nd Floor,
Opp. Andheri Fire Station,
S. V. Road, Andheri (west), Mumbai – 400 058

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

- A. We have reviewed financial statement and the cash flow statement for the year ended March 31, 2009 and that to the best of our knowledge and belief:
- i. these statement do not contain any materially untrue statements or omit any material fact or contain statement that might be misleading;
 - ii. these statements together present true & fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct..
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:-
- i. Significant changes in internal control financial reporting during the year;
 - ii. Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Praful N. Satra
Chairman cum Managing Director
Mumbai, July 31, 2009

Bhavesh Sanghavi
Chief Financial officer



AUDITORS' REPORT

To the Members of
SATRA PROPERTIES (INDIA) LIMITED

We have audited the attached Balance Sheet of Satra Properties (India) Limited ('the Company') as at 31 March 2009, the Profit and Loss account and the Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report as follows:

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to above, we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, *except as stated in paragraph (f) below*, the Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - e. on the basis of the written representations received from the directors of the Company as on 31 March 2009 and taken on record by the Board of Directors, we report that
 - i. none of the directors is disqualified as on 31 March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - ii. *As more fully explained in Schedule 41 to the financial statements, construction work-in-progress of a project includes construction cost of Rs 157,974,510 arising out of a significant change in the structural plan of the project, resulting in over-statement of the construction work-in-progress as at 31 March 2009. In accordance with the provisions of Accounting Standard – 2, "Inventories", such construction costs should have been charged to the profit and loss account. Had the aforementioned construction costs been charged to the profit and loss account, construction cost for the year would have been higher by Rs 157,974,510, construction work-in-progress would have been lower by Rs 157,974,510, the profit for the year after tax of Rs 16,763,127 would be converted into a loss after tax of Rs 108,002,505 and the reserves and surplus as at 31 March 2009 would have been lower by Rs 124,765,632; and*
 - iii. in our opinion, and to the best of our information and according to the explanations given to us, *subject to the effect of the matter stated in paragraph (f) above*, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2009;
 - ii. in the case of the Profit and Loss account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

**For M/s Bhuta Shah & Co.
Chartered Accountants**

**For B S R & Associates
Chartered Accountants**

**S.J. Parmar
Partner
Membership No. 103424
Mumbai, 29 June, 2009**

**Bhavesh Dupelia
Partner
Membership No. 042070
Mumbai, 29 June, 2009**



ANNEXURE TO THE AUDITORS' REPORT – 31ST MARCH 2009

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, the Company has physically verified certain fixed assets during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been dealt with in the books of account.
- (iii) (a) The Company has granted loans to a company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs 298,517,483 and the year-end balance of such loans was Rs 298,517,483. The Company has not granted any loans, secured or unsecured to firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies listed in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (c) The loans granted to companies covered in the register maintained under Section 301 of the Act do not have stipulations with regard to the repayment of principal and interest amounts. Accordingly, we are unable to comment on the regularity of repayment of principal and interest.
- (d) The loans granted to companies covered in the register maintained under Section 301 of the Act do not have stipulations with regard to the repayment of principal and interest amounts. Accordingly, we are unable to comment whether there is any overdue amount of more than Rupees one lakh in respect of such loans.
- (e) The Company has taken unsecured loans from five companies and two other parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs 373,463,587 and the year-end balance of such loans was Rs 143,338,131.
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies and other parties listed in the register maintained under Section 301 of the Act, are not, prima facie, prejudicial to the interest of the Company.
- (g) The loans taken from companies and other parties covered in the register maintained under Section 301 of the Act do not have stipulations with regard to the repayment of principal and interest amounts. Accordingly, we are unable to comment on the regularity of repayment of principal and interest.



- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets, sale of commercial/residential premises and trading in development rights. The activities of the Company currently do not involve sale of goods and services. Accordingly, paragraph 4 (iv) of the Order with respect to sale of goods and services is not applicable to the Company. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company *does not have an internal audit function*.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Act for any of the activities carried out by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Provident Fund, Wealth Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Cess, Income Tax and Sales Tax have not been regularly deposited during the year by the Company with the appropriate authorities and there have been serious delays in several cases. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Custom Duty, Excise Duty, Service Tax and Investor Education and Protection Fund.

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

According to the information and explanations given to us, *except Rs 144,000 on account of Sales Tax and Rs 178,477,466 on account of Income Tax*, no undisputed amounts payable in respect of Provident Fund, Wealth Tax, Income Tax, Sales Tax, Cess and other material statutory dues were in arrears as at 31 March 2009 for a period of more than six months from the date they became payable.

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

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



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

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, *the Company has defaulted in repayment of dues to its bankers and financial institutions as set out in Appendix 1 to the Auditors' report.* According to the information and explanations given to us, the Company has applied for restructuring of these loans. The Company did not have any outstanding debentures during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given a corporate guarantee aggregating to Rs 600,000,000 for a loan taken by its subsidiary company from a bank is not prejudicial to the interest of the Company. The Company has not given any guarantee for loans taken by others from any financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to companies, firms and parties covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures. Accordingly, paragraph 4(xix) of the Order is not applicable to the Company.
- (xx) The Company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For M/s Bhuta Shah & Co.
Chartered Accountants

For B S R & Associates
Chartered Accountants

S.J. Parmar
Partner
Membership No. 103424
Mumbai, 29 June, 2009

Bhavesh Dupelia
Partner
Membership No. 042070
Mumbai, 29 June, 2009



Appendix 1 to the Auditors' Report – 31 March 2009

| Name of the bank | Amount due on | Date of payment | Number of days delay | Amount (Rs.) |
|------------------|-------------------|-------------------|----------------------|--------------|
| Indian Bank | 1 May 2008 | 2 May 2008 | 1 | 5,257,786 |
| Indian Bank | 1 June 2008 | 3 June 2008 | 2 | 5,382,916 |
| Indian Bank | 1 September 2008 | 10 September 2008 | 9 | 3,348,215 |
| Indian Bank | 1 September 2008 | 4 October 2008 | 33 | 500,000 |
| Indian Bank | 1 September 2008 | 1 December 2008 | 91 | 2,216,785 |
| Indian Bank | 1 October 2008 | 1 December 2008 | 61 | 183,215 |
| Indian Bank | 1 October 2008 | 30 December 2008 | 90 | 5,881,785 |
| Indian Bank | 1 November 2008 | 30 December 2008 | 59 | 4,118,215 |
| Indian Bank | 1 November 2008 | 27 January 2009 | 87 | 1,946,785 |
| Indian Bank | 1 December 2008 | 27 January 2009 | 57 | 4,118,135 |
| Indian Bank | 1 December 2008 | 31 March 2009 | 120 | 1,934,117 |
| Indian Bank | 1 January 2009 | 31 March 2009 | 89 | 6,065,000 |
| Indian Bank | 1 February 2009 | 31 March 2009 | 58 | 300,883 |
| Indian Bank | 1 February 2009 | 17 June 2009 | 136 | 5,764,117 |
| Indian Bank | 1 March 2009 | 17 June 2009 | 108 | 6,065,000 |
| HUDCO | 30 November 2008 | 24 December 2008 | 24 | 23,702,941 |
| Yes Bank | 31 May 2008 | 28 June 2008 | 28 | 1,735,337 |
| Yes Bank | 30 June 2008 | 10 July 2008 | 10 | 4,358,310 |
| Yes Bank | 31 July 2008 | 28 August 2008 | 28 | 4,881,787 |
| Yes Bank | 31 August 2008 | 15 September 2008 | 15 | 5,108,779 |
| Yes Bank | 30 September 2008 | 15 October 2008 | 15 | 5,009,064 |
| Yes Bank | 31 October 2008 | 3 November 2008 | 3 | 3,421,337 |
| Yes Bank | 31 October 2008 | 7 November 2008 | 7 | 1,806,314 |
| Yes Bank | 30 November 2008 | 4 December 2008 | 4 | 5,095,890 |
| Yes Bank | 31 December 2008 | 19 January 2009 | 19 | 5,134,246 |
| Yes Bank | 31 January 2009 | 29 April 2009 | 88 | 5,095,890 |
| Yes Bank | 28 February 2009 | 29 May 2009 | 90 | 4,602,740 |
| Yes Bank | 31 March 2009 | 29 June 2009 | 90 | 5,095,890 |
| Syndicate Bank | 30 April 2008 | 2 May 2008 | 2 | 99,782 |
| Syndicate Bank | 31 May 2008 | 7 July 2008 | 37 | 99,782 |
| Syndicate Bank | 31 July 2008 | 30 August 2008 | 30 | 101,367 |
| Syndicate Bank | 31 August 2008 | 2 September 2008 | 2 | 498,876 |
| Syndicate Bank | 31 August 2008 | 9 September 2008 | 9 | 2,534,487 |
| Syndicate Bank | 31 August 2008 | 18 September 2008 | 18 | 97,054 |
| Syndicate Bank | 30 September 2008 | 22 October 2008 | 22 | 2,249,081 |
| Syndicate Bank | 31 October 2008 | 3 November 2008 | 3 | 120,821 |
| Syndicate Bank | 30 November 2008 | 13 December 2008 | 13 | 2,524,839 |
| Syndicate Bank | 30 November 2008 | 31 December 2008 | 31 | 101,753 |
| Syndicate Bank | 31 December 2008 | 6 January 2009 | 6 | 339,683 |
| Syndicate Bank | 31 December 2008 | 10 February 2009 | 41 | 336,887 |
| Syndicate Bank | 31 December 2008 | 13 February 2009 | 44 | 14,024 |
| Syndicate Bank | 31 December 2008 | 31 March 2009 | 90 | 2,202,203 |
| Syndicate Bank | 6 January 2009 | 31 March 2009 | 84 | 6,946 |
| Syndicate Bank | 31 January 2009 | 31 March 2009 | 59 | 1,486,792 |
| Syndicate Bank | 31 January 2009 | 18 June 2009 | 137 | 2,205,589 |
| Syndicate Bank | 2 February 2009 | 18 June 2009 | 135 | 3,887 |
| Syndicate Bank | 10 February 2009 | 18 June 2009 | 128 | 4,830 |
| Syndicate Bank | 13 February 2009 | 18 June 2009 | 125 | 14,593 |
| Syndicate Bank | 28 February 2009 | 18 June 2009 | 110 | 269,920 |
| Syndicate Bank | 28 February 2009 | 18 June 2009 | 110 | 2,498,821 |
| Syndicate Bank | 28 February 2009 | Unpaid till date | | 780,596 |
| Syndicate Bank | 31 March 2009 | Unpaid till date | | 3,665,167 |



| Balance Sheet as at 31 March 2009 | | | |
|--|-----------------|----------------------|----------------------|
| (Currency: Indian Rupees) | | | |
| | Schedule | 2009 | 2008 |
| SOURCES OF FUNDS | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 384,716,000 | 384,716,000 |
| Reserves and surplus | 4 | 409,498,992 | 397,180,036 |
| | | 794,214,992 | 781,896,036 |
| Loan funds | | | |
| Secured loans | 5 | 2,520,630,216 | 1,231,200,581 |
| Unsecured loans | 6 | 845,655,449 | 679,043,251 |
| | | 3,366,285,665 | 1,910,243,832 |
| | TOTAL | 4,160,500,657 | 2,692,139,868 |
| APPLICATION OF FUNDS | | | |
| Fixed assets | | | |
| Gross block | 7 | 56,558,765 | 50,486,886 |
| Less: Accumulated depreciation / amortization | | 24,710,076 | 13,574,259 |
| Net block | | 31,848,689 | 36,912,627 |
| Capital work-in-progress | | - | 10,791 |
| | | 31,848,689 | 36,923,418 |
| Investments | 8 | 597,969,890 | 586,967,158 |
| Deferred tax assets | 9 | 21,227,597 | 1,072,033 |
| Current assets, loans and advances | | | |
| Inventories | 10 | 2,777,693,865 | 2,331,357,762 |
| Sundry debtors | 11 | 674,881,391 | 560,055,397 |
| Cash and bank balances | 12 | 5,552,528 | 45,093,830 |
| Loans and advances | 13 | 1,580,384,331 | 1,192,945,200 |
| | | 5,038,512,115 | 4,129,452,189 |
| Less: Current liabilities and provisions | | | |
| Current liabilities | 14 | 1,309,405,016 | 1,846,422,867 |
| Provisions | 15 | 219,652,618 | 215,852,063 |
| | | 1,529,057,634 | 2,062,274,930 |
| Net current assets | | 3,509,454,481 | 2,067,177,259 |
| Miscellaneous expenditure | 16 | - | - |
| <i>(to the extent not written off or adjusted)</i> | | | |
| | TOTAL | 4,160,500,657 | 2,692,139,868 |
| Significant accounting policies | 2 | | |
| Schedules to the financial statements | 23-45 | | |

The schedules referred to above are an integral part of the balance sheet.
As per our report attached.

For B S R & Associates
Chartered Accountants

For M/s Bhuta Shah & Co
Chartered Accountants

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner
Membership No: 042070
Mumbai, 29 June 2009

S. J. Parmar
Partner
Membership No: 103424
Mumbai, 29 June 2009

Vicky M. Kundaliya
Company Secretary
Mumbai, 29 June 2009

Rajan P. Shah
Executive Director

Praful N. Satra
Chairman and
Managing Director



| Profit and Loss account for the year ended 31 March 2009 | | | |
|--|-----------------|----------------------|----------------------|
| (Currency: Indian Rupees) | | | |
| | Schedule | 2009 | 2008 |
| Income | | | |
| Sales | 17 | 1,058,800,501 | 1,942,327,089 |
| Other income | 18 | 161,467,988 | 129,398,612 |
| | TOTAL | 1,220,268,489 | 2,071,725,701 |
| Expenditure | | | |
| Construction and purchase cost | 19 | 771,423,585 | 1,314,769,839 |
| Personnel expenses | 20 | 16,590,865 | 34,748,353 |
| Administrative and other expenses | 21 | 41,449,548 | 68,286,869 |
| Financial expenses | 22 | 331,441,566 | 86,495,194 |
| Depreciation / amortization | 7 | 10,028,367 | 8,416,950 |
| | TOTAL | 1,170,933,931 | 1,512,717,205 |
| Net profit before tax | | 49,334,558 | 559,008,496 |
| Less : Provision for current tax | | | |
| - current year | | 50,991,398 | 188,338,000 |
| - prior year charge / (credit) | | 1,246,247 | (5,338,744) |
| Deferred tax (credit) | | (20,155,564) | (1,450,782) |
| Fringe benefit tax | | | |
| - current year | | 438,639 | - |
| - prior year charge | | 50,711 | 137,824 |
| Net profit after tax for the year | | 16,763,127 | 377,322,198 |
| Add : Balance brought forward from previous year | | 267,216,711 | 57,407,743 |
| Add : Net profit after tax for the period 1 April 2006 to 31 March 2007 on account of amalgamation of erstwhile Om Housing Company Private Limited (refer schedule 32) | | - | 18,992,514 |
| Profit available for appropriation | | 283,979,838 | 453,722,455 |
| Appropriation | | | |
| Transferred to general reserve | | - | 150,000,000 |
| Dividend on preference shares | | 5,920,000 | 12,748,274 |
| Tax on dividend on preference shares | | 1,006,104 | 2,166,569 |
| Dividend on equity shares | | - | 15,535,800 |
| Tax on dividend on equity shares / credit availed on dividend distribution tax paid by the subsidiary company | | (2,481,933) | 2,640,309 |
| Interim dividend paid on equity shares | | - | 2,918,750 |
| Tax on interim dividend paid on equity shares | | - | 496,042 |
| Balance carried forward to Balance sheet | | 279,535,667 | 267,216,711 |
| | | 283,979,838 | 453,722,455 |
| Basic and Diluted Earnings per share (face value of Rs 2 per share) | 23 | 0.06 | 2.38 |
| Significant accounting policies | 2 | | |
| Schedules to the financial statements | 23 - 45 | | |

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

As per our report attached.

For **B S R & Associates**
Chartered Accountants

For **M/s Bhuta Shah & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner

Membership No: 042070
Mumbai, 29 June 2009

S. J. Parmar
Partner

Membership No: 103424
Mumbai, 29 June 2009

Vicky M. Kundaliya
Company Secretary

Mumbai, 29 June 2009

Rajan P. Shah
Executive Director

Praful N. Satra
Chairman and
Managing Director



| Cash Flow Statement for the year ended 31 March 2009 | | |
|---|------------------------|---------------|
| (Currency: Indian Rupees) | | |
| | 2009 | 2008 |
| <i>Cash flows from operating activities :</i> | | |
| Profit before tax | 49,334,558 | 559,008,496 |
| <i>Adjusted for:</i> | | |
| Depreciation / amortisation | 10,028,367 | 8,416,950 |
| Miscellaneous expenditure written off | - | 537,385 |
| (Profit) / Loss on sale of investments | (850,279) | 9,013,111 |
| Share in loss / (profit) of partnership firm | 1,531 | (56,856,893) |
| Assets written off | 1,731,009 | - |
| Dividend income | (14,603,900) | (14,603,900) |
| Income tax refund | - | (9,411) |
| Interest on income tax refund | - | (12,056) |
| Interest income | (113,853,809) | (28,682,588) |
| Financial expenses | 331,441,566 | 86,495,194 |
| | 213,894,485 | 4,297,792 |
| Operating profit before working capital changes | 263,229,043 | 563,306,288 |
| (Increase) / decrease in working capital | | |
| Inventories | (262,244,008) | (894,312,241) |
| Sundry debtors | (114,825,994) | (33,898,374) |
| Loans and advances | (292,709,567) | (58,951,504) |
| Current liabilities and provisions | (541,044,570) | 517,886,147 |
| | (1,210,824,139) | (469,275,972) |
| Cash generated (used in) / from operations | (947,595,096) | 94,030,316 |
| Taxes paid (net of refund) | (25,175,979) | (19,399,221) |
| Net cash generated (used in) / from operating activities | (972,771,075) | 74,631,095 |
| Cash flows from investing activities : | | |
| Purchase of fixed assets including capital work in progress | (7,905,849) | (16,517,281) |
| Investments made | (37,400) | (2,525,368) |
| Investment in subsidiary and associates | (11,711,600) | (633,754,557) |
| Investment in partnership firm | (18,025,000) | - |
| Proceeds from sale of investments | 1,596,548 | 17,582,842 |
| Return of capital from partnership firm | 14,525,000 | 69,043,107 |
| Profit on trading in securities | - | 1,589,829 |
| Dividend received | 14,603,900 | 14,603,900 |
| Share in profit from partnership firm | - | 56,856,893 |
| Interest received | 22,550,212 | 28,682,588 |
| Net cash (used in) / from investing activities | 15,595,811 | (464,438,047) |



सत्रा प्रॉपर्टीज (इंडिया) लिमिटेड का वित्तीय विवरण

| Cash Flow Statement for the year ended 31 March 2009 | | |
|--|--------------------|--------------------|
| (Currency: Indian Rupees) | | |
| | 2009 | 2008 |
| Cash flows from financing activities : | | |
| Proceeds from long term borrowings | 1,306,942,345 | 396,412,000 |
| Repayment of long term borrowings | (17,512,710) | (89,440,121) |
| Proceeds from short term borrowings(net) | 166,612,197 | 125,926,052 |
| Dividend and dividend distribution tax paid | (28,312,456) | - |
| Interim dividend and dividend distribution tax on interim dividend paid | - | (6,464,399) |
| Share issue expenses adjusted in securities premium account | - | (1,549,055) |
| Financial expenses | (510,095,414) | (79,842,176) |
| Net cash generated from financing activities | 917,633,962 | 345,042,301 |
| Net (decrease) / increase in Cash and cash equivalents | | |
| Cash and cash equivalents, beginning of year | 45,093,830 | 24,452,663 |
| Add : Cash and cash equivalents acquired on amalgamation (refer schedule 32) | - | 65,405,818 |
| Cash and cash equivalents, end of year | 5,552,528 | 45,093,830 |
| Cash and cash equivalents, end of year comprise of : | | |
| Cash on hand | 1,535,524 | 2,494,573 |
| Cheques on hand | - | 1,800,000 |
| With scheduled banks | | |
| - in current account | 3,986,504 | 40,768,757 |
| - in deposit account | 30,500 | 30,500 |
| | 5,552,528 | 45,093,830 |

Note: Cash and cash equivalents include restricted cash of Rs 278,494 (2008: Rs 282,511)

As per our report attached

For **B S R & Associates**
Chartered Accountants

For **M/s Bhuta Shah & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner
Membership No: 042070
Mumbai, 29 June 2009

S. J. Parmar
Partner
Membership No: 103424
Mumbai, 29 June 2009

Vicky M. Kundaliya
Company Secretary
Mumbai, 29 June 2009

Rajan P. Shah
Executive Director

Prafal N. Satra
Chairman and
Managing Director



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

1 Background

The Company was incorporated on 30 May 1983 as Express Leasing Limited. The name of the Company was changed to Satra Properties (India) Limited on 13 June 2006. The Company is engaged in the business of real estate development and trading in properties and transferable development rights.

During the previous year, the Company has implemented the scheme of amalgamation of the erstwhile Om Housing Company Private Limited with the Company as approved by the Honourable High Court of Bombay on 16 April 2007 (Refer schedule 32).

2 Summary of significant accounting policies

2.1 Basis of preparation of financial statements

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

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Fixed assets and depreciation/amortization

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

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

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

Leasehold improvements are amortized over the primary period of lease.

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

2.4 Impairment of assets

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



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

2.5 Investments

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

2.6 Inventories

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

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

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

2.7 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.8 Employee benefits

(a) Short term employee benefits

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

(b) Post employment benefits

Defined contribution plans:

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

Defined benefit plan:

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

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

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



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

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

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

2.9 Revenue recognition

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

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

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

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

Interest income is recognised on time proportion basis.

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

2.10 Taxation

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

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

Provision for Fringe Benefit Tax (FBT) is made on the basis of applicable FBT on the taxable value of specified expenses of the Company as prescribed under the Income Tax Act 1961.

2.11 Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account.

2.12 Operating lease

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



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

2.13 Earnings per share (EPS)

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

2.14 Provisions and contingent liabilities

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

2.15 Share issue expenses

Expenses incurred on issue of shares are charged to the securities premium account to the extent available.



| SCHEDULES TO THE FINANCIAL STATEMENTS (continued) as at 31 March 2009 | | |
|---|--------------------|-------------|
| (Currency : Indian Rupees) | | |
| | 2009 | 2008 |
| 3 SHARE CAPITAL | | |
| Authorised capital: | | |
| 210,000,000 (2008: 210,000,000) equity shares of Rs 2 each | 420,000,000 | 420,000,000 |
| 8,000,000 (2008: 8,000,000) 8% cumulative redeemable preference shares of Rs 10 each | 80,000,000 | 80,000,000 |
| | 500,000,000 | 500,000,000 |
| Issued, subscribed and paid up: | | |
| 155,358,000 (2008: 155,358,000) equity shares of Rs 2 each, fully paid up | 310,716,000 | 310,716,000 |
| 7,400,000 (2008: 7,400,000) 8% cumulative redeemable preference shares of Rs 10 each, fully paid up | 74,000,000 | 74,000,000 |
| Note : | | |
| Of the above : | | |
| (i) 37,192,250 (2008: 37,192,250) equity shares of Rs 2 each and 7,400,000 (2008: 7,400,000) 8% cumulative redeemable preference shares of Rs 10 each were issued in 2008 pursuant to the order of the Honourable High Court, Mumbai, approving the scheme of amalgamation of Om Housing Company Private Limited with the Company, for consideration other than cash. (Refer schedule 32) | | |
| (ii) 103,572,000 (2008: 103,572,000) equity shares of Rs 2 each have been issued as fully paid up by way of bonus equity shares in the ratio of 2:1 i.e 2 bonus equity shares for every 1 existing equity share held, after capitalisation of general reserve and securities premium account. | | |
| (iii) Pursuant to the approval of the shareholders through postal ballot, each equity share of the Company face value Rs 10 each fully paid-up has been split into 5 equity shares of Rs 2 each fully paid up. The record date for the sub-division was 14 July 2007. | | |
| (iv) The 8% cumulative redeemable preference shares are redeemable at par on 3 February 2011. | | |
| | 384,716,000 | 384,716,000 |
| 4 RESERVES AND SURPLUS | | |
| Securities premium account | | |
| Balance as per last balance sheet | - | 160,555,000 |
| Less: Share issue expenses | - | 3,690,448 |
| Less: Utilised for issue of bonus shares | - | 156,864,552 |
| | - | - |
| General reserve | | |
| Balance as per last balance sheet | 108,166,888 | 8,515,782 |
| Add: Transferred from profit and loss account | - | 150,000,000 |
| Less: Transitional adjustment as per Accounting Standard 15 towards provision for employee benefits, net of taxes (Refer schedule 29) | - | 69,446 |
| Less: Utilised for issue of bonus shares | - | 50,279,448 |
| | 108,166,888 | 108,166,888 |
| Reserve on amalgamation | | |
| Balance as per last balance sheet | 21,796,437 | - |
| Add: Transferred on amalgamation of erstwhile Om Housing Company Private Limited (Refer schedule 32) | - | 21,796,437 |
| | 21,796,437 | 21,796,437 |
| Profit and loss account | 279,535,667 | 267,216,711 |
| | 409,498,992 | 397,180,036 |



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) as at 31 March 2009

(Currency: Indian Rupees)

| | 2009 | 2008 |
|--|----------------------|----------------------|
| 5 SECURED LOANS | | |
| From banks | | |
| Term loan from Indian Bank | 354,764,535 | 367,421,235 |
| Term loan from Syndicate Bank | 344,150,174 | 243,751,307 |
| Term loan from Yes Bank | 415,001,009 | - |
| Vehicle loans | 2,233,841 | 2,907,779 |
| From others | | |
| Term loan from Housing and Urban Development Corporation Limited (HUDCO) | 799,913,887 | 610,000,000 |
| Term loan from SICOM Investment and Finance Limited | 600,000,000 | - |
| Vehicle loan | 4,566,770 | 7,120,260 |
| Note : | | |
| (i) Term loan from Indian Bank is secured against equitable mortgage of certain shops by way of lease rental discounting in the project Dreams the Mall, Borivali (West) | | |
| (ii) Term loan from Syndicate Bank is secured against equitable mortgage of Jodhpur project properties and all present and future construction and development work thereon. | | |
| (iii) Term loan from Yes Bank is secured against land situated at Calicut | | |
| (iv) Term loan from HUDCO is secured against equitable mortgage of Vashi project properties and all present and future construction and development work thereon. | | |
| (v) Term loan from SICOM Investment and Finance Limited is secured against development right on freehold land at Hughes Road and Escrow of receivables in respect of the said property | | |
| (vi) All the above term loans are secured by personal guarantees of promoter Directors of the Company. | | |
| (vii) Vehicle loans are secured by hypothecation of the respective vehicles purchased. | | |
| | 2,520,630,216 | 1,231,200,581 |
| 6 UNSECURED LOANS | | |
| Inter corporate loans | | |
| From subsidiary | - | 5,653,693 |
| From others | 634,516,927 | 582,463,312 |
| Loans from directors | 41,717,115 | 37,701,246 |
| Loans from shareholders* | - | 53,225,000 |
| Bank Overdraft | 169,421,407 | - |
| | 845,655,449 | 679,043,251 |

Note :

- All of the above loans are repayable on demand.
- *Loans taken from shareholders of erstwhile Om Housing Company Private Limited transferred on amalgamation, repaid during the year.

SCHEDULES TO THE FINANCIAL STATEMENTS (continued) as at 31 March 2009

(Currency: Indian Rupees)

7 FIXED ASSETS

| | GROSS BLOCK | | | | | DEPRECIATION/AMORTISATION | | | | | NET BLOCK | |
|------------------------|-----------------------|---|------------------|-------------------------|---------------------------|---------------------------|---|-------------------|----------------------------|------------------------|-------------------|-------------------|
| | As at 1 April 2008 | Transferred on amalgamation (refer schedule 32) | Additions | Deletions/ Disposals | As at 31 March 2009 | As at 1 April 2008 | Transferred on amalgamation (refer schedule 32) | For the year | On Deletions/ Disposals | As at 31 March 2009 | 2009 | 2008 |
| Leasehold improvements | 22,087,807 | - | 1,844,761 | 1,844,761 | 22,087,807 | 7,123,407 | - | 5,415,762 | 113,752 | 12,425,417 | 9,662,390 | 14,964,400 |
| Plant and machinery | 3,501,585 | - | 2,446,762 | - | 5,948,347 | 264,393 | - | 942,788 | - | 1,207,181 | 4,741,166 | 3,237,192 |
| Computer | 2,821,966 | - | 975,297 | - | 3,797,263 | 1,346,677 | - | 811,485 | - | 2,158,162 | 1,639,101 | 1,475,289 |
| Furniture and fittings | 1,533,128 | - | 262,165 | - | 1,795,293 | 681,459 | - | 76,807 | - | 758,266 | 1,037,027 | 851,669 |
| Office equipment | 4,079,502 | - | 326,883 | - | 4,406,385 | 688,591 | - | 122,769 | - | 811,360 | 3,595,025 | 3,390,911 |
| Temporary structures | 135,725 | - | 11,900 | - | 147,625 | 135,725 | - | 11,900 | - | 147,625 | - | - |
| Vehicles | 11,500,673 | - | 2,048,872 | - | 13,549,545 | 872,492 | - | 3,158,562 | - | 4,031,054 | 9,518,491 | 10,628,181 |
| Trucks | 4,826,500 | - | - | - | 4,826,500 | 2,461,515 | - | 709,496 | - | 3,171,011 | 1,655,489 | 2,364,985 |
| Total | 50,486,886 | - | 7,916,640 | 1,844,761 | 56,558,765 | 13,574,259 | - | 11,249,569 | 113,752 | 24,710,076 | 31,848,689 | 36,912,627 |
| 2008 | 28,326,621 | 4,826,500 | 17,333,765 | - | 50,486,886 | 2,888,633 | 1,447,950 | 9,237,676 | - | 13,574,259 | 36,912,627 | |

Notes:

- (i) Depreciation for the year includes Rs 1,221,202 (2008: Rs 820,726) transferred to inventory.
- (ii) Depreciation for the year includes Rs Nil (2008: Rs 342,381) which pertains to earlier years.





| SCHEDULES TO THE FINANCIAL STATEMENTS (continued) as at 31 March 2009 | | |
|--|----------------------|----------------------|
| (Currency: Indian Rupees) | | |
| | 2009 | 2008 |
| 8 INVESTMENTS | | |
| Long term | | |
| Trade investments (quoted) | | |
| Nil (2008: 19,529) equity shares of Asian Tea Export Limited of Rs 10 each fully paid up | - | 746,268 |
| Trade investments (unquoted) | | |
| In subsidiaries | | |
| 10,000 (2008: 10,000) equity shares of Satra Buildcon Private Limited of Rs 10 each, fully paid up | 100,000 | 100,000 |
| 10,000 (2008: 10,000) equity shares of Satra Estate Development Private Limited of Rs 10 each, fully paid up | 100,000 | 100,000 |
| 10,000 (2008: 10,000) equity shares of Satra Infrastructure and Land Developers Private Limited of Rs 10 each, fully paid up | 100,000 | 100,000 |
| 10,000 (2008: 10,000) equity shares of Satra Lifestyles Private Limited of Rs 10 each, fully paid up | 100,000 | 100,000 |
| 14,603,900 (2008: 14,603,900) equity shares of Satra Property Developers Private Limited of Rs 10 each, fully paid up | 585,616,450 | 585,616,450 |
| 100 (2008: Nil) equity shares of Satra International Realtors Limited, UAE of AED 10,000 each, fully paid up | 11,711,600 | - |
| In associates | | |
| 15,944 (2008: 15,944) equity shares of Shravan Developers Private Limited of Rs 10 each, fully paid up* | 159,440 | 159,440 |
| 2,000 (2008: 2,000) equity shares of C. Bhansali Developers Private Limited of Rs 10 each, fully paid up | 20,000 | 20,000 |
| Other investments (unquoted) | | |
| 624 (2008: 250*) equity shares of Cosmos Co-operative Bank Limited of Rs 100 each, fully paid up | 62,400 | 25,000 |
| *The Company acquired these investments pursuant to amalgamation of erstwhile Om Housing Company Private Limited. | | |
| Also refer schedule 38 for details of investments bought and sold during the year | | |
| | 597,969,890 | 586,967,158 |
| Aggregate amount of unquoted investments | 597,969,890 | 586,220,890 |
| Aggregate cost of quoted investments | - | 746,268 |
| Aggregate market value of quoted investments | - | 628,834 |
| 9 DEFERRED TAX ASSETS | | |
| Deferred tax assets | | |
| - Difference between book depreciation and depreciation as per Income Tax Act, 1961 | 3,162,426 | 932,168 |
| - On provision allowable on a payment basis under the Income Tax Act, 1961 | 18,065,171 | 139,865 |
| | 21,227,597 | 1,072,033 |
| 10 INVENTORIES | | |
| Material at site | 14,056,952 | 7,478,658 |
| Construction work-in-progress | 2,763,636,913 | 2,323,879,104 |
| | 2,777,693,865 | 2,331,357,762 |



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) as at 31 March 2009

(Currency: Indian Rupees)

| | 2009 | 2008 |
|---|----------------------|----------------------|
| 11 SUNDRY DEBTORS | | |
| <i>(unsecured and considered good)</i> | | |
| Debts outstanding for a period exceeding six months | 502,594,994 | 211,325,675 |
| Other debts * | 172,286,397 | 348,729,722 |
| * includes Rs Nil (2008: Rs 4,800,000) due from the Managing Director. Maximum amount outstanding during the year Rs 4,800,000 (2008: Rs 69,800,000) | | |
| | 674,881,391 | 560,055,397 |
| 12 CASH AND BANK BALANCES | | |
| Cash on hand | 1,535,524 | 2,494,573 |
| Cheques on hand | - | 1,800,000 |
| With scheduled banks | | |
| - in current accounts | 3,986,504 | 40,768,757 |
| - in deposit account | 30,500 | 30,500 |
| | 5,552,528 | 45,093,830 |
| 13 LOANS AND ADVANCES | | |
| <i>(Unsecured and considered good)</i> | | |
| Advances recoverable in cash or in kind or for value to be received [refer Schedule 44 (i) and (ii)] | 455,102,639 | 416,379,702 |
| Advance tax and tax deducted at source | 688,908 | 761,410 |
| Advance given to subsidiary companies [refer Schedule 44 (ii)] | 668,378,356 | - |
| Advance paid for property and transferable development rights | 420,815,250 | 764,234,047 |
| Prepaid expenses | 3,385,618 | 5,233,644 |
| Deposits* | 32,013,560 | 6,336,397 |
| * includes Rs 2,150,000 (2008: Rs 2,150,000) rent deposit given to the Managing Director. Maximum amount outstanding during the year Rs 2,150,000 (2008: Rs 2,150,000). | | |
| | 1,580,384,331 | 1,192,945,200 |
| 14 CURRENT LIABILITIES | | |
| Advance received against property and transferable development rights | 1,156,532,996 | 1,651,056,143 |
| Sundry creditors: | | |
| - Dues of micro, small and medium enterprises (Refer Schedule 31) | - | - |
| - Others | 117,801,293 | 155,246,837 |
| Other liabilities | 23,922,170 | 33,184,358 |
| Investor education and protection fund - Unclaimed dividend * | 278,494 | 282,511 |
| Interest accrued but not due | 10,870,063 | 6,653,018 |
| | 1,309,405,016 | 1,846,422,867 |

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) as at 31 March 2009

(Currency: Indian Rupees)

| | 2009 | 2008 |
|--|--------------------|-------------|
| 15. PROVISIONS | | |
| Provision for taxation [net of advance tax and tax deducted at source Rs 30,722,357 (2008:Rs.6,006,561)] | 209,477,047 | 182,331,439 |
| Provision for fringe benefit tax [net of advance tax Rs 156,444 (2008: Rs 163,245)] | 351,089 | 18,183 |
| Provision for gratuity | 581,815 | 411,489 |
| Provision for wealth tax | 20,000 | - |
| Dividend on preference shares | 5,920,000 | 12,748,274 |
| Tax on dividend on preference shares | 3,302,667 | 2,166,569 |
| Proposed dividend on equity shares | - | 15,535,800 |
| Tax on proposed dividend on equity shares | - | 2,640,309 |
| | 219,652,618 | 215,852,063 |
| 16 MISCELLANEOUS EXPENDITURE <i>(to the extent not written off or adjusted)</i> | | |
| Balance as per last balance sheet | - | 1,905,060 |
| Add: Transferred on amalgamation of erstwhile Om Housing Company Private Limited (refer schedule 32) | - | 773,721 |
| Less: written-off during the year | - | 537,385 |
| Less: adjusted in securities premium account | - | 2,141,396 |
| | - | - |



| SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009 | | |
|---|--------------------------|----------------------|
| (Currency: Indian Rupees) | | |
| | 2009 | 2008 |
| 17 SALES | | |
| Revenue from construction projects | 521,886,325 | 658,219,179 |
| Sale of traded properties | - | 536,300,000 |
| Sale of traded transferable development rights | 536,914,176 | 747,807,910 |
| | 1,058,800,501 | 1,942,327,089 |
| 18 OTHER INCOME | | |
| Income from investments | | |
| Trade investments | | |
| Dividend from subsidiary | 14,603,900 | 14,603,900 |
| Share in profit of partnership firm | - | 56,856,893 |
| Interest received from partnership firm | - | 2,185,427 |
| | 14,603,900 | 73,646,220 |
| Other investments | | |
| Profit on sale of investments (net) | 850,279 | - |
| | 850,279 | - |
| Interest income [tax deducted at source Rs 14,617,611 (2008: Rs 6,002,932)] | 113,853,809 | 26,497,161 |
| Income from awards/compensation/forfeiture | 30,000,000 | 27,200,000 |
| Income tax refund | - | 9,411 |
| Interest on income tax refund | - | 12,056 |
| Miscellaneous income | 2,160,000 | 2,033,764 |
| | 146,013,809 | 55,752,392 |
| | 161,467,988 | 129,398,612 |
| 19 CONSTRUCTION AND PURCHASE COST | | |
| Opening stock | | |
| Construction work-in-progress | 2,323,879,104 | 491,736,883 |
| Material at site | 7,478,658 | 3,757,300 |
| Transfer from Om Housing Company Private Limited on amalgamation (Refer schedule 32) | - | 940,730,612 |
| | (A) 2,331,357,762 | 1,436,224,795 |
| Incurred during the year | | |
| Development rights / land cost | 10,411,202 | 457,047,468 |
| Professional and legal fees | 16,579,130 | 17,665,815 |
| Civil, electrical and contracting | 546,755,912 | 665,868,358 |
| Administrative and other expenses | 9,071,199 | 5,888,936 |
| Borrowing costs | 182,870,893 | 118,980,302 |
| | (B) 765,688,336 | 1,265,450,879 |



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

| | 2009 | 2008 |
|---|---------------|---------------|
| Less: Closing stock | | |
| Material at site | 14,056,952 | 7,478,658 |
| Construction work-in-progress | 2,763,636,913 | 2,323,879,104 |
| | (C) | 2,331,357,762 |
| Cost of construction | (D= A+B-C) | 370,317,912 |
| Purchase of traded transferable development rights | (E) | 641,566,800 |
| Purchase of traded property | (F) | 302,885,127 |
| Cost of purchase | (G=E+F) | 944,451,927 |
| Construction and purchase cost | (D+G) | 1,314,769,839 |
| 20 PERSONNEL EXPENSES | | |
| Salaries, wages and bonus | 14,996,498 | 33,575,439 |
| Contributions to provident and other funds | 1,344,019 | 765,060 |
| Staff welfare expenses | 80,022 | 101,570 |
| Gratuity | 170,326 | 306,284 |
| | 16,590,865 | 34,748,353 |
| 21 ADMINISTRATIVE AND OTHER EXPENSES | | |
| Advertisement | 5,189,522 | 8,359,883 |
| Brokerage | 625,239 | 17,426,060 |
| Electricity | 1,444,770 | 871,166 |
| Rent | 16,270,055 | 14,228,700 |
| Telephone expenses | 774,275 | 791,849 |
| Postage and Telegram | 235,540 | 180,560 |
| Repair and maintainance | | |
| - machinery | 141,847 | 71,588 |
| - others | 560,314 | 711,778 |
| Insurance | 457,769 | 158,048 |
| Rates and taxes | 350,762 | 2,726,722 |
| Loss on sale of investments (net) | - | 9,013,111 |
| Share in loss of partnership firm | 1,531 | - |
| Auditors' remuneration (refer schedule 34) | 2,400,206 | 1,417,104 |
| Directors' sitting fees | 690,000 | 349,750 |
| Travelling expenses | 842,546 | 1,658,374 |
| Printing and stationery | 1,350,565 | 1,369,676 |
| Profession and legal fees | 3,169,150 | 7,282,850 |
| Miscellaneous expenditure written-off [including for earlier years Rs. Nil (2008: Rs 537,385)] | - | 537,385 |
| Assets written off | 1,731,009 | - |
| Miscellaneous expenses | 5,214,448 | 1,132,265 |
| | 41,449,548 | 68,286,869 |



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

| | 2009 | 2008 |
|--|--------------------|--------------------|
| 22 FINANCIAL EXPENSES | | |
| Interest on term loans | 343,042,163 | 117,676,477 |
| Interest on other loans * | 116,351,037 | 80,202,812 |
| * includes Rs. 4,106,209 (2008: Rs 4,014,299) interest paid/payable to managing director | | |
| Finance and bank charges | 54,919,259 | 7,596,207 |
| | 514,312,459 | 205,475,496 |
| Less: borrowing costs transferred to construction work in progress | 182,870,893 | 118,980,302 |
| | 331,441,566 | 86,495,194 |



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

23. Earning per share

| Particulars | 2009 | 2008 |
|---|-------------|--------------|
| Net profit after tax | 16,763,127 | 377,322,198 |
| Preference dividend (including taxes thereon) | 6,926,104 | 6,926,104 |
| Net profit after tax attributable to equity shareholders (A) | 9,837,023 | 370,396,094 |
| Number of equity shares at the beginning of the year* | 155,358,000 | *118,165,750 |
| Equity shares issued during the year | - | **37,192,250 |
| Number of equity shares outstanding at the end of the year | 155,358,000 | 155,358,000 |
| Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (B) | 155,358,000 | 155,358,000 |
| Basic and diluted earnings (in rupees) per share of face value Rs. 2 (A)/(B) | 0.06 | 2.38 |

* Pursuant to sub-division of equity shares and issue of bonus shares during the previous year, the number of shares outstanding during the year ended 31 March 2008 has been adjusted to reflect the change as prescribed by Accounting Standard 20 – Earnings per share.

** 37,192,250 equity share of face value Rs 2 each have been issued during 2008 as consideration to the shareholders of erstwhile Om Housing Company Private Limited in an amalgamation in the nature of merger and have been included in the calculation of weighted average number of equity shares from the beginning of 2008. (refer schedule 32).

24. Contingencies and commitments

| | 2009 | 2008 |
|--|-------------|-------------|
| Corporate guarantee given on behalf of a subsidiary – Amount drawn [The Company's exposure on the corporate guarantee of Rs 600,000,000 is restricted to the actual amount of loan taken by the subsidiary company outstanding as at the year-end] | 240,000,000 | 600,000,000 |
| Income Tax matters under dispute | 16,455,266 | - |

25. Capital commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs Nil (2008: Rs Nil)

26. Segment reporting

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



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

27. Managerial remuneration

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

| | 2009 | 2008 |
|---------------------------------|------------------|-------------------|
| Salary | 4,700,000 | 2,565,000 |
| Commission to managing director | 261,264 | 26,800,322 |
| | 4,961,264 | 29,365,322 |

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

Computation of net profit under Section 349 of the Act:

| | 2009 | 2008 |
|---|-------------------|--------------------|
| Profit before tax as per the profit and loss account | 49,334,558 | 559,008,496 |
| Add : | | |
| Managing and other director's remuneration and commission | 4,961,264 | 29,365,322 |
| Director's sitting fees | 690,000 | 349,750 |
| Loss on sale of investment (net) | - | 9,013,111 |
| Loss on discarding of assets | 1,731,010 | - |
| Provision for Wealth Tax | 20,000 | - |
| Depreciation as provided in the books | 10,028,367 | 8,416,950 |
| | 66,765,199 | 606,153,629 |
| Less: | | |
| Depreciation as computed under Sec 350 of the Act | 10,028,367 | 8,416,950 |
| Profit on sale of investment (net) | 850,280 | - |
| Profit before tax as per Section 349 of the Act | 55,886,552 | 597,736,679 |
| Maximum remuneration paid / payable to directors @ 10% on the above | 5,080,595 | 54,339,698 |
| Restricted to | 4,961,264 | 29,365,322 |

28. Leases

Operating lease

- a) The Company has taken a commercial property on non-cancellable operating lease. The future minimum lease payments in respect of lease property as on 31 March 2009 is as follows:

| Lease Payments | 2009 | 2008 |
|--|-------------------|-------------------|
| Not later than one year | 14,000,000 | 12,900,000 |
| Later than one year but not later than 5 years | 16,590,000 | 30,590,000 |
| Later than 5 years | - | - |
| Payment of lease rentals during the year | 12,900,000 | 12,900,000 |

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



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

29. Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits'

i) Effective 1 April 2007, the Company adopted Accounting Standard 15 (revised 2005) on "Employee Benefits" as prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards. Pursuant to the adoption, the transitional obligations as required by the standard amounting to Rs 69,446 (net of taxes Rs 35,759) have been adjusted to the general reserve in the previous year.

ii) Defined Benefit Plans

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

| | | | |
|------------|---|----------------|----------------|
| I | Change in the defined benefit obligation | 2009 | 2008 |
| | Liability at the beginning of the year | 411,490 | 105,205 |
| | Interest cost | 32,919 | 8,416 |
| | Current service cost | 345,197 | 130,269 |
| | Benefit paid | - | - |
| | Actuarial (gain) / loss on obligations | (207,790) | 167,599 |
| | Liability at the end of the period | 581,815 | 411,490 |
| II | Amount recognised in the balance sheet | | |
| | Liability at the end of the year | 581,815 | 411,490 |
| | Fair value of plan assets at the end of the year | - | - |
| | Difference | 581,815 | 411,490 |
| | Amount recognised in the balance sheet | 581,815 | 411,490 |
| III | Expenses recognised in the profit and loss account | | |
| | Current service cost | 345,197 | 130,269 |
| | interest cost | 32,919 | 8,416 |
| | Expected return on plan assets | - | - |
| | Net actuarial (gain) / loss to be recognised | (207,790) | 167,599 |
| | Expense recognised in the profit and loss account | 170,326 | 306,284 |
| IV | Balance sheet reconciliation | | |
| | Opening net liability | 411,490 | 105,205 |
| | Expense as above | 170,326 | 306,284 |
| | Employers contribution paid | - | - |
| | Amount recognised in the balance sheet | 581,815 | 411,490 |
| V | Actuarial assumptions : | | |
| | Discount rate | 7.75% | 8.00% |
| | Salary escalation | 6.00% | 6.00% |

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

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



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

30. Related party disclosures

A Parties where control exists:

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

- II. **Subsidiaries**

- Satra Buildcon Private Limited (w.e.f. 18 October 2007)
- Satra Estate Development Private Limited (w.e.f. 23 October 2007)
- Satra Infrastructure and Land Developers Private Limited (w.e.f. 19 October 2007)
- Satra Lifestyles Private Limited (w.e.f. 19 October 2007)
- Satra Property Developers Private Limited (w.e.f. 30 April 2007)
- Satra International Realtors Limited (w.e.f. 17 June 2008)

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

- I. **Associates**

- C. Bhansali Developers Private Limited (w.e.f. 20 April 2007)
- Shravan Developers Private Limited
- Sun Beam Builders and Developers (w.e.f. 31 January 2007 and up to 7 March 2008)
- Sweety Developers (w.e.f. 28 April 2008 upto 27 October 2008)

- II. **Joint Venturers**

- Prime Property Development Corporation Limited
- Prime Down Town Estate Private Limited (Formerly known as Bharat Shah Estate Private Limited)

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

- Prime Multi Tiles Trading Private Limited
- Satra Infrastructure Development Private Limited
- Satra Land Development Private Limited (w.e.f. 7 May 2007)
- Satra Novelties Private Limited (w.e.f. 30 July 2007)
- Satra Property Development Private Limited (w.e.f. 7 May 2007)
- Savla Realtors and Developers Private Limited
- Sweety Developers (w.e.f. 1 April 2006 to till 27th April 08 and w.e.f. 28 October 2008)
- Prime Bond Industries

- IV. **Key Managerial Personnel**

- Vijay N Satra – Whole time Director (w.e.f. 1 February 2008 upto 20 March 2009) and relative of managing director
- Rajan P Shah – Whole time Director

SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

| 30 Related party disclosures (Continued) | | | | | | | | | | | |
|--|--|---------------------------|-------------|---------------------------|-------------|---|-------------|---|-------------|---------------|-------------|
| Sr. No. | Nature of Transaction | Wholly Owned Subsidiaries | | Associates/ Joint Venture | | Entities over which key managerial personnel or their relatives exercises significant Influence | | Key Managerial Personnel and their relative | | Total | |
| | | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| 1 | Loans taken / converted | - | - | 70,500,000 | - | 118,090,352 | 101,550,000 | - | 35,124,333 | 188,590,352 | 136,674,333 |
| 2 | Loans given / converted | 1,773,288,874 | 80,320 | - | 529,373,196 | - | 272,646 | - | - | 1,773,288,874 | 529,726,162 |
| 3 | Interest income | 87,726,367 | - | 21,010,654 | 13,817,669 | - | - | - | - | 108,737,021 | 13,817,669 |
| 4 | Dividend received | 14,603,900 | 14,603,900 | - | - | - | - | - | - | 14,603,900 | 14,603,900 |
| 5 | Share in Profit (loss) of Partnership Firm | - | - | (1531) | 56,856,893 | - | - | - | - | (1531) | 56,856,893 |
| 6 | Interest expense | - | 2,797,164 | 9,398,957 | - | 1,504,980 | 1,835,766 | 4,524,150 | 4,406,230 | 15,428,087 | 9,039,160 |
| 7 | Receiving of services | - | - | - | - | 10,409,578 | - | 14,472,295 | 14,228,700 | 24,881,873 | 14,228,700 |
| 8 | Purchase of goods | - | - | - | - | 737,152 | - | - | - | 737,152 | - |
| 9 | Sale of flat | - | - | - | - | - | - | - | 71,800,000 | - | 71,800,000 |
| 10 | Reimbursement received | - | - | 142,703 | 3,398,325 | - | - | - | - | 142,703 | 3,398,325 |
| 11 | Reimbursement paid | - | - | 3,218,510 | 25,828,906 | - | - | - | - | 3,218,510 | 25,828,906 |
| 12 | Issue of Shares on Amalgamation Equity | - | - | - | - | - | - | - | 61,100,000 | - | 61,100,000 |
| | Preference | - | - | - | - | - | - | - | 70,000,000 | - | 70,000,000 |
| 13 | Directors remuneration | - | - | - | - | - | - | 4,961,264 | 29,365,322 | 4,961,264 | 29,365,322 |
| 14 | Directors sitting fees | - | - | - | - | - | - | 90,000 | 86,500 | 90,000 | 86,500 |
| 15 | Advance received against property | - | - | - | - | - | 10,100,000 | - | - | - | 10,100,000 |
| 16 | Advance paid for property | - | - | 262,514,548 | 85,000,000 | - | - | - | - | 262,514,548 | 85,000,000 |
| 17 | Advances given | - | - | - | - | 26,060,504 | - | - | - | 26,060,504 | - |
| 18 | Investment made | 11,711,600 | 400,000 | 25,025,000 | 45,712,120 | - | - | - | 436,008,000 | 36,736,600 | 482,120,120 |
| 19 | Investment sold | - | - | 25,025,000 | 125,900,000 | - | - | - | - | 25,025,000 | 125,900,000 |
| 20 | Guarantee given on behalf of | - | 600,000,000 | - | - | - | - | - | - | - | 600,000,000 |





SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

30 Related party disclosures (Continued)

| Sr. No. | Nature of Transaction | Wholly Owned Subsidiaries | | Associates/ Joint Venture | | Entities over which key managerial personnel or their relatives exercises significant Influence | | Key Managerial Personnel and their relative | | Total | |
|---------|--|---------------------------|--------------------|---------------------------|-------------|---|------------|---|------------|--------------------|--------------------|
| | | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | Outstanding balance receivable/Deposits | | | | | | | | | | |
| 1 | Loans outstanding | 668,378,357 | - | 89,828,323 | 131,653,227 | 3,498,469 | - | - | - | 761,705,149 | 131,653,227 |
| 2 | Sundry debtors | - | - | - | - | - | - | - | 4,800,000 | - | 4,800,000 |
| 3 | Deposits | - | - | - | - | - | - | 2,150,000 | 2,150,000 | 2,150,000 | 2,150,000 |
| 4 | Advance paid for property | - | - | 104,000,000 | 100,000,000 | - | - | - | - | 104,000,000 | 100,000,000 |
| 5 | Advance Given | - | - | 73,804,090 | - | 16,050,411 | - | - | - | 89,854,501 | - |
| | Outstanding balances payables | | | | | | | | | | |
| 1 | Loans alongwith the net interest | - | 5,653,693 | 90,167,768 | - | 11,453,248 | 79,167 | 41,717,115 | 37,701,246 | 143,338,131 | 43,434,106 |
| 2 | Sundry creditors | - | 3,490,200 | 1,075,807 | 7,286,990 | - | - | 6,128,893 | - | 7,204,700 | 10,777,190 |
| 3 | Remuneration payable | - | - | - | - | - | - | 1,052,064 | 18,092,635 | 1,052,064 | 18,092,635 |
| 4 | Advance received against property | - | - | - | - | 5,000,000 | 15,100,000 | - | - | 5,000,000 | 15,100,000 |
| | Guarantees outstanding on behalf of | 240,000,000 | 600,000,000 | - | - | - | - | - | - | 240,000,000 | 600,000,000 |



| SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009 | | | |
|---|---|---------------|-------------|
| <i>(Currency: Indian Rupees)</i> | | | |
| 30 Related party disclosures (Continued) | | | |
| Sr. No. | Nature of Transaction | Total | |
| | | 2009 | 2008 |
| 1 | Loans taken / converted | | |
| | Satra Infrastructure Development Private Limited | 9,300,000 | 64,000,000 |
| | Satra Land Development Private Limited | 50,000 | 14,000,000 |
| | BKC Developers Private Limited | 70,500,000 | - |
| | Satra Novelties Private Limited | 1,700,000 | 15,050,000 |
| | Satra Property Development Private Limited | 107,040,352 | 8,500,000 |
| | Praful N. Satra | - | 31,958,919 |
| 2 | Loans Given / converted | | |
| | C.Bhansali Developers Private Limited | - | 76,000,000 |
| | Shravan Developers Private Limited | - | 453,373,196 |
| | Satra Property Developers Private Limited | 1,525,000,474 | - |
| | Satra International Realtors Limited | 248,288,400 | - |
| 3 | Interest Income | | |
| | Sun-Beam Builders & Developers | - | 2,185,427 |
| | C.Bhansali Developers Private Limited | 10,197,283 | 7,682,629 |
| | Shravan Developers Private Limited. | 10,813,371 | 3,949,613 |
| | Satra Property Developers Private Limited | 37,497,284 | - |
| | Satra International Realtors Limited | 50,229,083 | - |
| 4 | Dividend Received | | |
| | Satra Property Developers Private Limited | 14,603,900 | 14,603,900 |
| 5 | Share in Profit / (Loss) of Partnership Firm | | |
| | Sun-Beam Builders & Developers | - | 56,856,893 |
| | Sweetly Developers | (1,531) | - |
| 6 | Interest Expense | | |
| | Satra Infrastructure Development Private Limited | 327,002 | 1,100,610 |
| | Satra Property Developers Private Limited | - | 2,797,164 |
| | BKC Developers Private Limited | 9,398,957 | - |
| | Praful N. Satra | 4,106,209 | 4,014,299 |
| 7 | Receiving of Services | | |
| | Praful N. Satra | 14,472,295 | 14,228,700 |
| | Satra Property Development Private Limited | 10,409,578 | - |
| 8 | Purchase of Material | | |
| | Prime Multi-tiles Trading Private Limited | 701,792 | - |
| | Prime Bond Industries | 124,717 | - |



| SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009 | | | |
|---|--|--------------------|-------------|
| <i>(Currency: Indian Rupees)</i> | | | |
| 30 Related party disclosures (Continued) | | | |
| Sr. No. | Nature of Transaction | Total | |
| | | 2009 | 2008 |
| 9 | Sale of Flats | | |
| | Praful N. Satra | - | 71,800,000 |
| 10 | Reimbursement received | | |
| | Prime Property Development Corporation Limited | 142,703 | 3,398,325 |
| 11 | Reimbursement paid | | |
| | Prime Property Development Corporation Limited | 3,218,510 | 25,828,906 |
| 12 | Issue of Shares on Amalgamation | | |
| | <i>I Equity</i> | | |
| | Praful N. Satra | - | 43,550,000 |
| | Minaxi P. Satra | - | 17,550,000 |
| | <i>II Preference</i> | | |
| | Praful N. Satra | - | 45,000,000 |
| | Minaxi P. Satra | - | 25,000,000 |
| 13 | Managerial Remuneration | | |
| | Praful N. Satra | 2,661,264 | 28,463,655 |
| | Vijay N. Satra | 1,100,000 | 200,000 |
| | Rajan P. Shah | 1,200,000 | 647,500 |
| 14 | Directors sitting fees | | |
| | Minaxi P. Satra | 90,000 | 43,250 |
| | Vijay N. Satra | - | 43,250 |
| 15 | Advance received against property | | |
| | Savla Realtors & Developers Private Limited | - | 10,100,000 |
| 16 | Advance paid for property | | |
| | Shravan Developers Private Limited | 258,514,548 | - |
| | Prime Down Town Estate Private Limited | - | 85,000,000 |
| 17 | Advance given | | |
| | Satra Property Development Private Limited | 26,060,504 | - |
| 18 | Investments made | | |
| | Sun-Beam Builders & Developers | - | 45,532,680 |
| | Minaxi P. Satra | - | 165,104,000 |
| | Praful N. Satra | - | 270,904,000 |
| | Satra International Realtors Limited | 11,711,600 | - |
| | Sweety Developers (Firm) | 25,025,000 | - |
| 19 | Investment sold | | |
| | Sun-Beam Builders & Developers | - | 125,900,000 |
| | Sweety Developers (Firm) | 25,025,000 | - |



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

| 30 Related party disclosures (Continued) | | Total | |
|---|--|--------------|-------------|
| Sr. No. | Nature of Transaction | 2009 | 2008 |
| Outstanding Balances Receivable / Deposits | | | |
| 1 | Loans alongwith the net interest | | |
| | C.Bhansali Developers Private Limited | 89,828,323 | 81,941,744 |
| | Shravan Developers Private Limited | - | 49,711,483 |
| | Satra Property Developers Private Limited | 369,860,874 | - |
| | Satra International Realtors Limited | 298,517,483 | - |
| 2 | Sundry Debtors | | |
| | Praful N. Satra | - | 4,800,000 |
| 3 | Deposits | | |
| | Praful N. Satra | 2,150,000 | 2,150,000 |
| 4 | Advances paid for property / TDR | | |
| | Bharat Shah Estates Private Limited | 100,000,000 | 100,000,000 |
| 5 | Advance given | | |
| | Satra Property Development Private Limited | 16,050,411 | - |
| | Shravan Developers Private Limited | 73,804,090 | - |
| Outstanding Balances Payables | | | |
| 1 | Loans alongwith the net interest | | |
| | Satra Property Developers Private Limited | - | 5,574,526 |
| | BKC Developers Private Limited | 90,167,768 | - |
| | Praful N. Satra | 37,859,374 | 34,218,397 |
| 2 | Sundry Creditors | | |
| | Satra Property Developers Private Limited | - | 3,490,200 |
| | Prime Property Development Corporation Limited | 1,075,807 | 7,286,990 |
| | Praful N. Satra | 6,128,893 | - |
| 3 | Remuneration Payable | | |
| | Praful N. Satra | 631,264 | 17,835,890 |
| | Vijay N. Satra | 166,000 | 179,445 |
| | Rajan P. Shah | 254,800 | 77,300 |
| 4 | Advance received against property | | |
| | Savla Realtors & Developers Private Limited | 5,000,000 | 15,100,000 |



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

31. Micro, Small and Medium Enterprises Development Act, 2006

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

| | 2009 | 2008 |
|--|------|------|
| Principal amount remaining unpaid to any supplier as at the period end | - | - |
| Interest due thereon | - | - |
| Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period. | - | - |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED | - | - |
| Amount of interest accrued and remaining unpaid at the end of the accounting period | - | - |

32. Amalgamation of Om Housing Company Private Limited with the Company

In accordance with the scheme of amalgamation ("the scheme") of the erstwhile Om Housing Company Private Limited with the Company as approved by the Honourable High Court of Bombay on 16 April 2007 and certified copy received on 22 August 2007, all the assets and liabilities of the erstwhile Om Housing Company Private Limited have been transferred to and vested in the Company effective date 1 April 2006. Accordingly, the scheme had been given effect to in the financial statements for the year ended 31 March 2008.

The amalgamation has been recorded for under the 'pooling of interests' method as prescribed by Accounting Standard – 14 on "Accounting for Amalgamations" issued by the Central Government. Accordingly, all assets, liabilities and reserves of the erstwhile Om Housing Company Private Limited at the effective date 1 April 2006 have been taken over at their respective book values.

The net profit of the erstwhile Om Housing Company Private Limited for the year ended 31 March 2007 comprised of:

| Particulars | Amount |
|-----------------------------|-------------------|
| Sales | - |
| Other income | 31,693,795 |
| Total revenue | 31,693,795 |
| Personnel cost | 50,000 |
| Interest expenses | 228,121 |
| Other costs | 1,422,131 |
| Profit before tax | 29,993,543 |
| Current tax | 11,000,000 |
| Fringe benefit tax | 1,029 |
| Net profit after tax | 18,992,514 |



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

Pursuant to the amalgamation of Om Housing Company Private Limited with the Company, 37,192,250 equity shares of Rs 2 each and 7,400,000 preference shares of Rs 10 each were issued and allotted to the shareholders of erstwhile Om Housing Company Private Limited on 19 September 2007.

The net surplus of Rs 21,796,437 being the difference between the issued share capital of erstwhile Om Housing Company Private Limited and the value of shares issued by the Company to the shareholders of erstwhile Om Housing Company Private Limited has been transferred to the Amalgamation Reserve Account.

33. Quantitative information

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

34. Auditors' Remuneration

| | 2009 | 2008 |
|------------------------|------------------|------------------|
| Statutory audit fees | 1,870,336 | 800,565 |
| Taxation matters | 55,150 | 64,607 |
| Other services* | 974,720 | 505,620 |
| Out of pocket expenses | - | 46,312 |
| | 2,900,206 | 1,417,104 |

* includes payment of Rs 500,000 (2008: Rs Nil) to statutory auditors for other services, which has been capitalised to construction work-in-progress.

35. Expenditure in foreign currency

| | 2009 | 2008 |
|-----------------------|------|------------------|
| Foreign travelling | - | 163,200 |
| Construction material | - | 3,439,438 |
| Professional fees | - | 661,494 |
| | - | 4,254,132 |

36. Earnings in foreign currency – Rs Nil (2008: Rs Nil)



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

37. Disclosure as per clause 32 of the Listing Agreement

| i. Particulars in respect of loans and advances to subsidiary companies: | | | | | |
|---|--|---------------|------------|-------------------------------------|--------------|
| | Name of the Company | Balance as at | | Maximum Outstanding during the year | |
| | | 2009 | 2008 | 2009 | 2008 |
| 1 | Satra Buildcon Private Limited | - | - | - | 20,080 |
| 2 | Satra Estate Development Private Limited | - | - | - | 20,080 |
| 3 | Satra Infrastructure and Land Developers Private Limited | - | - | - | 20,080 |
| 4 | Satra Lifestyles Private Limited | - | - | - | 20,080 |
| 5 | Satra International Realtors Limited | 298,517,483 | - | 298,517,483 | - |
| 6 | Satra Property Developers Private Limited | 369,860,874 | - | 648,425,474 | - |
| ii. Particulars of loans and advances to companies in which director(s) is a director or member: | | | | | |
| | Name of the Company | Balance as at | | Maximum Outstanding during the year | |
| | | 2009 | 2008 | 2009 | 2008 |
| 1 | C Bhansali Developers Private Limited | 93,828,323 | 81,941,744 | 93,828,323 | 81,941,744 |
| 2 | Shravan Developers Private Limited | 73,804,090 | 49,711,483 | 228,800,775 | 16,62,00,893 |
| iii. Particulars of loans and advances where there is no repayment schedule: | | | | | |
| | Name of the Company | Balance as at | | Maximum Outstanding during the year | |
| | | 2009 | 2008 | 2009 | 2008 |
| 1 | Zamkudi Garments Private Limited | - | 42,590 | 42,590 | 42,590 |
| 2 | Arjun Realtors Private Limited | 18,352,313 | 16,793,723 | 18,352,313 | 16,793,723 |
| 3 | Cine Line Exports Private Limited | 11,221,180 | 10,270,051 | 11,221,180 | 16,078,608 |
| 4 | Harsh Kaushal Developers | - | - | - | 113,458,305 |
| 5 | Orchid Hotels Private Limited | 11,769,321 | 10,769,797 | 11,769,321 | 10,769,797 |
| 6 | Sweety Developers | 3,498,469 | - | 18,025,000 | - |

38. Details of investments bought and sold during the year

| Name of the company | Purchased during the year | | Sold during the year | |
|--|---------------------------|------------|----------------------|------------|
| | Quantity (no's) | Value | Quantity (no's) | Value |
| Asian Tea Limited | - | - | 19,529 | 1,596,548 |
| Cosmos Co-operative Bank Limited | 374 | 37400 | - | - |
| Satra International Realtors Limited (UAE) | 100 | 11,711,600 | - | - |
| Sweety Developers | - | 18,025,000 | - | 18,025,000 |



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

39. Investment in joint ventures

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

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

| Amount in respect to Prime down town Joint Venture Balance Sheet | 2009 | 2008 |
|--|-------------|-------------|
| Inventories | 146,312,018 | 133,344,200 |
| Cash and bank | - | 513,915 |
| Current liabilities and provision | 128,706,799 | 136,804,282 |
| Loans and advances | 100,000,000 | 100,000,000 |

40. Out of the aggregate amount of Rs 141,800,000 raised during the year 2006-07 by way of preferential issue of equity shares including share premium, sum of Rs 123,600,000 had been utilised for acquisition of land at Calicut forming part of construction work in progress and Rs 18,200,000 had been invested on account of capital with partnership firm M/S Sun Beam Builders & Developers.
41. During the year, the Company has changed the structural plan of the Borivali Project from a commercial complex to a commercial cum residential complex to improve the overall profitability of the project. As a result, in order to facilitate the construction as per the revised plan, certain existing structures at the site have been demolished subsequent to the year end. The estimated construction cost incurred by the Company on the demolished portion amount to Rs 157,974,510 and the same continues to be included in construction work-in-progress. Management has revised its estimated cost to complete the revised commercial cum residential project and believes that the overall margins of the revised project will be adequate to recover the construction cost of demolished area incurred during the year. Hence the construction cost of demolished area amounting to Rs 157,974,510 continues to be included in the construction work-in-progress as at 31 March 2009 and has not been charged to the Profit and Loss account during the year.
42. The promoters' shareholding in the Company as at 31 March 2009 is 77.86% which is in excess of the limits prescribed under clause 6.8.3.2(m) - Explanation I & II of SEBI (DIP) Guidelines, 2000 by the Securities Exchange Board of India. The Company has made an application to Bombay Stock Exchange Limited for extension of time for diluting 2.86% of Promoters stake for which reply is awaited.
43. **Transfer Pricing**

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



SCHEDULES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

44. i. Loans and advances includes Rs 3,498,469 (2008: Rs.Nil) due from M/s. Sweety Developers which is a firm under the same management as per Section 370(1B) of the Act, maximum amount during the year Rs 18,025,000 (2008: Rs Nil).
- ii. Loans and advances includes Rs 839,509,238 (2008: Rs 131,653,227) due from companies / firm in which director is a director or member as under:

| Name of the Company / Firm | Balance as at | |
|---|---------------|------------|
| | 2009 | 2008 |
| Satra International Realtors Limited | 298,517,483 | Nil |
| Satra Property Developers Private Limited | 369,860,874 | Nil |
| C.Bhansali Developers Private Limited | 93,828,323 | 81,941,744 |
| Shravan Developers Private Limited | 73,804,090 | 49,711,483 |
| M/s. Sweety Developers | 3,498,469 | Nil |

45. **Prior year comparatives**

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

For and on behalf of the Board of Directors

Praful N. Satra
Chairman And
Managing Director
Mumbai
29 June 2009

Rajan P. Shah
Executive Director

Vicky M. Kundaliya
Company Secretary



SATRA PROPERTIES (INDIA) LIMITED

as at 31 March 2009

(Currency: Indian Rupee)

Balance sheet abstract and Company's general business profile

I Registration Details

Registration Number

| | | | | | |
|---|---|---|---|---|---|
| 0 | 3 | 0 | 0 | 8 | 3 |
|---|---|---|---|---|---|

State Code

| | |
|---|---|
| 1 | 1 |
|---|---|

Balance Sheet Date

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3 | 1 | 0 | 3 | 2 | 0 | 0 | 9 |
|---|---|---|---|---|---|---|---|

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

Public Issue

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
| | | | | N | I | L |

Rights Issue

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
| | | | | N | I | L |

Bonus Issue

Private Placement

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

Total Liabilities

| | | | | | | |
|---|---|---|---|---|---|---|
| 5 | 6 | 8 | 9 | 5 | 5 | 8 |
|---|---|---|---|---|---|---|

Total Assets

| | | | | | | |
|---|---|---|---|---|---|---|
| 5 | 6 | 8 | 9 | 5 | 5 | 8 |
|---|---|---|---|---|---|---|

Sources of Funds

Paidup Capital

| | | | | | | |
|--|---|---|---|---|---|---|
| | 3 | 8 | 4 | 7 | 1 | 6 |
|--|---|---|---|---|---|---|

Reserves & Surplus

| | | | | | | |
|--|---|---|---|---|---|---|
| | 4 | 0 | 9 | 4 | 9 | 9 |
|--|---|---|---|---|---|---|

Secured Loans

| | | | | | | |
|---|---|---|---|---|---|---|
| 2 | 5 | 2 | 0 | 6 | 3 | 0 |
|---|---|---|---|---|---|---|

Unsecured Loans

| | | | | | | |
|--|---|---|---|---|---|---|
| | 8 | 4 | 5 | 6 | 5 | 6 |
|--|---|---|---|---|---|---|

Application of Funds

Net Fixed Assets

| | | | | | | |
|--|--|---|---|---|---|---|
| | | 3 | 1 | 8 | 4 | 9 |
|--|--|---|---|---|---|---|

Investments

| | | | | | | |
|--|---|---|---|---|---|---|
| | 5 | 9 | 7 | 9 | 7 | 0 |
|--|---|---|---|---|---|---|

Net Current Assets

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 5 | 0 | 9 | 4 | 5 | 4 |
|---|---|---|---|---|---|---|

Accumulated Losses

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

Net Deferred tax Asset

| | | | | | | |
|--|--|---|---|---|---|---|
| | | 2 | 1 | 2 | 2 | 8 |
|--|--|---|---|---|---|---|

IV Performance of the Company (Amount in Rs Thousands)

Turnover

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 2 | 0 | 2 | 6 | 9 |
| 1 | 1 | 7 | 0 | 9 | 3 | 4 |

Total Expenditure

Profit Before Tax

| | | | | | | |
|---|--|---|---|---|---|---|
| + | | 4 | 9 | 3 | 3 | 5 |
| + | | 1 | 6 | 7 | 6 | 3 |

Profit after Tax

Earning per share (in Rupees)

| | | | |
|--|---|---|---|
| | 0 | 0 | 6 |
|--|---|---|---|

Dividend Rate

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

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

Item Code No

| | | | | | | | |
|--|--|--|--|--|--|---|---|
| | | | | | | N | A |
|--|--|--|--|--|--|---|---|

Product Description

| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|---|---|
| | | | | | | | | | | N | A |
|--|--|--|--|--|--|--|--|--|--|---|---|

For and on behalf of the Board of Directors

Praful N. Satra

Chairman and Managing Director

Rajan P. Shah

Executive Director

Vicky M. Kundaliya

Company Secretary

Mumbai, 29 June, 2009



DIRECTORS' REPORT

To
The Members,
SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Your Directors are pleased to present the 9th Annual Report and the Audited Accounts for the Financial Year ended March 31, 2009.

1) FINANCIAL HIGHLIGHTS:

The Financial Performance of the Company for the Financial Year ended March 31, 2009 is summarized below:

(Rs. In Lacs)

| FINANCIAL HIGHLIGHTS | | |
|---|----------------|-----------------|
| Particulars | Current Year | Previous Year |
| Profit / (Loss) before taxation | 230.94 | 1,792.10 |
| Less: Provision for taxation | | |
| - Current Year | 131.88 | 643.08 |
| - Earlier Years | 1.85 | 8.65 |
| Deferred tax | (0.65) | 0.04 |
| Fringe Benefit Tax | | |
| - Current Year | 0.43 | 0.07 |
| - Earlier Years | --- | --- |
| Net Profit After Taxation | 97.43 | 1140.26 |
| Add / (Less): Profit/(Loss) b/f from previous years | 1,051.31 | 81.91 |
| Less: Appropriations | | |
| Transfer to General Reserve | --- | --- |
| Proposed Dividend | --- | 146.04 |
| Tax on Proposed Dividend | --- | 24.82 |
| Balance Profit / (Loss) c/f to Balance Sheet | 1148.74 | 1,051.31 |

2) DIVIDEND :

During the year under review, the Company earned a Net Profit after Tax of Rs. 97.43 Lacs. However, in view of the recent financial and economic conditions, it would be wise to plough back profits earned during the year for expansion and funding of projects, so your directors have not recommended any dividend for the financial year 2008-2009.

3) WHOLLY OWNED SUBSIDIARY COMPANY:

Your company is a wholly owned subsidiary of **SATRA PROPERTIES (INDIA) LIMITED** and accordingly the provisions of Companies Act, 1956, applicable to the Public Company will become applicable to your Company.

Further in this regard your Company has constituted Audit Committee in Compliance with section 292A of the Companies Act, 1956. Mr. Rajan P. Shah, Director of the Company and Member of the Audit Committee has tendered his resignation from the Company. The Board of Directors in its meeting held on 10th March, 2009 has reconstituted its Audit Committee, which is as follows:

| Sr. No. | Name | Designation | Position in Committee |
|---------|----------------------------|------------------------|-----------------------|
| 1 | Mr. Vidyadhar D. Khadilkar | Independent Director | Chairman |
| 2 | Mrs. Minaxi P. Satra | Non-Executive Director | Member |
| 3 | Mr. Chandrakant M. Kothari | Whole-time Director | Member |



4) OPERATIONS:

During the year under review, there was overall recession in economy, the real estate industry in particular. Due to subdued demand in various segments of real estate, there was a decrease in demand which resulted in lower sales turnover at Rs. 8.58 Crores and Net Profit before tax of Rs. 2.31 Crores. Further, adverse conditions have resulted in delay in realization of sales proceeds and have affected the cash flow of the Company.

Status of various projects of the Company:

(A) DREAMS THE MALL BHANDUP, MUMBAI

During the year, your Company has successfully completed the Project in Joint development with HDIL. The 8 Lacs sq. ft. project located at the junction of LBS Marg and Bhandup Railway Station, comprises of retail, multiplex with ample parking spaces. Your Company is confident of encashing the value of unsold units in the said project in the current year and thereby achieving the targeted revenue and profit thereon.

(B) PROPOSED PROJECT AT GHATKOPAR, MUMBAI

Your Company is in the process of implementing of project at Ghatkopar, Mumbai under Slum Rehabilitation Scheme. The proposed residential project shall encompass 6 Ultra luxury residential towers of 22 storeys with landscape gardens, swimming pool and gymnasium. The project is proposed to have a saleable area of about 8 Lacs sq. fts. The said project is expected to commence by September, 2009 Quarter.

5) MAJOR EVENTS DURING THE YEAR:

INVESTMENT IN SPECIAL PURPOSE COMPANY (SPC)

Your Company has invested in Deepmala Infrastructure Private Limited (SPC) by acquiring 26% stake in the said Company. The said SPC has awarded 15 acres of land from Government of Madhya Pradesh and Madhya Pradesh Housing Board for development at South TT Nagar, Bhopal.

6) DIRECTORS:

Mr. Praful N. Satra and Mr. Rajan P. Shah, Non-Executive Directors of the Company, resigned w.e.f. 10th March, 2009. (During the Financial Year 2008-2009) Mr. Praful N. Satra and Mr. Rajan P. Shah were again appointed as additional Directors of the Company w.e.f. 2nd April, 2009 and 22nd June, 2009 respectively. Mr. Vidyadhar D. Khadilkar, Director of your Company retires in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

7) FIXED DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956.

8) INSURANCE:

The assets of the company have been adequately insured, wherever necessary.

9) DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.



- c) That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the year ended 31st March, 2009 on a going concern basis.

10) AUDITORS' REPORT:

The observations made in the Auditors' Report are self-explanatory and therefore do not call for further comments under Section 217 of the Companies Act, 1956.

11) AUDITORS:

M/s Bhuta Shah & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them informing, that their appointment if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

12) PERSONNEL:

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

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

13) PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUTGO:

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

14) APPRECIATION:

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

For and on behalf of the Board of Directors

Mr. Chandrakant Kothari
Director

Mrs. Minaxi Satra
Director

Mumbai
22nd June 2009



AUDITORS' REPORT

To the Members of
SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **SATRA PROPERTY DEVELOPERS PRIVATE LIMITED** as at 31st March 2009 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- (i) 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;
- (ii) 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;
- (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) on the basis of the written representations received from the Directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956; and

(vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;

(b) in the case of the Profit and Loss Account, of the profit of the company for the year ended on that date; and

(c) in the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For and on behalf of Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner

Membership No. 103424

Mumbai, 22nd June, 2009



Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of the Auditors' Report to the members of SATRA PROPERTY DEVELOPERS PRIVATE LIMITED on the accounts for the year ended 31st March, 2009.

- (i)
 - (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) The Company has a program for physical verification of fixed assets at periodical intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its business. According to the explanation given to us, no material discrepancies have been noticed on such verification.
 - (c) The Company has not disposed off any fixed assets during the year, which may affect the going concern status of the company.
- (ii)
 - (a) The management has conducted physical verification of inventory comprising of units constructed at reasonable intervals.
 - (b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory 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 information and explanation given to us, the Company's inventory, comprising of number of units (shops) constructed, is maintaining proper records of inventory. No discrepancies have been noticed on verification between the physical stocks and the book records.
- (iii)
 - (a) According to information and explanation given to us, the Company has granted unsecured loans to three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 837,704,815/- and outstanding amount at the end of the year is Rs. 501,933,273/-.
 - (b) In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which the loans have been given are not, prima facie, prejudicial to the interest of the Company.
 - (c) The principal amounts, are repayable on demand and there is no repayment schedule. The interest, where applicable, is receivable on demand.
 - (d) In respect of the said loans, the same are receivable on demand and therefore the question of overdue amount does not arise. In respect of interest, where applicable, there are no overdue amounts.
 - (e) According to the information and explanation given to us, the company has taken loans from three companies and two directors covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 74,22,38,376/- and outstanding amount at the end of the year is Rs. 41,96,06,442/-.
 - (f) In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which the above loans have been taken are not prima-facie prejudicial to the interest of the Company.
 - (g) The principal amounts, are receivable on demand and there is no repayment schedule. The interest, where applicable, is payable on demand.
- (iv) 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 and sale of commercial /residential premises and trading in development rights. The activities of company currently do not involve sale of goods and services. Accordingly, paragraph 4(iv) of the Order with respect to sale of goods and services is not applicable to the company. During the course of our audit no major weakness has been observed in the internal controls.
- (v)
 - (a) In our opinion and according to information and explanation given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanation 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 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the act and the Rules framed there under.
- (vii) In our opinion and according to information and explanation given to us, the Company has **no formal internal audit department**, but has adequate internal control procedures and checks commensurate with the size and nature of business of the Company.
- (viii) In our opinion and according to information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- (ix)
 - (a) According to the information and explanation given to us and according to the books and records produced before us and



examined by us, the Company is generally regular in depositing undisputed statutory dues except Income Tax payable for the A.Y. 2008-09 amounting to Rs.3,25,51,632/- outstanding for a period of more than six months. As informed to us the provisions of Provident Fund, Investor Education and Protection Fund, Employees State Insurance Act are not applicable to the Company.

- (b) According to the information and explanation given to us, there are no dues of Sales tax, Wealth tax, Service tax, Customs Duty, Excise duty and Cess which have not been deposited on account of any dispute except on account of Income Tax as follows:

| Name of Statute | Nature of Dues | Amount Rupees | Period to which amount relate | Forum where disputes is pending |
|-----------------|--|---------------|-------------------------------|---|
| Income Tax | Tax and interest as per notice of demand | 1,67,47,639 | A.Y.2007-08 | The Hon'ble Commissioner of Income Tax (Appeal) |
| Income Tax | Tax and interest as per notice of demand | 32,58,876 | A.Y.2006-07 | The Hon'ble Commissioner of Income Tax (Appeal) |

- (x) According to information and explanation given to us, the Company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses during the current year and immediately preceding financial year.
- (xi) According to information and explanation given to us, the Company has made default in repayment of term loan with the Allahabad Bank as per point no. 14 of notes to accounts schedule 20 of the financial statements. The application for re-schedulement of term loan has been accepted by the bank and the repayment of term loan has been extended to be repaid from may 2009 onwards.
- (xii) According to the information and explanation given to us the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to information and explanation given to us and considering the nature of the business carried down during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The marketable securities have been held by the Company in its own name.
- (xv) In our opinion and according to information and explanations given to us, terms and conditions on which the company has given a guarantee for loan taken by holding company from banks or financial institutions are not prejudicial to the interest of the company.
- (xvi) According to the information and explanation given to us and the records examined, the term loan taken by the company have been applied for the purpose for which they were raised.
- (xvii) On the basis of information and explanation given to us and on the basis of 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.
- (xviii) During the year, the Company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures and hence, the clause 4(xix) of the Order is not applicable to the company.
- (xx) The Company has not raised any money by public issue and hence, the clause 4(xx) of the Order is not applicable to the company.
- (xxi) During the course of our examination of the books of account and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year.

For M/s. Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner

Membership No 103424
Mumbai, 22nd June 2009



| SATRA PROPERTY DEVELOPERS PRIVATE LIMITED | | | |
|--|-----------------|----------------------|----------------------|
| Balance Sheet as at 31st March 2009 | | | |
| (Currency: Indian Rupees) | | | |
| | Schedule | 2009 | 2008 |
| SOURCES OF FUNDS: | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share capital | 1 | 146,039,000 | 146,039,000 |
| Reserves and surplus | 2 | 341,641,187 | 331,897,891 |
| LOAN FUNDS | | | |
| Secured loans | 3 | 244,129,835 | 483,585,292 |
| Unsecured loans | 4 | 439,479,510 | 22,755,908 |
| Deferred tax liability (net) | 5 | 4,625 | 69,928 |
| | TOTAL | 1,171,294,157 | 984,348,019 |
| APPLICATION OF FUNDS | | | |
| Fixed assets | | | |
| Gross block | 6 | 21,114,714 | 19,065,842 |
| Less: Accumulated depreciation | | 8,377,764 | 6,124,981 |
| Net block | | 12,736,950 | 12,940,861 |
| Investments | 7 | 158,020 | 106,370 |
| Current assets, loans and advances | | | |
| Inventories | 8 | 410,339,349 | 347,836,364 |
| Sundry debtors | 9 | 80,868,861 | 334,083,960 |
| Cash and bank balances | 10 | 7,509,619 | 28,582,075 |
| Loans and advances | 11 | 869,030,851 | 458,618,551 |
| | | 1,367,748,680 | 1,169,120,950 |
| Less : Current liabilities and provisions | 12 | 209,349,493 | 197,820,162 |
| Net current assets | | 1,158,399,187 | 971,300,788 |
| | TOTAL | 1,171,294,157 | 984,348,019 |
| Significant accounting policy and notes to accounts | 20 | | |
| The schedules referred to above are an integral part of the Balance Sheet. | | | |

As per our report attached.

For M/s. Bhuta Shah & Co.
Chartered Accountants

For Satra Property Developers Private Limited

S.J. Parmar
Partner
Membership No. 103424
Mumbai, 22nd June 2009

Chandrakant M. Kothari
Director
Mumbai, 22nd June 2009

Minaxi P. Satra
Director

Manan Y. Udani
Company Secretary



| SATRA PROPERTY DEVELOPERS PRIVATE LIMITED | | | |
|---|----------|--------------------|--------------------|
| Profit and Loss account for the year ended 31 March 2009 | | | |
| (Currency: Indian Rupees) | | | |
| | Schedule | 2009 | 2008 |
| Income | | | |
| Sales and services | 13 | 85,806,786 | 387,727,349 |
| Other income | 14 | 53,104,038 | 16,841,493 |
| | | 138,910,824 | 404,568,842 |
| Expenditure | | | |
| Construction and purchase cost | 15 | 12,152,812 | 155,691,979 |
| Personnel expenses | 16 | 3,476,522 | 2,652,507 |
| Administrative expenses | 17 | 8,960,157 | 4,207,266 |
| Selling and distribution expenses | 18 | 1,515,751 | 11,716,521 |
| Financial expenses | 19 | 87,459,213 | 48,929,495 |
| Depreciation | 6 | 2,252,784 | 2,161,517 |
| | | 115,817,239 | 225,359,285 |
| Net Profit before Tax | | 23,093,585 | 179,209,557 |
| Less: Provision for Tax | | | |
| - current year | | 13,187,896 | 64,308,495 |
| - earlier year | | 184,791 | 864,709 |
| Deferred tax | | (65,303) | 3,736 |
| Fringe benefit tax | | | |
| - current year | | 42,905 | 6,595 |
| Net Profit after Tax | | 9,743,296 | 114,026,022 |
| Add: Profit brought forward from previous year | | 105,130,814 | 8,190,625 |
| Profit available for Appropriation | | 114,874,110 | 122,216,647 |
| Less : Appropriation | | | |
| Transferred to General Reserve | | - | - |
| Proposed dividend | | - | 14,603,900 |
| Tax on proposed dividend | | - | 2,481,933 |
| Balance carried forward to Balance Sheet | | 114,874,110 | 105,130,814 |
| Earning Per Share (face value of Rs. 10 per share) | | 0.67 | 7.81 |
| Significant accounting policy and notes to accounts | 20 | | |

As per our report attached.

For M/s. Bhuta Shah & Co.
Chartered Accountants

For Satra Property Developers Private Limited

S.J. Parmar
Partner
Membership No. 103424
Mumbai, 22nd June 2009

Chandrakant M. Kothari
Director
Mumbai, 22nd June 2009

Minaxi P. Satra
Director

Manan Y. Udani
Company Secretary



| SATRA PROPERTY DEVELOPERS PRIVATE LIMITED | | | |
|---|--|---------------------------|----------------------|
| Cash Flow Statement for the year ended 31st March 2009 | | | |
| | | (Currency: Indian Rupees) | |
| | | 2009 | 2008 |
| <i>Cash flows from operating activities :</i> | | | |
| Profit before tax | | 23,093,585 | 179,209,557 |
| <i>Adjusted for:</i> | | | |
| Depreciation | | 2,252,783 | 2,161,517 |
| Loss on sale of security | | 5,084,178 | (501,240) |
| Interest income | | (52,945,485) | (15,826,410) |
| Dividend income | | (150,000) | - |
| Financial expenses | | 87,459,213 | 48,929,495 |
| | | 41,700,689 | 34,763,362 |
| Operating profit before working capital changes | | 64,794,274 | 213,972,919 |
| Increase / Decrease in Working Capital | | | |
| Inventories | | (62,502,984) | 59,007,309 |
| Sundry debtors | | 253,215,099 | (18,278,511) |
| Loans and advances | | (354,420,669) | (391,486,028) |
| Current liabilities and provisions | | 27,426,563 | 56,823,851 |
| | | (136,281,991) | (293,933,379) |
| Cash generated from operations | | (71,487,717) | (79,960,460) |
| Taxes paid | | (17,019,515) | (31,351,809) |
| Net cash from operating activities | | (88,507,232) | (111,312,269) |
| Cash flows from investing activities : | | | |
| Purchase of fixed assets | | (2,048,872) | (37,034) |
| Purchase of investments | | (12,139,865) | (71,370) |
| Proceeds from sale of investments | | 7,004,728 | - |
| Profit on trading in securities | | (691) | 501,240 |
| Dividend received | | 150,000 | - |
| Interest received | | 1,746,377 | 15,826,410 |
| Net cash used in investing activities | | (5,288,323) | 16,219,246 |
| Cash flows from financing activities : | | | |
| Proceeds from long term borrowings | | 1,295,000 | 598,100,000 |
| Repayment of long term borrowings | | (245,628,387) | (440,703,847) |
| Net Proceeds from short term borrowings | | 383,259,566 | (114,421,449) |
| Dividend and dividend distribution tax paid | | (17,085,833) | (17,085,833) |
| Financial expenses | | (49,117,247) | (43,444,203) |
| Net cash generated from financing activities | | 72,723,099 | (17,555,332) |
| Net increase / (decrease) in cash and cash equivalents | | (21,072,456) | (112,648,355) |
| Cash and cash equivalents, beginning of year | | 28,582,075 | 141,230,431 |
| Cash and cash equivalents, end of year | | 7,509,619 | 28,582,075 |

Note: Prior year figures have been reclassified, restated wherever necessary to conform to the current year's presentation.

As per our report attached.
For M/s. Bhuta Shah & Co.
 Chartered Accountants

For Satra Property Developers Private Limited

S.J. Parmar
 Partner
 Membership No. 103424
 Mumbai, 22nd June 2009

Chandrakant M. Kothari **Minaxi P. Satra** **Manan Y. Udani**
 Director Director Company Secretary

Mumbai, 22nd June 2009



Schedules to the financial statements as at 31 March 2009

(Currency: Indian Rupees)

| | 2009 | 2008 |
|--|--------------------|--------------------|
| SCHEDULE - 1 : SHARE CAPITAL | | |
| Authorised capital: | | |
| 15,000,000 (P Y : 15,000,000) equity shares of Rs. 10 each | 150,000,000 | 150,000,000 |
| | 150,000,000 | 150,000,000 |
| Issued, subscribed and paid up: | | |
| 14,603,900 (P Y : 14,603,900) equity shares of Rs.10 each fully paid up | 146,039,000 | 146,039,000 |
| | 146,039,000 | 146,039,000 |
| Note : | | |
| (1) Of the above 778,000 shares were issued on preferential basis at a premium of Rs.30/- per share during the F.Y. 2006-07. | | |
| (2) Of the above 6,750,000 shares were issued on Preferential basis at a premium of Rs.30/- per share during the F.Y. 2005-06. | | |
| SCHEDULE - 2 : RESERVES AND SURPLUS | | |
| Share Premium | | |
| Balance as per last Balance Sheet | 225,840,000 | 225,840,000 |
| Add : Received during the year | - | - |
| | 225,840,000 | 225,840,000 |
| General Reserve | | |
| Balance as per last Balance Sheet | 927,077 | 993,411 |
| Add: Transferred from Profit and Loss account | - | - |
| Less: Adjustment of provision for employee benefits, net of taxes | - | 66,334 |
| | 927,077 | 927,077 |
| Profit and Loss Account | 114,874,110 | 105,130,814 |
| | 341,641,187 | 331,897,891 |
| SCHEDULE - 3 : SECURED LOANS | | |
| Term Loans from Banks | | |
| The Allahabad Bank | 242,977,930 | 483,585,292 |
| Vehicle Loan | | |
| The Cosmos Co-operative Bank | 1,151,905 | - |
| | 244,129,835 | 483,585,292 |
| Note : | | |
| (1) Term loan from Allahabad Bank is secured by way of first charge on receivables of the sold and unsold portion of 'Dreams the Mall', Bhandup project, collateral registered mortgage of the unsold area of the said mall and personal guarantee of the directors Mrs Minaxi Satra and Mr. Praful Satra and corporate guarantee of Satra Properties (India) Limited. | | |
| (2) Vehicle loans are secured by hypothecation of the respective vehicle purchased. | | |



| Schedules to the financial statements (continued) as at 31 March 2009 | | |
|--|--------------------|--------------------|
| (Currency: Indian Rupees) | | |
| | 2009 | 2008 |
| SCHEDULE - 4 : UNSECURED LOANS | | |
| Inter corporate loans | 432,307,932 | - |
| Loan from a director | 7,171,578 | 22,755,908 |
| Note : The above loans are repayable on demand. | | |
| | 439,479,510 | 22,755,908 |
| SCHEDULE - 5 : DEFERRED TAX LIABILITY (NET) | | |
| Deferred tax liability | | |
| - On depreciation | 78,508 | 109,676 |
| - On provision for employee benefits allowable on a payment basis under the Income Tax Act, 1961 | (73,883) | (39,748) |
| Net deferred tax (asset) / liability | 4,625 | 69,928 |
| SCHEDULE - 7 : INVESTMENTS (At Cost) | | |
| <u>Long term</u> | | |
| <u>Non Trade investments (Quoted)</u> | | |
| NIL (P Y : 15) equity shares of Reliance Power Limited of Rs.10 each fully paid up | - | 6,750 |
| 718 (P Y : 718) Equity shares of SEL Manufacturing Company Limited of Rs.10 each fully paid up | 64,620 | 64,620 |
| A | 64,620 | 71,370 |
| <u>Other Investments (Non Quoted)</u> | | |
| 324(P Y : NIL) equity Shares of Cosmos Co-operative Bank Limited of Rs 100 Each fully Paid | 32,400 | - |
| B | 32,400 | - |
| <u>Trade Investments (Non Quoted)</u> | | |
| 3,500 (P Y : 3,500) equity shares of BKC Developers Private Limited of Rs. 10/- each fully paid up | 35,000 | 35,000 |
| 2,600(P Y : NIL) equity Shares of Deepmala Infrastructure Private Limited of Rs.10 each fully paid up) | 26,000 | - |
| C | 61,000 | 35,000 |
| (A+B+C) | 158,020 | 106,370 |
| Aggregate amount of Unquoted Investment | 93,400 | 35,000 |
| Aggregate amount of Quoted Investment | 64,620 | 71,370 |
| Aggregate Market Value of Quoted Investment | 45,234 | 234,164 |
| SCHEDULE - 8 : INVENTORIES | | |
| Construction work in progress | 8,571,958 | 347,834,104 |
| Stock in trade | 401,767,391 | - |
| Stock of shares | - | 2,260 |
| | 410,339,349 | 347,836,364 |

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Schedules to the financial statements (continued) as at 31 March 2009

(Currency: Indian Rupees)

SCHEDULE : 6 FIXED ASSETS

| Particular | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | |
|-------------------------|-------------------|------------------|-------------------------|-------------------|------------------|------------------|------------------|-------------------|-------------------|
| | As at | Additions | Deletions/ disposals | As at | As at | For the Period | As at | 2009 | 2008 |
| | 01.04.2008 | | | 31.03.2009 | 01.04.2008 | Total | 31.03.2009 | | |
| Computer & Printer | 162,019 | - | - | 162,019 | 109,092 | 21,170 | 130,262 | 31,757 | 52,927 |
| Office Equipment | 119,756 | - | - | 119,756 | 34,797 | 11,818 | 46,615 | 73,141 | 84,959 |
| Plant & Machinery | 17,309,303 | - | - | 17,309,303 | 5,322,436 | 1,667,372 | 6,989,808 | 10,319,495 | 11,986,867 |
| Telephone & Fax Machine | 68,647 | - | - | 68,647 | 15,714 | 7,364 | 23,078 | 45,569 | 52,933 |
| Furniture & Fixture | 1,406,117 | - | - | 1,406,117 | 642,942 | 138,136 | 781,078 | 625,039 | 763,175 |
| Motor Car | - | 2,048,872 | - | 2,048,872 | - | 406,923 | 406,923 | 1,641,949 | - |
| Total | 19,065,842 | 2,048,872 | - | 21,114,714 | 6,124,981 | 2,252,783 | 8,377,764 | 12,736,950 | 12,940,861 |
| Previous Year Total | 19,028,808 | 37,034 | - | 19,065,842 | 3,963,464 | 2,161,517 | 6,124,981 | 12,940,861 | 15,065,344 |





| Schedules to the financial statements (continued) as at 31 March 2009 | | |
|--|---------------------------|--------------------|
| (Currency: Indian Rupees) | | |
| | 2009 | 2008 |
| SCHEDULE - 9 : SUNDRY DEBTORS | | |
| (unsecured - considered good) | | |
| Debts outstanding for a period exceeding six months* | 51,851,189 | 264,953,949 |
| Others | 29,017,672 | 69,130,011 |
| | 80,868,861 | 334,083,960 |
| * previous year includes Rs.3,490,200 due from holding company realised during the year. Maximum outstanding during the Year Rs. 3,490,200 (P.Y. Rs.3,490,200) | | |
| SCHEDULE - 10 : CASH AND BANK BALANCES | | |
| Cash on hand | 1,194,011 | 582,596 |
| With scheduled banks | | |
| - in current account | 287,483 | 17,999,479 |
| - in deposit account | 6,028,125 | 10,000,000 |
| | 7,509,619 | 28,582,075 |
| SCHEDULE - 11 : LOANS AND ADVANCES | | |
| (Unsecured and considered good unless otherwise stated) | | |
| Advances recoverable in cash or kind or for value to be received* | 776,681,472 | 438,263,606 |
| Advance paid for property | 89,700,000 | 19,700,000 |
| Advance tax/ tax deducted at source (net of provision) | 2,163,983 | - |
| Prepaid expenses | 445,590 | 615,139 |
| Deposits | 39,806 | 39,806 |
| *include Rs.644,433,273 (P Y: Rs.308,391,430) advances given to companies in which director is director or member. | | |
| | 869,030,851 | 458,618,551 |
| SCHEDULE 12 : CURRENT LIABILITIES AND PROVISIONS | | |
| CURRENT LIABILITIES | | |
| Advance received against units | 30,312,507 | 9,288,516 |
| Other liabilities | 18,457,633 | 321,500 |
| Sundry creditors | 124,248,928 | 133,454,376 |
| Proposed dividend | - | 14,603,900 |
| Dividend tax | - | 2,481,933 |
| | A 173,019,068 | 160,150,225 |
| PROVISIONS | | |
| For taxation A.Y 2008-09 [net of tax payments of Rs.31,756,863 (P Y : 26,756,863)] | 35,915,361 | 37,551,632 |
| For taxation AY 2005-06 | 138,108 | - |
| For taxation AY 2004-05 | 20,053 | - |
| For taxation AY 2002-03 | 26,630 | - |
| For fringe benefit tax [net of tax payments of Rs: 31,365 (P Y : 5,230)] | 12,905 | 1,365 |
| For gratuity | 217,368 | 116,940 |
| | B 36,330,425 | 37,669,937 |
| | (A +B) 209,349,493 | 197,820,162 |



| SATRA PROPERTY DEVELOPERS PRIVATE LIMITED | | |
|--|--------------------|--------------------|
| Schedules to the financial statements (continued) for the year ended 31st March 2009 | | |
| (Currency: Indian Rupees) | | |
| | 2009 | 2008 |
| SCHEDULE 13 : SALES AND SERVICES | | |
| Sales-construction project | 80,456,786 | 386,933,478 |
| Other Project Income | 4,950,000 | - |
| RMC Plant hire charges | - | 793,871 |
| [tax deducted at source Rs. NIL(P Y :Rs.145,655)] | | |
| Compensation Received | 400,000 | - |
| | 85,806,786 | 387,727,349 |
| SCHEDULE 14 : OTHER INCOME | | |
| Interest income on fixed deposit | 451,320 | 2,114,022 |
| [tax deducted at source Rs.116,158/- (P Y : Rs.503,979)] | | |
| Miscellaneous income | 8,553 | 16,905 |
| Interest income on loan | 52,494,165 | 13,712,388 |
| [tax deduted at source Rs.11,895,178/- (P Y : Rs.3,107,229)] | | |
| Dividend income | 150,000 | - |
| Profit on sale of investment | - | 501,240 |
| Brokerage income | - | 496,938 |
| | 53,104,038 | 16,841,493 |
| SCHEDULE 15 : CONSTRUCTION AND PURCHASE COST | | |
| Opening Stock | | |
| Work in progress | (A) 347,834,104 | 406,602,162 |
| Professional and legal fees | 1,053,934 | 1,794,928 |
| Civil, electrical and contracting | 70,521,572 | 92,647,000 |
| Administrative and other expenses | 37,551 | 59,083 |
| Borrowing cost | - | 2,422,910 |
| Compensation paid | 3,045,000 | - |
| | (B) 74,658,057 | 96,923,921 |
| Less: Closing Stock | | |
| Work in progress | 8,571,958 | 347,834,104 |
| Stock in trade | 401,767,391 | - |
| | (C) 410,339,349 | 347,834,104 |
| Cost of construction | (A+B-C) 12,152,812 | 155,691,979 |
| SCHEDULE 16 : PERSONNEL EXPENSES | | |
| Salaries | 2,752,102 | 2,349,592 |
| Directors' remuneration | 600,000 | 250,000 |
| Staff welfare expenses | 23,992 | 36,466 |
| Gratuity | 100,428 | 16,449 |
| | 3,476,522 | 2,652,507 |



| SATRA PROPERTY DEVELOPERS PRIVATE LIMITED | | |
|--|-------------------|-------------------|
| Schedules to the financial statements (continued) for the year ended 31st March 2009 | | |
| (Currency: Indian Rupees) | | |
| | 2009 | 2008 |
| SCHEDULE 17 : ADMINISTRATIVE EXPENSES | | |
| Insurance | 659,756 | 950,542 |
| Conveyance | 32,908 | 23,258 |
| Travelling expenses | 46,715 | - |
| Profession and legal fees | 1,408,915 | 1,234,439 |
| Printing and stationery | 473,934 | 323,953 |
| Telephone, Postage and courier | 74,512 | 49,344 |
| Stamp duty | - | 1,000,000 |
| Stamping and legal fees | 647,400 | 20,380 |
| Donation | 190,000 | 215,500 |
| Balance written off | - | 41,387 |
| Computer expenses | 1,175 | 15,000 |
| Loss on sale of investment | 5,084,177 | - |
| <u>Auditor's remuneration</u> | | |
| - Statutory audit fees | 165,450 | 168,780 |
| - Taxation matter | 55,150 | 56,180 |
| - Others | - | 25,281 |
| Securities transaction tax | 23,733 | 1,925 |
| Miscellaneous expenses | 96,332 | 81,297 |
| | 8,960,157 | 4,207,266 |
| SCHEDULE 18 :SELLING AND DISTRIBUTION EXPENSES | | |
| Advertisement expenses | 1,149,467 | 2,807,106 |
| Brokerage for sales | 324,142 | 6,402,914 |
| Telephone expenses | 42,142 | 36,901 |
| Exhibition expenses | - | 2,469,600 |
| | 1,515,751 | 11,716,521 |
| SCHEDULE 19 :FINANCIAL EXPENSES | | |
| Interest on ICICI bank loan | - | 38,275 |
| Interest on unsecured loan | 44,671,495 | 7,341,872 |
| Interest on car loan | 113,236 | - |
| Interest on term loan | 42,331,412 | 40,737,536 |
| Finance and bank charges | 343,070 | 811,812 |
| | 87,459,213 | 48,929,495 |



Schedules to the financial statements (continued) for the year ended 31st March 2009

(Currency: Indian Rupees)

SCHEDULE 20:

1) Background:

The Company was incorporated on 1st May 2000 as Henry Hill Impex Private Limited. The name of the Company was changed to Satra Property Developers Private Limited on 17th September 2004. The Company is engaged in the business of real estate and construction industry.

SIGNIFICANT ACCOUNTING POLICIES:

2) Accounting Convention:

The financial statements are prepared and presented under the historical cost convention in accordance with Generally Accepted Accounting Principles in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

3) Use of Estimates:

The preparations of financial statements in conformity with Generally Accepted Accounting Principle requires that the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

4) Fixed Assets:

Fixed assets are recorded at cost of acquisition inclusive of relevant levies. They are stated at historical cost less accumulated depreciation.

5) Depreciation:

Depreciation on fixed assets is provided on written down value method at the rate prescribed in Schedule XIV to the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

6) Impairment of Asset:

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets may have been impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the assets or recoverable amount of cash generating unit to which asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

7) Investments:

Long Term Investments are stated at cost. A provision for diminution, if any, in the value of each long term investment is made to recognized a decline, other than of a temporary nature. Current investments are stated at the lower of cost and fair value.

8) Inventories:

Inventories are valued at lower of cost and net realizable value. Cost is determined on the first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Construction work-in-progress includes cost of land, premium for development rights, interest and expenses incidental to the projects undertaken by the Company. Inventories of finished units / stock in trade, if any, are valued at cost or estimated net realizable value whichever is lower.



Schedules to the financial statements (continued) for the year ended 31st March 2009

(Currency: Indian Rupees)

9) Revenue Recognition:

- The company follows the Percentage of Completion Method of Accounting to recognize revenue in respect of civil construction projects / development of real estates. The revenue is recognized on completion of project above stipulated percentage.

The stage of completion under Percentage of Completion method is measured on the basis of percentage that actual cost incurred on real estate projects including land, construction and development cost bears to the total estimated cost of the project. The estimates of the projected revenues, projected profits, projected cost, cost to completion and the foreseeable loss are reviewed periodically by the management and any effect of changes in estimates is recognized in the period such changes are determined.

- As the long-term projects necessarily extend beyond one year, revision in costs and revenues estimated during the course of the construction project are reflected in the accounting period in which the facts requiring the revision become known. Incomplete project are carried as construction work-in-progress.
- Determination of revenues under the Percentage of Completion Method necessarily involves making estimates by the Company, some of which are of technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion. The auditors have relied upon such estimates.
- Revenue on account of contract variations, claims and incentives are recognized upon determination or settlement of the contract.
- Interest income is recognized on time proportion basis.
- Dividend income is recognized when the right to receive dividend is established.

10) Borrowing Cost:

Borrowing cost that is directly attributable to construction project/assets are allocated to the respective projects/assets. All other borrowing costs are treated as period cost and charged to profit and Loss Account in the year in which it is incurred.

11) Retirement Benefits:

- The provisions of the Provident Fund Act, 1952 are not applicable to the Company.
- The company has made provisions for gratuity payable as per Actuarial Valuation Report. The amount in respect of gratuity payable is in accordance with the payment of Gratuity Act, 1972.

12) Taxation:

- Provision for current tax is made, based on the tax payable under the Income Tax Act, 1962.
- Provision of fringe benefit tax has been recognized on the basis of harmonious contextual interpretation of the provision of Income Tax Act, 1961.
- Deferred tax on timing differences between taxable and accounting income is accounted for, using the tax rates and laws that have been enacted or substantially enacted as at the Balance Sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed depreciation are recognized only when there is a reasonable certainty of their realization in future.

13) Provision and Contingent Liabilities:

A provision is recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision of disclosure is made.

14) Earnings per share (EPS):

The Basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity



Schedules to the financial statements (continued) for the year ended 31st March 2009

(Currency: Indian Rupees)

shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

NOTES TO ACCOUNTS

- The Company is operating in real estate and construction industry. Since there is only one segment in which Company is operating, segment reporting as required under the Accounting Standard 17 on Segment Reporting issued by the Chartered Accountant of India is not applicable.
- ADDITIONAL INFORMATION PURSUANT TO SECTION 217(1) TO THE COMPANIES ACT, 1956.**
The Licensed capacity, installed capacity and quantitative and value details in respect of material / construction are not relevant to the Company as the Company is engaged in the business of civil construction and real estate development.

- Contingent Liability as at Balance Sheet date where as follows:

| Particular | 31.03.2009 | 31.03.2008 |
|--|---------------|---------------|
| Bank Guarantee given on behalf of Satra Properties (India) Limited | Rs 100 crores | Rs 100 crores |
| Income Tax | Rs 20,006,515 | NIL |

- Foreign Exchange Earnings and Outgoings during the year is Rs. Nil. (Previous year Rs. Nil).
- Break-up of expenditure incurred during the year on employees in respect of remuneration exceeding Rs.24 Lakhs per year or Rs.2 Lakhs or more per month or part of the month is Rs. Nil (Previous Year -Rs. Nil).
- There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
- The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the Current Year.
- In the opinion of the directors, current assets, loans and advances have the value at which they are stated in the balance sheet, if realized in the ordinary course of business. Sundry debtors, creditors and advances are subject to confirmation.

9. Earning Per Share

| Particulars | 31.03.2009 | 31.03.2008 |
|---|------------|-------------|
| Net Profit / (Loss) after Tax attributable to equity shareholders | 9,743,296 | 114,026,022 |
| Number of Equity Shares outstanding at the end of year | 14,603,900 | 14,603,900 |
| Weighted average number of Equity Shares outstanding during the year (based on date of issue of shares) | 14,603,900 | 14,603,900 |
| Basic and diluted earning (in rupees) per share of face value Rs.10/- | 0.67 | 7.81 |

10. Disclosure pursuant to Accounting Standard – 15 (Revised) 'Employee Benefits' –

- Defined Benefit Plans**

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

| Change in Benefit Obligation | 2009 | 2008 |
|--|---------|----------|
| Liability at the beginning of the year | 116,940 | 100,491 |
| Interest Cost | 9,355 | 8,039 |
| Current Service Cost | 72,386 | 76,848 |
| Benefit Paid | - | - |
| Actuarial (gain) / loss on obligations | 18,687 | (68,349) |
| Liability at the end of the period | 217,368 | 116,940 |



Schedules to the financial statements (continued) for the year ended 31st March 2009
(Currency: Indian Rupees)

| | | | |
|------------|---|----------|----------|
| II | Fair Value of Plan Asset | | |
| | Fair Value of Plan Asset at the beginning of the year | - | - |
| | Expected Return on Plan Assets | - | - |
| | Contributions | - | - |
| | Benefit Paid | - | - |
| | Actuarial (gain) / loss on obligations | - | - |
| | Fair Value of Plan Assets at the end of the year | (18,687) | 68,349 |
| III | Actual Return on Plan Assets | | |
| | Expected Return on Plan Asset | - | - |
| | Actuarial gain / (loss) on Plan Assets | - | - |
| | Actuarial Return on Plan Asset | - | - |
| IV | Amount Recognised in the Balance Sheet | | |
| | Liability at the end of the year | 217,368 | 116,940 |
| | Fair Value of Plan Assets at the end of the year | - | - |
| | Difference | 217,368 | 116,940 |
| | Amount Recognised in the Balance Sheet | 217,368 | 116,940 |
| V | Expenses Recognised in the Income Statement | | |
| | Current Service Cost | 72,386 | 76,848 |
| | Interest Cost | 9,355 | 8,039 |
| | Expected Return on Plan Assets | - | - |
| | Net Actuarial (gain) / loss To be Recognised | 18,687 | (68,349) |
| | Expense Recognised in Profit & Loss | 100,428 | 16,449 |
| VI | Balance Sheet Reconciliation | | |
| | Opening Net Liability | 116,940 | 100,491 |
| | Expense as above | 100,428 | 16,449 |
| | Employers Contribution paid | - | - |
| | Amount Recognised in the Balance Sheet | 217,368 | 116,940 |
| VII | Actuarial Assumptions : | | |
| | Discount Rate | 7.75% | 8.00% |
| | Rate of Return on Plan Assets | 7.75% | 8.00% |
| | Salary Escalation | 6.00% | 6.00% |

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

11. Disclosure of Details of Joint Venture as per AS-27 for the Year Ended 31st March, 2009.

Description of Property

| Sr No. | Joint Venture | Location | Principal Activities | Ownership Interest |
|--------|-----------------|----------|---|--------------------|
| 1 | Dreams The Mall | Bhandup | Development And Construction of Shopping Mall | 49% |

The Company's share of assets, liabilities, income and expenditure of the significant joint Venture are as follows:

| Particulars | Up to 31.03.2009 | Up to 31.03.2008 |
|-----------------------------------|------------------|------------------|
| Inventories | 401,767,391 | 340,353,631 |
| Deposits | 39,806 | 39,806 |
| Debtors | 80,398,031 | 329,822,930 |
| Cash and Bank Balance | 6,249,314 | 16,886,008 |
| Current Liabilities and Provision | 172,923,430 | 142,888,894 |
| Loans (liability) | 250,149,508 | 506,341,200 |
| Income | 1,331,477,187 | 1,251,020,401 |
| Expenses | 1,044,739,540 | 1,005,953,665 |



Schedules to the financial statements (continued) for the year ended 31st March 2009
(Currency: Indian Rupees)

12. Disclosure as per clause 32 of the listing agreement as it is subsidiary of listed company

(i) Details of Loans and Advances given to Holding Company

| Name of Company | Balance as at 31 st March | | Maximum Outstanding | |
|----------------------------------|--------------------------------------|-----------|---------------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| Satra Properties (India) Limited | - | 5,574,526 | 5,574,526 | 42,334,111 |

(ii) Particulars of Loans and Advances to Companies in which director(s) is a director or member

| Name of Company | Balance as at 31 st March | | Maximum Outstanding | |
|----------------------------------|--------------------------------------|-------------|---------------------|-------------|
| | 2009 | 2008 | 2009 | 2008 |
| BKC Developers Private Limited | 1,270,654 | 160,316,904 | 160,316,904 | 160,316,904 |
| Deepmala Infrastructure Pvt.Ltd. | 500,662,619 | - | 6,718,13,385 | - |

13. Related Party Disclosure

I. Holding Company

- Satra Properties (India) Limited

II. Fellow Subsidiary

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

III. Associates /Joint Venture

- C. Bhansali Developers Private Limited
- Shravan Developers Private Limited
- Sweety Developers (Partnership Firm) (from 28th April 2008 to 27th October 2008)
- Housing Development and Infrastructure Limited
- BKC Developers Private Limited
- Deepmala Infrastructure Private Limited (w.e.f 10th April 2008)

IV. Entities over which key managerial personnel or their relatives exercises significant influence

- Om Housing Co. Pvt. Ltd. (till 24th August 2007)
- Satra Property Development Private Limited
- Savla Realtors and Developers Private Limited
- Prime Bond Industries

V. Key Managerial Personnel

- Chandrakant M. Kothari Executive Director
- Minaxi P. Satra Non Executive Director
- Praful N. Satra Non Executive Director (till 10th March 2009) (Relative of Director)
- Rajan P. Shah Non Executive Director (till 10th March 2009)

Schedules to the financial statements (continued) for the year ended 31st March 2009

(Currency: Indian Rupees)

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

| Sr. No. | Nature of Transaction | Holding Company | | Associates/ Joint Venture | | Entities over which key managerial personnel or their relatives exercises significant influence | | Key Managerial Personnel | | Total | |
|----------|---|-----------------|------|---------------------------|-------------|---|------|--------------------------|------------|---------------|-------------|
| | | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| 1 | Loans taken | | | | | | | | | | |
| | Minaxi P.Satra | - | - | - | - | - | - | 7,165,000 | - | 7,165,000 | - |
| | Praful N. Satra | - | - | - | - | - | - | 2,700,000 | 8,768,332 | 2,700,000 | 8,768,332 |
| | Satra Property Development Private Limited | - | - | - | - | 57,300,000 | - | - | - | 57,300,000 | - |
| | Savla Realtors & Developers Private Limited | - | - | - | - | 10,000,000 | - | - | - | 10,000,000 | - |
| | Satra Properties (India) Limited | 1,525,000,474 | - | - | - | - | - | - | - | 1,525,000,474 | - |
| 2 | Loans Repaid (inclusive of net interest) | | | | | | | | | | |
| | Minaxi P.Satra | - | - | - | - | - | - | 3,177,417 | 10,000,000 | 3,177,417 | 10,000,000 |
| | Praful N. Satra | - | - | - | - | - | - | 22,663,314 | 25,629,000 | 22,663,314 | 25,629,000 |
| | Satra Property Development Private Limited | - | - | - | - | 26,810,000 | - | - | - | 26,810,000 | - |
| | Satra Properties (India) Limited | 118,140,000 | - | - | - | - | - | - | - | 118,140,000 | - |
| 3 | Loans Given | | | | | | | | | | |
| | Deepmala Infrastructure Private Limited | - | - | 1,454,547,953 | - | - | - | - | - | 1,454,547,953 | - |
| | BKC Developers Private Limited | - | - | 100,000,000 | 140,000,000 | - | - | - | - | 100,000,000 | 140,000,000 |



Schedules to the financial statements (continued) for the year ended 31st March 2009
(Currency: Indian Rupees)

| | | | | | | | | | | | |
|----------|---|------------|------------|-------------|------------|-----------|---------|-----------|------------|-------------|------------|
| 4 | Loans Refunded (inclusive of interest) | | | | | | | | | | |
| | Deepmala Infrastructure Private Limited | - | - | 992,500,000 | - | - | - | - | - | 992,500,000 | - |
| | Satra Properties (India) Limited | 5,574,526 | 38,922,910 | - | - | - | - | - | - | 5,574,526 | 38,922,910 |
| | BKC Developers Private Limited | - | - | 261,030,571 | - | - | - | - | - | 261,030,571 | - |
| 5 | Interest Income | | | | | | | | | | |
| | Deepmala Infrastructure Private Limited | - | - | 49,928,454 | - | - | - | - | - | 49,928,454 | - |
| | Satra Properties (India) Limited | - | 2,797,164 | - | - | - | - | - | - | - | 2,797,164 |
| | BKC Developers Private Limited | - | - | 2,565,711 | 10,915,224 | - | - | - | - | 2,565,711 | 10,915,224 |
| 6 | Proposed Dividend | | | | | | | | | | |
| | Satra Properties(India) Limited | - | 14,603,900 | - | - | - | - | - | - | - | 14,603,900 |
| 7 | Interest Expense | | | | | | | | | | |
| | Minaxi P. Satra | - | - | - | - | - | 70,296 | 381,390 | 70,296 | 381,390 | - |
| | Praful N. Satra | - | - | - | - | - | 366,107 | 2,448,154 | 366,107 | 2,448,154 | - |
| | Satra Property Development Private Limited | - | - | - | - | 2,371,174 | - | - | 2,371,174 | - | - |
| | Savla Realtors & Develoeprs Private Limited | - | - | - | - | 253,500 | - | - | 253,500 | - | - |
| | Satra Properties (India) Limited | 37,497,284 | - | - | - | - | - | - | 37,497,284 | - | - |
| 8 | Re-imbusement booked | | | | | | | | | | |
| | Housing Development & Infrastructure Limited | - | - | 80,521,572 | 85,000,000 | - | - | - | 80,521,572 | - | 85,000,000 |
| 9 | Re-imbusement paid | | | | | | | | | | |
| | Housing Development & Infrastructure Limited | - | - | 90,000,000 | 50,000,000 | - | - | - | 90,000,000 | - | 50,000,000 |



Schedules to the financial statements (continued) for the year ended 31st March 2009

(Currency: Indian Rupees)

| | | | | | | | | | | | |
|-----------|--|---|-----------|-------------|-------------|-------------|-------------|-----------|-------------|-------------|-------------|
| 10 | Directors Remuneration | | | | | | | | | | |
| | Chandrakant M. Kothari | - | - | - | - | - | 600,000 | 250,000 | 600,000 | 250,000 | |
| 11 | Advance Recd against Shops | | | | | | | | | | |
| | Praful N. Satra | - | - | - | - | - | 3,675,000 | - | 3,675,000 | - | |
| 12 | Advance Paid | | | | | | | | | | |
| | Satra Property Development Private Limited | - | - | - | - | 140,000,000 | - | - | - | - | 140,000,000 |
| | Prime Bond Industries | - | - | - | - | 2,500,000 | - | - | - | - | 2,500,000 |
| 13 | Sale of Shops | | | | | | | | | | |
| | Praful Satra | - | - | - | - | - | (3,672,000) | 420,750 | (3,672,000) | 420,750 | |
| | Outstanding Balances Receivable: | | | | | | | | | | |
| 1 | Loans alongwith the net interest | | | | | | | | | | |
| | Satra Properties (India) Limited | - | 5,574,526 | - | - | - | - | - | - | - | 5,574,526 |
| | BKC Developers Private Limited | - | - | 1,270,654 | 160,316,904 | - | - | - | - | 1,270,654 | 160,316,904 |
| | Deepmala Infrastructure Private Limited | - | - | 500,662,619 | - | - | - | - | - | 500,662,619 | - |
| 2 | Sundry Debtors | | | | | | | | | | |
| | Praful Satra - Sale of Shops | - | - | - | - | - | - | 3,522,000 | - | - | 3,522,000 |
| | Satra Properties (India) Limited | - | 3,490,200 | - | - | - | - | - | - | - | 3,490,200 |
| 3 | Advance Given for Contract: | | | | | | | | | | |
| | Satra Property Development Private Limited | - | - | - | - | 140,000,000 | 140,000,000 | - | - | 140,000,000 | 140,000,000 |
| | Prime Bond Industries | - | - | - | - | 2,500,000 | 2,500,000 | - | - | 2,500,000 | 2,500,000 |





Schedules to the financial statements (continued) for the year ended 31st March 2009
(Currency: Indian Rupees)

| | | | | | | | | | | |
|----------|---|-------------|---|-------------|-------------|------------|-----------|------------|-------------|-------------|
| | Outstanding Balances Payables: | | | | | | | | | |
| 1 | Loans alongwith the net interest | | | | | | | | | |
| | Minaxi Satra - Loan | - | - | - | - | - | 7,171,578 | 3,120,940 | 7,171,578 | 3,120,940 |
| | Praful Satra | - | - | - | - | - | - | 19,634,969 | - | 19,634,969 |
| | Satra Property Development Private Limited | - | - | - | - | 32,372,711 | - | - | 32,372,711 | - |
| | Savla Realtors & Developers Private Limited | - | - | - | - | 10,201,279 | - | - | 10,201,279 | - |
| | Satra Properties (India) Limited | 369,860,874 | - | - | - | - | - | - | 369,860,874 | - |
| 2 | Sundry Creditors | | | | | | | | | |
| | Housing Development & Infrastructure Limited | - | - | 123,381,109 | 132,859,537 | - | - | - | 123,381,109 | 132,859,537 |
| 3 | Advance Received against Shop Refundable | | | | | | | | | |
| | Praful Nanji Satra | - | - | - | - | - | 3,825,000 | - | 3,825,000 | - |

Schedules to the financial statements (continued) for the year ended 31st March 2009
(Currency: Indian Rupees)

Summary of related parties transaction

| Sr. No. | Nature of Transaction | Holding Company | | Associates/ Joint Venture | | Entities over which key managerial personnel or their relatives exercises significant influence | | Key Managerial Personnel | | Total | |
|---------|--|-----------------|------------|---------------------------|-------------|---|-------------|--------------------------|------------|---------------|-------------|
| | | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| 1 | Loans taken | 1,525,000,474 | - | - | - | 67,300,000 | - | 9,865,000 | 8,768,332 | 1,602,165,474 | 8,768,332 |
| 2 | Loans Repaid (inclusive of net interest) | 118,140,000 | - | - | - | 26,810,000 | - | 25,840,731 | 35,629,000 | 170,790,731 | 35,629,000 |
| 3 | Loans given | - | - | 1,554,547,953 | 140,000,000 | - | - | - | - | 1,554,547,953 | 140,000,000 |
| 4 | Loans Refunded(inclusive of net interest) | 5,574,526 | 38,922,910 | 1,253,530,571 | - | - | - | - | - | 1,259,105,097 | 38,922,910 |
| 5 | Interest Income | - | 2,797,164 | 52,494,165 | 10,915,224 | - | - | - | - | 52,494,165 | 13,712,388 |
| 6 | Proposed Dividend Paid | - | 14,603,900 | - | - | - | - | - | - | - | 14,603,900 |
| 7 | Interest Expense | 37,497,284 | - | - | - | 2,624,674 | - | 436,403 | 2,829,544 | 40,558,361 | 2,829,544 |
| 8 | Re-imbusement of Construction Charges Booked | - | - | 80,521,572 | 85,000,000 | - | - | - | - | 80,521,572 | 85,000,000 |
| 9 | Re-imbusement of Construction Charges Paid | - | - | 90,000,000 | 50,000,000 | - | - | - | - | 90,000,000 | 50,000,000 |
| 10 | Directors Remuneration | - | - | - | - | - | - | 600,000 | 250,000 | 600,000 | 250,000 |
| 11 | Advance Recd against Shops | - | - | - | - | - | - | 3,675,000 | - | 3,675,000 | - |
| 12 | Advance Paid | - | - | - | - | - | 142,500,000 | - | - | - | 142,500,000 |
| 13 | Sale of Shops | - | - | - | - | - | - | (3,672,000) | 420,750 | (3,672,000) | 420,750 |
| | Outstanding Bal.Receivable/Deposits | | | | | | | | | | |
| 1 | Loans alongwith the net interest | - | 5,574,526 | 501,933,273 | 160,316,904 | - | - | - | - | 501,933,273 | 165,891,430 |
| 2 | Sundry Debtors | - | 3,490,200 | - | - | - | - | - | 3,522,000 | - | 7,012,200 |
| 3 | Advance given for Contract | - | - | - | - | 142,500,000 | 142,500,000 | - | - | 142,500,000 | 142,500,000 |
| | Outstanding Balances Payables | | | | | | | | | | |
| 1 | Loans alongwith the net interest | 369,860,874 | - | - | - | 42,573,990 | - | 7,171,578 | 22,755,909 | 419,606,442 | 22,755,909 |
| 2 | Sundry Creditors | - | - | 123,381,109 | 132,859,537 | - | - | - | - | 123,381,109 | 132,859,537 |
| 3 | Advance Received against Shop refundable | - | - | - | - | - | - | 3,825,000 | - | 3,825,000 | - |



Satra Property Developers Private Limited



Schedules to the financial statements (continued) for the year ended 31st March 2009
(Currency: Indian Rupees)

14. During the year there has been delay in repayment of monthly term loan installment to Allahabad Bank as tabulated herein below:

| Month | Installment Amount | Due Date | Date of Payment | | No. of Days Delay |
|--------------------------|---|------------|-----------------|----------|-------------------|
| April'08 | 4 Crores | 27.04.2008 | 28.04.2008 | | 1 |
| May'08 | 4 Crores | 27.05.2008 | 01.06.2008 | | 5 |
| June'08 | 4 Crores | 27.06.2008 | 01.07.2008 | | 4 |
| July'08 | 4 Crores | 27.07.2008 | 31.07.2008 | | 4 |
| August'08 | 4 Crores | 27.08.2008 | 20.09.2008 | | 24 |
| | | | 08.11.2008 | 2 Crores | 42 |
| September'08 | 4 Crores | 27.09.2008 | 31.12.2008 | 2 Crores | 96 |
| October'08 to January'09 | The bank has extended the repayment of installment w.e.f May'2009 vide letter dated 31.01.2009. | | | | |

In view of the overall precarious financial position especially in the real estate developing industry on application made by the company to restructure of the term loan. The bank has approved the same vide their letter dated 31.01.2009. As per revised terms the balance amount of term loan amounts to Rs.24 crores as on 31.10.2008 is to be repaid from may 2009 onwards as per tabulated herein below:

| Month | Installment Amount |
|--------------|--------------------|
| May'09 | 2 Crores |
| June'09 | 2 Crores |
| July'09 | 2 Crores |
| August'09 | 2 Crores |
| September'09 | 3 Crores |
| October'09 | 3 Crores |
| November'09 | 5 Crores |
| December'09 | 5 Crores |

Details of investment bought and sold during the year:

| Name of the company | Purchased during the year | | Sold during the year | |
|--|---------------------------|------------|----------------------|-----------|
| | Quantity | Value | Quantity | Value |
| Deepmala Infrastructure Private Limited. | 4,900 | 49,000 | 2300 | 23,000 |
| Cosmos Co-operative bank Ltd. | 324 | 32,400 | - | - |
| Reliance Power Ltd. | 9* | - | 24 | 2,577 |
| Apollo Tyre | 300,550 | 12,043,477 | 300,550 | 6,964,163 |

*Bonus Share

For M/s. Bhuta Shah & Co.
Chartered Accountants

For Satra Property Developers Private Limited

S.J. Parmar
Partner
Membership No. 103424
Mumbai, 22nd June 2009

Chandrakant M. Kothari
Director
Minaxi P. Satra
Director
Manan Y. Udani
Company Secretary

Mumbai, 22nd June 2009



DIRECTORS' REPORT

To
The Members,
SATRA ESTATE DEVELOPMENT PRIVATE LIMITED

Your Directors are pleased to present the 2nd Annual Report and the Audited Accounts for the Financial Year ended March 31, 2009.

1) FINANCIAL HIGHLIGHTS:

(Amt. in Rs.)

| Particulars | Current Year | Previous Year |
|--|-----------------|-----------------|
| Profit / (Loss) before taxation | (12,057) | (22,125) |
| Less: Provision for Taxation | ----- | ----- |
| - Current Year | ----- | ----- |
| - Earlier Years | ----- | ----- |
| Deferred Tax | ----- | ----- |
| Fringe benefit Tax | | |
| - Current Year | ----- | ----- |
| - Earlier Year | ----- | ----- |
| Net Profit After Taxation | (12,057) | (22,125) |
| Add / (Less) : Profit / (Loss) b/f from previous years | (22,125) | ----- |
| Less: Appropriation | | |
| Transfer to General Reserve | ----- | ----- |
| Proposed Dividend | ----- | ----- |
| Tax on Proposed Dividend | ----- | ----- |
| Balance Profit / (Loss) c/f Balance Sheet | (34,182) | (22,125) |

2) WHOLLY OWNED SUBSIDIARY COMPANY:

Your company is a wholly owned subsidiary of **SATRA PROPERTIES (INDIA) LIMITED** and accordingly the provisions of Companies Act, 1956, applicable to the Public Company will become applicable to your company.

3) OPERATIONS:

Your Company has not yet commenced its operations.

4) DIRECTORS:

Since your Company is a Subsidiary of the Public Limited Company, according to the provisions of the Companies Act 1956, Mr. Praful N. Satra, Director of your Company retires in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

5) FIXED DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act.

6) DIRECTORS RESPONSIBILITY STATEMENT:

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



- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- c) That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the year ended 31st March, 2009 on a going concern basis.

7) AUDITORS' REPORT:

The observations made in the Auditors' Report are self-explanatory and therefore do not call for further comments under Section 217 of the Companies Act, 1956.

8) AUDITORS:

M/s Bhuta Shah & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them informing, that their appointment if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

9) PERSONNEL:

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

10) PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUTGO:

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

For and on Behalf of the Board of Directors

**Praful N. Satra
Director**

Mumbai, 4th June, 2009

Registered Office:
Dev Plaza, 2nd Floor,
Opp. Andheri Fire Station,
S. V. Road, Andheri (West),
Mumbai – 400058.



AUDITORS' REPORT

To the members of
SATRA ESTATE DEVELOPMENT PRIVATE LIMITED

1) We have audited the attached Balance Sheet of **SATRA ESTATE DEVELOPMENT PRIVATE LIMITED** as at 31st March 2009 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3) As required by the Companies (Auditors' Report) Order, 2003, as amended by the companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable.

4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- i. 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;
- ii. 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;
- iii. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- iv. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v. on the basis of the written representations received from the Directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956; and
- vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
 - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Bhuta Shah & Co.
Chartered Accountants**

**S. J. Parmar
Partner
Membership No. 103424**

Mumbai: 4th June, 2009



Annexure to the Auditor Report

Annexure referred to in paragraph 3 of the Auditors' Report to the members of **SATRA ESTATE DEVELOPMENT PRIVATE LIMITED** on the accounts for the year ended 31st March, 2009.

1) The Company is engaged in the business of civil construction and dealing in real estate. Considering no business activity have been carried out during the year para number 4(i), (ii), (viii), (x), (xiii) and (xx) of the Order are not applicable in the present case.

2) According to the information and explanation given to us, the Company has not granted or taken loans, secured or unsecured to/from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c), (d), (f) and (g) of para 4(iii) are not applicable.

3) 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. During the year there were no purchase of inventory, fixed assets and sale of goods and services. During the course of our audit no major weakness has been observed in the internal controls.

4) According to the information and explanation provided by the management, there have been no contracts or arrangements during the year that need to be entered into the register maintained under section 301 of the Companies Act, 1956.

5) In our opinion and according to the information and explanation given to us 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.

6) The Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees fifty lakhs or did not have an average annual turnover exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial year concerned and accordingly clause (vii) of para 4 of the Order is not applicable for the current year.

7) (a) According to the information and explanation given to us, there were no outstanding undisputed statutory dues payable as at the last day of the financial year concern for a year of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there were no outstanding statutory dues payable on account of any dispute before any authorities.

8) According to information and explanations given to us, the Company has not borrowed funds from financial institution, banks or raised funds through issue of debentures.

9) According to the information and explanation given to us the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

10) According to information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or other investments.

11) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

12) According to the information and explanation given to us and the records examined, the Company has not availed any term loan during the year.

13) According to the information and explanation given to us and the records examined, the Company has not availed any short term loan during the year.

14) During the year, the Company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

15) The Company has not issued any debentures.

16) During the course of our examination of the books of account and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year.

**For M/s. Bhuta Shah & Co.
Chartered Accountants**

**S. J. Parmar
Partner
Membership No. 103424**

Mumbai, 4th June, 2009



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED

Balance Sheet as at 31st March, 2009

(Currency: INR)

| Particulars | Schedule | 31.03.09 | 31.03.08 |
|---|----------|----------------|----------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 100,000 | 100,000 |
| TOTAL | | 100,000 | 100,000 |
| APPLICATION OF FUNDS | | | |
| Current assets, Loans and Advances | | | |
| Cash and Bank Balance | 2 | 76,848 | 89,111 |
| | | 76,848 | 89,111 |
| Less : Current Liabilities and Provisions | 3 | 11,030 | 11,236 |
| Net Current Assets | | 65,818 | 77,875 |
| Miscellaneous Expenditure | 4 | - | - |
| Profit and Loss Account | | 34,182 | 22,125 |
| TOTAL | | 100,000 | 100,000 |
| Significant accounting policy and notes to accounts | 6 | | |

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

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

For and on behalf of the Board of Directors

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

Praful N. Satra Minaxi P. Satra
Director Director

Mumbai, 4th June, 2009



| SATRA ESTATE DEVELOPMENT PRIVATE LIMITED | | | | |
|---|------------------|-----------------|-----------------|--|
| Profit and Loss account for the year ended 31 March 2009 | | | | |
| (Currency: INR) | | | | |
| Particulars | Schedule | 31.03.09 | 31.03.08 | |
| INCOME | - | - | - | |
| | 'A' | - | - | |
| EXPENDITURE | | | | |
| Administrative Expenses | 5 | 12,057 | 22,125 | |
| | 'B' | 12,057 | 22,125 | |
| Net Profit / (Loss) Before Tax | (A - B) | (12,057) | (22,125) | |
| Less: Provision for tax | | | | |
| Current Tax | | - | - | |
| Net Profit / (Loss) after Tax | | (12,057) | (22,125) | |
| Add : Profit brought forward from previous year | | (22,125) | - | |
| Balance Profit /(Loss) Carried to Balance Sheet | | (34,182) | (22,125) | |
| Basic/ Diluted EPS | | (1.21) | (2.21) | |

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

For and on behalf of the Board of Directors

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

Praful N. Satra Minaxi P. Satra
Director Director

Mumbai, 4th June, 2009



| SATRA ESTATE DEVELOPMENT PRIVATE LIMITED | | |
|---|-----------------|-----------------|
| CASH FLOW STATEMENT for the year ended 31 March 2009 | | |
| (Currency: INR) | | |
| Particulars | 31.03.09 | 31.03.08 |
| <u>Cash flow from Operating activities</u> | | |
| Net profit/(Loss) before taxation | (12,057) | (22,125) |
| Adjustment for : | | |
| Miscellaneous Expenditure W/off | - | 10,080 |
| Operating profit/(Loss) before working capital changes | (12,057) | (12,045) |
| Adjustment for Working Capital changes: | | |
| Increase / (Decrease) in Current Liabilities | (206) | 11,236 |
| Net cash from Operating activities | (12,263) | (809) |
| <u>Cash flows from Investing activities</u> | B | |
| | - | - |
| <u>Cash flows from Financing activities</u> | | |
| Proceeds from issuance of share capital | - | 100,000 |
| Expenses relating to Incorporation | - | (10,080) |
| Net Cash from Financing activities | C | 89,920 |
| Net increase in cash and cash equivalents | A+B+C | 89,111 |
| Cash and cash equivalents at the beginning of period | 89,111 | - |
| Cash and cash equivalents at the end of period | 76,848 | 89,111 |

Note:

(1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

For and on behalf of the Board of Directors

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

Praful N. Satra Minaxi P. Satra
Director Director

Mumbai, 4th June, 2009



| SATRA ESTATE DEVELOPMENT PRIVATE LIMITED | | | |
|--|----------------|----------------|--|
| Schedules to the financial statements as at 31st March 2009 | | | |
| (Currency: INR) | | | |
| Particulars | 31.03.09 | 31.03.08 | |
| SCHEDULE - 1 | | | |
| SHARE CAPITAL | | | |
| Authorised Share Capital | | | |
| 10,000 Equity Shares of Rs.10/- Each | 100,000 | 100,000 | |
| Issued, Subscribed and Paid up Capital | | | |
| 10,000 Equity Shares of Rs.10/- Each fully paid up | 100,000 | 100,000 | |
| TOTAL | 100,000 | 100,000 | |
| SCHEDULE - 2 | | | |
| CASH AND BANK BALANCE | | | |
| Cash in hand | 9,432 | 10,000 | |
| <u>Balance with Schedule Banks :</u> | | | |
| - in current accounts | 67,416 | 79,111 | |
| TOTAL | 76,848 | 89,111 | |
| SCHEDULE - 3 | | | |
| CURRENT LIABILITIES AND PROVISIONS | | | |
| Bhuta Shah & Co. | 11,030 | 11,236 | |
| TOTAL | 11,030 | 11,236 | |
| SCHEDULE - 4 | | | |
| MISCELLANEOUS EXPENDITURE | | | |
| (To the extent not written off or adjusted) | | | |
| Opening Balance | - | - | |
| Add : Incurred During the Year | - | 10,080 | |
| | - | 10,080 | |
| Less : Written off during the year | - | 10,080 | |
| TOTAL | - | - | |
| SCHEDULE - 5 | | | |
| ADMINISTRATIVE EXPENSES | | | |
| Bank Charges | 459 | 686 | |
| Sundry Expenses | 568 | 123 | |
| Preliminary Expenses | - | 10,080 | |
| <u>Auditor's Remuneration</u> | - | - | |
| Statutory Audit Fees | 11,030 | 11,236 | |
| TOTAL | 12,057 | 22,125 | |



Schedules to the financial Statement for the year ended 31st March, 2009

SCHEDULE 6:

1. Background:

The company was incorporated on October 23, 2007 as Satra Estate Development Private Limited. The company is engaged in the business of real estate and construction industry.

SIGNIFICANT ACCOUNTING POLICIES:

2. Accounting Convention:

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the accounting standards issued by The Institute of Chartered Accountants of India and the provisions of Companies Act, 1956.

3. Revenue Recognition:

The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

4. Taxation:

- I. Tax on current income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.
- II. Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as at the Balance Sheet date. Deferred tax assets are recognized to the extent there is virtual certainty that these assets can be realized in future.

5. Provision and Contingent Liabilities:

Contingent liabilities, if any, are disclosed after a careful evaluation of facts and legal aspects of the matter involved.

6. Miscellaneous expenditure

Preliminary expenses are written off in the period it was incurred.

NOTES TO ACCOUNTS:

- 1. The Company is engaged in real estate and construction industry. Since there is only one segment in which Company is operating, segment reporting as required under the Accounting Standard 17 on Segment Reporting issued by the Chartered Accountant of India is not applicable.

The company has been incorporated on 23rd October 2007 and the accounts for the previous year pertains to the period 23-10-2007 to 31-03-2008(161 days) and hence, are not strictly comparable.

- 2. In the opinion of the Directors there were no contingent liabilities as at the Balance Sheet date.

- 3. Additional Information pursuant to the provisions of Para 3, 4, 4-A, 4-B, 4-C of Para 11 of Schedule VI of the Companies Act, 1956

| | Particulars | Current Year Rupees |
|----|--|---------------------|
| a) | <u>Information as to Capacity</u> | |
| | Licensed | Not |
| | Installed | Applicable |
| b) | <u>Information as to Foreign Currency</u> | |
| | Earnings in Foreign Currency | Nil |
| | Expenditure in Foreign Currency | Nil |
| c) | Break-up of expenditure incurred during the year on employees in respect of remuneration exceeding Rs. 24 Lakhs per year or Rs. 2 Lakhs or more per month or part of the month | None |



4. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

5. In the opinion of the directors, current assets, loans and advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business.

6. The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the Current Year.

7. Basic and Diluted Earning Per Share :

For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered.

| Particulars | 2008-09 | 2007-08 |
|---|----------|----------|
| Net Profit after tax | (12,057) | (22,125) |
| Weighted average number of equity shares (Nos.) | 10,000 | 10,000 |
| Basic Earning Per Share (Rupees per share) | (1.21) | (2.21) |
| Diluted Earning Per Share (Rupees per share) | N. A. | N. A. |

8. Related Party Disclosures:

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

- Particulars of Subsidiary / Associate Companies and Concerns:

| | Name of Associate Companies / Concerns | Nature of Relationship |
|----|--|--|
| 1 | Satra Properties (India) Limited | Holding Company |
| 2 | Satra Property Developers Private Limited | Fellow Subsidiary Company |
| 3 | Satra Buildcon Private Limited | Fellow Subsidiary Company |
| 4 | Satra Infrastructure And Land Developers Private Limited | Fellow Subsidiary Company |
| 5 | Satra Lifestyles Private Limited | Fellow Subsidiary Company |
| 6 | Satra International Realtors Limited (w.e.f 17 th June 2008) | Fellow Subsidiary Company |
| 7 | C. Bhansali Developers Private Limited | Associate Company of Holding Company |
| 8 | Shravan Developers Private Limited | Associate Company of Holding Company |
| 9 | Sweet Developers(w.e.f. 28 th April 2008 and up to 27 th October 2008) | Promoter Group Partnership Firm |
| 10 | BKC Developers Private Limited | Associate Company of Fellow Subsidiary Company |
| 11 | Deepmala Infrastructure Private Limited (w.e.f 10 th April 2008) | Associate Company of Fellow Subsidiary Company |

Key Management Personnel:

| | Name of the Related Party | Nature of Relationship |
|---|---------------------------|------------------------|
| 1 | Mr. Praful N. Satra | Director |
| 2 | Mrs. Minaxi P. Satra | Director |
| 3 | Mr. Rajan P. Shah | Director |

Signature to schedule 1 to 6
As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

S.J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

For Satra Estate Development Private Limited

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, 4th June, 2009



DIRECTORS' REPORT

To
The Members,
SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED

Your Directors are pleased to present the 2nd Annual Report and the Audited Accounts for the Financial Year ended March 31, 2009.

1) FINANCIAL HIGHLIGHTS:

| Particulars | (Amt. in Rs.) | |
|--|-----------------|-----------------|
| | Current Year | Previous Year |
| Profit / (Loss) before taxation | (12,232) | (22,125) |
| Less: Provision for Taxation | | |
| - Current Year | ----- | ----- |
| - Earlier Years | ----- | ----- |
| Deferred Tax | ----- | ----- |
| Fringe benefit Tax | | |
| - Current Year | ----- | ----- |
| - Earlier Year | ----- | ----- |
| Net Profit After Taxation | (12,232) | (22,125) |
| Add / (Less) : Profit / (Loss) b/f from previous years | (22,125) | ----- |
| Less: Appropriation | | |
| Transfer to General Reserve | ----- | ----- |
| Proposed Dividend | ----- | ----- |
| Tax on Proposed Dividend | ----- | ----- |
| Balance Profit / (Loss) c/f Balance Sheet | (34,357) | (22,125) |

2) WHOLLY OWNED SUBSIDIARY COMPANY:

Your company is a wholly owned subsidiary of **SATRA PROPERTIES (INDIA) LIMITED** and accordingly the provisions of Companies Act, 1956, applicable to the Public Company will become applicable to your company.

3) OPERATIONS:

Your Company has not yet commenced its operations.

4) DIRECTORS:

Since your Company is a Subsidiary of the Public Limited Company, according to the provisions of the Companies Act 1956, Mr. Praful N. Satra, Director of your Company retires in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

5) FIXED DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act.

6) DIRECTORS RESPONSIBILITY STATEMENT:

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



- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- c) That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the year ended 31st March, 2009 on a going concern basis.

7) **AUDITORS' REPORT:**

The observations made in the Auditors' Report are self-explanatory and therefore do not call for further comments under Section 217 of the Companies Act, 1956.

8) **AUDITORS:**

M/s Bhuta Shah & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them informing, that their appointment if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

9) **PERSONNEL:**

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

10) **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUTGO:**

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

For and on Behalf of the Board of Directors

Praful N. Satra
Director

Mumbai, 4th June, 2009
Registered Office:
Dev Plaza, 2nd Floor,
Opp. Andheri Fire Station,
S. V. Road, Andheri (West),
Mumbai – 400058



AUDITORS' REPORT

To the members of
SATRA INFRASTRUCTURE & LAND DEVELOPERS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED** as at 31st March 2009 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i. 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;
 - ii. 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;
 - iii. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- iv. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v. on the basis of the written representations received from the Directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956; and
- vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
 - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Bhuta Shah & Co.
 Chartered Accountants**

**S. J. Parmar
 Partner
 Membership No. 103424
 Mumbai, 4th June, 2009**



Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of the Auditors' Report to the members of **SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED** on the accounts for the year ended 31st March, 2009.

1. The Company is engaged in the business of civil construction and dealing real estate. Considering no business activity have been carried out during the year para number 4(i), (ii), (viii), (x), (xiii) and (xx) of the Order are not applicable in the present case.
2. According to the information and explanation given to us, the Company has not granted or taken loans, secured or unsecured to/from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c), (d), (f) and (g) of para 4(iii) are not applicable.
3. 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. During the year there were no purchase of inventory, fixed assets and sale of goods and services. During the course of our audit no major weakness has been observed in the internal controls.
4. According to the information and explanation provided by the management, there have been no contracts or arrangements during the year that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanation given to us 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.
6. The Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees fifty lakhs or did not have an average annual turnover exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial year concerned and accordingly clause (vii) of para 4 of the Order is not applicable for the current year.
7. a) According to the information and explanation given to us, there were no outstanding undisputed statutory dues payable as at the last day of the financial year concern for a year of more than six months from the date they became payable.
b) According to the information and explanation given to us, there were no outstanding statutory dues payable on account of any dispute before any authorities.
8. According to information and explanations given to us, the Company has not borrowed funds from financial institution, banks or raised funds through issue of debentures.
9. According to the information and explanation given to us the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
10. According to information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or other investments.
11. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
12. According to the information and explanation given to us and the records examined, the Company has not availed any term loan during the year.
13. According to the information and explanation given to us and the records examined, the Company has not availed any short term loan during the year.
14. During the year, the Company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
15. The Company has not issued any debentures.
16. During the course of our examination of the books of account and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year.

**For M/s Bhuta Shah & Co.
Chartered Accountants**

**S.J. Parmar
Partner**

**Membership No. 103424
Mumbai, 4th June, 2009**



Satra Infrastructure and Land Developers Private Limited

| SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED | | | | |
|--|---|----------|----------------|----------------|
| Balance Sheet as at 31st March, 2009 | | | | |
| (Currency: INR) | | | | |
| | Particulars | Schedule | 31.03.09 | 31.03.08 |
| SOURCES OF FUNDS | | | | |
| Shareholders' Funds | | | | |
| | Share Capital | 1 | 100,000 | 100,000 |
| | TOTAL | | 100,000 | 100,000 |
| APPLICATION OF FUNDS | | | | |
| Current assets, Loans and Advances | | | | |
| | Cash and Bank Balance | 2 | 76,673 | 89,111 |
| | | | 76,673 | 89,111 |
| | Less : Current Liabilities and Provisions | 3 | 11,030 | 11,236 |
| | Net Current Assets | | 65,643 | 77,875 |
| | Miscellaneous Expenditure | 4 | - | - |
| | Profit and Loss Account | | 34,357 | 22,125 |
| | TOTAL | | 100,000 | 100,000 |
| | Significant accounting policy and notes to accounts | 6 | | |

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

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

For and on behalf of the Board of Directors

Praful N. Satra **Minaxi P. Satra**
Director **Director**

Mumbai, 4th June, 2009



| SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED | | | | |
|--|------------------|-----------------|-----------------|--|
| Profit and Loss account for the year ended 31 March 2009 | | | | |
| (Currency: INR) | | | | |
| Particulars | Schedule | 31.03.09 | 31.03.08 | |
| INCOME | - | - | - | |
| | 'A' | - | - | |
| EXPENDITURE | | | | |
| Administrative Expenses | 5 | 12,232 | 22,125 | |
| | 'B' | 12,232 | 22,125 | |
| Net Profit / (Loss) Before Tax | (A - B) | (12,232) | (22,125) | |
| Less: Provision for tax | | | | |
| Current Tax | | - | - | |
| Net Profit / (Loss) after Tax | | (12,232) | (22,125) | |
| Add : Profit brought forward from previous year | | (22,125) | - | |
| Balance Profit / (Loss) Carried to Balance Sheet | | (34,357) | (22,125) | |
| Basic/ Diluted EPS | | (1.22) | (2.21) | |

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

For and on behalf of the Board of Directors

Praful N. Satra Minaxi P. Satra
Director Director

Mumbai, 4th June, 2009



| SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED | | |
|---|---------------|-----------------|
| CASH FLOW STATEMENT for the year ended 31 March 2009 | | |
| (Currency: INR) | | |
| Particulars | 31.03.09 | 31.03.08 |
| Cash flow from Operating activities | | |
| Net profit/(Loss) before taxation | (12,232) | (22,125) |
| Adjustment for : | | |
| Miscellaneous Expenditure W/off | - | 10,080 |
| Operating profit/(Loss) before working capital changes | (12,232) | (12,045) |
| Adjustment for Working Capital changes: | | |
| Increase / (Decrease) in Current Liabilities | (206) | 11,236 |
| Net cash from Operating activities | A | (12,438) |
| Cash flows from Investing activities | B | - |
| Cash flows from Financing activities | | |
| Proceeds from issuance of share capital | - | 100,000 |
| Expenses relating to Incorporation | - | (10,080) |
| Net Cash from Financing activities | C | 89,920 |
| Net increase in cash and cash equivalents | A+B+C | 89,111 |
| Cash and cash equivalents at the beginning of period | 89,111 | - |
| Cash and cash equivalents at the end of period | 76,673 | 89,111 |

Note:

(1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

For and on behalf of the Board of Directors

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, 4th June, 2009



| SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED | | |
|---|----------------|----------------|
| Schedules to the financial statements as at 31st March 2009 | | |
| (Currency: INR) | | |
| Particulars | 31.03.09 | 31.03.08 |
| SCHEDULE - 1 | | |
| SHARE CAPITAL | | |
| Authorised Share Capital 10,000 Equity Shares of Rs.10/- Each | 100,000 | 100,000 |
| Issued, Subscribed and Paid up Capital 10,000 Equity Shares of Rs.10/- Each fully paid up | 100,000 | 100,000 |
| TOTAL | 100,000 | 100,000 |
| SCHEDULE - 2 | | |
| CASH AND BANK BALANCE | | |
| Cash in hand | 9,432 | 10,000 |
| <u>Balance with Schedule Banks :</u> - in current accounts | 67,241 | 79,111 |
| TOTAL | 76,673 | 89,111 |
| SCHEDULE - 3 | | |
| CURRENT LIABILITIES AND PROVISIONS | | |
| Bhuta Shah & Co. | 11,030 | 11,236 |
| TOTAL | 11,030 | 11,236 |
| SCHEDULE - 4 | | |
| MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted) | | |
| Opening Balance | - | - |
| Add : Incurred During the Year | - | 10,080 |
| | - | 10,080 |
| Less : Written off during the year | - | 10,080 |
| TOTAL | - | - |
| SCHEDULE - 5 | | |
| ADMINISTRATIVE EXPENSES | | |
| Bank Charges | 634 | 686 |
| Sundry Expenses | 568 | 123 |
| Preliminary Expenses | - | 10,080 |
| <u>Auditor's Remuneration</u> Statutory Audit Fees | 11,030 | 11,236 |
| TOTAL | 12,232 | 22,125 |



Satra Infrastructure and Land Developers Private Limited

Schedules to the financial statement for the year ended 31st March 2009

SCHEDULE 6:

1. Background:

The company was incorporated on October 19, 2007 as Satra Infrastructure and Land Developers Private Limited. The company is engaged in the business of real estate and construction industry.

SIGNIFICANT ACCOUNTING POLICIES:

2. Accounting Convention:

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the accounting standards issued by The Institute of Chartered Accountants of India and the provisions of Companies Act, 1956.

3. Revenue Recognition:

The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

4. Taxation:

- i. Tax on current income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.
- ii. Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as at the Balance Sheet date. Deferred tax assets are recognized to the extent there is virtual certainty that these assets can be realized in future.

5. Provision and Contingent Liabilities:

Contingent liabilities, if any, are disclosed after a careful evaluation of facts and legal aspects of the matter involved.

6. Miscellaneous expenditure

Preliminary expenses are written off in the period it was incurred.

NOTES TO ACCOUNTS:

- 1. The Company is engaged real estate and construction industry. Since there is only one segment in which Company is operating, segment reporting as required under the Accounting Standard 17 on Segment Reporting issued by the Chartered Accountant of India is not applicable.
The company has been incorporated on 19th October 2007 and the accounts for the previous year pertains to the period 19-10-2007 to 31-03-2008(165 days) and hence, are not strictly comparable.
- 2. In the opinion of the Directors there were no contingent liabilities as at the Balance Sheet date.
- 3. Additional Information pursuant to the provisions of Para 3, 4, 4-A, 4-B, 4-C of Para 11 of Schedule VI of the Companies Act, 1956

| | Particulars | Current Year Rupees |
|----|--|---------------------|
| a) | Information as to Capacity Licensed Installed | Not Applicable |
| b) | Information as to Foreign Currency Earnings in Foreign Currency Expenditure in Foreign Currency | Nil Nil |
| c) | Break-up of expenditure incurred during the year on employees in respect of remuneration exceeding Rs. 24 Lakhs per year or Rs. 2 Lakhs or more per month or part of the month | None |

- 4. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

Satra Infrastructure and Land Developers Private Limited



The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

5. In the opinion of the directors, current assets, loans and advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business.
6. The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the Current Year.

7. Basic and Diluted Earning Per Share :

For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered.

| Particulars | 2008-09 | 2007-08 |
|---|----------|----------|
| Net Profit after tax | (12,232) | (22,125) |
| Weighted average number of equity shares (Nos.) | 10,000 | 10,000 |
| Basic Earning Per Share (Rupees per share) | (1.22) | (2.21) |
| Diluted Earning Per Share (Rupees per share) | N. A. | N. A. |

8. Related Party Disclosures:

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

a) Particulars of Subsidiary / Associate Companies and Concerns:

| | Name of Associate Companies / Concerns | Nature of Relationship |
|----|---|--|
| 1 | Satra Properties (India) Limited | Holding Company |
| 2 | Satra Property Developers Private Limited | Fellow Subsidiary Company |
| 3 | Satra Estate Development Private Limited | Fellow Subsidiary Company |
| 4 | Satra Buildcon Private Limited | Fellow Subsidiary Company |
| 5 | Satra Lifestyles Private Limited | Fellow Subsidiary Company |
| 6 | Satra International Realtors Limited (w.e.f 17 th June 2008) | Fellow Subsidiary Company |
| 7 | C. Bhansali Developers Private Limited | Associate Company of Holding Company |
| 8 | Shravan Developers Private Limited | Associate Company of Holding Company |
| 9 | Sweety Developers(w.e.f. 28 th April 2008 and up to 27 th October 2008) | Promoter Group Partnership Firm |
| 10 | BKC Developers Private Limited | Associate Company of Fellow Subsidiary Company |
| 11 | Deepmala Infrastructure Private Limited (w.e.f 10 th April 2008) | Associate Company of Fellow Subsidiary Company |

b) Key Management Personnel:

| | Name of the Related Party | Nature of Relationship |
|---|---------------------------|------------------------|
| 1 | Mr. Praful N. Satra | Director |
| 2 | Mrs. Minaxi P. Satra | Director |
| 3 | Mr. Rajan P. Shah | Director |

Signature to schedule 1 to 6

As per our report of even date

For M/s. Bhuta Shah & Co.
Chartered Accountants

For and on behalf of the Board of Directors

S. J. Parmar
Partner
Membership No. 103424
Mumbai : 4th June, 2009

Praful N Satra
Director

Minaxi Satra
Director

Mumbai : 4th June, 2009



Notes

Handwritten notes on a lined page. The text is mostly illegible due to blurriness and low contrast. Some faint words like "Notes" and "Notes" are visible at the top of the page. The rest of the page contains several lines of faint, illegible handwriting.



DIRECTOR'S REPORT

To
The Members,
SATRA BUILDCON PRIVATE LIMITED

Your Directors are pleased to present the 2nd Annual Report and the Audited Accounts for the Financial Year ended March 31, 2009.

1) FINANCIAL HIGHLIGHTS:

| Particulars | (Amt. in Rs.) | |
|--|-----------------|-----------------|
| | Current Year | Previous Year |
| Profit / (Loss) before taxation | (12,232) | (22,210) |
| Less: Provision for Taxation | | |
| - Current Year | ----- | ----- |
| - Earlier Years | ----- | ----- |
| Deferred Tax | ----- | ----- |
| Fringe benefit Tax | | |
| - Current Year | ----- | ----- |
| - Earlier Year | ----- | ----- |
| Net Profit After Taxation | (12,232) | (22,210) |
| Add / (Less) : Profit / (Loss) b/f from previous years | (22,210) | ----- |
| Less: Appropriation | | |
| Transfer to General Reserve | ----- | ----- |
| Proposed Dividend | ----- | ----- |
| Tax on Proposed Dividend | ----- | ----- |
| Balance Profit / (Loss) c/f Balance Sheet | (34,442) | (22,210) |

2) WHOLLY OWNED SUBSIDIARY COMPANY:

Your company is a wholly owned subsidiary of **SATRA PROPERTIES (INDIA) LIMITED** and accordingly the provisions of Companies Act, 1956, applicable to the Public Company will become applicable to your company.

3) OPERATIONS:

Your Company has not yet commenced its operations.

4) DIRECTORS:

Since your Company is a Subsidiary of the Public Limited Company, according to the provisions of the Companies Act 1956, Mr. Praful N. Satra, Director of your Company retires in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

5) FIXED DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act.

6) DIRECTORS RESPONSIBILITY STATEMENT:

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



- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- c) That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the year ended 31st March, 2009 on a going concern basis.

7) **AUDITORS' REPORT:**

The observations made in the Auditors' Report are self-explanatory and therefore do not call for further comments under Section 217 of the Companies Act, 1956.

8) **AUDITORS:**

M/s Bhuta Shah & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them informing, that their appointment if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

9) **PERSONNEL:**

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

10) **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUTGO:**

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

For and on Behalf of the Board of Directors

**Praful N. Satra
Director**

Mumbai, 4th June, 2009

Registered Office:
Dev Plaza, 2nd Floor,
Opp. Andheri Fire Station,
S. V. Road, Andheri (West),
Mumbai – 400058



AUDITOR'S REPORT

To the Members of SATRA BUILDCON PRIVATE LIMITED

1) We have audited the attached Balance Sheet of M/S SATRA BUILDCON PRIVATE LIMITED as at 31st March 2009 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3) As required by the Companies (Auditors' Report) Order, 2003, as amended by the companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable.

4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- i 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;
ii 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;
iii the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- iv in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
v on the basis of the written representations received from the Directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956; and
vi in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with 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:
a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Bhuta Shah & Co. Chartered Accountants

S. J. Parmar Partner Membership No. 103424 Mumbai: 4th June, 2009



Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of the Auditors' Report to the members of **SATRA BUILDCON PRIVATE LIMITED** on the accounts for the year ended 31st March, 2009.

1. The Company is engaged in the business of civil construction and dealing in real estate. Considering no business activity have been carried out during the year para number 4(i), (ii), (viii), (x), (xiii) and (xx) of the Order are not applicable in the present case.
2. According to the information and explanation given to us, the Company has not granted or taken loans, secured or unsecured to/from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c), (d), (f) and (g) of para 4(iii) are not applicable.
3. 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. During the year there were no purchase of inventory, fixed assets and sale of goods and services. During the course of our audit no major weakness has been observed in the internal controls.
4. According to the information and explanation provided by the management, there have been no contracts or arrangements during the year that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanation given to us 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.
6. The Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees fifty lakhs or did not have an average annual turnover exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial year concerned and accordingly clause (vii) of para 4 of the Order is not applicable for the current year.
7. (a) According to the information and explanation given to us, there were no outstanding undisputed statutory dues payable as at the last day of the financial year concern for a period of more than six months from the date they became payable.
(b) According to the information and explanation given to us, there were no outstanding statutory dues payable on account of any dispute before any authorities.
8. According to information and explanations given to us, the Company has not borrowed funds from financial institution, banks or raised funds through issue of debentures.
9. According to the information and explanation given to us the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
10. According to information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or other investments.
11. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
12. According to the information and explanation given to us and the records examined, the Company has not availed any term loan during the year.
13. According to the information and explanation given to us and the records examined, the Company has not availed any short term loan during the year.
14. During the year, the Company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
15. The Company has not issued any debentures.
16. During the course of our examination of the books of account and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year.

For M/s. Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner
Membership No 103424
Mumbai: 4th June, 2009



SATRA BUILDCON PRIVATE LIMITED

Balance Sheet as at 31st March, 2009

(Currency: INR)

| Particulars | Schedule | 31.03.09 | 31.03.08 |
|---|----------|----------------|----------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 100,000 | 100,000 |
| TOTAL | | 100,000 | 100,000 |
| APPLICATION OF FUNDS | | | |
| Current assets, Loans and Advances | | | |
| Cash and Bank Balance | 2 | 76,588 | 89,026 |
| | | 76,588 | 89,026 |
| Less : Current Liabilities and Provisions | 3 | 11,030 | 11,236 |
| Net Current Assets | | 65,558 | 77,790 |
| Miscellaneous Expenditure | 4 | - | - |
| Profit and Loss Account | | 34,442 | 22,210 |
| TOTAL | | 100,000 | 100,000 |
| Significant accounting policy and notes to accounts | 6 | | |

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

As per our report of even date

**For Bhuta Shah & Co.
Chartered Accountants**

**S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009**

For and on behalf of the Board of Directors

**Praful N. Satra
Director**

**Minaxi P. Satra
Director**

Mumbai, 4th June, 2009



| SATRA BUILDCON PRIVATE LIMITED | | | | |
|---|----------------|-----------------|-----------------|-----------------|
| Profit and Loss account for the year ended 31 March 2009 | | | | |
| | | | | (Currency: INR) |
| Particulars | Schedule | 31.03.09 | 31.03.08 | |
| INCOME | - | - | - | |
| | 'A' | - | - | |
| EXPENDITURE | | | | |
| Administrative Expenses | 5 | 12,232 | 22,210 | |
| | 'B' | 12,232 | 22,210 | |
| Net Profit / (Loss) Before Tax | (A - B) | (12,232) | (22,210) | |
| Less: Provision for tax | | | | |
| Current Tax | | - | - | |
| Net Profit / (Loss) after Tax | | (12,232) | (22,210) | |
| Add : Profit brought forward from previous year | | (22,210) | - | |
| Balance Profit / (Loss) Carried to Balance Sheet | | (34,442) | (22,210) | |
| Basic/ Diluted EPS | | (1.22) | (2.22) | |

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

For and on behalf of the Board of Directors

Praful N. Satra Minaxi P. Satra
Director Director

Mumbai, 4th June, 2009



| SATRA BUILDCON PRIVATE LIMITED | | | |
|---|--------------|-----------------|-----------------|
| CASH FLOW STATEMENT for the year ended 31 March 2009 | | | |
| (Currency: INR) | | | |
| Particulars | | 31.03.09 | 31.03.08 |
| <u>Cash flow from Operating activities</u> | | | |
| Net profit/(Loss) before taxation | | (12,232) | (22,210) |
| Adjustment for : | | | |
| Miscellaneous Expenditure W/off | | - | 10,080 |
| Operating profit/(Loss) before working capital changes | | (12,232) | (12,130) |
| Adjustment for Working Capital changes: | | | |
| Increase / (Decrease) in Current Liabilities | | (206) | 11,236 |
| Net cash from Operating activities | A | (12,438) | (894) |
| <u>Cash flows from Investing activities</u> | B | - | - |
| <u>Cash flows from Financing activities</u> | | | |
| Proceeds from issuance of share capital | | - | 100,000 |
| Expenses relating to Incorporation | | - | (10,080) |
| Net Cash from Financing activities | C | - | 89,920 |
| Net increase in cash and cash equivalents | A+B+C | (12,438) | 89,026 |
| Cash and cash equivalents at the beginning of period | | 89,026 | - |
| Cash and cash equivalents at the end of period | | 76,588 | 89,026 |

Note:

(1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

For and on behalf of the Board of Directors

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

Praful N. Satra
Director
Minaxi P. Satra
Director

Mumbai, 4th June, 2009



| SATRA BUILDCON PRIVATE LIMITED | | |
|--|-----------------|----------------|
| Schedules to the financial statements as at 31st March 2009 | | |
| | (Currency: INR) | |
| Particulars | 31.03.09 | 31.03.08 |
| SCHEDULE - 1 | | |
| SHARE CAPITAL | | |
| Authorised Share Capital | | |
| 10,000 Equity Shares of Rs.10/- Each | 100,000 | 100,000 |
| Issued, Subscribed and Paid up Capital | | |
| 10,000 Equity Shares of Rs.10/- Each fully paid up | 100,000 | 100,000 |
| TOTAL | 100,000 | 100,000 |
| SCHEDULE - 2 | | |
| CASH AND BANK BALANCE | | |
| Cash in hand | 9,432 | 10,000 |
| <u>Balance with Schedule Banks :</u> | | |
| - in current accounts | 67,156 | 79,026 |
| TOTAL | 76,588 | 89,026 |
| SCHEDULE - 3 | | |
| CURRENT LIABILITIES AND PROVISIONS | | |
| Bhuta Shah & Co. | 11,030 | 11,236 |
| TOTAL | 11,030 | 11,236 |
| SCHEDULE - 4 | | |
| MISCELLANEOUS EXPENDITURE | | |
| (To the extent not written off or adjusted) | | |
| Opening Balance | - | - |
| Add : Incurred During the Year | - | 10,080 |
| | - | 10,080 |
| Less : Written off during the year | - | 10,080 |
| TOTAL | - | - |
| SCHEDULE - 5 | | |
| ADMINISTRATIVE EXPENSES | | |
| Bank Charges | 634 | 827 |
| Sundry Expenses | 568 | 67 |
| Preliminary Expenses | - | 10,080 |
| Auditor's Remuneration | | |
| Statutory Audit Fees | 11,030 | 11,236 |
| TOTAL | 12,232 | 22,210 |



SATRA BUILDCON PRIVATE LIMITED

Schedules to the financial Statement for the year ended 31st March, 2009

SCHEDULE 6:

1) Background:

The company was incorporated on October 18, 2007 as Satra Buildcon Private Limited. The company is engaged in the business of real estate and construction industry.

SIGNIFICANT ACCOUNTING POLICIES:

2) Accounting Convention:

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the accounting standards issued by The Institute of Chartered Accountants of India and the provisions of Companies Act, 1956.

3) Revenue Recognition:

The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

4) Taxation:

i) Tax on current income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.

ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as at the Balance Sheet date. Deferred tax assets are recognized to the extent there is virtual certainty that these assets can be realized in future.

5) Provision and Contingent Liabilities:

Contingent liabilities, if any, are disclosed after a careful evaluation of facts and legal aspects of the matter involved.

6) Miscellaneous expenditure

Preliminary expenses are written off in the period it was incurred.

NOTES TO ACCOUNTS:

1) The Company is engaged in real estate and construction industry. Since there is only one segment in which Company is operating, segment reporting as required under the Accounting Standard 17 on Segment Reporting issued by the Chartered Accountant of India is not applicable. The company has been incorporated on 18 October 2007 and the accounts for the previous year pertains to the period 18-10-2007 to 31-03-2008 (166 days) and hence, are not strictly comparable.

2) In the opinion of the Directors there were no contingent liabilities as at the Balance Sheet date.

3) Additional Information pursuant to the provisions of Para 3, 4, 4-A, 4-B, 4-C of Para 11 of Schedule VI of the Companies Act, 1956

| | Particulars | Current Year Rupees |
|----|--|----------------------------------|
| a) | <u>Information as to Capacity</u> Licensed Installed | Not Applicable Not Applicable |
| b) | <u>Information as to Foreign Currency</u> Earnings in Foreign Currency Expenditure in Foreign Currency | Nil Nil |
| c) | Break-up of expenditure incurred during the year on employees in respect of remuneration exceeding Rs. 24 Lakhs per year or Rs. 2 Lakhs or more per month or part of the month | None |

4) There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.



The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

5) In the opinion of the directors, current assets, loans and advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business.

6) The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the Current Year.

7) Basic and Diluted Earning Per Share :

For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered.

| Particulars | 2008-09 | 2007-08 |
|---|----------|----------|
| Net Profit after tax | (12,232) | (22,210) |
| Weighted average number of equity shares (Nos.) | 10,000 | 10,000 |
| Basic Earning Per Share (Rupees per share) | (1.22) | (2.22) |
| Diluted Earning Per Share (Rupees per share) | N. A. | N. A. |

8) Related Party Disclosures:

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

a) Particulars of Subsidiary / Associate Companies and Concerns:

| | Name of Associate Companies / Concerns | Nature of Relationship |
|----|---|--|
| 1 | Satra Properties (India) Limited | Holding Company |
| 2 | Satra Property Developers Private Limited | Fellow Subsidiary Company |
| 3 | Satra Estate Development Private Limited | Fellow Subsidiary Company |
| 4 | Satra Infrastructure And Land Developers Private Limited | Fellow Subsidiary Company |
| 5 | Satra Lifestyles Private Limited | Fellow Subsidiary Company |
| 6 | Satra International Realtors Limited (w.e.f 17 th June 2008) | Fellow Subsidiary Company |
| 7 | C. Bhansali Developers Private Limited | Associate Company of Holding Company |
| 8 | Shravan Developers Private Limited | Associate Company of Holding Company |
| 9 | Sweety Developers(w.e.f. 28 th April 2008 and up to 27 th October 2008) | Promoter Group Partnership Firm |
| 10 | BKC Developers Private Limited | Associate Company of Fellow Subsidiary Company |
| 11 | Deepmala Infrastructure Private Limited (w.e.f 10 th April 2008) | Associate Company of Fellow Subsidiary Company |

b) Key Management Personnel:

| | Name of the Related Party | Nature of Relationship |
|---|---------------------------|------------------------|
| 1 | Mr. Praful N. Satra | Director |
| 2 | Mrs. Minaxi P. Satra | Director |
| 3 | Mr. Rajan P. Shah | Director |

Signature to schedule 1 to 6

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

For and on behalf of the Board of Directors

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, 4th June, 2009



SATRA BUILDCON PRIVATE LIMITED

(Currency: INR)

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration Number
Balance Sheet Date

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|--|--|
| 1 | 7 | 5 | 1 | 7 | 2 | | | | |
| 3 | 1 | 0 | 3 | 2 | 0 | 0 | 9 | | |

State Code

| | |
|---|---|
| 1 | 1 |
|---|---|

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

Issue of Shares
Bonus Issue

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
| | | | N | I | L |

Rights Issue
Private Placement

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
| | | | N | I | L |

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

Total Liabilities

| | | | | | |
|--|--|--|---|---|---|
| | | | 1 | 0 | 0 |
|--|--|--|---|---|---|

Total Assets

| | | | | | |
|--|--|--|---|---|---|
| | | | 1 | 0 | 0 |
|--|--|--|---|---|---|

Sources of Funds

Paidup Capital
Reserves & Surplus
Secured Loans
Unsecured Loans

| | | | | | |
|--|--|--|---|---|---|
| | | | 1 | 0 | 0 |
| | | | N | I | L |
| | | | N | I | L |
| | | | N | I | L |

Application of Funds

Net Fixed Assets
Investments
Net Current Assets
Accumulated Losses
Net Deferred tax Asset

| | | | | | |
|--|---|---|---|---|---|
| | | | N | I | L |
| | | | N | I | L |
| | 6 | 5 | 5 | 6 | |
| | 3 | 4 | 4 | 4 | |
| | | | N | I | L |

IV Performance of the Company (Amount in Rs Thousands)

Turnover
Total Expenditure

| | | | | | |
|--|---|---|---|---|---|
| | | | N | I | L |
| | 1 | 2 | 2 | 3 | |

Profit Before Tax
Profit after Tax

+/-

| | | | | | |
|---|---|---|---|---|--|
| - | 1 | 2 | 2 | 3 | |
| - | 1 | 2 | 2 | 3 | |

Earning per share (in Rupees)

| | | | | |
|---|---|---|---|--|
| - | 1 | 2 | 2 | |
|---|---|---|---|--|

Dividend Rate #

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

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

Item Code No. (ITC)
Product Description

| | | | | | | | | | | | | | | | | |
|--|--|--|--|--|---|---|--|--|--|--|--|--|--|--|---|---|
| | | | | | N | A | | | | | | | | | N | A |
|--|--|--|--|--|---|---|--|--|--|--|--|--|--|--|---|---|

For and on behalf of the Board of Directors

Praful N. Satra
Director
Mumbai, June 04, 2009.

Minaxi P. Satra
Director



DIRECTORS' REPORT

To
The Members,
SATRA LIFESTYLES PRIVATE LIMITED

Your Directors are pleased to present the 2nd Annual Report and the Audited Accounts for the Financial Year ended March 31, 2009.

1) FINANCIAL HIGHLIGHTS:

| Particulars | (Amt. in Rs.) | |
|--|-----------------|-----------------|
| | Current Year | Previous Year |
| Profit / (Loss) before taxation | (12,288) | (22,136) |
| Less: Provision for Taxation | | |
| - Current Year | ----- | ----- |
| - Earlier Years | ----- | ----- |
| Deferred Tax | ----- | ----- |
| Fringe benefit Tax | | |
| - Current Year | ----- | ----- |
| - Earlier Year | ----- | ----- |
| Net Profit After Taxation | (12,288) | (22,136) |
| Add / (Less) : Profit / (Loss) b/f from previous years | (22,136) | ----- |
| Less: Appropriation | | |
| Transfer to General Reserve | ----- | ----- |
| Proposed Dividend | ----- | ----- |
| Tax on Proposed Dividend | ----- | ----- |
| Balance Profit / (Loss) c/f Balance Sheet | (34,424) | (22,136) |

2) WHOLLY OWNED SUBSIDIARY COMPANY:

Your company is a wholly owned subsidiary of **SATRA PROPERTIES (INDIA) LIMITED** and accordingly the provisions of Companies Act, 1956, applicable to the Public Company will become applicable to your company.

3) OPERATIONS:

Your Company has not yet commenced its operations.

4) DIRECTORS:

Since your Company is a Subsidiary of the Public Limited Company, according to the provisions of the Companies Act 1956, Mr. Praful N. Satra, Director of your Company retires in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

5) FIXED DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act.

6) DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures.



- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- c) That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the year ended 31st March, 2009 on a going concern basis.

7) **AUDITORS' REPORT:**

The observations made in the Auditors' Report are self-explanatory and therefore do not call for further comments under Section 217 of the Companies Act, 1956.

8) **AUDITORS:**

M/s Bhuta Shah & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them informing, that their appointment if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

9) **PERSONNEL:**

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

10) **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUTGO:**

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

For and on Behalf of the Board of Directors

Praful N. Satra
Director

Mumbai, 4th June, 2009

Registered Office:
Dev Plaza, 2nd Floor,
Opp. Andheri Fire Station,
S. V. Road, Andheri (West),
Mumbai – 400058



AUDITORS' REPORT

To the Members of

Satra Lifestyles Private Limited

1. We have audited the attached Balance Sheet of **SATRA LIFESTYLES PRIVATE LIMITED** as at 31st March 2009 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date both 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.
 - (v) with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of the written representations received from the Directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956; and
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with 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:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
 - (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable.
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
 - (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt

For Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner
Membership No. 103424

Mumbai: 4th June, 2009



Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of the Auditors' Report to the members of **SATRA LIFESTYLES PRIVATE LIMITED** on the accounts for the year ended 31st March, 2009.

1. The Company is engaged in the business of Lifestyles product. Considering no business activity have been carried out during the year para number 4(i), (ii), (viii), (x), (xiii) and (xx) of the Order are not applicable in the present case.
2. According to the information and explanation given to us, the Company has not granted or taken loans, secured or unsecured to/from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c), (d), (f) and (g) of para 4(iii) are not applicable.
3. 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. During the year there were no purchase of inventory, fixed assets and sale of goods and services. During the course of our audit no major weakness has been observed in the internal controls.
4. According to the information and explanation provided by the management, there have been no contracts or arrangements during the year that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanation given to us 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.
6. The Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees fifty lakhs or did not have an average annual turnover exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial year concerned and accordingly clause (vii) of para 4 of the Order is not applicable for the current year.
7. a) According to the information and explanation given to us, there were no outstanding undisputed statutory dues payable as at the last day of the financial year concern for a year of more than six months from the date they became payable.
b) According to the information and explanation given to us, there were no outstanding statutory dues payables on account of any dispute before any authorities.
8. According to information and explanations given to us, the Company has not borrowed funds from financial institution, banks or raised funds through issue of debentures.
9. According to the information and explanation given to us the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
10. According to information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or other investments.
11. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
12. According to the information and explanation given to us and the records examined, the Company has not availed any term loan during the year.
13. According to the information and explanation given to us and the records examined, the Company has not availed any short term loan during the year.
14. During the year, the Company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
15. The Company has not issued any debentures.
16. During the course of our examination of the books of account and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year.

**For M/s Bhuta Shah & Co.
Chartered Accountants**

**S.J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009**



| SATRA LIFESTYLES PRIVATE LIMITED | | | |
|---|----------|----------------|----------------|
| Balance Sheet as at 31st March 2009 | | | |
| (Currency: INR) | | | |
| Particulars | Schedule | 31.03.09 | 31.03.08 |
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 100,000 | 100,000 |
| LOAN FUNDS | | | |
| TOTAL | | 100,000 | 100,000 |
| APPLICATION OF FUNDS | | | |
| Current assets, Loans and Advances | | | |
| Cash and Bank Balance | 2 | 76,606 | 89,100 |
| | | 76,606 | 89,100 |
| Less : Current Liabilities and Provisions | 3 | 11,030 | 11,236 |
| Net Current Assets | | 65,576 | 77,864 |
| Miscellaneous Expenditure | 4 | - | - |
| Profit and Loss Account | | 34,424 | 22,136 |
| TOTAL | | 100,000 | 100,000 |
| Significant accounting policy and notes to accounts | 6 | | |

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

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

For and on behalf of the Board of Directors

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, 4th June, 2009



| SATRA LIFESTYLES PRIVATE LIMITED | | | | |
|--|------------------|-----------------|----------|-----------------|
| Profit and Loss account for the year ended 31 March 2009 | | | | |
| (Currency: INR) | | | | |
| Particulars | Schedule | 31.03.09 | 31.03.08 | |
| INCOME | | | | - |
| | 'A' | | | - |
| EXPENDITURE | | | | |
| Administrative Expenses | 5 | 12,288 | | 22,136 |
| | 'B' | 12,288 | | 22,136 |
| Net Profit / (Loss) Before Tax | (A - B) | (12,288) | | (22,136) |
| Less: Provision for tax | | | | |
| Current Tax | | - | | - |
| Net Profit / (Loss) after Tax | | (12,288) | | (22,136) |
| Add : Profit brought forward from previous year | | (22,136) | | - |
| Balance Profit /(Loss) Carried to Balance Sheet | | (34,424) | | (22,136) |
| Basic/ Diluted EPS | | (1.23) | | (2.21) |

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

For and on behalf of the Board of Directors

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

Praful N. Satra Minaxi P. Satra
Director Director

Mumbai, 4th June, 2009



| SATRA LIFESTYLES PRIVATE LIMITED | | |
|---|-----------------------|-----------------|
| CASH FLOW STATEMENT for the year ended 31 March 2009 | | |
| (Currency: INR) | | |
| Particulars | 31.03.09 | 31.03.08 |
| Cash flow from Operating activities | | |
| Net profit/(Loss) before taxation | (12,288) | (22,136) |
| Adjustment for : | | |
| Miscellaneous Expenditure W/off | - | 10,080 |
| Operating profit/(Loss) before working capital changes | (12,288) | (12,056) |
| Adjustment for Working Capital changes: | | |
| Increase / (Decrease) in Current Liabilities | (206) | 11,236 |
| Net cash from Operating activities | A (12,494) | (820) |
| Cash flows from Investing activities | B - | - |
| Cash flows from Financing activities | | |
| Proceeds from issuance of share capital | - | 100,000 |
| Expenses relating to Incorporation | - | (10,080) |
| Net Cash from Financing activities | C - | 89,920 |
| Net increase in cash and cash equivalents | A+B+C (12,494) | 89,100 |
| Cash and cash equivalents at the beginning of period | 89,100 | - |
| Cash and cash equivalents at the end of period | 76,606 | 89,100 |

Note:

(1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.

As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

For and on behalf of the Board of Directors

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

Praful N. Satra Minaxi P. Satra
Director Director

Mumbai, 4th June, 2009



| SATRA LIFESTYLES PRIVATE LIMITED | | |
|---|----------------|----------------|
| Schedules to the financial statements as at 31st March 2009 | | |
| (Currency: INR) | | |
| Particulars | 31.03.09 | 31.03.08 |
| SCHEDULE - 1 | | |
| SHARE CAPITAL | | |
| Authorised Share Capital | | |
| 10,000 Equity Shares of Rs.10/- Each | 100,000 | 100,000 |
| Issued, Subscribed and Paid up Capital | | |
| 10,000 Equity Shares of Rs.10/- Each fully paid up | 100,000 | 100,000 |
| TOTAL | 100,000 | 100,000 |
| SCHEDULE - 2 | | |
| CASH AND BANK BALANCE | | |
| Cash in hand | 9,432 | 10,000 |
| <u>Balance with Schedule Banks :</u> | | |
| - in current accounts | 67,174 | 79,100 |
| TOTAL | 76,606 | 89,100 |
| SCHEDULE - 3 | | |
| CURRENT LIABILITIES AND PROVISIONS | | |
| Bhuta Shah & Co. | 11,030 | 11,236 |
| TOTAL | 11,030 | 11,236 |
| SCHEDULE - 4 | | |
| MISCELLANEOUS EXPENDITURE | | |
| (To the extent not written off or adjusted) | | |
| Opening Balance | - | - |
| Add : Incurred During the Year | - | 10,080 |
| | - | 10,080 |
| Less : Written off during the year | - | 10,080 |
| TOTAL | - | - |
| SCHEDULE - 5 | | |
| ADMINISTRATIVE EXPENSES | | |
| Bank Charges | 634 | 686 |
| Sundry Expenses | 624 | 134 |
| Preliminary Expenses | - | 10,080 |
| <u>Auditor's Remuneration</u> | | |
| Statutory Audit Fees | 11,030 | 11,236 |
| TOTAL | 12,288 | 22,136 |



Schedules to the financial statement for the year ended 31st March, 2009

SCHEDULE 6:

1. Background:

The company was incorporated on October 19, 2007 as Satra Lifestyles Private Limited. The company is engaged in the business of life style product business.

SIGNIFICANT ACCOUNTING POLICIES:

2. Accounting Convention:

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the accounting standards issued by The Institute of Chartered Accountants of India and the provisions of Companies Act, 1956.

3. Revenue Recognition:

The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

4. Taxation:

- I. Tax on current income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.
- II. Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as at the Balance Sheet date. Deferred tax assets are recognized to the extent there is virtual certainty that these assets can be realized in future.

5. Provision and Contingent Liabilities:

Contingent liabilities, if any, are disclosed after a careful evaluation of facts and legal aspects of the matter involved.

6. Miscellaneous expenditure:

Preliminary expenses are written off in the period it was incurred.

NOTES TO ACCOUNTS:

1. The Company is engaged in the business of lifestyle products. Since there is only one segment in which Company is operating, segment reporting as required under the Accounting Standard 17 on Segment Reporting issued by the Chartered Accountant of India is not applicable.
The company has been incorporated on 19th October 2007 and the accounts for the previous year pertains to the period 19-10-2007 to 31-03-2008(165 days) and hence, are not strictly comparable.
2. In the opinion of the Directors there were no contingent liabilities as at the Balance Sheet date.
3. Additional Information pursuant to the provisions of Para 3, 4, 4-A, 4-B, 4-C of Para 11 of Schedule VI of the Companies Act, 1956

| | Particulars | Current Year Rupees |
|----|--|---------------------|
| a) | <u>Information as to Capacity</u> Licensed Installed | Not Applicable |
| b) | <u>Information as to Foreign Currency</u> Earnings in Foreign Currency Expenditure in Foreign Currency | Nil Nil |
| c) | Break-up of expenditure incurred during the year on employees in respect of remuneration exceeding Rs. 24 Lakhs per year or Rs. 2 Lakhs or more per month or part of the month | None |



4. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

5. In the opinion of the directors, current assets, loans and advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business.
6. The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the Current Year.

7. **Basic and Diluted Earning Per Share :**

For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered.

| Particulars | 2008-09 | 2007-08 |
|---|----------|----------|
| Net Profit after tax | (12,288) | (22,136) |
| Weighted average number of equity shares (Nos.) | 10,000 | 10,000 |
| Basic Earning Per Share (Rupees per share) | (1.23) | (2.21) |
| Diluted Earning Per Share (Rupees per share) | N. A. | N. A. |

8. **Related Party Disclosures:**

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

a) Particulars of Subsidiary / Associate Companies and Concerns:

| | Name of Associate Companies / Concerns | Nature of Relationship |
|----|--|--|
| 1 | Satra Properties (India) Limited | Holding Company |
| 2 | Satra Property Developers Private Limited | Fellow Subsidiary Company |
| 3 | Satra Estate Development Private Limited | Fellow Subsidiary Company |
| 4 | Satra Infrastructure And Land Developers Private Limited | Fellow Subsidiary Company |
| 5 | Satra Buildcon Private Limited | Fellow Subsidiary Company |
| 6 | Satra International Realtors Limited (w.e.f 17th June 2008) | Fellow Subsidiary Company |
| 7 | C. Bhansali Developers Private Limited | Associate Company of Holding Company |
| 8 | Shravan Developers Private Limited | Associate Company of Holding Company |
| 9 | Sweetly Developers(w.e.f. 28th April 2008 and up to 27th October 2008) | Promoter Group Partnership Firm |
| 10 | BKC Developers Private Limited | Associate Company of Fellow Subsidiary Company |
| 11 | Deepmala Infrastructure Private Limited (w.e.f 10th April 2008) | Associate Company of Fellow Subsidiary Company |

b) Key Management Personnel:

| | Name of the Related Party | Nature of Relationship |
|---|---------------------------|------------------------|
| 1 | Mr. Praful N. Satra | Director |
| 2 | Mrs. Minaxi P. Satra | Director |
| 3 | Mr. Rajan P. Shah | Director |

Signature to schedule 1 to 6
As per our report of even date

For Bhuta Shah & Co.
Chartered Accountants

S.J. Parmar
Partner
Membership No. 103424
Mumbai, 4th June, 2009

For and on behalf of Board of Directors

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, 4th June, 2009



Satra Lifestyles Private Limited

(Currency: INR)

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

| | | | | | | | | | |
|---------------------|---|---|---|---|---|---|------------|---|---|
| Registration Number | 1 | 7 | 5 | 1 | 7 | 7 | State Code | 1 | 1 |
| Balance Sheet Date | 3 | 1 | 0 | 3 | 2 | 0 | | 0 | 9 |

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

| | | | | | | | | | | | | | |
|-----------------|--|--|--|---|---|---|-------------------|--|--|--|---|---|---|
| Issue of Shares | | | | N | I | L | Rights Issue | | | | N | I | L |
| Bonus Issue | | | | N | I | L | Private Placement | | | | N | I | L |

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

| | | | | | | | | | | | | | | |
|-------------------------|--|--|--|---|---|---|-----------------------------|--|--|---|---|---|---|---|
| Total Liabilities | | | | 1 | 0 | 0 | Total Assets | | | | 1 | 0 | 0 | |
| <u>Sources of Funds</u> | | | | | | | <u>Application of Funds</u> | | | | | | | |
| Paidup Capital | | | | 1 | 0 | 0 | Net Fixed Assets | | | | N | I | L | |
| Reserves & Surplus | | | | N | I | L | Investments | | | | N | I | L | |
| Secured Loans | | | | N | I | L | Net Current Assets | | | 6 | 5 | . | 5 | 8 |
| Unsecured Loans | | | | N | I | L | Accumulated Losses | | | 3 | 4 | . | 4 | 2 |
| | | | | | | | Net Deferred tax Asset | | | | N | I | L | |

IV Performance of the Company (Amount in Rs Thousands)

| | | | | | | | | | | | | | | | | | | |
|-------------------------------|--|--|--|---|---|---|-------------------|-----|------------------|---|--|--|---|---|---|---|---|---|
| Turnover | | | | N | I | L | Profit Before Tax | +/- | - | | | | 1 | 2 | . | 2 | 9 | |
| Total Expenditure | | | | 1 | 2 | . | 2 | 9 | Profit after Tax | - | | | | 1 | 2 | . | 2 | 9 |
| Earning per share (in Rupees) | | | | - | 1 | . | 2 | 3 | Dividend Rate # | | | | N | I | L | | | |

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

| | | | | | | | | | | | | |
|---------------------|--|--|--|--|--|--|---|---|---|---|---|---|
| Item Code No. (ITC) | | | | | | | N | . | A | | | |
| Product Description | | | | | | | | | | N | . | A |

For and on behalf of the Board of Directors

Praful N. Satra
Director
Mumbai, June 4, 2009.

Minaxi P. Satra
Director



Notes

A series of horizontal dashed lines for writing notes.



DIRECTORS' REPORT

THE DIRECTORS have pleasure in presenting their report and the audited financial statements for the period from June 17, 2008 (inception) to March 31, 2009.

BUSINESS OPERATIONS REVIEW:

The company started its operation in June 2008. The company earned a net profit of AED 3,693,053/- during the period from June 17, 2008 (inception) to March 31, 2009.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS:

The Company is committed to the management of risk to achieve sustainability of businesses and surpluses of funds. The risk management framework identifies, assesses, manages and reports risk on a consistent and reliable basis. The primary risks are those of credit, market (liquidity, interest rate, and foreign currency exchange rates) and operational risk.

The management recognises their responsibility for system of internal control and for reviewing its effectiveness.

GOING CONCERN:

The attached financial statements has been prepared on a going concern basis.

EVENTS AFTER THE BALANCE SHEET DATE:

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the Balance Sheet date i.e. March 31, 2009 and the date of this report which is likely to affect, substantially the result of the operations of the Company for the financial period then ended.

DEVELOPMENT PROPERTIES:

The movement in the Development properties is set out in Note 6 to the financial statements.

AUDITORS:

The Auditors, M/s. AL KTTBI & ASSOCIATES, Chartered Accountants, United Arab Emirates are willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting (AGM).

DIRECTORS' RESPONSIBILITIES:

The Company law required the Directors to prepare the financial statements for each financial period which gives a true and fair view of the state of affairs of the Company and of the net profit or loss for that period.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the relevant governing laws.

For and on behalf of the Board of Directors

Praful N. Satra
Director
Dubai, 25th June, 2009

Nitin M. Kothari
Director



AUDITORS' REPORT

To the Board of Directors of
SATRA INTERNATIONAL REALTORS LIMITED

1. We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of M/s Satra International Realtors Limited as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement of the Company for the period ended on that date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding financial information, issued by The Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statements in Arab Emirates Dirhams ('AED') originally audited by the statutory auditors of the Company.
2. The financial statements in Rupee ('INR') currency have been prepared by the Company's management on the basis stated below and reformatted in accordance with the requirements of the Companies Act, 1956. The said financial statements have been approved by the Board of Directors.
 - a. All income and expenses at the average rate of exchange prevailing during the period.
 - b. Assets and Liabilities at the closing rate on the Balance Sheet date.
 - c. The resulting exchange difference loss is adjusted against Foreign Currency Transaction Gain occurring from loan transaction.
3. In relation to the financial statements prepared by the management, the following procedures were performed by us:
 - a. Reviewing the translation of the audited financial statements from AED into INR on the basis stated in the foregoing paragraph and;
 - b. Reviewing the reformatting of the audited financial statements as per the requirements of Companies Act, 1956
4. We report that the financial statements as audited in AED by the statutory auditors, have been translated in INR on the basis stated in paragraph 2 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 1956.
5. The above procedures do not constitute an audit and accordingly, we do not express any opinion on the financial statements.
6. This report is issued solely for the purpose of consolidation by the holding company, M/s Satra Properties (India) Limited and to comply with the provisions of the Companies Act, 1956.

For and on behalf of Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 27th June, 2009



| Balance Sheet as at 31st March, 2009 | | | | |
|---|----------|--|--------------------|-------------------|
| | | | (Currency: INR) | (Currency: AED) |
| Particulars | Schedule | | 31.03.09 | 31.03.09 |
| SOURCES OF FUNDS | | | | |
| Shareholders' Funds | | | | |
| Share Capital | 1 | | 14,208,000 | 1,000,000 |
| Reserve and Surplus | 2 | | 52,470,897 | 3,693,053 |
| Loan Funds | | | | |
| Unsecured Loan | 3 | | 369,557,482 | 26,010,521 |
| TOTAL | | | 436,236,379 | 30,703,574 |
| APPLICATION OF FUNDS | | | | |
| Current Assets, Loans and Advances | | | | |
| Inventories | 4 | | 424,472,496 | 29,875,598 |
| Cash and Bank Balance | 5 | | 2,242,804 | 157,855 |
| Loans and Advances | 6 | | 9,627,639 | 677,621 |
| | | | 436,342,939 | 30,711,074 |
| Less : Current Liabilities and Provisions | 7 | | 106,560 | 7,500 |
| Net Current Assets | | | 436,236,379 | 30,703,574 |
| TOTAL | | | 436,236,379 | 30,703,574 |
| Significant accounting policies and notes to accounts | 9 | | | |

The schedule referred to above are an integral part of the balance sheet.
As per our attached report of even date

For Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 27th June, 2009

For and on behalf of the Board of
Directors

Praful N. Satra Nitin M. Kothari
Director Director

Dubai, 25th June, 2009



| Profit and Loss account for the period ended 31 March 2009 | | | |
|---|----------------|-------------------|------------------|
| Particulars | Schedule | (Currency: INR) | (Currency: AED) |
| | | 31.03.09 | 31.03.09 |
| INCOME | | | |
| Foreign Exchange Fluctuation | | 52,902,486 | 3,726,128 |
| | 'A' | 52,902,486 | 3,726,128 |
| EXPENDITURE | | | |
| Administrative Expenses | 8 | 431,589 | 33,075 |
| | 'B' | 431,589 | 33,075 |
| Net Profit / (Loss) Before Tax | (A - B) | 52,470,897 | 3,693,053 |
| Less: Provision for tax | | | |
| Current Tax | | - | - |
| Net Profit / (Loss) after Tax | | 52,470,897 | 3,693,053 |
| Add : Profit brought forward from previous year | | - | - |
| Balance Profit /(Loss) Carried to Balance Shaet | | 52,470,897 | 3,693,053 |
| Basic/ Diluted EPS | | 524,709 | 36,931 |
| (Refer note 6 of notes to accounts of schedule 9) | | | |

As per our attached report of even date

For Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 27th June, 2009

For and on behalf of the Board of Directors

Praful N. Satra Nitin M. Kothari
Director Director

Dubai, 25th June, 2009



| CASH FLOW STATEMENT for the period ended 31 March 2009 | | | |
|---|--------------|----------------------|---------------------|
| | | (Currency: INR) | (Currency: AED) |
| Particulars | | 31.03.09 | 31.03.09 |
| Cash flow from Operating activities | | | |
| Net profit/(Loss) before taxation | | 52,470,897 | 3,693,053 |
| Adjustment for : | | | |
| Net Foreign Exchange Fluctuation | | (52,902,486) | (3,726,128) |
| Operating profit/(Loss) before working capital changes | | (431,589) | (33,075) |
| Increase / Decrease in Working Capital | | | |
| Inventories | | (374,243,413) | (26,340,330) |
| Loans and Advances | | (9,627,639) | (677,621) |
| Current liabilities and provisions | | 106,560 | 7,500 |
| Net cash from Operating activities | A | (384,196,082) | (27,043,526) |
| Cash flows from Investing activities | B | - | - |
| Cash flows from Financing activities | | | |
| Proceeds from issuance of share capital | | 14,208,000 | 1,000,000 |
| Proceeds from long term borrowings | | 248,288,399 | 21,201,382 |
| Proceeds from short term borrowings | | 71,040,000 | 5,000,000 |
| Foreign Exchange Fluctuation | | 52,902,486 | - |
| Net Cash from Financing activities | C | 386,438,885 | 27,201,382 |
| Net increase in cash and cash equivalents | A+B+C | 2,242,804 | 157,856 |
| Cash and cash equivalents at the beginning of period | | - | - |
| Cash and cash equivalents at the end of period | | 2,242,804 | 157,856 |

Note:

(1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.

As per our attached report of even date

For Bhuta Shah & Co.
Chartered Accountants

For and on behalf of the Board of Directors

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 27th June, 2009

Praful N. Satra
Director
Nitin M. Kothari
Director

Dubai, 25th June, 2009



| Schedules to the financial statements as at 31st March 2009 | | |
|--|--------------------|-------------------|
| | (Currency: INR) | (Currency: AED) |
| Particulars | 31.03.09 | 31.03.09 |
| SCHEDULE - 1 | | |
| SHARE CAPITAL | | |
| Authorised Share Capital | | |
| 100 Equity Shares of AED10,000/- each | 1,000,000 | 1,000,000 |
| Issued, Subscribed and Paid up Capital | | |
| 100 Equity Shares of AED 10,000/- each fully paid up | 14,208,000 | 1,000,000 |
| TOTAL | 14,208,000 | 1,000,000 |
| SCHEDULE - 2 : RESERVES AND SURPLUS | | |
| Profit and Loss Account | 52,470,897 | 3,693,053 |
| TOTAL | 52,470,897 | 3,693,053 |
| SCHEDULE - 3 : UNSECURED LOANS | | |
| Satra Properties (India) Limited | 298,517,482 | 21,010,521 |
| Umesh Ashar | 7,104,000 | 500,000 |
| Sun City Electronics | 7,104,000 | 500,000 |
| Plizer Trading | 56,832,000 | 4,000,000 |
| TOTAL | 369,557,482 | 26,010,521 |
| SCHEDULE - 4 : INVENTORIES | | |
| Land under development | 424,472,496 | 29,875,598 |
| TOTAL | 424,472,496 | 29,875,598 |
| SCHEDULE - 5 CASH AND BANK BALANCE | | |
| Cash in hand | 710,400 | 50,000 |
| <u>Balance in current account with:</u> | | |
| Bank of Baroda | 1,532,404 | 107,855 |
| TOTAL | 2,242,804 | 157,855 |



| Schedules to the financial statements as at 31st March 2009 | | |
|---|------------------|-----------------|
| Particulars | (Currency: INR) | (Currency: AED) |
| | 31.03.09 | 31.03.09 |
| SCHEDULE - 6 : LOANS AND ADVANCES | | |
| (Unsecured and considered good unless otherwise stated) | | |
| Deposits paid for purchase of property | 7,993,719 | 562,621 |
| Advance paid to design consultant | 1,633,920 | 115,000 |
| TOTAL | 9,627,639 | 677,621 |
| SCHEDULE - 7 | | |
| CURRENT LIABILITIES AND PROVISIONS | | |
| Provisions for expenses | 106,560 | 7,500 |
| TOTAL | 106,560 | 7,500 |
| SCHEDULE - 8 | | |
| ADMINISTRATIVE EXPENSES | | |
| Bank Charges | 3,588 | 275 |
| Legal and Professional Fees | 195,732 | 15,000 |
| License and registration cost | 134,403 | 10,300 |
| <u>Auditor's Remuneration</u> | | |
| Statutory Audit Fees | 97,866 | 7,500 |
| TOTAL | 431,589 | 33,075 |



SCHEDULE -9:

1. **Background:**

The Company is incorporated in Jebel Ali Free Zone under the Jebel Ali Free Zone Offshore Companies Regulations, 2003, Government of Dubai, on 17th June 2008 as Satra International Realtors Limited. This is an offshore company with a limited liability and operates in the United Arab Emirates under a trade license issued by the Jebel Ali Free Zone Authority Dubai. The Company is engaged in the business of real estate and construction industry.

SIGNIFICANT ACCOUNTING POLICIES:

2. **Basis of preparation:**

- i. The financial statements are prepared and presented under the historical cost convention in accordance with Generally Accepted Accounting Principles in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.
- ii. The local accounts are maintained in local and functional currency, which is Arab Emirates Dirhams ('AED'). The accounts are translated to Indian Rupees as follows -
 - a. All income and expenses are translated at the average rate of exchange prevailing during the year.
 - b. Assets and Liabilities are translated at the closing rate on the Balance Sheet date.
 - c. The resulting exchange difference loss is adjusted against Foreign Currency Transaction Gain occurring from loan transaction.

3. **Use of Estimates:**

The preparations of financial statements in conformity with Generally Accepted Accounting Principle requires that the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

4. **Inventories:**

Inventories are valued at lower of cost or net realizable value. Cost is determined on the first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Construction work-in-progress includes cost of land, interest and expenses incidental to the projects undertaken by the Company.

5. **Revenue Recognition:**

The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

6. **Foreign Currency transaction:**

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

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date, the resultant exchange differences are recognized in the profit and loss account.

7. **Borrowing Cost:**

Borrowing cost that is directly attributable to construction project/assets are allocated to the respective projects/assets. All other borrowing costs are treated as period cost and charged to profit and Loss Account in the year in which it is incurred.

8. **Provision and Contingent Liabilities:**

A provision is recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation.



A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision of disclosure is made.

9. Earnings per share (EPS):

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

NOTES TO ACCOUNTS

- The Company is operating in real estate and construction industry. Since there is only one segment in which Company is operating, segment reporting as required under the Accounting Standard 17 on Segment Reporting issued by the Chartered Accountant of India is not applicable.

Satra International Realtors Ltd. (the Company), incorporated in Dubai-United Arab Emirates, is a wholly owned subsidiary of Satra Properties (India) Limited, incorporated in India, (the Holding Company). These accounts have been prepared and audited for the purpose of attachment to the accounts of the Holding Company to comply with the provisions of the Companies Act, 1956. The Company has been incorporated on 17th June 2008 and the accounts for the year are pertaining to the period 17-06-2008 to 31-03-2009 (288 days).

As it is the first year of the company previous year figures are not applicable.

2. ADDITIONAL INFORMATION PURSUANT TO SECTION 217(1) TO THE COMPANIES ACT, 1956.

The Licensed capacity, installed capacity and quantitative and value details in respect of material / construction are not relevant to the Company as the Company is engaged in the business of civil construction and real estate development.

- Foreign Exchange Earnings and Outgoings during the year is Rs. Nil. (Previous year Rs. Nil).
- Break-up of expenditure incurred during the year on employees in respect of remuneration exceeding Rs.24 Lakhs per year or Rs.2 Lakhs or more per month or part of the month is Rs. Nil (Previous Year -Rs. Nil).
- In the opinion of the directors, current assets, loans and advances have the value at which they are stated in the balance sheet, if realized in the ordinary course of business. Sundry debtors, creditors and advances are subject to confirmation.
- Earning Per Share**

| Particulars | 31.03.2009 (Rupees) | 31.03.2009 (AED) |
|---|------------------------|---------------------|
| Net Profit / (Loss) after Tax attributable to equity shareholders | 52,470,897 | 3,693,053 |
| Weighted average number of Equity Shares outstanding during the year (based on date of issue of shares) | 100 | 100 |
| Nominal Value of Equity Share | AED 10,000 | AED 10,000 |
| Basic and diluted earning per share | 524,709 | 36,931 |



7. Related Party Disclosure

I. Holding Company

1. Satra Properties (India) Limited

II. Fellow Subsidiaries

1. Satra Buildcon Private Limited
2. Satra Estate Development Private Limited
3. Satra Infrastructure and Land Developers Private Limited
4. Satra Lifestyles Private Limited
5. Satra Property Developers Private Limited

III. Associates /Joint Venture

1. C. Bhansali Developers Private Limited
2. Shravan Developers Private Limited
3. Sweety Developers (Partnership Firm) (from 28th April 2008 to 27th October 2008)
4. BKC Developers Private Limited
5. Deepmala Infrastructure Private Limited (w.e.f 10th April 2008)

IV. Key Managerial Personnel

1. Praful N. Satra Non Executive Director (w.e.f. 17th June 2008)
2. Nitin M. Kothari Non Executive Director (w.e.f. 17th June 2008)
3. Pardeep Rochwani Non Executive Director (w.e.f. 17th June 2008)

Disclosure of Transactions between the Company and related parties:

| Sr. No. | Name of the Related Party | Nature of Transaction | Amount (Rupees) | Amount (AED) |
|---------|----------------------------------|-----------------------|-----------------|--------------|
| 1. | Satra Properties (India) Limited | Loan taken | 24,82,88,395 | 21,201,381 |
| | | Interest | 5,02,29,083 | 3,535,268 |

8. The information contained in these financial statements for the period ended 31st March, 2009 disclosed in AED extracted from books of account locally maintained and converted into Indian Rupees as disclosed under 'Basis of preparation' stated above.

For Bhuta Shah & Co.
Chartered Accountants

For and on behalf of the Board of Directors

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 27th June, 2009

Praful N. Satra
Director
Nitin M. Kothari
Director

Dubai, 25th June, 2009



SATRA INTERNATIONAL REALTORS LIMITED

as at 31 March 2009

(Currency: Indian Rupee)

Balance sheet abstract and Company's general business profile

I Registration Details

| | | | |
|--|-----------------|------------|-----|
| Registration Number (Jebel Ali Free Zone Authority) | 1 1 1 5 4 6 | State Code | N A |
| Balance Sheet Date | 3 1 0 3 2 0 0 9 | | |

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

| | | | |
|-----------------|-----------|-------------------|-------|
| Issue of Shares | 1 4 2 0 8 | Rights Issue | N I L |
| Bonus Issue | N I L | Private Placement | N I L |

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

| | | | |
|-------------------------|-------------|-----------------------------|-------------|
| Total Liabilities | 4 3 6 3 4 3 | Total Assets | 4 3 6 3 4 3 |
| <u>Sources of Funds</u> | | <u>Application of Funds</u> | |
| Paidup Capital | 1 4 2 0 8 | Net Fixed Assets | N I L |
| Reserves & Surplus | 5 2 4 7 1 | Investments | N I L |
| Secured Loans | N I L | Net Current Assets | 4 3 6 2 3 6 |
| Unsecured Loans | 3 6 9 5 5 7 | Accumulated Losses | N I L |
| | | Net Deferred tax Asset | N I L |

IV Performance of the Company (Amount in Rs Thousands)

| | | | |
|-------------------------------|-------------|-------------------|-------------|
| Turnover | 5 2 9 0 2 | Profit Before Tax | + 5 2 4 7 1 |
| Total Expenditure | 4 3 2 | Profit after Tax | + 5 2 4 7 1 |
| Earning per share (in Rupees) | 5 2 4 7 0 9 | Dividend Rate | N I L |

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

| | |
|---------------------|-----|
| Item Code No | N A |
| Product Description | N A |

For and on behalf of the Board of Directors

Praful N. Satra Nitin M. Kothari
 Director Director
 Dubai, 25th June, 2009



AUDITORS' REPORT

To The Board of Directors of
SATRA PROPERTIES (INDIA) LIMITED

We have audited the attached consolidated balance sheet of Satra Properties (India) Limited ('the Company'), its subsidiaries and associates as listed in Schedule 1 to the consolidated financial statements (collectively referred to as 'the Group'), as at 31 March 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The financial statements of the subsidiaries for the year ended 31 March 2009 have been audited by one of the joint auditors, M/s. Bhuta Shah & Co. The attached consolidated financial statements include assets of Rs 1,817,293,304 as at 31 March 2009, revenues of Rs 191,813,310 and cash outflows amounting to Rs 18,879,285 for the year ended on that date in respect of the aforementioned subsidiaries for the year ended on that date.

We have relied upon the unaudited financial statements of certain associates whose financial statements reflect Group's share of profit of Rs 496,833 for the year ended on 31 March 2009. These unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management, and our opinion, in so far as it relates to the amounts included in respect of the associates, is based solely on such unaudited financial statements.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard – 21 Consolidated Financial Statements and Accounting Standard 23 – Accounting for Investment in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 prescribed in the Companies (Accounting

Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

As more fully explained in Schedule 37 to the consolidated financial statements, construction work-in-progress of a project includes construction cost of Rs 157,974,510 arising out of a significant change in the structural plan of the project, resulting in over-statement of the construction work-in-progress as at 31 March 2009. In accordance with the provisions of Accounting Standard – 2 "Inventories", such construction costs should have been charged to the profit and loss account. Had the aforementioned construction costs been charged to the profit and loss account, construction cost for the year would have been higher by Rs 157,974,510, construction work-in-progress would have been lower by Rs 157,974,510, the consolidated loss for the year after tax would have been higher by Rs 124,765,632 and the reserves and surplus as at 31 March 2009 would have been lower by Rs 124,765,632.

Based on our audit as aforesaid and on consideration of the unaudited financial statements approved by the respective Board of Directors of certain associates as mentioned above, *subject to the effect of the matter stated in the paragraph above*, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated balance sheet, of the consolidated state of affairs of the Group as at 31 March 2009;
- b) in the case of the consolidated profit and loss account, of the consolidated loss of the Group for the year ended on that date; and
- c) in the case of the consolidated cash flow statements, of the consolidated cash flows for the year ended on that date.

For M/s Bhuta Shah & Co.
Chartered Accountants

For B S R & Associates
Chartered Accountants

S.J. Parmar
Partner
Membership No. 103424
Mumbai, 29 June, 2009

Bhavesh Dupelia
Partner
Membership No. 042070
Mumbai, 29 June, 2009



| Consolidated Balance Sheet as at 31 March 2009 | | | |
|---|----------|----------------------|----------------------|
| (Currency: Indian Rupees) | | | |
| | Schedule | 2009 | 2008 |
| SOURCES OF FUNDS | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 384,716,000 | 384,716,000 |
| Reserves and surplus | 4 | 414,232,415 | 434,137,733 |
| | | 798,948,415 | 818,853,733 |
| Loan funds | | | |
| Secured loans | 5 | 2,764,760,051 | 1,714,785,873 |
| Unsecured loans | 6 | 986,314,085 | 696,224,633 |
| | | 3,751,074,136 | 2,411,010,506 |
| | | 4,550,022,551 | 3,229,864,239 |
| APPLICATION OF FUNDS | | | |
| Fixed assets | | | |
| Goodwill on consolidation | | 162,749,536 | 162,749,536 |
| Less : Amortisation | | 65,099,814 | 32,549,907 |
| Net goodwill on consolidation | | 97,649,722 | 130,199,629 |
| Gross block | 7 | 77,673,479 | 69,552,728 |
| Less: Accumulated depreciation / amortisation | | 33,087,840 | 19,699,240 |
| Net block | | 44,585,639 | 49,853,488 |
| Capital work-in-progress | | - | 10,791 |
| | | 142,235,361 | 180,063,908 |
| Investments | | | |
| Deferred tax assets | 8 | 819,015 | 979,400 |
| | 9 | 21,222,972 | 1,002,105 |
| Current assets, loans and advances | | | |
| Inventories | 10 | 3,562,276,627 | 2,679,194,126 |
| Sundry debtors | 11 | 755,750,252 | 890,649,157 |
| Cash and bank balances | 12 | 15,611,666 | 74,032,254 |
| Loans and advances | 13 | 1,790,664,465 | 1,645,989,222 |
| | | 6,124,303,010 | 5,289,864,759 |
| Less: Current liabilities and provisions | | | |
| Current liabilities | 14 | 1,482,574,764 | 1,986,042,000 |
| Provisions | 15 | 255,983,043 | 256,003,933 |
| | | 1,738,557,807 | 2,242,045,933 |
| Net current assets | | 4,385,745,203 | 3,047,818,826 |
| Miscellaneous expenditure (to the extent not written off or adjusted) | 16 | - | - |
| | | 4,550,022,551 | 3,229,864,239 |
| Significant accounting policies | 2 | | |
| Notes to accounts | 23-41 | | |

The schedules referred to above are an integral part of the balance sheet.
As per our report attached.

For **B S R & Associates**
Chartered Accountants

For **M/s Bhuta Shah & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner
Membership No: 042070
Mumbai, 29 June 2009

S. J. Parmar
Partner
Membership No: 103424
Mumbai, 29 June 2009

Vicky M. Kundaliya
Company Secretary
Mumbai, 29 June 2009

Rajan P. Shah
Executive Director

Praful N. Satra
Chairman and
Managing Director



Consolidated Profit and Loss account for the year ended 31 March 2009

(Currency: Indian Rupees)

| | Schedule | 2009 | 2008 |
|--|----------|----------------------|----------------------|
| Income | | | |
| Sales | 17 | 1,139,257,287 | 2,295,632,531 |
| Other income | 18 | 172,140,367 | 71,449,913 |
| TOTAL | | 1,311,397,654 | 2,367,082,444 |
| Expenditure | | | |
| Construction and purchase cost | 19 | 783,576,397 | 1,463,275,165 |
| Personnel expenses | 20 | 20,067,387 | 37,219,095 |
| Administrative and other expenses | 21 | 51,555,577 | 83,414,201 |
| Financial expenses | 22 | 381,403,496 | 129,026,098 |
| Depreciation / amortisation | 7 | 12,281,150 | 10,399,737 |
| Goodwill on consolidation amortised | | 32,549,907 | 32,549,907 |
| TOTAL | | 1,281,433,914 | 1,755,884,203 |
| Net profit before tax | | 29,963,740 | 611,198,241 |
| Less : Provision for current tax | | | |
| - current year | | 64,179,294 | 245,046,495 |
| - prior year charge / (credit) | | 1,431,038 | (4,474,035) |
| Deferred tax (credit) | | (20,220,867) | (1,448,398) |
| Fringe benefits tax | | | |
| - current year | | 481,544 | 144,007 |
| - prior year charge | | 50,711 | - |
| Net (loss) / profit after tax | | (15,957,980) | 371,930,172 |
| Share of profit in associates | | 496,833 | 56,779,215 |
| Minority interest | | - | (11,881,225) |
| Net (loss) / profit after tax | | (15,461,147) | 416,828,162 |
| Add : Profit brought forward from previous year | | 304,240,742 | 57,407,743 |
| Add : Net Profit after tax for the period 1 April 2006 to 31 March 2007 on account of amalgamation of erstwhile Om Housing Company Private Limited (refer schedule 32) | | - | 18,992,514 |
| Amount available for appropriation | | 288,779,595 | 493,228,419 |
| Appropriation | | | |
| Transferred to general reserve | | - | 150,000,000 |
| Dividend on preference shares | | 5,920,000 | 12,748,274 |
| Tax on dividend on preference shares | | 1,006,104 | 2,166,569 |
| Dividend on equity shares | | - | 15,535,800 |
| Tax on dividend on equity shares / credit availed on dividend distribution tax paid by the subsidiary company | | (2,481,933) | 2,640,309 |
| Interim dividend paid on equity shares | | - | 2,918,750 |
| Tax on interim dividend paid on equity shares | | - | 496,042 |
| Tax on dividend of subsidiary company | | - | 2,481,933 |
| Balance carried forward to Balance sheet | | 284,335,424 | 304,240,742 |
| | | 288,779,595 | 493,228,419 |
| Basic and Diluted Earnings per share (face value of Rs 2 per share) | 23 | (0.14) | 2.64 |
| Significant accounting policies | 2 | | |
| Notes to the accounts | 23 - 41 | | |

The schedules referred to above are an integral part of the balance sheet.
As per our report attached.

For **B S R & Associates**
Chartered Accountants

For **M/s Bhuta Shah & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner
Membership No: 042070
Mumbai, June 29, 2009

S. J. Parmar
Partner
Membership No: 103424
Mumbai, June 29, 2009

Vicky M. Kundaliya
Company Secretary
Mumbai, June 29, 2009

Rajan P. Shah
Executive Director

Praful N. Satra
Chairman and
Managing Director



Consolidated Cash Flow Statement for the year ended 31 March 2009

(Currency: Indian Rupees)

| | 2009 | 2008 |
|---|------------------------|----------------------|
| Cash flows from operating activities : | | |
| Profit before tax | 29,963,740 | 611,198,241 |
| <i>Adjusted for:</i> | | |
| Depreciation/ amortisation | 12,281,150 | 10,399,737 |
| Micellaneous expenditure written off | - | 577,705 |
| (Profit) / Loss on sale of investments | 4,233,899 | 9,013,111 |
| Profit on trading of securities | - | (334,160) |
| Share in loss of partnership firm | 1,531 | - |
| Assets written off | 1,731,009 | - |
| Dividend income | (150,000) | - |
| Income tax refund | - | (9,411) |
| Interest income | (79,072,928) | (41,346,679) |
| Interest on income tax refund | - | (12,056) |
| Financial expenses | 381,403,496 | 129,026,098 |
| Share issue expenses adjusted in securities premium account | - | (1,549,055) |
| Goodwill amortised | 32,549,907 | 32,549,907 |
| Gain on Foreign exchange | (52,902,486) | - |
| | 300,075,578 | 138,315,197 |
| Operating profit before working capital changes | 330,039,318 | 749,513,438 |
| (Increase) / decrease in working capital | | |
| Inventories | (698,990,405) | (831,105,343) |
| Sundry debtors | 138,389,105 | (57,472,067) |
| Loans and advances | (14,706,515) | (451,236,210) |
| Current liabilities and provisions | (513,512,271) | 569,856,546 |
| | (1,088,820,086) | (769,957,074) |
| Cash generated from / (used in) operations | (758,780,768) | (20,443,636) |
| Taxes paid (net of refund) | (42,195,494) | (50,623,649) |
| Net cash generated from / (used in) operating activities | (800,976,262) | (71,067,285) |
| Cash flows from investing activities : | | |
| Purchase of fixed assets including capital work in progress | (9,954,721) | (16,553,398) |
| Investments made | (12,177,265) | (2,596,738) |
| Investment in subsidiary and associates | - | (633,354,557) |
| Investment in partnership firm | (18,025,000) | - |
| Proceeds from sale of investments | 8,601,276 | 17,582,842 |
| Return of capital from partnership firm | 14,525,000 | 69,043,107 |
| Profit/(loss) on trading in securities | (691) | 1,923,989 |
| Dividend received | 150,000 | - |
| Share in profit from partnership firm | - | 56,856,893 |
| Interest received | 24,296,589 | 41,346,679 |
| Net cash (used in) investing activities | 7,415,188 | (465,751,183) |



Consolidated Cash Flow Statement for the year ended 31 March 2009

(Currency: Indian Rupees)

| | 2009 | 2008 |
|--|--------------------|--------------------|
| Cash flows from financing activities : | | |
| Proceeds from long term borrowings | 1,284,131,259 | 994,512,000 |
| Repayment of long term borrowings | (263,141,097) | (497,375,994) |
| Proceeds from short term borrowings(net) | 256,332,432 | 20,225,576 |
| Dividend and dividend distribution tax paid | (30,794,389) | (2,481,933) |
| Interim dividend and dividend distribution tax on interim dividend paid | - | (6,464,399) |
| Miscellaneous expenditure | - | (40,320) |
| Financial expenses | (511,387,719) | (116,887,788) |
| Net cash generated from financing activities | 735,140,486 | 391,487,142 |
| Net (decrease) / increase in Cash and cash equivalents | (58,420,588) | (145,331,326) |
| Cash and cash equivalents, beginning of year | 74,032,254 | 24,452,663 |
| Add : Cash and cash equivalents acquired on amalgamation (refer schedule 32) | - | 65,405,818 |
| Cash and cash equivalents acquired on take over of subsidiary | - | 129,505,099 |
| Cash and cash equivalents, end of year (refer schedule 12) | 15,611,666 | 74,032,254 |
| Cash and cash equivalents, end of year comprise of : | | |
| Cash in hand | 2,767,263 | 3,117,169 |
| Cheques on hand | - | 1,800,000 |
| With scheduled banks | | |
| - in current account | 6,785,778 | 59,084,585 |
| - in deposit account | 6,058,625 | 10,030,500 |
| | 15,611,666 | 74,032,254 |

Note: Cash and cash equivalents include restricted cash of Rs 278,494 (2008: Rs 282,511)

As per our report attached

For **B S R & Associates**
Chartered Accountants

For **M/s Bhuta Shah & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner
Membership No: 042070
Mumbai, 29 June 2009

S. J. Parmar
Partner
Membership No: 103424
Mumbai, 29 June 2009

Vicky M. Kundaliya
Company Secretary
Mumbai, 29 June 2009

Rajan P. Shah
Executive Director

Praful N. Satra
Chairman and
Managing Director



Schedules to the Consolidated Financial Statements for the year ended 31st March, 2009

(Currency INR)

1.1 Background

The Company was incorporated on 30 May 1983 as Express Leasing Limited. The name of the Company was changed to Satra Properties (India) Limited on 13 June 2006. The Company is engaged in the business of real estate development and trading in properties and transferable development rights.

During the previous year, the Company had implemented the scheme of amalgamation of the erstwhile Om Housing Company Private Limited with the Company as approved by the Honourable High Court of Bombay on 16 April 2007 (Refer schedule 32).

1.2 Principles of consolidation

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

- a. The financial statements of the Company, its Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resultant unrealized profits or losses in accordance with the Accounting Standard – 21 "Consolidated Financial Statements" prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.
- b. In case of foreign subsidiaries, revenue items are consolidated at the average exchange rate prevailing during the period. All monetary assets and liabilities are converted at the exchange rate prevailing at the end of the year and non-monetary assets and liabilities at the exchange rate prevailing on the date of the transaction. Any exchange difference arising on consolidation of integral foreign operation is recognised in the profit and loss account.
- c. Investments in Subsidiaries are eliminated and differences between the costs of investment over the net assets on the date of the investment in Subsidiaries are recognised as goodwill or capital reserve, as the case may be.
- d. The difference between the proceeds from disposal of investment in a subsidiary or in a company, controlled by the Company, and the proportionate carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Account as the profit or loss on disposal of investment in Subsidiaries.
- e. Investment in Associates, where the Company directly or indirectly through Subsidiaries holds 20% or more of equity, are accounted for using equity method in accordance with Accounting Standard – 23 "Accounting for investments in associates in consolidated financial statements". The Company accounts for its share in the change of the net assets of the associates, post acquisition after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Profit and loss account to the extent such change is attributable to the Associates' Profit and loss Account, based on available information. The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- f. If, under the equity method, the Company's share of losses of an associate equals or exceeds the carrying amount of the investment, the Company discontinues recognising its share of further losses and the investment is reported at nil value. Additional losses are provided for to the extent that the Company has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the Company has guaranteed or to which the Company is otherwise



Schedules to the Consolidated Financial Statements(continued) for the year ended 31st March, 2009
(Currency INR)

committed. If the associate subsequently reports profits, the Company resumes including its share of those profits only after its share of the profits equals the share of net losses that have not been recognised.

- g. Goodwill on consolidation is amortised over a period of 5 years from the date of acquisition/investment.
- h. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's stand alone financial statements.

The list of Subsidiary Companies which are included in consolidated financial statements are as under:

| Name of the Company | Country of Incorporation | % holding 2009 |
|--|--------------------------|----------------|
| Satra Property Developers Private Limited | India | 100% |
| Satra Buildcon Private Limited | India | 100% |
| Satra Lifestyles Private Limited | India | 100% |
| Satra Estate Development Private Limited | India | 100% |
| Satra Infrastructure and Land Developers Private Limited | India | 100% |
| Satra International Realtors Limited | United Arab Emirates | 100% |

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

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

| Name of the Company | Country of Incorporation | % holding 2009 |
|---|--------------------------|----------------|
| Shravan Developers Private Limited | India | 35% |
| C. Bhansali Developers Private Limited | India | 20% |
| BKC Developers Private Limited | India | 35% |
| Deepmala Infrastructure Private Limited | India | 26% |
| Sweety Developers (Firm) | India | 50% |

The Company had been during the year admitted and retired from Sweety Developers partner ship firm. On 10 April 2008, the Company through its wholly owned subsidiary, Satra Property Developers Private Limited subscribed to 26 percent share capital of Deepmala Infrastructure Private Limited.

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

2. Summary of Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

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

2.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements.



Schedules to the Consolidated Financial Statements(continued) for the year ended 31st March, 2009

(Currency INR)

Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Revenue recognition

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

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

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

When the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.

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

Interest income is recognised on time proportion basis.

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

2.4 Fixed assets and depreciation / amortisation

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

Depreciation on fixed assets is provided on written down value method in the manner and rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

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

Leasehold improvements are amortized over the primary period of lease.

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

2.5 Impairment of assets

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



Schedules to the Consolidated Financial Statements(continued) for the year ended 31st March, 2009 (Currency INR)

2.6 Inventories

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

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

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

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

2.7 Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account.

2.8 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.9 Employee benefits

(a) Short term employee benefits

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

(b) Post employment benefits

Defined contribution plans:

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

Defined benefit plan:

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

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



Schedules to the Consolidated Financial Statements(continued) for the year ended 31st March, 2009

(Currency INR)

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

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

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

2.10 Taxation

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

Provision for Fringe Benefit Tax (FBT) is made on the basis of applicable FBT on the taxable value of specified expenses of the Company as prescribed under the Income Tax Act 1961.

2.11 Operating lease

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

2.12 Earnings per share (EPS)

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

2.13 Provisions and contingent liabilities

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

2.14 Investments

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

2.15 Share issue expenses

Expenses incurred on issue of shares are charged to the securities premium account to the extent available.



| Schedules to the consolidated financial statements (continued) as at 31 March 2009 | | |
|---|--------------------|--------------------|
| (Currency: Indian Rupees) | | |
| | 2009 | 2008 |
| 3 SHARE CAPITAL | | |
| Authorised capital: | | |
| 210,000,000 (2008: 210,000,000) equity shares of Rs 2 each | 420,000,000 | 420,000,000 |
| 8,000,000 (2008: 8,000,000) 8% cumulative redeemable preference shares of Rs 10 each | 80,000,000 | 80,000,000 |
| | 500,000,000 | 500,000,000 |
| Issued, subscribed and paid up: | | |
| 155,358,000 (2008: 155,358,000) equity shares of Rs 2 each, fully paid up | 310,716,000 | 310,716,000 |
| 7,400,000 (2008: 7,400,000) 8% cumulative redeemable preference shares of Rs 10 each, fully paid up | 74,000,000 | 74,000,000 |
| Note : | | |
| Of the above : | | |
| (i) 37,192,250 (2008: 37,192,250) equity shares of Rs 2 each and 7,400,000 (2008: 7,400,000) 8% cumulative redeemable preference shares were issued in 2008 pursuant to the order of the Honourable High Court, Mumbai, approving the scheme of amalgamation of Om Housing Company Private Limited with the Company, for consideration other than cash. (Refer schedule 32) | | |
| (ii) 103,572,000 (2008: 103,572,000) equity shares of Rs 2 each were issued as fully paid up by way of bonus equity shares in the ratio of 2:1 i.e 2 bonus equity shares for every 1 existing equity share held, after capitalisation of general reserve and securities premium account. | | |
| (iii) Pursuant to the approval of the shareholders through postal ballot, each equity share of the Company face value Rs 10 each fully paid-up has been split into 5 equity shares of Rs 2 each fully paid up. The record date for the sub-division was 14 July 2007. | | |
| (iv) The 8% cumulative redeemable preference shares are redeemable at par on 3 February 2011. | | |
| | 384,716,000 | 384,716,000 |
| 4 RESERVES AND SURPLUS | | |
| Securities premium account | | |
| Balance as per last balance sheet | - | 160,555,000 |
| Less: Share issue expenses | - | 3,690,448 |
| Less: Utilised for issue of bonus shares | - | 156,864,552 |
| | - | - |
| General reserve | | |
| Balance as per last balance sheet | 108,100,554 | 8,515,782 |
| Add: Transferred from profit and loss account | - | 150,000,000 |
| Less: Transitional adjustment as per Accounting Standard 15 towards provision for employee benefits, net of taxes (Refer schedule 29) | - | 135,780 |
| Less: Utilised for issue of bonus shares | - | 50,279,448 |
| | 108,100,554 | 108,100,554 |



Schedules to the consolidated financial statements (continued) as at 31 March 2009

(Currency: Indian Rupees)

| | 2009 | 2008 |
|---|----------------------|----------------------|
| Reserve on amalgamation | | |
| Balance as per last balance sheet | 21,796,437 | - |
| Add: Transferred on amalgamation of erstwhile Om Housing Company Private Limited (Refer schedule 32) | - | 21,796,437 |
| | 21,796,437 | 21,796,437 |
| Profit and loss account | 284,335,424 | 304,240,742 |
| | 414,232,415 | 434,137,733 |
| 5 SECURED LOANS | | |
| From banks | | |
| Term loan from Indian Bank | 354,764,535 | 367,421,235 |
| Term loan from Syndicate Bank | 344,150,174 | 243,751,307 |
| Term loan from Yes Bank | 415,001,009 | - |
| Term loan from Allahabad Bank | 242,977,930 | 483,585,292 |
| Vehicle loans | 3,385,746 | 2,907,779 |
| From others | | |
| Term loan from Housing and Urban Development Corporation Limited (HUDCO) | 799,913,887 | 610,000,000 |
| Term loan from SICOM Investment and Finance Limited | 600,000,000 | - |
| Vehicle loan | 4,566,770 | 7,120,260 |
| Note : | | |
| (i) Term loan from Indian Bank is secured against equitable mortgage of certain shops by way of lease rental discounting in the project Dreams the Mall, Borivali (West) | | |
| (ii) Term loan from Syndicate Bank is secured against equitable mortgage of Jodhpur project properties and all present and future construction and development work thereon. | | |
| (iii) Term loan from Yes Bank is secured against land situated at Calicut | | |
| (iv) Term loan from HUDCO is secured against equitable mortgage of Vashi project properties and all present and future construction and development work thereon. | | |
| (v) Term loan from SICOM Investment and Finance Limited is secured against development right on freehold land at Hughes Road and Escrow of receivables in respect of the said property | | |
| (vi) Term loan from Allahabad Bank is secured by way of first charge on receivables of the sold and unsold portion of 'Dreams the Mall', Bhandup project, collateral registered mortgage of the unsold area of the said mall. | | |
| (vii) All the above term loans are secured by personal guarantees of promoter Directors of the Company. | | |
| (viii) Vehicle loans are secured by hypothecation of the respective vehicles purchased. | | |
| | 2,764,760,051 | 1,714,785,873 |
| 6 UNSECURED LOANS | | |
| Inter corporate loans | 768,003,985 | 582,542,479 |
| Loans from directors | 48,888,693 | 60,457,154 |
| Loans from shareholders* | - | 53,225,000 |
| Bank overdraft | 169,421,407 | - |
| | 986,314,085 | 696,224,633 |
| Note : | | |
| 1. All of the above loans are repayable on demand. | | |
| 2. *Loans taken from shareholders of erstwhile Om Housing Company Private Limited transferred on amalgamation, repaid during the year. | | |

Schedules to the consolidated financial statements (continued) as at 31 March 2009

(Currency: Indian Rupees)

7 FIXED ASSETS

| Particular | GROSS BLOCK | | | | | DEPRECIATION/AMORTISATION | | | | | NET BLOCK | |
|------------------------|-------------------|------------------------|------------------|------------------|-------------------|---------------------------|---------------------|-------------------|----------------|-------------------|-------------------|-------------------|
| | As at | Transfer on | | Deletions/ | As at | As at | Transfer on | | On | As at | | |
| | 1 April 2008 | amalgamation | Additions | Disposals | 31 March 2009 | 1 April 2008 | amalgamation | For the year | Deletions/ | 31 March 2009 | 2009 | 2008 |
| | | (referred schedule 32) | | | | | (refer schedule 32) | | | | | |
| Leasehold improvements | 22,087,807 | - | 1,844,761 | 1,844,761 | 22,087,807 | 7,123,407 | - | 5,415,762 | 113,752 | 12,425,417 | 9,662,390 | 14,964,400 |
| Plant and machinery | 20,810,888 | - | 2,446,762 | - | 23,257,650 | 5,586,829 | - | 2,610,160 | - | 8,196,989 | 15,060,661 | 15,224,059 |
| Computer | 2,983,985 | - | 975,297 | - | 3,959,282 | 1,455,769 | - | 832,655 | - | 2,288,424 | 1,670,858 | 1,528,216 |
| Furniture and fittings | 2,939,245 | - | 262,165 | - | 3,201,410 | 1,324,401 | - | 214,943 | - | 1,539,344 | 1,662,066 | 1,614,844 |
| Office equipment | 4,267,905 | - | 326,883 | - | 4,594,788 | 739,102 | - | 141,951 | - | 881,053 | 3,713,735 | 3,528,803 |
| Temporary structures | 135,725 | - | 11,900 | - | 147,625 | 135,725 | - | 11,900 | - | 147,625 | - | - |
| Vehicles | 11,500,673 | - | 4,097,744 | - | 15,598,417 | 872,492 | - | 3,565,485 | - | 4,437,977 | 11,160,440 | 10,628,181 |
| Trucks | 4,826,500 | - | - | - | 4,826,500 | 2,461,515 | - | 709,496 | - | 3,171,011 | 1,655,489 | 2,364,985 |
| Total | 69,552,728 | - | 9,965,512 | 1,844,761 | 77,673,479 | 19,699,240 | - | 13,502,352 | 113,752 | 33,087,840 | 44,585,639 | 49,853,488 |
| 2008 | 47,355,429 | 4,826,500 | 17,370,799 | - | 69,552,728 | 6,852,097 | 1,447,950 | 11,399,193 | - | 19,699,240 | 49,853,488 | |

Notes:

(i) Depreciation for the year includes Rs 1,221,202 (2008: Rs 820,726) transferred to inventory.

(ii) Depreciation for the year includes Rs Nil (2008: Rs 342,381) which pertains to earlier years.





| Schedules to the consolidated financial statements (continued) as at 31 March 2009 | | |
|---|----------------------|---------------|
| (Currency: Indian Rupees) | | |
| | 2009 | 2008 |
| 8 INVESTMENTS | | |
| Long term | | |
| Trade investments (quoted) | | |
| Nil (2008: 19,529) equity shares of Asian Tea Export Limited of Rs 10 each fully paid up | - | 746,268 |
| 718 (2008 : 718) equity shares of SEL Manufacturing Company Limited of Rs 10 each fully paid up | 64,620 | 64,620 |
| Nil (2008 :15) equity shares of Reliance Power Limited of Rs 10 each fully paid up | - | 6,750 |
| Trade investments (unquoted) | | |
| In associates | | |
| 15,944 (2008: 15,944) equity shares of Shraavan Developers Private Limited of Rs 10 each, fully paid up* | 633,595 | 136,762 |
| 2,000 (2008: 2,000) equity shares of C Bhansali Developers Private Limited of Rs 10 each, fully paid up | - | - |
| 3,500 (2008: 3,500) equity shares of BKC Developers Private Limited of Rs 10 each, fully paid up | - | - |
| 2,600 (2008: Nil) equity shares of Deepmala Infrastructure Private Limited of Rs 10 each, fully paid up | 26,000 | - |
| Other investment (unquoted) | | |
| 948 (2008: 250*) equity shares of Cosmos Co-operative Bank Limited of Rs 100 each, fully paid up | 94,800 | 25,000 |
| *The Company acquired these investments pursuant to amalgamation of erstwhile Om Housing Company Private Limited. | | |
| Also refer schedule 34 for details of investments bought and sold during the year | | |
| | 819,015 | 979,400 |
| Aggregate amount of unquoted investments | 754,395 | 161,762 |
| Aggregate cost of quoted investments | 64,620 | 817,638 |
| Aggregate market value of quoted investments | 45,234 | 862,998 |
| 9 DEFERRED TAX ASSETS | | |
| Deferred tax assets | | |
| - Difference between book depreciation and depreciation as per Income Tax Act, 1961 | 3,083,918 | 822,492 |
| - On provision allowable on a payment basis under the Income Tax Act, 1961 | 18,139,054 | 179,613 |
| | 21,222,972 | 1,002,105 |
| 10 INVENTORIES | | |
| Material at site | 14,056,952 | 7,478,658 |
| Construction work-in-progress | 3,146,452,284 | 2,671,713,208 |
| Stock in trade | 401,767,391 | 2,260 |
| | 3,562,276,627 | 2,679,194,126 |
| 11 SUNDRY DEBTORS | | |
| <i>(unsecured and considered good)</i> | | |
| Debts outstanding for a period exceeding six months | 554,446,183 | 472,789,424 |
| Other debts * | 201,304,069 | 417,859,733 |
| * includes Rs Nil (2008: Rs 4,800,000) due from the Managing Director. Maximum amount outstanding during the year Rs 4,800,000 (2008: Rs 69,800,000) | | |
| | 755,750,252 | 890,649,157 |
| 12 CASH AND BANK BALANCES | | |
| Cash in hand | 2,767,263 | 3,117,169 |
| Cheques on hand | - | 1,800,000 |
| With scheduled banks | | |
| - in current account | 6,785,778 | 59,084,585 |
| - in deposit account | 6,058,625 | 10,030,500 |
| | 15,611,666 | 74,032,254 |



| Schedules to the consolidated financial statements (continued) as at 31 March 2009 | | |
|---|----------------------|----------------------|
| (Currency: Indian Rupees) | | |
| | 2009 | 2008 |
| 13 LOANS AND ADVANCES | | |
| <i>(Unsecured and considered good)</i> | | |
| Advances recoverable in cash or kind or for value to be received [refer schedule 40(i) and (ii)] | 1,231,784,111 | 849,068,779 |
| Advance tax and tax deducted at source | 2,852,891 | 761,410 |
| Advance paid for property and transferable development rights | 520,142,889 | 783,934,047 |
| Prepaid expenses | 3,831,208 | 5,848,783 |
| Deposits * | 32,053,366 | 6,376,203 |
| | 1,790,664,465 | 1,645,989,222 |
| * includes Rs 2,150,000 (2008: Rs 2,150,000) rent deposit given to the Managing Director. Maximum amount outstanding during the year Rs 2,150,000 (2008: Rs 2,150,000). | | |
| 14 CURRENT LIABILITIES | | |
| Advance received against property and transferable development rights | 1,186,845,503 | 1,660,344,659 |
| Sundry creditors | | |
| - Dues of micro, small and medium enterprises (Refer schedule 31) | | |
| - Others | 242,200,901 | 304,004,090 |
| Other liabilities | 42,379,803 | 14,757,722 |
| Investor education and protection fund - Unclaimed dividend * | 278,494 | 282,511 |
| Interest accrued but not due | 10,870,063 | 6,653,018 |
| | 1,482,574,764 | 1,986,042,000 |
| *There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund. | | |
| 15 PROVISIONS | | |
| Provision for taxation [net of advance tax and tax deducted at source Rs 62,479,220 (2008: Rs 32,763,424)] | 245,577,199 | 219,883,071 |
| Provision for fringe benefits tax [net of advance tax Rs 187,809 (2008: Rs 168,475)] | 363,994 | 19,548 |
| Provision for gratuity | 799,183 | 528,429 |
| Provision for wealth tax | 20,000 | - |
| Dividend on preference shares | 5,920,000 | 12,748,274 |
| Tax on dividend on preference shares | 3,302,667 | 2,166,569 |
| Proposed dividend on equity shares | - | 15,535,800 |
| Tax on proposed dividend on equity shares | - | 2,640,309 |
| Tax on dividend declared by subsidiary | - | 2,481,933 |
| | 255,983,043 | 256,003,933 |
| 16 MISCELLANEOUS EXPENDITURE | | |
| <i>(to the extent not written off or adjusted)</i> | | |
| Balance as per last balance sheet | - | 1,905,060 |
| Add: incurred during the year | - | 40,320 |
| Add: Transferred on amalgamation of erstwhile Om Housing Company Private Limited (refer schedule 32) | - | 773,721 |
| Less: written-off during the year | - | 577,705 |
| Less: adjusted in securities premium account | - | 2,141,396 |
| | - | - |



Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009

(Currency: Indian Rupees)

| | 2009 | 2008 |
|---|-------------------------------|----------------------|
| 17 SALES | | |
| Revenue from construction projects | 602,343,111 | 1,010,969,406 |
| Sale of traded properties | - | 536,300,000 |
| Sale of traded transferable development rights | 536,914,176 | 747,807,910 |
| RMC plant hire charges | - | 555,215 |
| | 1,139,257,287 | 2,295,632,531 |
| 18 OTHER INCOME | | |
| Income from investments | | |
| Trade investments | | |
| Dividend | 150,000 | - |
| Interest received from partnership firm | - | 2,185,427 |
| | 150,000 | 2,185,427 |
| Other investments | | |
| Profit on sale of investments (net) | - | 334,160 |
| | - | 334,160 |
| Interest received [tax deducted at source Rs.26,628,947 (2008:9,614,140)] | 79,072,928 | 39,161,252 |
| Income from awards/compensation/forfeiture | 30,400,000 | 27,200,000 |
| Income tax refund | - | 9,411 |
| Interest on income tax refund | - | 12,056 |
| Gain on foreign exchange | 52,902,486 | - |
| Miscellaneous income | 9,614,953 | 2,547,607 |
| | 171,990,367 | 68,930,326 |
| | 172,140,367 | 71,449,913 |
| 19 CONSTRUCTION AND PURCHASE COST | | |
| Opening stock | | |
| Construction work-in-progress | 2,671,713,208 | 902,461,060 |
| Material at site | 7,478,658 | 3,757,300 |
| Transfer from Om Housing Company Private Limited on amalgamation (Refer schedule 32) | - | 940,730,612 |
| | (A) 2,679,191,866 | 1,846,948,972 |
| Incurred during the year | | |
| Development rights / land cost | 384,654,615 | 457,047,468 |
| Professional and legal fees | 17,633,064 | 19,460,743 |
| Civil, electrical and contracting | 617,277,484 | 747,206,690 |
| Administrative and other expenses | 9,108,750 | 5,948,019 |
| Borrowing costs | 182,870,893 | 121,403,212 |
| Compensation Paid | 3,045,000 | - |
| | (B) 1,214,589,806 | 1,351,066,132 |
| Less: Closing stock | | |
| Material at site | 14,056,952 | 7,478,658 |
| Construction work-in-progress | 3,146,452,284 | 2,671,713,208 |
| Stock in trade | 401,767,391 | - |
| | (C) 3,562,276,627 | 2,679,191,866 |
| Cost of construction | (D= A+B-C) 331,505,045 | 518,823,238 |



| Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009 | | | |
|---|----------------|--------------------|----------------------|
| (Currency: Indian Rupees) | | | |
| | | 2009 | 2008 |
| Purchase of traded transferable development rights | (E) | 452,071,352 | 641,566,800 |
| Purchase of traded property | (F) | - | 302,885,127 |
| Cost of purchase | (G=E+F) | 452,071,352 | 944,451,927 |
| Construction and purchase cost | (D+G) | 783,576,397 | 1,463,275,165 |
| 20 PERSONNEL EXPENSES | | | |
| Salaries, wages and bonus | | 18,348,600 | 35,996,349 |
| Contributions to provident and other funds | | 1,344,019 | 765,060 |
| Staff welfare expenses | | 104,014 | 134,953 |
| Gratuity | | 270,754 | 322,733 |
| | | 20,067,387 | 37,219,095 |
| 21 ADMINISTRATIVE AND OTHER EXPENSES | | | |
| Advertisement | | 6,338,989 | 10,789,878 |
| Brokerage | | 949,381 | 23,524,441 |
| Electricity | | 1,444,770 | 871,166 |
| Rent | | 16,270,055 | 14,228,700 |
| Telephone expenses | | 890,929 | 828,750 |
| Postage and Telegram | | 709,474 | 180,560 |
| Repair and maintenance | | | |
| - machinery | | 141,847 | 71,588 |
| - others | | 560,314 | 711,778 |
| Insurance | | 1,117,525 | 1,015,776 |
| Rates and taxes | | 548,970 | 2,726,722 |
| Loss on sale of investments (net) | | 4,233,898 | 9,013,111 |
| Share in loss of partnership firm | | 1,531 | - |
| Auditors' remuneration (refer schedule 33) | | 2,762,792 | 1,712,289 |
| Directors' sitting fees | | 690,000 | 349,750 |
| Travelling expenses | | 889,261 | 1,658,374 |
| Printing and stationery | | 1,350,565 | 1,677,270 |
| Profession and legal fees | | 5,421,197 | 9,464,842 |
| Miscellaneous expenditure written-off (including for earlier years Rs. Nil (2008: Rs 537,385)) | | - | 577,705 |
| Assets written off | | 1,731,009 | - |
| Miscellaneous expenses | | 5,503,070 | 4,011,501 |
| | | 51,555,577 | 83,414,201 |
| 22 FINANCIAL EXPENSES | | | |
| Interest on term loans | | 385,373,575 | 155,856,363 |
| Interest on other loans * | | 123,638,485 | 83,741,990 |
| * includes Rs. 4,106,209(2008: Rs 4,014,299) interest paid/payable to managing director | | | |
| Finance and bank charges | | 55,262,329 | 10,830,957 |
| | | 564,274,389 | 250,429,310 |
| Less: interest transferred to construction work in progress | | 182,870,893 | 121,403,212 |
| | | 381,403,496 | 129,026,098 |



Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009
(Currency : INR)

23. Earning per share

| Particulars | 2009 | 2008 |
|---|--------------|--------------|
| Net (loss) / profit after tax | (15,461,147) | 416,828,162 |
| Preference dividend (including taxes thereon) | 6,926,104 | 6,926,104 |
| Net (loss) / profit after tax attributable to equity shareholders (A) | (22,387,251) | 409,902,058 |
| Number of equity shares at the beginning of the year | 155,358,000 | *118,165,750 |
| Equity shares issued during the year | - | **37,192,250 |
| Number of equity shares outstanding at the end of the year | 15,53,58,000 | 155,358,000 |
| Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (B) | 155,358,000 | 155,358,000 |
| Basic and diluted earnings (in rupees) per share of face value Rs 2 (A)/(B) | (0.14) | 2.64 |

* Pursuant to sub-division of equity shares and issue of bonus shares during the year, the number of shares outstanding at the beginning of the year has been adjusted to reflect the change as prescribed by Accounting Standard 20 – Earnings per share.

** 37,192,250 equity share of face value Rs 2 each have been issued during the year 2008 as consideration to the shareholders of erstwhile Om Housing Company Private Limited in an amalgamation in the nature of merger and have been included in the calculation of weighted average number of equity shares from the beginning of the year (refer schedule 32).

24. Contingencies and commitments

| | 2009 | 2008 |
|----------------------------------|------------|------|
| Income Tax matters under dispute | 36,461,781 | - |

25. Capital commitments

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

26. Segment reporting

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

27. Managerial remuneration

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

| | 2009 | 2008 |
|---------------------------------|-----------|------------|
| Salary | 5,300,000 | 2,815,000 |
| Commission to managing director | 261,264 | 26,800,322 |
| | 5,561,264 | 29,615,322 |

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



Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009

(Currency : INR)

28. Leases

Operating lease

- a) The Company has taken a commercial property on non-cancellable operating lease. The future minimum lease payments in respect of lease property as on 31 March 2009 is as follows:

| Lease Payments | 2009 | 2008 |
|--|------------|------------|
| Not later than one year | 14,000,000 | 12,900,000 |
| Later than one year but not later than 5 years | 16,590,000 | 30,500,000 |
| Later than 5 years | - | - |
| Payment of lease rentals during the year | 12,900,000 | 12,900,000 |

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

29. Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits'

- i) Effective 1 April 2007, the Company adopted Accounting Standard 15 (revised 2005) on "Employee Benefits" as prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards. Pursuant to the adoption, the transitional obligations as required by the standard amounting to Rs 135,780 (net of taxes Rs 69,916) have been adjusted to the general reserve in the previous year

ii) Defined Benefit Plans

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

| | | | |
|------------|--|----------------|----------------|
| I | Change in Benefit Obligation | 2009 | 2008 |
| | Liability at the beginning of the year | 528,430 | 205,696 |
| | Interest cost | 42,274 | 16,455 |
| | Current service cost | 417,583 | 207,117 |
| | Benefit paid | - | - |
| | Actuarial (gain) / loss on obligations | (189,103) | 99,160 |
| | Liability at the end of the period | 799,183 | 528,429 |
| II | Amount Recognised in the Balance Sheet | | |
| | Liability at the end of the year | 799,183 | 528,429 |
| | Fair value of plan assets at the end of the year | - | - |
| | Difference | 799,183 | 528,429 |
| | Amount Recognised in the Balance Sheet | 799,183 | 528,429 |
| III | Expenses Recognised in the Income Statement | | |
| | Current service cost | 417,583 | 207,117 |
| | Interest cost | 42,274 | 16,455 |
| | Expected return on plan assets | - | - |
| | Net actuarial (gain) / loss to be recognised | (189,103) | 99,160 |
| | Expense recognised in profit and loss account | 270,754 | 322,733 |
| IV | Balance Sheet Reconciliation | | |
| | Opening net liability | 528,430 | 205,696 |
| | Expense as above | 270,754 | 322,733 |
| | Employers contribution paid | - | - |
| | Amount recognised in the balance sheet | 799,183 | 528,429 |



Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009
(Currency: INR)

| V Actuarial Assumptions : | | | |
|----------------------------------|--|-------|-------|
| Discount rate | | 7.75% | 8.00% |
| Salary escalation | | 6.00% | 6.00% |

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

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

30. Related party disclosures

A Parties where control exist:

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

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

I. Associates

C. Bhansali Developers Private Limited (w.e.f 20 April 2007)
Shravan Developers Private Limited
Sun Beam Builders and Developers (w.e.f. 31 January 2007 and upto 7 March 2008)
Sweety Developers (w.e.f. 28 April 2008 upto 27 October 2008)
Deepmala Infrastructure Private Limited (w.e.f 10 April 2008)
BKC Developers Private Limited (w.e.f. 30 April 2007)

II Joint Ventures

Prime Property Development Corporation Limited.
Prime Down Town Estate Private Limited
(Formerly known as Bharat Shah Estate Private Limited)
Housing Development and Infrastructure Limited (w.e.f 30 April 2007)

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

Prime Multi Tiles Trading Private Limited
Satra Infrastructure Development Private Limited
Satra Land Development Private Limited (w.e.f. 7 May 2007)
Satra Novelties Private Limited (w.e.f. 30 July 2007)
Satra Property Development Private Limited (w.e.f. 7 May 2007)
Savla Realtors and Developers Private Limited
Sweety Developers (w.e.f. 1 April, 2006 to 27 April 2008 and w.e.f. 28 October 2008)
Prime Bond Industries

IV. Key Managerial Personnel

Vijay N. Satra – Whole time Director (w.e.f. 1 February 2008 upto 20 March 2009) and relative of managing director
Rajan P. Shah – Wholetime Director
Chandrakant M. Kothari

Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009
(Currency : INR)

30 Related party disclosures

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

| Sr. No. | Nature of Transaction | Associates/ Joint Venture | | Entities over which key managerial personnel or their relatives exercises significant influence | | Key Managerial Personnel and their relatives | | Total | |
|---------|--|---------------------------|-------------|---|-------------|--|------------|---------------|-------------|
| | | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| 1 | Loans taken | 70,500,000 | - | 185,390,352 | 101,550,000 | 9,865,000 | 43,892,665 | 265,755,352 | 145,442,665 |
| 2 | Loans given | 1,554,547,953 | 669,373,196 | - | 272,646 | - | - | 1,554,547,953 | 669,645,842 |
| 3 | Interest Income | 73,504,819 | 24,732,893 | - | - | - | - | 73,504,819 | 24,732,893 |
| 4 | Share in (Loss) / Profit of Partnership Firm | (1,531) | 56,856,893 | - | - | - | - | (1,531) | 56,856,893 |
| 5 | Interest Expense | 9,398,957 | - | 4,129,654 | 1,835,766 | 4,960,553 | 7,235,774 | 18,489,164 | 9,071,540 |
| 6 | Receiving of Services | - | - | 10,409,578 | - | 14,472,295 | 14,228,700 | 24,881,873 | 14,228,700 |
| 7 | Purchase of Goods | - | - | 737,152 | - | - | - | 737,152 | - |
| 8 | Sale of flat | - | - | - | - | - | 71,800,000 | - | 71,800,000 |
| 9 | Reimbursement of expenses (Income) | 80,664,275 | 88,398,325 | - | - | - | - | 80,664,275 | 88,398,325 |
| 10 | Reimbursement of Expenses (Expenses) | 93,218,510 | 75,828,906 | - | - | - | - | 93,218,510 | 75,828,906 |
| 11 | Issue of Shares on Amalgamation | | | | | | | | |
| | Equity | - | - | - | - | - | 61,100,000 | - | 61,100,000 |
| | Preference | - | - | - | - | - | 70,000,000 | - | 70,000,000 |
| 12 | Directors Remuneration | - | - | - | - | 5,561,264 | 29,615,322 | 5,561,264 | 29,615,322 |
| 13 | Directors sitting fees | - | - | - | - | 90,000 | 86,500 | 90,000 | 86,500 |
| 14 | Advance Recd against Property | - | - | - | 10,100,000 | 3,675,000 | - | 3,675,000 | 10,100,000 |
| 15 | Advance Paid for property | 262,514,548 | 85,000,000 | - | - | - | - | 262,514,548 | 85,000,000 |
| 16 | Advances given | - | - | 26,060,504 | 142,500,000 | - | - | 26,060,504 | 142,500,000 |





Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009
(Currency : INR)

30 Related party disclosures (Continued)

Disclosure of transactions between the Company and related parties and the status of outstanding balances: (Continued)

| Sr. No. | Nature of Transaction | Associates/ Joint Venture | | Entities over which key managerial personnel or their relatives exercises significant influence | | Key Managerial Personnel and their relatives | | Total | |
|---------|--|---------------------------|-------------|---|-------------|--|------------|-------------|-------------|
| | | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| 17 | Investment made | 5,025,000 | 45,712,120 | - | - | - | - | 25,025,000 | 45,712,120 |
| 18 | Investment sold | 25,025,000 | 125,900,000 | - | - | - | - | 25,025,000 | 125,900,000 |
| 19 | Sale of Shops | - | - | - | - | (3,672,000) | 420,750 | (3,672,000) | 420,750 |
| | Outstanding Bal.Receivable/Deposits | | | | | | | | |
| 1 | Loans alongwith the net interest | 591,761,596 | 291,970,131 | 3,498,469 | - | - | - | 595,260,065 | 291,970,131 |
| 2 | Sundry Debtors | - | - | - | - | - | 8,322,000 | - | 8,322,000 |
| 3 | Deposits | - | - | - | - | 2,150,000 | 2,150,000 | 2,150,000 | 2,150,000 |
| 4 | Advance Paid for property | 104,000,000 | 100,000,000 | - | - | - | - | 104,000,000 | 100,000,000 |
| 5 | Advance Given | 73,804,090 | - | 156,550,411 | 142,500,000 | - | - | 232,354,501 | 142,500,000 |
| | Outstanding Balances Payables | | | | | | | | |
| 1 | Loans alongwith the net interest | 90,167,768 | - | 54,027,238 | 79,167 | 48,888,693 | 60,457,155 | 193,083,699 | 60,536,322 |
| 2 | Sundry Creditors | 124,456,916 | 140,146,527 | - | - | 6,128,893 | - | 130,585,809 | 140,146,527 |
| 3 | Remuneration Payable | - | - | - | - | 1,052,064 | 18,092,635 | 1,052,064 | 18,092,635 |
| 4 | Advance Recd against Property | - | - | 5,000,000 | 15,100,000 | 3,825,000 | - | 8,825,000 | 15,100,000 |



Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009
(Currency : INR)

30 Related party disclosures (Continued)
Details of material related party transactions:

| Sr.No. | Particulars | 2009 | 2008 |
|----------|---|---------------|-------------|
| 1 | Loans taken / converted | | |
| | Satra Infrastructure Development Private Limited | 9,300,000 | 64,000,000 |
| | BKC Developers Private Limited | 70,500,000 | - |
| | Satra Novelties Private Limited | 1,700,000 | 15,050,000 |
| | Satra Property Development Private Limited | 164,340,352 | 8,500,000 |
| | Praful N. Satra | 2,700,000 | 40,727,251 |
| 2 | Loans Given / converted | | |
| | C.Bhansali Developers Private Limited | - | 76,000,000 |
| | Shravan Developers Private Limited | - | 453,373,196 |
| | Deepmala Infrastructure Private Limited | 1,454,547,953 | - |
| | BKC Developers Private Limited | 100,000,000 | 140,000,000 |
| 3 | Interest Income | | |
| | C.Bhansali Developers Private Limited | 10,197,283 | 7,682,629 |
| | Shravan Developers Private Limited | 10,813,371 | 3,949,613 |
| | Deepmala Infrastructure Private Limited | 49,928,454 | - |
| | BKC Developers Private Limited | 2,565,711 | 10,915,224 |
| 4 | Share in Profit / (Loss) of Partnership Firm | | |
| | Sun-Beam Builders & Developers | - | 56,856,893 |
| | Sweetey Developers | (1,531) | - |
| 5 | Interest Expense | | |
| | Satra Infrastructure Development Private Limited | 327,002 | 1,100,610 |
| | BKC Developers Private Limited | 9,398,957 | - |
| | Satra Property Development Private Limited | 3,519,859 | 187,890 |
| | Praful N. Satra | 4,472,316 | 6,462,453 |
| 6 | Receiving of Services | | |
| | Praful N. Satra | 14,472,295 | 14,228,700 |
| | Satra Property Development Private Limited | 10,409,578 | - |
| 7 | Purchase of Material | | |
| | Prime Multi-tiles Trading Private Limited | 701,792 | - |
| 8 | Sale of Flats/ Shops | | |
| | Praful N. Satra | (3,672,000) | 72,220,750 |



Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009

(Currency : INR)

30 Related party disclosures (Continued)

Details of material related party transactions:

| Sr. No. | Particulars | 2009 | 2008 |
|---------|--|-------------|-------------|
| 9 | Reimbursement received | | |
| | Housing Development & Infrastructure Limited | 80,521,572 | 85,000,000 |
| 10 | Reimbursement paid | | |
| | Prime Property Development Corp. Limited | 3,218,510 | 25,828,906 |
| | Housing Development & Infrastructure Limited | 90,000,000 | 50,000,000 |
| 11 | Issue of Shares on Amalgamation | | |
| I | <i>Equity</i> | | |
| | Praful N. Satra | - | 43,100,000 |
| | Minaxi P. Satra | - | 18,000,000 |
| II | <i>Preference</i> | | |
| | Praful N. Satra | - | 45,000,000 |
| | Minaxi P. Satra | - | 25,000,000 |
| 12 | Managerial Remuneration | | |
| | Praful N. Satra | 2,661,264 | 28,463,655 |
| | Vijay N. Satra | 1,100,000 | 200,000 |
| | Rajan P. Shah | 1,200,000 | 647,500 |
| | Chandrakant M.Kothari | 600,000 | 304,167 |
| 13 | Directors sitting fees | | |
| | Minaxi P. Satra | 90,000 | 43,250 |
| | Vijay N. Satra | - | 43,250 |
| 14 | Advance Recd against Property | | |
| | Savla Realtors & Developers Private Limited | - | 10,100,000 |
| | Praful N. Satra | 3,675,000 | - |
| 15 | Advance Paid for Property | | |
| | Bharat Shah Estates Private Limited | - | 85,000,000 |
| | Shravan Developers Private Limited | 258,514,548 | - |
| 16 | Advances given | | |
| | Satra Property Development Private Limited | 26,060,504 | 140,000,000 |
| 17 | Investment Purchase | | |
| | Sun-Beam Builders & Developers | - | 45,532,680 |
| | Sweety Developers (Firm) | 25,025,000 | - |



Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009

(Currency : INR)

30 Related party disclosures (Continued)

Details of material related party transactions:

| Sr.No. | Particulars | 2009 | 2008 |
|-----------|--|-------------|-------------|
| 18 | Investment sold | | |
| | Sun-Beam Builders & Developers | - | 125,900,000 |
| | Sweety Developers (Firm) | 25,025,000 | - |
| | Outstanding Balances Receivable/ | | |
| 1 | Loans alongwith the net interest | | |
| | C.Bhansali Developers Private Limited | 89,828,323 | 81,941,744 |
| | Shravan Developers Private Limited | - | 49,711,483 |
| | BKC Developers Private Limited | 1,270,654 | 160,316,904 |
| | Deepmala Infrastructure Private Limited | 500,662,619 | - |
| 2 | Sundry Debtors | | |
| | Praful N. Satra | - | 8,322,000 |
| 3 | Deposits | | |
| | Praful N. Satra | 2,150,000 | 2,150,000 |
| 4 | Advances paid for Property / TDR | | |
| | Bharat Shah Estates Private Limited | 100,000,000 | 100,000,000 |
| 5 | Advances given | | |
| | Satra Property Development Private Limited | 156,050,411 | 140,000,000 |
| | Shravan Developers Private Limited | 73,804,090 | - |
| | Outstanding Balances Payables | | |
| 1 | Loans alongwith the net interest | | |
| | Satra Property Development Private Limited | 41,087,669 | - |
| | BKC Developers Private Limited | 90,167,768 | - |
| | Minaxi P. Satra | 11,029,319 | 6,603,789 |
| | Praful N. Satra | 37,859,374 | 53,853,366 |
| 2 | Sundry Creditors | | |
| | Housing Development & Infrastructure Limited | 123,381,109 | 132,859,537 |
| 3 | Remuneration Payable | | |
| | Praful N. Satra | 631,264 | 17,835,890 |
| | Vijay Satra | 166,000 | 179,445 |
| | Rajan P. Shah | 254,800 | 77,300 |
| 4 | Advance Recd against Property | | |
| | Savla Realtors & Developers Private Limited | 5,000,000 | 15,100,000 |
| | Praful N. Satra | 3,825,000 | - |



Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009

(Currency : INR)

31. Micro, Small and Medium Enterprises Development Act, 2006

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

| | 2009 | 2008 |
|--|------|------|
| Principal amount remaining unpaid to any supplier as at the period end | - | - |
| Interest due thereon | - | - |
| Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period. | - | - |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED | - | - |
| Amount of interest accrued and remaining unpaid at the end of the accounting period | - | - |

32. Amalgamation of Om Housing Company Private Limited with the Group

In accordance with the scheme of amalgamation ('the scheme') of the erstwhile Om Housing Company Private Limited with the Group as approved by the Honourable High Court of Bombay on 16 April 2007 and certified copy received on 22 August 2007, all the assets and liabilities of the erstwhile Om Housing Company Private Limited had been transferred to and vested in the Group effective date 1 April 2006. Accordingly, the scheme had been given effect to in the financial statements for the year ended 31 March 2008.

The amalgamation has been recorded for under the 'pooling of interests' method as prescribed by Accounting Standard – 14 on "Accounting for Amalgamations" issued by the Central Government. Accordingly, all assets, liabilities and reserves of the erstwhile Om Housing Company Private Limited at date 1 April 2006 have been taken over at their respective book values. Prior to amalgamation, Om Housing Company Private Limited was a company engaged in the business of real estate development.

The net profit of erstwhile Om Housing Company Private Limited for the year ended 31 March 2007 comprised of :-

| Particulars | Amount |
|--------------------------------|-------------------|
| Sales | - |
| Other income | 31,693,795 |
| Total revenue | 31,693,795 |
| Construction cost | - |
| Personnel cost | 50,000 |
| Depreciation and amortisations | - |
| Interest expenses | 228,121 |
| Other costs | 1,422,131 |
| Profit before tax | 29,993,543 |
| Current tax | 11,000,000 |
| Fringe benefit tax | 1,029 |
| Deferred tax | - |
| Net profit after tax | 18,992,514 |



Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009

(Currency : INR)

Pursuant to the amalgamation of Om Housing Company Private Limited with the Company, 37,192,250 equity shares of Rs 2 each and 7,400,000 preference shares of Rs 10 each were issued and allotted to the shareholders of erstwhile Om Housing Company Private Limited on 19 September 2007.

The net surplus of Rs 21,796,437 being the difference between the issued share capital of erstwhile Om Housing Company Private Limited and the value of shares issued by the Company to the shareholders of erstwhile Om Housing Company Private Limited has been transferred to the Amalgamation Reserve Account.

33. Auditors' Remuneration

| | 2009 | 2008 |
|------------------------|------------------|------------------|
| Statutory audit fees | 2,177,772 | 1,014,289 |
| Taxation matters | 110,300 | 120,787 |
| Other services* | 974,720 | 530,901 |
| Out of pocket expenses | - | 46,312 |
| | 3,262,792 | 1,712,289 |

* includes payment of Rs 500,000 (2008: Rs Nil) to statutory auditors for other services, which has been capitalised to construction work-in-progress.

34. Details of investments bought and sold during the year

| Name of the company | Purchased during the Year | | Sold during the year | |
|--|---------------------------|------------|----------------------|------------|
| | Quantity | Value | Quantity | Value |
| Asian Tea Limited | Nil | Nil | 19,529 | 1,596,548 |
| Reliance Power Limited | 9* | - | 24 | 2,577 |
| Apollo Tyres Limited | 300,550 | 12,043,477 | 300,550 | 6,964,163 |
| Cosmos Co-operative Bank Limited | 698 | 69,800 | - | - |
| Satra International Realtors Limited (UAE) | 100 | 11,711,600 | - | - |
| Sweety Developers | - | 18,025,000 | - | 18,025,000 |
| Deepmala Infrastructure Private Limited. | 4,900 | 49,000 | 2,300 | 23,000 |

* Bonus shares

35. Investment in joint ventures

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



Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009

(Currency : INR)

35 Investment in joint ventures (Continued)

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

| Amount in respect to Prime down town Joint Venture Balance Sheet | 2009 | 2008 |
|--|-------------|-------------|
| Inventories | 146,312,018 | 133,344,200 |
| Cash and bank | - | 513,915 |
| Current liabilities and provisions | 128,706,799 | 136,804,282 |
| Loans and advances | 100,000,000 | 100,000,000 |

| Amount in respect to Dreams the mall, Bhandup Joint Venture Balance Sheet | 2009 | 2008 |
|---|-------------|-------------|
| Inventories | 401,767,391 | 340,353,631 |
| Cash and bank | 6,249,314 | 16,886,008 |
| Current liabilities and provisions | 172,923,430 | 142,888,893 |
| Loans (liability) | 250,149,508 | 506,341,200 |
| Sundry Debtors | 80,398,031 | 329,822,930 |
| Deposits | 39,806 | 39,806 |
| Profit and loss statement | | |
| Incomes | 80,456,786 | 386,933,478 |
| Expenses | 8,785,875 | 231,758,895 |

36. Out of the aggregate amount of Rs 141,800,000 raised during the year 2006-07 by way of preferential issue of equity shares including share premium, sum of Rs 123,600,000 had been utilised for acquisition of land at Calicut forming part of construction work in progress and Rs 18,200,000 had been invested on account of capital with partnership firm M/s Sun Beam Builders & Developers.
37. During the year, the Company has changed the structural plan of the Borivali Project from a commercial complex to a commercial cum residential complex to improve the overall profitability of the project. As a result, in order to facilitate the construction as per the revised plan, certain existing structures at the site have been demolished subsequent to the year end. The estimated construction cost incurred by the Company on the demolished portion amount to Rs 157,974,510 and the same continues to be included in construction work-in-progress. Management has revised its estimated cost to complete the revised commercial cum residential project and believes that the overall margins of the revised project will be adequate to recover the construction cost of demolished area incurred during the year. Hence the construction cost of demolished area amounting to Rs 157,974,510 continues to be included in the construction work-in-progress as at 31 March 2009 and has not been charged to the Profit and Loss account during the year.



Schedules to the consolidated financial statements (continued) for the year ended 31 March 2009

(Currency : INR)

38. The promoters' shareholding in the Company as at 31 March 2009 is 77.86% which is in excess of the limits prescribed under clause 6.8.3.2(m) - Explanation I & II of SEBI (DIP) Guidelines, 2000 by the Securities Exchange Board of India. The Company has made an application to Bombay Stock Exchange Limited for extension of time for diluting 2.86% of Promoters stake for which reply is awaited.

39. Transfer Pricing

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

- 40.**
- i. Loans and advances includes Rs 3,498,469 (2008: Rs.Nil) due from M/s. Sweety Developers which is a firm under the same management as per Section 370(1B) of the Act, maximum amount during the year Rs 18,025,000 (2008: Rs Nil).
 - ii. Loans and advances includes Rs 815,564,155 (2008: Rs.434,470,131) due from companies / firm in which director is a director or member as under:

| Name of the Company / Firm | Balance as at | |
|--|---------------|-------------|
| | 2009 | 2008 |
| C.Bhansali Developers Private Limited | 93,828,323 | 81,941,744 |
| Shravan Developers Private Limited | 73,804,090 | 49,711,483 |
| M/s. Sweety Developers | 3,498,469 | Nil |
| BKC Developers Private Limited | 1,270,654 | 160,316,904 |
| Deep Mala Infrastructure Private Limited | 500,662,619 | Nil |
| Satra Property Development Private Limited | 140,000,000 | 140,000,000 |
| Prime Bond Industries | 2,500,000 | 2,500,000 |

41. Prior year comparatives

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

For and on Behalf of the Board of Directors

Praful N. Satra
Chairman and
Managing Director

Rajan P. Shah
Executive Director

Vicky M. Kundaliya
Company Secretary

Mumbai, 29th June, 2009



| STATEMENT PURSUANT TO SECTION 212 (1)(E) OF THE COMPANIES ACT, 1956, RELATING TO THE COMPANY'S INTEREST IN SUBSIDIARY COMPANIES | | | | | | | | (Currency: INR) |
|---|--|---|--|--|--|--|--|-----------------|
| Sr. No. | Name of the Subsidiary | Satra Property Developers Private Limited (w.e.f. July 2, 2007) | Satra Buildcon Private Limited (w.e.f. October 18, 2007) | Satra Estate Development Private Limited (w.e.f. October 23, 2007) | Satra Infrastructure and Land Developers Pvt Ltd (w.e.f. October 19, 2007) | Satra Lifestyles Private Limited (w.e.f. October 19, 2007) | Satra International Realtors Limited (w.e.f. 17 th June, 2008) (as per Indian GAAP) | |
| 1 | The Financial year of the Subsidiary Companies ended on | March 31, 2009 | March 31, 2009 | March 31, 2009 | March 31, 2009 | March 31, 2009 | March 31, 2009 | |
| 2 | Date from which it became Subsidiary Companies | July 2, 2007 | October 18, 2007 | October 23, 2007 | October 19, 2007 | October 19, 2007 | 17 th June, 2008 | |
| 3 | No. of Shares held by Satra Properties (India) Limited with its nominees in the Subsidiaries at the end of the financial year of the Subsidiary Companies. | 1, 46, 03,900 Equity Shares of the F. V. of Rs. 10/- each fully paid. | 10,000 Equity Shares of the F.V. of Rs. 10/- each fully paid. | 10,000 Equity Shares of the F. V. of Rs. 10/- each fully paid. | 10,000 Equity Shares of the F. V. of Rs. 10/- each fully paid. | 10,000 Equity Shares of the F. V. of Rs. 10/- each fully paid. | 100 Equity Shares of the Face Value of Rs. 10,000 AED each fully paid | |
| 4 | Total Issued Equity Share Capital of the Subsidiary Company | 1, 46, 03,900 Equity Shares of the F. V. of Rs. 10/- each fully paid. | 10,000 Equity Shares of the F. V. of Rs. 10/- each fully paid. | 10,000 Equity Shares of the F. V. of Rs. 10/- each fully paid. | 10,000 Equity Shares of the F. V. of Rs. 10/- each fully paid. | 10,000 Equity Shares of the F. V. of Rs. 10/- each Fully paid. | 100 Equity Shares of the Face Value of Rs. 10,000 AED each fully paid | |
| 5 | Extent of the interest of Holding Company at the end of the financial year of the Subsidiary Companies | 100% | 100% | 100% | 100% | 100% | 100% | |
| 6 | The Net aggregate amount of the Subsidiary Companies Profit/(Loss) so far as it concerns the members of the Holding Company | | | | | | | |
| A | Not dealt with in the Holding Company's accounts | | | | | | | |
| | i. For the F. Y. ended March 31, 2009 | 9,743,296 | (12,232) | (12,057) | (12,232) | (12,288) | 5,24,70,897 | |
| | ii. For the previous F. Y.(s) 2007-2008 of the Subsidiary Companies since it became the Holding Company's Subsidiaries. | 114,026,022 | (22,210) | (22,125) | (22,125) | (22,136) | N.A. | |
| B | Dealt with in Holding Company's accounts: | | | | | | | |
| | i. For the current F. Y. ended March 31, 2009 | NIL | NIL | NIL | NIL | NIL | NIL | |
| | ii. For the previous F. Y.(s) of the Subsidiary Companies since it became the Holding Company's Subsidiaries | NIL | NIL | NIL | NIL | NIL | NIL | |
| For and on behalf of the Board of Directors | | | | | | | | |
| Vicky M. Kundaliya Company Secretary Mumbai, June 29, 2009 | | Rajan P. Shah Executive Director | Praful N. Satra Chairman and Managing Director | | | | | |



SATRA PROPERTIES (INDIA) LIMITED

Registered Office: 2nd floor, Dev Plaza, S.V. Road, Andheri (West), Mumbai – 400058

Attendance Slip

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

Regd. Folio No.:

DP ID*

No. of Shares held:

Client ID*

Full Name of the Member (in Block letters) _____

Name of the Proxy _____

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

I hereby record my presence 26th Annual General Meeting of the Company held on Tuesday, September 29, 2009, at 05.00 p.m. at Prime Party Hall, Safi Mansion, Irla Society Road, Vile Parle (W), Mumbai- 400 056.

Member / Proxy

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

* Applicable for members holding shares in electronic form.

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

SATRA PROPERTIES (INDIA) LIMITED

Registered Office: 2nd floor, Dev Plaza, S.V. Road, Andheri (West), Mumbai – 400058

Proxy Form

Regd. Folio No.:

DP ID*

No. of Shares held:

Client ID*

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

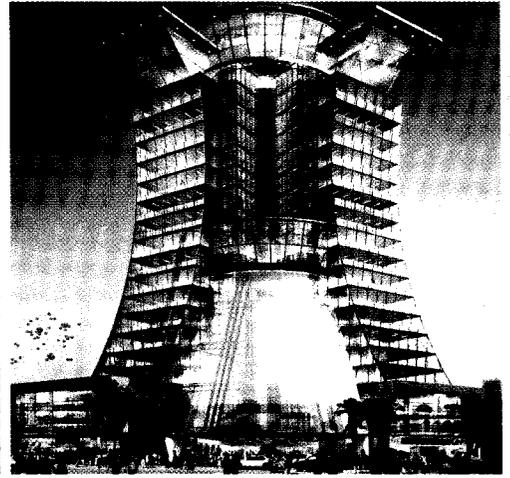
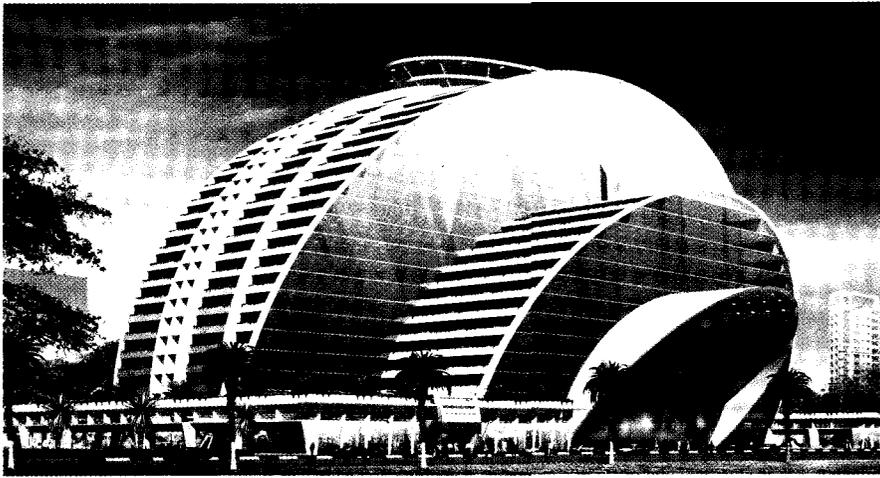
as my / our proxy to vote for me / us on my / our behalf at the **26TH ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, September 29, 2009, at 05.00 p.m. at Prime Party Hall, Safi Mansion, Irla Society Road, Vile Parle (W), Mumbai 400056 and at any adjournment thereof.

Signed this _____ day of _____ 2009. Signature _____

Affix
Revenue
Stamp

* Applicable for members holding shares in electronic form.

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



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E-mail : info@satraproperties.in

Website: www.satraproperties.in