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Letter from Managing Director

Dear Shareholders,

"Real Estate is at the core of almost every business, and it's certainly at the core of most people's wealth. In order to build your wealth and improve your business smarts, you need to know about Real Estate".

- Donald Trumo, Think like a Billionaire

I am delighted to share with you, the highlights of the performance of your Company across all operating and financial parameters. Your Company has moved to momental stage from its inception, growth and expansion to deliver quality Real Estate Project. All over the world the businesses are now compelled to bring in more and more creative approach to meet and exceed the expectations of the demanding customers.

I strongly believe that during the year under review the Real Estate Industry was in a strong cycle. And it's all flowing from the country's overall economic growth and rise in disposable income, the boom has been unprecedented because India has a huge backlog to build out to begin with, which was further fortified by new ways of demand.

Your Company is an ISO 9001:2000 certified Real Estate Development Company in India and the primary business of the company is to develop commercial, retail, hotel and residential properties. This includes all aspects of real estate development, from the identification and acquisition of lands, to the planning, execution and marketing of projects.

During the Financial year 2007 – 2008, pursuant to the Order of Hon'ble High Court, Bombay, Om Housing Company Private Limited was Amalgamated with Satra Properties (India) Limited thereby benefiting your Company by increasing land reserves by 0.7 million square feet of saleable area. Accordingly as at the year end your Company's total land reserves stood at approximately 4.02 million square feet of saleable area to be developed through 17 ongoing and / or planned projects. This includes projects undertaken by your Company; it's Subsidiaries & SPV's formed for the purpose of execution of projects. Presently there are 8 projects under construction and development, aggregating to approximately 1.73 million square feet of saleable area. In addition to the said projects, there are 9 projects in the commissioning stage, aggregating to approximately 2.29 million square feet of saleable area. Apart from the above mentioned projects your Company has through its subsidiary undertook mega project at Bhopal admeasuring of 2.3 million Sq. ft. saleable area in association with Gammon India Limited.

Further your Company in Joint Venture with Gammon India Limited, bidded for Tender at Bandra Kurla Complex for Block No. 54 & 55 for Rs. 10110 millions, wherein we stood at 2nd Position.

In financial year 2007-08, your Company's Revenues stood at Rs. 19,423 lacs delivering a growth of 193%, an exceptionally strong performance; Net Profit after Tax stood at Rs. 3,773 lacs delivering a growth of 506% and Earning per Share stood at Rs. 2.38 thereby delivering a growth of 68%.

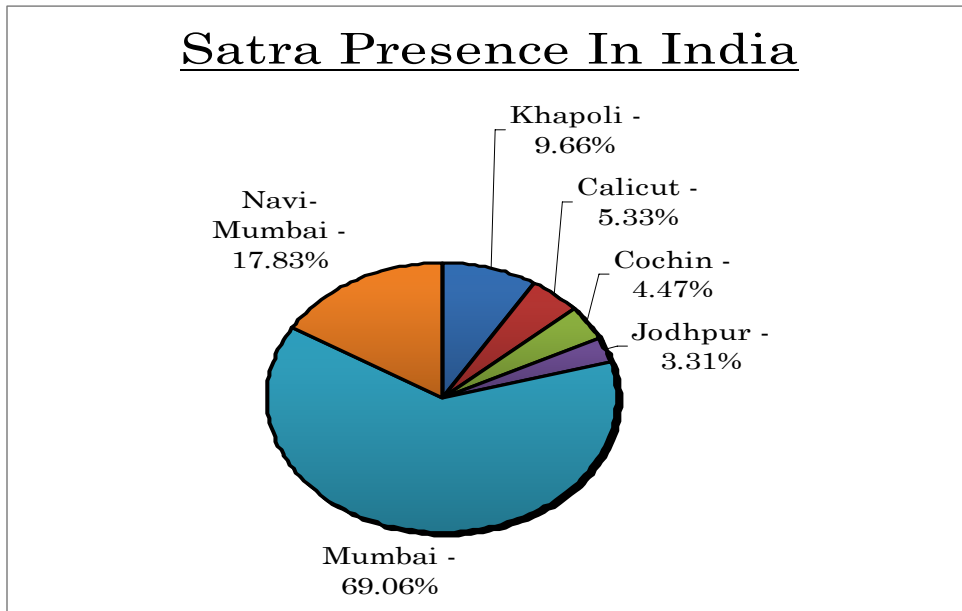
We remain firmly committed, as always in maximizing shareholders wealth. We will focus on consolidating and growing our leadership position in our existing business globally.

I would like to convey my gratitude to the Board of Directors, Patrons, Suppliers, Bankers, Employees and our Shareholders for their staunch hold up, through which your Company has enjoyed much success in past years.

Warm Regards,

Praful N. Satra
Managing Director
August 29, 2008

Satra's Presence in India – Real Estate Sector



Satra Properties (India) Limited, its Subsidiaries & SPV's has a bouquet of projects comprising of 5 Malls, 6 Residential, 4 Commercial & 2 Hotels.

5 Malls at Prime Location adding Building Urban Dreams - "For Retail Gold Rush"



Big Bazaar - the Anchor Store, 5 Screen proposed multiplex, double basement car park, food court & amusement will generate intrinsic footfalls. The construction of the project is completed about 60%.



1. Dreams The Mall, Vashi – is an market for Navi Mumbai, located in sector 19-D on Palm Beach Marg, the Mall Stands Strong on the pillars of innovation, operational excellence, customer centric approach & diversified talent. A Mall with a difference, it's a Company biggest ticket to achieve leadership in retail in Navi Mumbai by targeting booming middle class residential suburb of Navi Mumbai where IT companies are based. The Proposed Mall is spread over 3,95,475 sq.ft. which offers 2 Anchor Stores, mix of branded stores, 4 screen multiplex, food court, amusement park & double basement car park. The construction work of the said project is completed about 60%.

2. Dreams The Mall, Borivali – located at Shimpoli, Borivali, is a large one stop mall, combines mixed use concept by integrating retail, entertainment, food court thus creating opportunity for Satra exploiting notable market gap in Borivali. The said mall comprises of about Gross Leaseable space of 3,15,170 sq.ft.

3. 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 or play in snow park and enjoy food court. The Mall offers frontage of 1400 ft and is comprised of 8,34,722 sq.ft. with a walkable distance of 5 minutes nearby Bhandup Station. The said project is in Joint Development with Satra's share of approx. 4,09,848 Sq. ft.



4. **Satra Galleria, Calicut** – located on Mavoor Road in Calicut, is spread over about 99,970 sq.ft. which offers Anchor Stores, Vanilla Shops, food court, Amusement Zone. The Ex-factor of the proposed project is that it includes of 4 screen multiplex, which is first ever multiplex in Kerala. The construction work of proposed project is in full swing.



2. **Prime Down Town, Hughes Road** – located in the vicinity of south Mumbai that reflects a dynamic departure from the conventional format of Residential. A Proposed project that is built viewing the lifestyle of the mortals. 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.



5. **Satra Galleria, Jodhpur** – to be constructed at Nayi Sarak, a prime shopping street located in the Vicinity of Jodhpur, Rajasthan. The Proposed Mall offers about 1,21,549 sq.ft. Space, comprised of 4 Screen Multiplex, Anchor Shops, Food Court and so on which shall create a delightful shopping ambience and entertainment familiarity.

5 Residential & 1 Township Spaces adding "Crème-de-la-crème of housing projects"



1. **Satra Residency, Khar** - A Completed residential project combines high end technology, design and aesthetics to meet

3. **Satra Sky Heights** – a Proposed Premium Project is strategically located at Bandra (W). The company plans to offer their mortals, duplex & pent house with sea view from high floors. The saleable area of proposed tower is 98,691 sq.ft. approx. The company has entered into Memorandum of Understanding.



4. Juhu Residency, Juhu – a high end luxurious residential project is proposed to be constructed at JVPD Scheme, Juhu, Mumbai. The estimated area for the project is 99,393 sq.ft approximately. The project is estimated to be 11 storey tower with Stilt plus 2 Podium for Car Parking. The proposed project will provide a panoramic sea view from the high floors. The said project is in SPV with Satra having stake of 35%.



5. Satra City, Ghatkopar – The Project is undertaken under the SRA Scheme & will be constructed off LBS Marg, behind orchid of capita land, 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 of 22 storey's each that offers about 8,22,236 sq.ft. space. The project is expected to have landscaped gardens, swimming pools, and gymnasium in addition to other basic amenities. The key feature of the project is that it will generate TDR of about 1,11,948.93 sq.ft.



6. 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 of 28,33,657 sq.ft. which includes ultra luxurious lagoon villas, malls, mini golf course, temple, school and community hospital. It will offer water bodies, mounds, downs and meadows within the complex, with green landscaping. The said project is in SPV with Satra having stake of 20%.

And it has much more, so that each & every moment you live here goes into your special diary.
Commercial Spaces that “Form Follows Function”



1. Satra Athena, Bandra Kurla Complex – is proposed to be constructed in the heart of Bandra Kurla Complex, 12 kms away from the international airport. 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 3,15,000 sq.ft. The said project is in SPV with Satra having stake of 17.50%



2. Satra Central Square, Bandra Kurla Complex – The estimated saleable area of the project is approximately 3,74,452 sq.ft. The project is estimated to generate a TDR of approximately 1,58,832 sq.ft. The proposed project is undertaken under the SRA scheme and will construct residential units for the rehabilitation of slum dwellers.



3. Satra Corporate Park, Kalina – one of commercial projects is proposed to be constructed in Kalina, Santacruz (E); in proximity to the domestic airport. The estimated saleable area is approximately 2,27,073 sq.ft. The project will comprise of ultra modern offices & ensuring improved indoor environment by ensuring daylight and natural view.



4. Satra Corporate Complex, Vashi – Strategically located at sector 19- D on Palm Beach Marg. The proposed project is of about 18 storey tower that offers well engineered and modern work space for leading corporates. The project is been designed keeping in view the international style that suits the needs of the Indians. The construction work of the project is in full swing.

Hotels – “Dreams in Concrete”



1. Satra Galleria, Calicut - located in the heart of Mavoor Road known for its handicrafts world over. The project is proposed to be 4 Star hotel & will be subject to approvals from the concerned government department. The hotel will have a built up area of 95,533 sq.ft. approximately. The only project in Kerela with permission of Multiplex.



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, Bolgatty Palace. The Company has acquired the land and the plans are approved. The hotel will have a built up area of approximately 1,63,750 sq.ft..

Apart from the Real Estate Business, your Company has also decided to diversify its business into new emerging sectors like Retails, Merchandising & Power.

Today, your Company is in an enviable position of being the catalyst of change in Mumbai and as a part of growth strategy it is expanding in Jodhpur, Calicut and Cochin.

Disclaimer:

All the elevation, amenities, facilities etc. are subject to the approval of respective authorities and would be changed if necessary. The discretion remains with Satra Properties (India) Limited. 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.
- ✓ Majority of Projects are located at premium locations in Mumbai.
- ✓ Creating a dedicated and confident work force through continual development process.
- ✓ Creating the State-of-Art Projects of International Standards.
- ✓ Strong Marketing Network.

Company Information

Board of Directors

Chairperson	:	Minaxi P. Satra
Managing Director	:	Praful N. Satra
Executive Director	:	Rajan P. Shah
Executive Director	:	Dr. Vijay N. Satra (w.e.f. – 01.02.2008)
Independent Director	:	Vidyadhar D. Khadilkar
Independent Director	:	Vinayak D. Khadilkar
Independent Director	:	K. Jawahar Mahi
Additional & Independent Director	:	Pisupati Subrahmanyam (w.e.f. – 03.01.2008)
Chief Financial Officer	:	Bhaves V. Sanghavi
Company Secretary / Compliance Officer	:	Vicky M. Kundaliya

Board Committees

Audit Committee	:	Vinayak Khadilkar (Chairman) K. Jawahar Mahi Dr. Vijay Satra
Shareholders / Investor Grievance Committee	:	K. Jawahar Mahi (Chairman) Vidyadhar Khadilkar Rajan P. Shah
Remuneration Committee	:	Vidyadhar Khadilkar (Chairman) Vinayak Khadilkar K. Jawahar Mahi
Auditors	:	B S R & Associates Bhuta Shah & Co.
Bankers	:	Indian Bank Union Bank of India Syndicate Bank The Cosmos Co-op Bank Limited Industrial Development Bank of India Ltd
Registered Office	:	Dev Plaza, 2 nd Floor Opp. Andheri Fire Station, S. V. Road, Andheri (W), Mumbai – 400058. INDIA Tel: +91 022 - 2671 9999. Fax: +91 022 - 2620 3999. e-mail: info@satraproperties.in Website: www.satraproperties.in
Registrar & Share Transfer Agent	:	Adroit Corporate Services Pvt. Ltd. 19 / 20, Jaferbhoy Industrial Estate, 1 st Floor, Makhwana Road, Marol Naka, Andheri (E), Mumbai – 400059. ☎ - 022-2895 4060 / 6060 Fax. No. – 022-2850 3748. E.mail: adroit@vsnl.net

DIRECTORS PROFILE

1. **Mrs. Minaxi P. Satra**, our Promoter and Chairperson, joined the Board of our Company on June 1, 2005 as an Additional Director and was subsequently appointed as a regular Director by the shareholders of our Company at the AGM held on September 24, 2005. Mrs. Satra was appointed as the Chairperson at a meeting of the Board of Directors held on June 6, 2007. She has a good understanding of the real estate business and possesses a good commercial acumen. She plays an important role in the policy decisions taken by our Board.

Mrs. Satra holds Directorship in various Companies; Satra Property Developers Private Limited, Satra Estate Development Private Limited, Satra Buildcon Private Limited, Satra Infrastructure & Land Developers Private Limited, Satra Lifestyles Private Limited, Satra Re-Development Company Limited, Satra Reality & Builders Limited, Satra Property Development Private Limited, Satra Infrastructure Development Private Limited, Satra Land Development Private Limited, Satra Retail Private Limited, Satra Novelties Private Limited, Prime Multi Tiles Trading Private Limited, Shravan Developers Private Limited, Savla Realtors & Developers Private Limited, BKC Developers Private Limited as on March 31, 2008.

Mrs. Satra holds 4,03,09,500 shares of the Company in her name as on March 31, 2008.

2. **Mr. Praful N. Satra**, our Promoter and Managing Director has a total experience of over 24 years in domestic and international business which includes 8 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 the execution and management of a wide variety of construction and development projects. Some of the real estate development projects he has been actively involved in are Prime Mall (Vile Parle), Rehana Heights (Santa Cruz), Vidhi Residency (Vile Parle), Shubangan (Juhu), etc. His main activities include Identification of Land, Business Planning & Marketing.

Mr. Satra holds Directorship in various Companies; Satra Property Developers Private Limited, Satra Infrastructure Development Private Limited, Savla Realtors & Developers Private Limited, Anupam Stock Broking Private Limited, Prime Multi Tiles Trading Private Limited, Shravan Developers Private Limited, Satra Property Development Private Limited, BKC Developers Private Limited, Satra Novelties Private Limited, Satra Retail Private Limited, Satra Reality & Builders Limited, Satra Re-Development Company Limited, Satra Infrastructure &

Land Developers Private Limited, Satra Land Development Private Limited, Satra Estate Development Private Limited, Satra Buildcon Private Limited, Satra Lifestyles Private Limited, C. Bhansali Developers Private Limited, Sejal Architectural Glass Limited as on March 31, 2008. 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, 2008.

3. **Mr. Rajan P. Shah**, our Executive Director, has over 17 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. Some of the projects he has been involved with in the past are Prime Mall(Vile Parle), Rehana Heights (Santa Cruz), Vidhi Residency (Vile Parle), Gilvert Hill (Andheri), Yamuna Nagar (Lokhandwala), etc. 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.

Mr. Shah holds Directorship in various Companies; Satra Property Developers Private Limited, Satra Estate Development Private Limited, Satra Buildcon 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, Shravan Developers Private Limited, Satra Property Development Private Limited, Alif International Private Limited as on March 31, 2008.

Mr. Shah does not hold any shares of the Company in his name as on March 31, 2008.

4. **Dr. Vijay N. Satra**, our Executive Director is a Qualified Chartered Accountant with a Doctorate in Finance from Pune University, Graduate from Institute of Cost and Works Accountant of India. He also holds a Graduate degree in Commerce and Law from University of Mumbai. Dr. Vijay Satra has more than 25 years of experience in the field of Business, Accounting, Finance and Taxation. He is a former Lecturer in Accountancy & Financial Management at Mithibai College, Mumbai. Dr. Vijay Satra joined our Board on June 6, 2007. He plays a major Advisory role in the Tax planning, Investment and Financial decisions and other corporate matters of our Company. He is a member of Audit Committee of our Board of Directors.

Dr. Satra does not hold Directorship in any other Company.

Dr. Satra does not hold any shares of the Company in his name as on March 31, 2008.

5. **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 29 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 of our Company.

Mr. Khadilkar holds Directorship in Satra Property Developers Private Limited.

Mr. Khadilkar does not hold any shares of the Company in his name as on March 31, 2008.

6. **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 8 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 and Audit 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, 2008.

Mr. K. Jawahar Mahi does not hold any shares of the Company in his name as on March 31, 2008.

7. **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 26 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 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, 2008.

8. **Mr. Pisupati Subrahmanyam**, Independent Director holds Masters Degree in Arts and Bachelors Degree in Law from Madras University as well as Masters Degree in Science from University of Wales, U.K. He is a former Indian Administrative Service (IAS) Officer. He is multi linguist in languages like Hindi, Marathi, Telugu, Tamil and English. He has served the state of Maharashtra for nearly 3 decades at different posts including Chief Secretary of Govt. of Maharashtra, Addl. Chief Secretary of Govt. of Maharashtra, Secretary to the Chief Minister, Govt. of Maharashtra etc. He was a Chairman, Maharashtra Electricity Regulatory Commission. He has represented India at F.A.O. Rome, UNCTAD Geneva. He has held a number of meetings with World Bank both at Washington and Mumbai and drafted the Memorandum for Earthquake Rehabilitation in Latur and Osmanabad in 1992. Negotiated a \$1000 Million project and satisfactorily completed the programme of rehabilitation of the earthquake affected persons from 1994-99, which has been hailed by the World Bank as a model in disaster management.

Mr. Subrahmanyam holds Directorship in various Companies; Uni-Abex Alloy Products Limited, Uni-Deritend Limited, Netel (India) Limited, Yash-Raj Biotechnology Limited as on March 31, 2008. He is also a Member of Audit Committee of Netel (India) Limited & Yash-Raj Biotechnology Limited.

Mr. Subrahmanyam does not hold any shares of the Company in his name as on March 31, 2008.

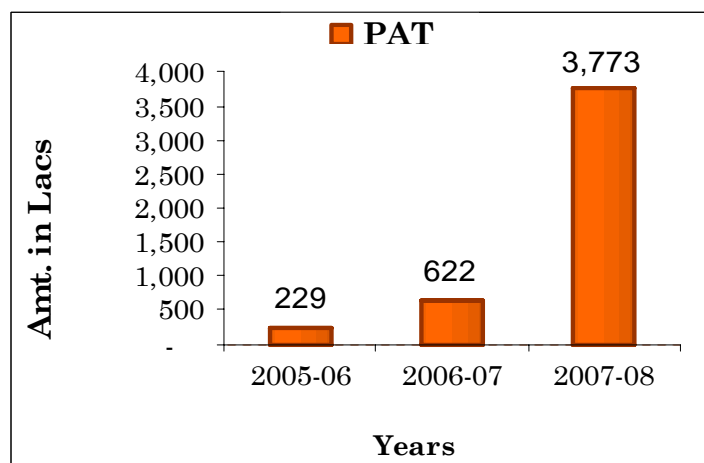
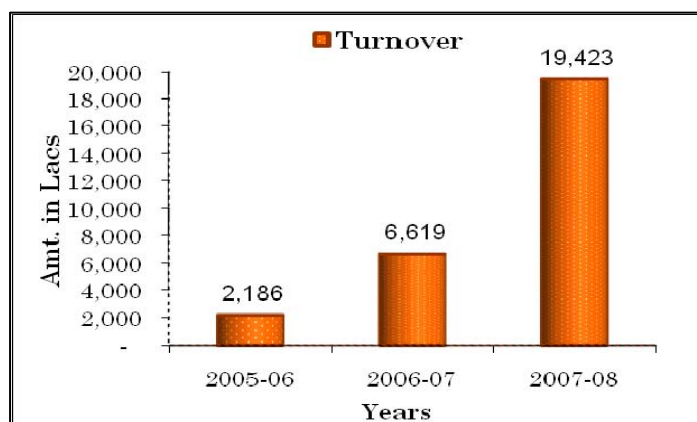
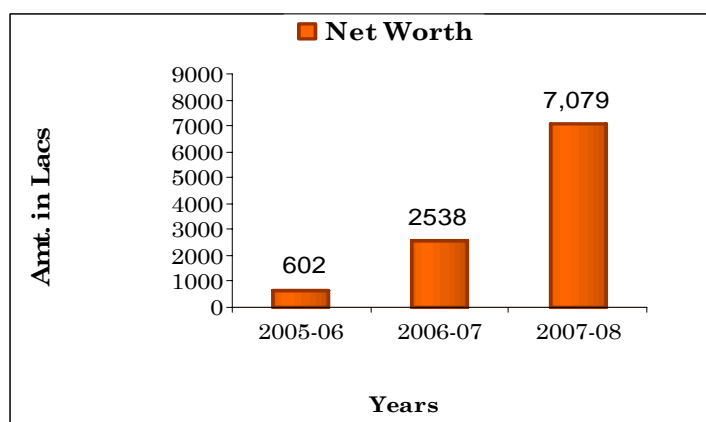
Financial Highlights

(Rs. In Lacs)

Particulars	2007-08	2006-07	2005-06
Turnover	19,423	6,619	2,186
Total Income	20,717	6,645	2,194
Earnings Before Depreciation, Interest and Tax (EBDITA)	6,539	1,014	351
Profit After Tax	3,773	622	229
Equity Share Capital	3,107	292	274
Reserves and Surplus	3,972	2,265	338
Net Worth	7,079	2,538	602
Gross Fixed Assets	505	283	9
Market Capitalisation	1,31,977	16,786	5,186
Equity Dividend %	15	30	25
Earning Per Share - Rs*	2.38	1.42	0.60

* Adjusted for Sub-division of Equity Shares and Issue of Bonus Equity Shares

Graphical presentation of trend with respect to some of the key financial and operational data is provided below:



NOTICE

Notice is hereby given that the Twenty-fifth Annual General Meeting of the Members of Satra Properties (India) Limited will be held on Monday, September 29, 2008 at 5.00 P.M. at Prime Party Hall, Safi Mansion, Irla Society Road, Vile Parle (West), Mumbai – 400 056 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2008 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare the Cumulative dividend on 8% Cumulative Redeemable Preference Shares for the Financial Years 2005-2006 & 2006-2007.
3. To declare the dividend on 8% Cumulative Redeemable Preference Shares for the Financial Year 2007-2008.
4. To confirm the payment of Interim Dividend on Equity Shares for the Financial Year 2007-08 and to declare Final Dividend for the Financial Year 2007-08 on Equity Shares.
5. To appoint a Director in place of Mr. Rajan P. Shah, who retires by rotation, and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Mr. Vidyadhar D. Khadilkar, who retires by rotation, and being eligible offers himself for re-appointment.
7. To appoint a Director in place of Mr. Vinayak D. Khadilkar, who retires by rotation, and being eligible offers himself for re-appointment.
8. 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.”

Special Business:

9. Appointment of Mr. Pisupati Subrahmanyam as a Director of the Company

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

“RESOLVED THAT Mr. Pisupati Subrahmanyam who was appointed by the Board of Directors as an Additional Director of the Company with effect from 3rd January, 2008 and who holds office upto the date of this Annual General meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.”

By Order of the Board of Directors

Vicky M. Kundaliya
Company Secretary

Mumbai, August 29, 2008.

Registered Office:

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

Notes:

1. The relative Explanatory Statements pursuant to Section 173 of the Companies act, 1956, in respect of the business under Item Nos. 9 above is annexed hereto. 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. 5, 6, 7 and 9 above, are also annexed.

2. **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.

3. The Register of members and Transfer Books of the Company will be closed from September 22, 2008 to September 29, 2008 (both days inclusive). If the final dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after September 29, 2008 as under:

a) To all the Beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on September 21, 2008.

b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on September 21, 2008.

In respect of Redeemable Cumulative Preference Shares, dividend will be paid to the Shareholders on the Company's Register of Members as on September 29, 2008 (Record Date).

4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

5. 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.

Explanatory Statement

Pursuant to Section 173(2) of the Companies Act, 1956

As required by Section 173 of the Companies Act, 1956 ("Act"), the following explanatory statements set out all material facts relating to Special Business mentioned in the accompanying Notice dated August 29, 2008.

1. Item No. 9

Mr. Pisupati Subrahmanyam was appointed as Additional Director of the Company with effect from January 3, 2008. As per the provisions of the Section 260 of the Act, Mr. Pisupati Subrahmanyam hold office only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received notices under Section 257 of the Act, in respect of the candidature, proposing their appointment as a Director of the Company, along with the requisite deposit.

Mr. Pisupati Subrahmanyam holds Masters Degree in Arts and Bachelors Degree in Law from Madras University as well as Masters Degree in Science from University of Wales, U.K. He is a former Indian Administrative Service (IAS) Officer. He is multi linguist in languages like Hindi, Marathi, Telugu, Tamil and English. He has served the state of Maharashtra for nearly 3 decades at different posts including Chief Secretary of Govt. of Maharashtra, Addl. Chief Secretary of Govt. of Maharashtra, Secretary to the Chief Minister, Govt. of Maharashtra etc. He was a Chairman, Maharashtra Electricity Regulatory Commission. He has represented India at F.A.O. Rome, UNCTAD Geneva. He has held a number of meetings with World Bank both at Washington and Mumbai and drafted the Memorandum for Earthquake Rehabilitation in Latur and Osmanabad in 1992. Negotiated a \$1000 Million project

and satisfactorily completed the programme of rehabilitation of the earthquake affected persons from 1994-99, which has been hailed by the World Bank as a model in disaster management.

Mr. Subrahmanyam holds Directorship in various Companies; Uni-Abex Alloy Products Limited, Uni-Deritend Limited, Netel (India) Limited, Yash-Raj Biotechnology Limited as on March 31, 2008. He is also a Member of Audit Committee of Netel (India) Limited & Yash-Raj Biotechnology Limited.

Mr. Subrahmanyam does not hold any shares of the Company in his name as on March 31, 2008.

The Resolution at Item No. 9 of the Notice is recommended for approval by the Members.

By Order of the Board of Directors

Vicky M. Kundaliya
Company Secretary

Mumbai, August 29, 2008.

Registered Office:

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

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

Particulars	Mr. Rajan P. Shah	Mr. Vinayak D. Khadilkar	Mr. Vidyadhar D. Khadilkar	Mr. Pisupati Subrahmanyam
Date of Birth	09/08/1970	21/11/1955	16/09/1958	15/07/1940
First Date of Appointment as Director	01/06/2005	26/05/2007	26/05/2007	03/01/2008
Qualifications	S. Y. B. Com.	Bachelor of Commerce and Chartered Accountant	Diploma in Civil and Sanitary Engineering	Former Indian Administrative Services (IAS) Officer, Master of Science from University of Wales, U. K., Master of Arts and Bachelor of Law.
Expertise in specific Functional Areas	Wide experience in Real Estate Industry and Construction Activities.	Wide experience in Finance, Audit, Accounts and Taxation.	Wide experience in Engineering field.	Advising about Feasibility & Technical aspects for the execution of new projects.
Directorships held in other Public Companies (excluding foreign companies and section 25 companies)	<ul style="list-style-type: none"> • Satra Property Developers Pvt. Ltd. • Satra Estate Development Pvt. Ltd. • Satra Buildcon Pvt. Ltd. • Satra Lifestyles Pvt. Ltd. • Satra Infrastructure & Land Developers Pvt. Ltd. • Satra Reality & Builders Ltd. • Satra Re-Development Company Ltd. • Shravan Developers Pvt. Ltd. • Satra Infrastructure Development Pvt. Ltd. • Satra Property Development Pvt. Ltd. • Alif International Pvt. Ltd. 	NIL	<ul style="list-style-type: none"> • Satra Property Developers Pvt. Ltd. 	<ul style="list-style-type: none"> • Uni Abex Alloy Products Ltd. • Uni-Deritend Ltd. • Netel (India) Ltd. • Yash-Raj Biotechnology Ltd.
Memberships/Chairmanships of committees of other Public companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL	NIL	Audit Committee Chairman <ul style="list-style-type: none"> • Satra Property Developers Pvt. Ltd. 	Audit Committee Member <ul style="list-style-type: none"> • Netel (India) Ltd. • Yash-Raj Biotechnology Ltd.
Number of Shares held in the Company	NIL	NIL	NIL	NIL

Director's Report

To
The Members,
SATRA PROPERTIES (INDIA) LIMITED

Your Directors are pleased to present the 25th Annual Report and the Audited Accounts for the Financial Year ended March 31, 2008.

1) Financial Highlights

The Financial Performance of the Company for the Financial Year ended March 31, 2008 is summarized below:

(Rs. In Lacs)

FINANCIAL RESULTS		
Particulars	Current Year	Previous Year
Profit / (Loss) before taxation	5,590.08	979.37
Less: Provision for Taxation		
Current	1,883.38	343.00
Deferred	(14.51)	4.15
Fringe Benefit Tax	1.38	0.44
Earlier Years Taxation	(53.39)	9.40
Net Profit After Taxation	3,773.22	622.38
Add : Profit b/f from Previous years	574.08	109.78
Add : Transferred on Amalgamation	189.92	-----
Profits available for Appropriation	4,537.22	732.16
Less: Appropriation		
Transfer to General Reserve	1,500.00	62.24
Proposed Preference Dividend	127.48	----
Tax on Proposed Preference Dividend	21.67	----
Proposed Equity Dividend	155.35	----
Tax on Proposed Equity Dividend	26.40	----
Interim Dividend	29.19	84.02
Tax on Interim Dividend	4.96	1.82
Balance Profit c/f to Balance Sheet	2,672.17	574.08

2) Transfer to Reserves:

During the year under review, the Board of Directors of your Company has appropriated an amount of Rs. 500 Lacs (Rupees Five Hundred Lacs only) from Profit and Loss account to General Reserves.

The Company proposes to transfer Rs. 1,000 Lacs (Rupees One Thousand Lacs only) to General Reserves out of the amount available for appropriations.

3) Dividend:

Based on Company's performance, the Directors are pleased to recommend, for approval of the members a Final Dividend of Re. 0.10 per share (@ 5% per share) on 15,53,58,000 Equity shares of Rs. 2/- each of the Company for the Financial Year 2007-08. The Final Dividend on Equity Shares, if declared as above, would involve an outflow of Rs. 155.36 lacs towards Dividend and Rs. 26.40 Lacs towards Dividend Tax resulting in, total outflow of Rs. 181.76 lacs.

During the year under Review, your Company has paid an Interim Dividend of Re. 1 per share (@ 10% per share) on 29,18,750 Equity Shares of Rs. 10/- each of the Company for the Financial Year 2007-08.

Your company has issued 8% Redeemable Cumulative Preference Shares of F.V. Rs. 10/- each to the members of Om Housing Company Private Limited, which has been amalgamated with your Company pursuant to the Order of Hon'ble High Court, Bombay, received on August 22, 2007. The said Preference Shares are entitled to a fixed cumulative dividend of 8% p.a. Accordingly, the directors have recommended, for approval of the members, a dividend of Re. 0.80 per share (8%) on 74,00,000 Redeemable Cumulative Preference Shares of Rs. 10 each from the date of issue till Financial Year 2007-08. The Final Dividend on Preference Shares, as above, would involve an outflow of Rs. 127.48 lacs towards Dividend and Rs. 21.67 lacs towards Dividend Tax, resulting in total outflow of Rs. 149.15 lacs.

4) (A) Increase in the Authorised Share Capital of the Company:

During the year under review, your Company has Increased the Authorised Capital of the Company from Rs. 40 Crores to Rs. 50 Crores with effect from January 03, 2008.

(B) Addition of New Business for Diversification:

During the year under review, your Company has added Objects related to Retail, Merchandising and Power Sector in the Other Objects Clause, and obtained Order from the Registrar of Companies, Mumbai, under Section 149(2A) to carry on the Objects specified under Other Objects Clause.

Your Company has Acquired 511 Acres of Land in Gujarat.

(C) Approval for Contracts:

During the year under review, your Company has received an approval from Regional Director, Registrar of Companies, Mumbai, for entering into Contracts with Prime Bond Industries, Prime Multi Tiles Trading Private Limited, Satra Infrastructure & Land Developers Private Limited and Satra Property Development Private Limited, in which Shri. Praful N. Satra, Smt. Minaxi P. Satra, Dr. Vijay N. Satra, Directors of your Company, is directly or indirectly interested.

(D) Acquired Interest in New Subsidiaries:

During the year under review, your Company has acquired interest in Five New Subsidiary Companies;

Through Acquisition;

1. Satra Property Developers Private Limited.

Through Subscription;

1. Satra Infrastructure & Land Developers Private Limited.
2. Satra Estate Development Private Limited.
3. Satra Buildcon Private Limited.
4. Satra Lifestyles Private Limited.

There has been no material change in the nature of the business of the subsidiaries.

As required under the Listing Agreements with the Stock Exchanges, a Consolidated Financial Statements of the Company and all its subsidiaries and its associates is attached. The Consolidated Financial Statements has been prepared in accordance with Accounting Standards 21 and 23 as specified in the Company (Accounting Standards) Rules, 2006 and show the financial resources, assets, liabilities, income, profits and other details of the Company, its associate companies, its joint ventures and its subsidiaries after elimination of minority interest, as a single entity.

As required under Section 212 of the Companies Act, 1956, the Audited Balance Sheets as on March 31, 2008 and Profit & Loss Account for the Financial Year ended March 31, 2008 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 and Satra Lifestyles Private Limited are annexed and form part of this Annual Report.

5) Operations:

Your Company has achieved a substantial growth in the real estate business and registered a Sales Turnover of Rs. 194.23 Crores, an increase of 193% over previous year's Rs. 66.19 Crores. Your Directors are confident of substantial growth in future.

Status of the Major Ongoing Projects as on March 31, 2008:

a. Satra Residency, Khar:

The said project is completed and the Occupation Certificate for the same is awaited.

b. Dreams The Mall & Satra Corporate Office Complex, Vashi:

The construction work of the project is in the full swing and the RCC work of the said project is completed up to 60% (approx).

c. Dreams The Mall & Satra Galleria, Calicut:

The project is the combination of Mall and Hotels. The construction work of the said project is in full swing & the RCC work of the said project is completed up to 40% (approx).

d. Prime Down Town, Hughes Road:

The said project is to be completed in two Phase. Phase I – Commercial Offices and Phase II – Residential Tower. The Excavation work of the said project is completed & Construction work of Phase-I is in progress.

e. Satra Galleria, Jodhpur:

The Excavation is completed & Construction work on the said project is started.

f. Dreams The Mall, Borivali:

The said Mall is in Joint Development. The construction work of the said project is completed about 60% and for further construction work your company is waiting for the necessary regulatory approval from the concerned authorities.

Further, Your Company has acquired few more projects and the same are at initial stage of execution

6) Major Events during the Year:

a) Stock Split:

Your Company has Sub - divided the Equity Shares from the Face Value of Rs. 10/- each to Rs. 2/- each, which was duly approved by the Members through Postal Ballot on June 13, 2007. The Record Date for the Sub division of Equity Shares was July 14, 2007.

b) Amalgamation:

Your Company has received an Order of the Hon'ble High Court, Bombay approving the Scheme of Amalgamation of Om Housing Company Pvt. Ltd. (OM) with Satra Properties (India) Limited (SPIL).

Pursuant to the High Court Order, your Company has issued Equity and Preference Shares to the Shareholders of the Amalgamated Company in the Ratio of 1:1 (i.e. One Equity Share of SPIL against One Equity Share of OM and One 8% Redeemable Cumulative Preference Share of SPIL against One 8% Redeemable Cumulative Preference Share of OM).

The Newly issued Equity Shares has been listed on Bombay Stock Exchange Limited w.e.f. November 12, 2007 and aforesaid Preference Shares has been listed on Bombay Stock Exchange w.e.f. December 10, 2007.

c) Bonus Issue:

Your Company has issued Bonus Shares in the ratio of 2:1 (Two New Bonus Shares of the face Value of Rs. 2/- each for every One existing Equity Share of the face Value of Rs. 2/- each). The Record date for the issue of Bonus Shares was January 25, 2008.

7) Directors:

Mr. Rajan Prafulchandra Shah, Executive Director, Mr. Vinayak Dinkar Khadilkar, Independent Director and Mr. Vidyadhar Dinkar Khadilkar, Independent Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

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 accounts for the financial year ended March 31, 2008 the applicable accounting standards have been followed and there has 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 financial year ended March 31, 2008 on a going concern basis.

11) Corporate Governance and Management Discussion & Analysis Statement:

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

12) Auditors Report:

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

13) Auditors:

The Company's Auditors, M/s. Bhuta Shah & Co., Chartered Accountants, and M/s. BSR & Associates, Chartered Accountants, Mumbai, retire at the conclusion of the forthcoming 25th 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 August 25, 2008 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 2008-09 to hold office till the conclusion of next Annual General Meeting of the Company, the Board of Directors have, at their meeting held on August 29, 2008 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 2008-09 to hold office till the conclusion of the next Annual General Meeting of the Company. However, their re-appointment will be 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.

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set-out in the Annexure forming part of the Directors Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Report and Accounts being sent to all the shareholders of the Company excluding the Statement of particulars of employees u/s. 217 (2A) of the said Act. Any shareholder interested in obtaining a copy of this statement may write to the Company Secretary, at the Registered Office of the Company.

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

Your Company has taken initiatives for conservation of Sewage Water, Rain Water Harvesting and Energy Conservation. Your Company is planning to install Sewage Treatment Plant (STP) for processing and Recycling of Sewage water and generating portable water which in turn will reduce the consumption of fresh water. Your Company is also planning to make necessary arrangements for rain water harvesting.

Your Company has also taken various steps for Energy Conservation and Pollution Control such as installation of necessary equipments which will save the Energy and Plantation for controlling pollution.

The Company has no foreign exchange earnings and has foreign exchange outgo of Rs. 42,64,132/- (Rupees Forty Two Lacs Sixth Four Thousand One Hundred and Thirty Two only) towards the Foreign Travelling expenses, Import of material for the Projects and Professional Fees 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

Minaxi P. Satra
Chairperson
Mumbai, August 29, 2008

Management Discussion & Analysis Statement

Industry Structure & Developments:

India in the recent times has been the potential goldmine for investors all over the world. With a booming economy and liberalized government policies, investors from all over the globe are choosing India as their business destination.

As Indian real estate rules the economic vibes of the country, the most important beneficiary of the recent boom in this sector is the investors. Driven by positive growth in the real estate scenario and the Government of India's decision to allow 100% foreign direct investment (FDI) under the 'automatic route' in the construction and development there has been a significant rise in the number of Indian as well as foreign investors in the realty sector.

While developers in India, have initiated large scale real estate developments in the residential sector catering to all segments of the society. With more corporate houses entering real estate, a corporatisation of real estate can be witnessed.

Real estate is much more professionally managed with a number of big players (developer as well as corporate) entering the business. There are no monopolistic positions in real estate, as there are more players today in the development game. The greater the number of players, the healthier the competition and the beneficiary of all this would at last be the end-user.

In the residential segment, with the increase of disposable incomes and easy availability of home loans, most builders are trying to woo investors with lucrative features and the latest inclusions are premium luxury apartments and condominiums fitted with the most modern accessories in home luxury.

The commercial ventures include state-of-the-art office spaces, sprawling malls, multiplexes and retail outlets. Reports indicate that around 200 new malls with an investment of Rs.12.500 Crores are expected to come up in this year.

(Source: www.indiaground.com)

The boom and the relaxation in FDI are also attracting interest of foreign investors to invest in India and many are seen tying up with the local developers in expanding their business. As the competition in the market is intense, builders are going out of their way to be different and provide quality services.

Real Estate Mutual Funds (REMFs) & Real Estate Investments Trusts (REITs)

Real estate investment in India lures heavy weight investors with its lucrative returns. It is estimated that a similar investment in developed countries would fetch a return of 3% to 4% whereas it fetches 12% to 15% in India.

The huge funds that are entering the real estate market were bound to cause a stir in an already booming sector. A slew of real estate funds promoted by both foreign and Indian financial institutions are competing to invest in the higher return segment. Some of the prominent companies promoting real estate funds in India are HDFC Property Fund, DHFL Venture Capital Fund, Kotak Mahindra Realty Fund, Kshitij Venture Capital Fund (A group venture of Pantaloon Retail India Ltd) and ICICI's real estate fund, India Advantage Fund. Regulated under SEBI's Venture Capital Funds, these are closed-ended schemes with an initial public offer (IPOs) contributing to a discount on NAVs (Net Asset Value).

Moreover, there is also a long list of international investors pumping in foreign funds in India like US-based Warburg Pincus, Blackstone Group, Broadstreet, Morgan Stanley (Morgan Stanley Real Estate Fund (MSREF), Columbia Endowment Fund, Hines, Tishman Speyer, Sam Zell's Equity International, JP Morgan Partners to name a few. The 10th Five-Year Plan ending in 2007 has proposed that SEBI (Securities and Exchange Board of India) would regulate the real estate mutual funds in India. These funds can be invested in real estate in India directly or indirectly, which would be close ended units and listed on stock markets.

Globally, REMFs are also known as Real Estate Investment Trusts (REITs). The essential difference between a REITs and a mutual fund is that investments made in REIT are traded in real estate stocks and not invested in stock of companies. It provides a heavier liquidity than MFs.

As per an earlier guideline by SEBI, the NAV of REMFs were required to be disclosed daily but a recent proposal of a quarterly disclosure of NAV is drawing serious speculations from the realty segment.

The REMFs or REITs once introduced in the country are expected to bring in more liquidity and heighten the organization level of the emerging real estate market in India. REMFs are to be introduced in India following their success stories in some major economies like US, UK, Japan, South Korea, Singapore, and Hong Kong. These shall lessen the tax burden on entities by exempting corporate and capital gains tax. At least 90 per cent profits from REITs are distributed as profits through dividends.

However, India shall have to wait till the end of this year to welcome REMFs as no consensus has been reached at on the valuation norms to be followed. India doesn't have an organized valuation system adding to the deadlock. Property valuation is tagged to be the deciding factor in launching REMFs as it does in other countries.

Industry experts believe that REMFs & REITs will definitely ensure more availability of funds to the developers and faster growth of Real Estate Sector. A few Real Estate entities like HDFC Real Estate Funds, ICICI - Tishma Speyer, Ascendas India IT Park Fund, Kotak Mahindra Realty Fund, IDFC and Edelweiss Capital have received approval and started investing in Real Estate.

As the Indian real-estate companies are in the expansion process to meet the demand for homes, offices and retail space as overseas companies are allowed in more industries and faster economic growth boosts middle-class incomes in the country. This has also generated the need for funds for investment into the realty sector creating the need for organized finance.

As India opens up its market to foreign players there is bound to be a competitive edge to give quality-based performance for customer satisfaction which will consequently bring in quality technology and transparency in the construction and realty sector. And the ultimate winner irrespective of all is surely to be the buyers.

Factors Favouring Investments

Tremendous growth has been taking place in both residential as well as commercial segments that is attracting huge investments phenomenal price escalation (more than 100% in several places) in last couple of years.

1. Commercial Spaces:

The burgeoning services sector in India spearheads the commercial real estate demand in the country. The Information Technology (IT) sector alone is expected to require 150 million sq. ft. of space to cater its operations across the country, by 2010. In the last one year, the capital values of the commercial office spaces has increased by up to 40% owing to the increase in the demand from IT / ITES and BPO sector across major metros in India. Your company is already to grab this opportunity and is coming up with 4 commercial spaces in India. The Company focus in the commercial business segment is on development of properties for corporate and high net worth individuals. (Source: www.indiaground.com)

2. Retail and Shopping Malls:

Retailing is another major segment that is contributing to the real estate growth in India. The industry which is projected to grow by more than 25 per cent for the coming years is expected to create demand of whopping 220 million sq. ft. in the next 3-years. As per the reports, only 27 million sq. ft. is available for the industry at present and another 90 million sq. ft. will be added in year 2008. More than 50 shopping malls with an average area of one-million sq. ft. are coming up at National Capital Region (NCR), Mumbai, Bangalore, Chennai, Chandigarh, Bhopal and Ahmedabad. The figures

simply indicate towards the room available for growth for the real estate developers in India. The retail market in India has been growing due to increasing demand from retailers, higher disposable incomes and opening up of FDI in Retail. The capital appreciation in this sector is close to 20-35% p.a. However, the risks associated with this sector are higher as retailers are prone to cyclical changes typical of a business cycle. Changing consumer behavior combined with increasing disposable incomes will ensure further growth of the retail sector in India. Your company too has identified this growing section of real estate. The retail section of your business focus is to develop and manage, leaseable or saleable retail malls, which may encompass retail and entertainment space, including food and beverage, multiplex facilities and outdoor space. Your company is coming up with 5 retail properties in India. (Source: www.indiaground.com)

3. Residential:

As the Indian middle class population expands, the residential sector is also witnessing a spurt in demand. As per industry reports, there is a requirement of 19.4 million residential units in India at present and there exists huge opportunities for the real estate developers in the segment. Rising levels of income and availability of home finance from banks and financial institutions; also well supports housing needs of Indian masses. Nevertheless, the real estate developers have the gala time with more and more people intending to purchase their own houses. Lower interest rates, easy availability of housing finance, burgeoning income and better job prospects, increase of nuclear families have given a boost to the demand for residential properties in India. The net yields (after accounting for all outgoings) on residential property are currently at 4-6% p.a. However, these investments have benefited from the improving residential capital values. As such, investors can count on potential capital gains to improve their overall returns. Capital values in the residential sector have risen by about 25-40% p.a in the last 2 years. Your Company focuses on the residential sector by development luxurious apartments at strategic locations for the high end market. The projects will have landscaped gardens, swimming pools, and gymnasium, in addition to other basic amenities. (Source: www.indiaground.com)

4. Hospitality:

Your company has also ventured into the development of star category hotels at Calicut and Cochin, in Kerala. Your Company is having the option to either lease the property in tie-up with renowned hoteliers or sell the same on outright basis.

5. Slum Rehabilitation Scheme (SRS):

Under the scheme (SRS), developers are granted development rights in exchange of clearing and redeveloping slum lands, including providing replacement

housing for the dislocated slum dwellers. These projects are undertaken under the government scheme administered by the Slum Rehabilitation Authority (SRA). Through the said scheme Transferrable Development Right (TDR) is generated that are freely tradeable in the market

Your Company is involved in the purchase and sale of TDRs which are freely transferable between developers. TDRs permit developers to build additional building square footage on the plots being developed by them subject to zoning and other restrictions, beyond the applicable FSI which would be permitted otherwise.

In the present day scenario, if there is any powerful investment tool that brings burgeoning financial returns, it is INDIAN REAL ESTATE!!! Investors should consider the parameters minutely and meticulously to find out why investing in Indian real estate now is the best viable option.

Opportunities

Investment scenario has certainly undergone a paradigm shift in India. Gone are the days when potential investors used to sought after investment options like equity bonds and park money in deposits where your return ranges between 6% to 8% p.a. Data showcased by property surveys show that returns from rental incomes on investment in commercial property in Indian metros, is around 10.5% p.a. the highest in the world. (Source: www.indiaground.com)

Key Facts: -

1. Selling and buying Indian property is now considered as the most profitable and attractive business opportunity in the present real estate scenario in India. New demands have added to strength of real estate markets across the commercial, residential and retail sectors in India. Not surprisingly, demand for Indian property has been increasing steadily for the past few years and it has exceeded supply.

There has also been an upward swing on the real estate price values in the recent years. Due to the huge demand and rising prices, investment and speculative interest in real estate is growing while excess money supply, stock market gains and policy changes are adding to the trend in favour of the real estate sector.

2. In the last one year, the capital values of the commercial office spaces has increased by up to 40% owing to the increase in the demand from IT / ITES and BPO sector across major metros in India.
3. India has a distinct regulatory and financing management in place.

4. Real estate boom in India is supported by its own flourishing economy on a sustainable basis. Here, growth of the property market is not a result of renovation and overhauling; but rapid development that witness for India riding the high growth wave.

Risks & Threats

As a risk facing organisation, Real Estate Sector needs commitment to proactive awareness, appraisal and action. Real Estate Companies are in integrated risk management framework, comprising risk identification, creation of an appropriate risk management structure and evaluation of performance. Risk management is centrally initiated and prudently decentralized, percolating to line managers and helping them face risks at all the transactional levels.

Some of the prominent risks faced by the organisation 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.

➤ **Regulations:**

Your Company faces risks associated with not meeting statutory regulations. 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 to organise 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 can hinder your Company's growth. Inadequate due diligence of title and location may cause hurdle in the growth of your company. For due diligence of proper legal title, your company timely hires Advocates and Solicitors to provide proper title certificate that helps in mitigating a risk of title clearance.

➤ **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.

Segment-wise or Product-wise Performance:

The Company through its subsidiaries has two streams of activities viz. Real Estate and Construction. The company has real estate divisions as its main streams of business.

Outlook

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 propose to do integrated developments on the large scale in the future.

Based on the robust 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 like Retail, Merchandising & Power Sector 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 and Loss:

The total income of your company during the year increased by 210% from Rs. 6,645 lacs in fiscal 2007 to Rs. 20,717 lacs in fiscal 2008, primarily due to 193% increase in top line from Rs. 6,619 lacs to Rs. 19,423 lacs.

Increase in revenue by Rs. 2,468 lacs was due to the Commencement and progress of construction undertaken by your company, wherein company received significant booking monies. And also increase of Rs. 4,958 lacs due to sale of properties. The company has seen an increase in sale of TDR amounting to Rs. 5,378 lacs.

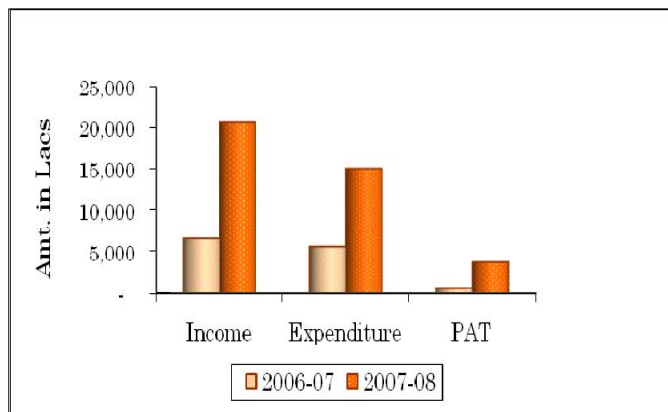
During the year your company's Total Expenditure increased by 167 % from Rs. 5,665 lacs in fiscal 2007 to Rs. 15,127 lacs in fiscal year 2008, primarily due to increase in construction cost by Rs. 562.5 lacs, purchase of properties by Rs. 2,929 lacs, & purchase of TDR by Rs. 4,535 lacs.

Net profit After Tax of your company increased by 506% from Rs. 622.38 lacs in fiscal year 2007 to Rs. 3773.22 lacs in fiscal year 2008.

Following are the factors for Stout Performance: -

- ✓ Increase in sale price due to favourable market condition.
- ✓ Commencement and progress of construction of other projects.
- ✓ Sale of properties.
- ✓ Increase in sale volume of TDR.

Following are the facts and figures relating to profit and loss account:-



Balance Sheet:

During the year, there is an Increase in Capital WIP by 371% from Rs. 4,954 lacs to Rs. 23,313 lacs, primarily due to acquisition of land reserves of Om Housing Company Pvt. Ltd. with Satra Properties (India) Limited pursuant to Amalgamation, acquisition of new land bank and increase in Construction WIP of various projects of the Company.

During the year, your Company's Loans & Advances increased by 79% from Rs. 6,674 Lacs to Rs. 11,929.45 lacs primarily due to advances given for acquisition of new properties and advances for purchase of TDR.

During the year, your Company's current liabilities increased by 159% from Rs. 7,133 Lacs to Rs. 18,464 lacs, primarily due to advances received towards forward sale of TDR and advances received towards projects which are at the initial stage of construction. Also, there was reduction in sundry creditors by 2.2% from Rs. 1779 lacs in fiscal year 2007 to Rs. 1739 lacs in fiscal year 2008.

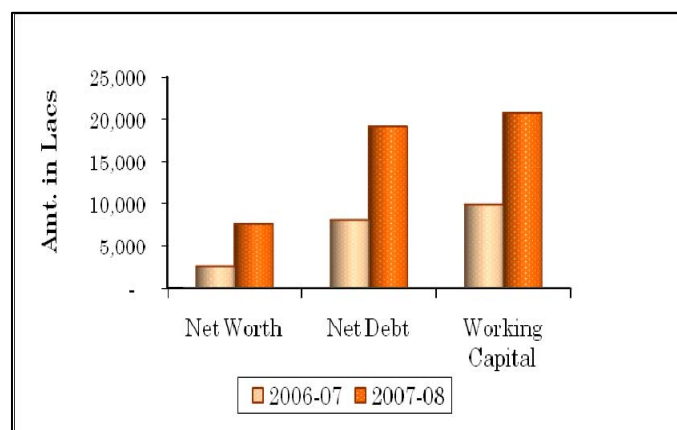
During the year, your Company's share capital has increased by 1218% from Rs. 291.87 lacs to Rs. 3,847.16 lacs, primarily due to fresh issue of Equity and Preference Shares pursuant to Amalgamation and Issue of Bonus Shares for Equity in the ratio of 2:1 (Two New Equity Shares of Rs. 2/- each for every One Existing Equity Share of Rs. 2/- each).

Reserves & Surplus of the company as on March 31, 2008 stood at Rs. 3,971.80 lacs includes Reserves and Surplus on Amalgamation and utilisation of Reserves for Issue of Bonus Shares.

During the year Net Debt of your Company increased by 137% from Rs. 8,050 lacs in fiscal year 2007 to Rs. 19,102 lacs in fiscal year 2008. This additional debt was used primarily to finance land acquisitions, construction and related expenses of the ongoing and new projects, and investing in subsidiary & associate companies.

The Company has been consistently making profits and paying dividends enhancing the stakeholder's wealth. In terms of operational performance, be it Commercial Spaces, Mall or Residential Complexes, your Company has carved a mark of excellence in all these fields.

Following are the facts and figures relating to Balance Sheet:-



Human Resources

Our people are our 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 encourages growth and motivates our employees. We have been successful in attracting and retaining key professionals and intend to continue to seek fresh talent to further enhance and grow our business.

The staff strength of your company comprises of professional possessing qualifications and experience in the field of engineering, finance, law and business management, which has increased from 51 in the fiscal year 2007 to 59 in the fiscal year 2008. The Company is in 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 strategic tool to enable them to construct business processes, restructuring, regulatory and speed with the change emerge in construction areas.

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

Your company has decided to implement Enterprise Resource Planning (ERP) system; to run the business effectively and efficiently.

Further, it will also have various benefits like:

- Centralisation of various data.
- Generating MIS Reports.
- Effectively utilisation of all the resources.
- Setting up of effective internal control system.
- Reporting of Variances as compared to the Budgeted.
- Inventory Control.

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, 2008, 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 is as follows:

Particulars	Composition of the Board		Minimum Requirement as per Clause 49
	No. of Directors	% of Total Directors	
Non-Executive & Independent Directors	4	50.00	50%
Non-Executive & Non-Independent Directors	1	12.50	-
Executive Directors	3	37.50	-
Total	8	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 composition of the Board of Directors, attendance at 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 public companies is as follows:

Name	Category	Attendance at Board Meetings held during F.Y. 2007-08.		Attendance at last AGM held on 11.09.07	Number of Other Directorship - #	Other Committee positions in Public Ltd Co's. - \$	
		Held	Attended			Member	Chairman
Mrs. Minaxi P. Satra (Chairperson)	Non-Executive, Non-Independent	14	14	Yes	7	NIL	NIL
Mr. Praful N. Satra (Managing Director)	Non-Independent, Executive	14	13	Yes	8	1	NIL
Mr. Rajan P. Shah (Executive Director)	Non-Independent, Executive	14	13	Yes	7	1	NIL
Dr. Vijay N. Satra - ** (Executive Director)	Non Independent, Executive	10*	10	Yes	NIL	NIL	NIL
Mr. Vinayak D. Khadilkar – w.e.f. - 26.05.07	Independent, Non-Executive	11*	11	Yes	NIL	NIL	NIL
Mr. K. Jawahar Mahi – w.e.f. – 26.05.07	Independent, Non-Executive	11*	7	Yes	1	NIL	NIL
Mr. Vidyadhar D. Khadilkar – w.e.f. – 26.05.07	Independent, Non-Executive	11*	11	Yes	1	NIL	1
Mr. Pisupati Subrahmanyam – w.e.f. – 03.01.08	Independent, Non-Executive	2*	2	N.A. (appointed after A.G.M)	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 was appointed as Additional Director w.e.f. 06.06.07 and thereafter appointed as Executive Director W.e.f. 01.02.08.

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

* - Details provided from the date of appointment of respective Directors.

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

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:**

Fourteen 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 19, 2007, April 27, 2007, May 26, 2007, June 6, 2007, June 28, 2007,
- ✓ July 23, 2007, August 9, 2007, September 19, 2007,
- ✓ October 31, 2007, November 12, 2007, November 29, 2007,
- ✓ January 03, 2008, January 29, 2008, March 01, 2008.

The Board of Directors has also passed Resolution through Circular Resolution dated February 25, 2008. The same has been confirmed by the Board in its next meeting.

The Twenty-Fourth Annual General meeting was held on September 11, 2007.

- **Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification:**

Declaration by the Managing Director and Chief Financial Officer 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 are no material departures.

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.

The Audit Committee is vested with the necessary powers, as defined in the Listing Agreement.

- **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, 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	-	Member	Non-Executive & Independent Director
Mr. Praful N. Satra	May 26, 07	Oct 31, 07	Member	Executive Director
Dr. Vijay N. Satra	Oct 31, 07	-	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**

Since, Clause 49 of the Listing Agreement has become applicable from the current year only; the Audit Committee has met only three times during the Financial Year 2007-2008. 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		
	23.07.2007	31.10.2007	29.01.2008
Mr. Vinayak D. Khadilkar	Yes	Yes	Yes
Mr. K. Jawahar Mahi	Yes	Yes	Yes
Mr. Praful N. Satra	Yes	Yes	N.A.
Dr. Vijay N. Satra (October 31, 2007)	N.A.	N.A.	Yes
Mr. Vicky M. Kundaliya	Yes	Yes	Yes

Note: The Audit Committee was reconstituted in the Board Meeting held on October 31, 2007, by appointing Dr. Vijay N. Satra, in place of Mr. Praful N. Satra as Member of the Audit Committee.

The Chairman of the Audit Committee was present at 24th Annual General Meeting held on September 11, 2007.

4. Subsidiaries

During the year under review, your Company has acquired interest in five new subsidiary companies during the current year. The Audit Committee of the Company reviews inter-alia the financial statements etc. 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:

- 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.
- 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.);
- Decide the Commission payable to Managing / Whole time Directors.
- 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.
- Implementing, supervising and administering the present and future Employee Stock Option Scheme(s), if any;
- 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 met three times, i.e. on October 31, 2007 and on January 29, 2008. All the Members attended the Meetings.

The Chairman of the Remuneration Committee was present at the 24th Annual General Meeting of the Company held on September 11, 2007.

- **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 2007-2008 is given below:

(Amount in Rs.)

Particulars	Mr. Praful N. Satra	Mr. Rajan P. Shah	Dr. Vijay N. Satra
Salary	16,63,333/-	6,47,500/-	2,00,000/-
Perquisites	NIL	NIL	NIL
Commission	2,68,00,322/-	NIL	NIL
Total	2,84,63,655/-	6,47,500/-	2,00,000/-

- 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 2007-2008 by the members at the 25th 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.

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; and
- Meeting of the Shareholders Grievance Committee;

- Meeting of the Remuneration Committee.
- c. Details of sitting fees paid to the Non-Executive Directors for the financial year 2007-2008.

Name of Directors	(Amt. in Rs.) Sitting Fees
Mrs. Minaxi P. Satra	43,500
Mr. Vidyadhar D. Khadilkar	78,750
Mr. Vinayak D. Khadilkar	78,750
Mr. K Jawahar Mahi	76,250
Mr. Pisupati Subrahmanyam	30,000
Dr. Vijay N. Satra	43,250

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	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	2	2	NIL
Non-receipt of Annual Report	4	4	NIL
Letters from SEBI	NIL	NIL	NIL
Letters from Stock Exchanges	NIL	NIL	NIL
Correspondence construed as Complaint	NIL	NIL	NIL
Total	9	9	NIL

IV. Meetings and attendance during the year:

During the financial year under review, the Shareholders'/Investors' Grievances Committee met three times, i.e. on July 23, 2007, October 31, 2007 and January 29, 2008. 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
2006 – 07	24 th	Prime Party Hall, Shafi Mansion, Irla Society Road, Vile Parle (W),	Tuesday, September 11, 07	5.00 P.M.
2005 – 06	23 rd	Mumbai – 400056.	Monday,	4.00 P.M.

			June 12, 06	
2004 – 05	22 nd	Conference Hall, 2 nd Flr, Vasundhara Bldg, Opp. Sony Mony Electronics, S. V. Rd, Vile Parle (W), Mumbai – 400056.	Saturday, September 24, 05	2.00 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 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.

At the 22nd AGM held on September 24, 2005

- Alteration of Articles of Association consequent to increase in the Authorised Capital of the Company.

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 Scrutinizer	Date Declaration of Results / Date of Approval of Members	Name of the Scrutinizer	Resolution passed through Postal Ballot
January 03, 08	January 03, 08	Mr. Hemanshu L. Kapadia of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries	<ol style="list-style-type: none"> 1. Increase in Authorized Share Capital & Alteration of Memorandum of Association. – Ordinary Resolution 2. To Alter the Articles of Association – Special Resolution 3. To include Retail, Merchandising and Generation of Power, in other Object Clause of the Memorandum of Association and amend the Memorandum of Association accordingly – Special Resolution. 4. To carry on the other businesses as given in the other object clause of the Memorandum of Association of the Company u/s. 149(2A). – Special Resolution 5. To Modify the terms of payment of Remuneration payable to the Managing Director as per Schedule XIII Part II, subject to the provisions of Section 198, 309 and all other applicable provisions of the Companies Act, 1956 and also to approve the supplementary deed for modifying the terms of Appointment including the payment of Remuneration to the Managing Director. – Ordinary Resolution 6. To approve the Capitalization of Reserves and issue of Bonus Shares in the ratio of 2:1 (i.e. two new Bonus Equity Shares shall be issued for every one existing Equity Shares). – Special Resolution 7. To raise further Resources and to pass the Resolution under Section 81, 81(1A). – Special Resolution 8. To approve the investments in excess of limits prescribed u/s. 372A in Shravan Developers Private Limited – Special Resolution
September 25, 07	September 25, 07	Mr. Hemanshu L. Kapadia of M/s. Hemanshu Kapadia & Associates, Practicing Company	<ol style="list-style-type: none"> 1. Inter Corporate Loans, Investments, Guarantees/Securities in excess of the limits prescribed u/s. 372A in Satra Property Developers Private Limited – Special Resolution 2. Inter Corporate Loans, Investments, Guarantees / Securities in excess of the limits prescribed u/s. 372A in C. Bhansali Developers

		Secretaries	Private Limited. – Special Resolution
June 13, 07	June 13, 07	Mr. Hemanshu L. Kapadia of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries	1. Sub-divide the Equity Shares of the Company from Rs. 10/- each to Rs. 2/- each. – Ordinary Resolution 2. Alteration of Memorandum of Association for Sub-division. – Ordinary Resolution 3. Alteration of Articles of Association for Sub-division. – Special Resolution

Date of Resolution	No. of Resolution	No. of Votes			% of Votes		
		In Favour	Against	Invalid	In Favour	Against	Invalid
03.01.08	01	4,52,53,208	-	-	100.00	-	-
	02	4,52,53,196	-	-	100.00	-	-
	03	4,52,53,196	-	-	100.00	-	-
	04	4,52,53,196	-	-	100.00	-	-
	05	4,52,52,994	162	-	99.99	0.01	-
	06	4,52,53,196	-	-	100.00	-	-
	07	4,52,53,196	-	-	100.00	-	-
	08	4,52,52,837	359	-	99.99	0.01	-
25.09.07	01	1,12,34,900	-	2,756	99.98	-	0.02
	02	1,12,34,900	-	2,756	99.98	-	0.02
13.06.07	01	23,71,536	1	1,800	99.92	0.00	0.08
	02	23,71,536	1	1,800	99.92	0.00	0.08
	03	23,71,536	1	1,800	99.92	0.00	0.08

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 2008-2009, as per the prescribed procedure.

8. Disclosures:

- 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.
- 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.
- 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.
- 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. **25th Annual General Meeting**
Day, Date : Monday, September 29, 2008 at 5.00 p.m.

Venue : Prime Party Hall
Safi Mansion, Irla Society Road,
Vile Parle (West), Mumbai – 400056.
2. **Financial Year** : April 1, 2007 to March 31, 2008.
3. **Date of Book Closure** : The Company's Register of Members and Share Transfer Books will remain closed from September 22, 2008 to September 29, 2008 (both days inclusive).
4. **Dividend Payment Date** :
 - a. **Equity Dividend**
The Final Dividend, if declared, shall be paid / Credited on or after September 29, 2008.
 - b. **Preference Dividend**
The Dividend, if declared, shall be paid / credited on or after September 29, 2008.
5. **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 2008-2009 to the aforesaid Stock Exchanges.

6. **Stock Code** : Equity Shares - 508996.
Preference Shares - 700124.
7. **ISIN Number** : Equity Shares - INE086E01021.
Preference Shares - INE086E04017.

8. CIN Number : L65910MH1983PLC030083.
9. Registration Number : 030083
10. 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, 2008, on the said exchange is given hereunder:

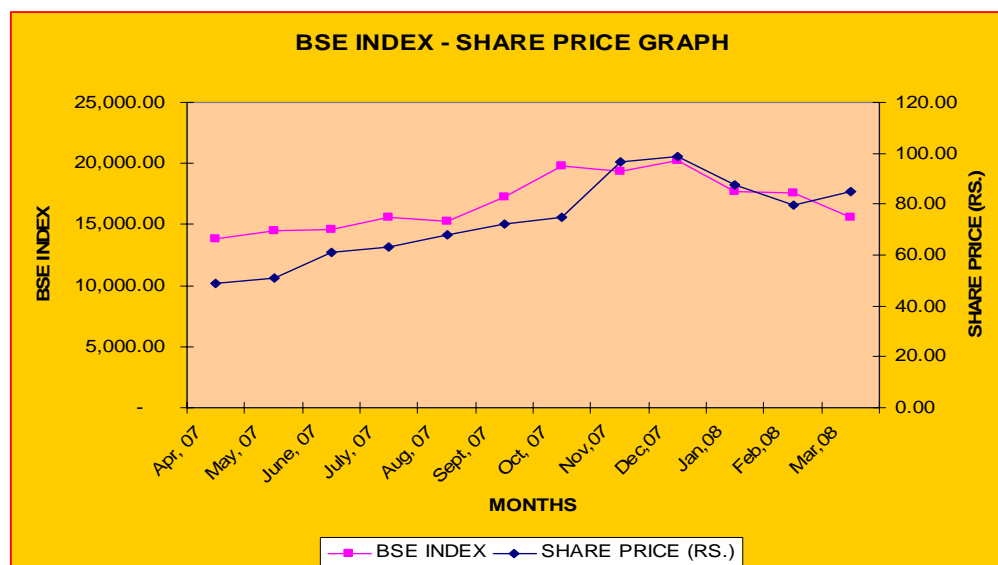
Months	High - Rs.	Low - Rs.	Volume - Nos.
April, 2007	736.50	560.80	217672
May, 2007	777.80	714.05	213988
June, 2007	920.10	752.00	341274
Up to July 08, 2007 (Before Stock-Split)	990.00	907.00	148158
From July 09, 2007* (After Stock-Split)	207.25	174.00	1350740
August, 2007	214.50	176.25	1607267
September, 2007	221.00	195.50	1762242
October, 2007	229.00	200.15	1320141
November, 2007	307.80	215.05	1698665
December, 2007	314.00	285.00	2557828
Up to January 23, 2008 (Before Bonus)	342.00	205.25	1201415
From January 24, 2008** (After Bonus)	98.40	72.60	127974
February, 2008	113.00	70.25	1351215
March, 2008	90.00	56.25	1770210

(*) Indicates Price & Volume of Shares after Stock-Split. The Shares of the Company were traded at ex-split price on the Stock Exchanges with effect from July 09, 2007. 1 Equity share of Rs. 10/- each was Splitted into 5 Equity share of Rs. 2/- each as on record date.

(**) Indicates Price & Volume of Shares after Bonus. The Shares of the Company were traded at ex-bonus price on the Stock Exchanges with effect from January 24, 2008. 2 New Bonus Equity shares were issued for every 1 Equity share held as on record date.

11. Stock Performance:

Your Company's Closing Share Price movement during the Financial Year 2007-2008 on BSE vis-à-vis respective indices:



Notes:

- ❖ Share Prices of the Company for the month of April, May & June, 2007 are adjusted for Sub-division of Shares from the face value of Rs. 10/- each to Rs. 2/- each and Bonus Shares issued in the ratio of 2:1 (Two New Bonus Shares issued for every existing One Equity Shares held).
- ❖ Share Prices of the Company for the month of July, August, September, October, November, December, 2007 are adjusted for Bonus Shares issued in the ratio of 2:1 (Two New Bonus Shares issued for every existing One Equity Shares held).

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, 2008.

Number of Shares held (F. V.of Rs. 2/- each)	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 - 500	3,564	78.86	5,17,689	0.33
501 - 1,000	401	8.86	2,94,019	0.19
1,001 - 2,000	238	5.26	3,48,377	0.22
2,001 - 3,000	66	1.46	1,77,122	0.11
3,001 - 4,000	18	0.40	63,532	0.04
4,001 - 5,000	23	0.51	1,06,322	0.07
5,001 - 10,000	58	1.28	3,94,008	0.25
10,001 - above	157	3.47	15,34,56,931	98.78
Total	4,525	100.00	15,53,58,000	100.00

15. Dematerialization 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, 2008 are given hereunder:

Particulars of Shares	Shares of Rs. 2/- each		Shareholders	
	Number	% of Total	Number	% of Total
Dematerialised Form				
- NSDL	9,91,68,756	63.83	2,594	57.33
- CDSL	44,48,269	2.86	1,846	40.79
Sub-total	10,36,17,025	66.69	4,440	98.12
Physical Form	5,17,40,975	33.30	85	1.88
Total	15,53,58,000	100.00	4,525	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, 2008 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, 2008 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, 2008, 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	Dreams The Mall	Vashi, Navi Mumbai	Malls
2	Dreams The Mall	Borivali, Mumbai	Malls
3	Dreams The Mall	Bhandup, Mumbai	Malls
4	Satra Galleria	Calicut, Kerala	Malls
5	Satra Galleria	Jodhpur	Malls
6	Prime Down Town	Hughes Road, Mumbai	Residential & Commercial
7	Satra Corporate Office Complex	Vashi, Navi Mumbai	Commercial & Offices
8	Satra Galleria	Calicut, Kerala	Hotels

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:

There are no audit qualifications in the Audit Report for the financial year under review.

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 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, 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
Managing Director
Mumbai, August 29, 2008.

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 31, 2008, 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, August 29, 2008.**

C.E.O / C.F.O. Certification

To,
The Board of Directors
Satra Properties (India) Limited
Dev Plaza, 2nd Floor,
S. V. Road, Andheri (W), Mumbai 400058.

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

- A. We have reviewed financial statement and the cash flow statement for the year ended March 31, 2008 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 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 over financial reporting during the year;
 - ii. Significant changes in 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
Managing Director

Bhavesh Sanghavi
Chief Financial Officer

Mumbai, August 29, 2008.

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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 31st March 2008 and 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 ("CARO") 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, 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 of 31 March 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act; and
- (f) in our opinion, and to the best of our information and according to the explanations given to us, 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 2008;
 - 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 B S R & Associates
Chartered Accountants

Bhavesh Dhupelia
Partner
Membership No: 042070
Mumbai, August 29, 2008

For M/s Bhuta Shah & Co
Chartered Accountants

S J Parmar
Partner
Membership No: 103424
Mumbai, August 29, 2008

Satra Properties (India) Limited

Annexure to the Auditors' Report – 31st March 2008 (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) No fixed assets have been disposed off during the year.
- (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) According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties in the register maintained under Section 301 of the Act. Accordingly, paragraphs 4(iii) (a) to 4 (iii) (d) of the order are not applicable to the Company.
- (b) The Company has taken unsecured loans from four 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 130,001,246/- and the year-end balance of such loans was Rs 37,780,413/-.
- (c) 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 Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
- (d) 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 and 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 services rendered 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, Income Tax, Sales Tax and other material statutory dues have generally been regularly deposited during the period by the Company with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Wealth tax, 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, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues were in arrears as at 31 March 2008 for a period of more than six months from the date they became payable except Rs 72,000 on account of Sales Tax.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited with the appropriate authorities on account of any dispute.
- (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 not defaulted in repayment of dues to its bankers or to any financial institutions. 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 guarantee for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- (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 Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (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 B S R & Associates
Chartered Accountants

For M/s Bhuta Shah & Co
Chartered Accountants

Bhavesh Dhupelia
Partner
Membership No: 042070
Mumbai, August 29, 2008

S J Parmar
Partner
Membership No: 103424
Mumbai, August 29, 2008

BALANCE SHEET as at 31st March 2008		(Currency: INR)	
	Schedule	31.03. 2008	31.03.2007
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	384,716,000	29,187,500
Reserves and surplus	4	397,180,036	226,478,525
		781,896,036	255,666,025
Loan funds			
Secured loans	5	1,231,200,581	421,494,214
Unsecured loans	6	679,043,251	383,558,749
		1,910,243,832	805,052,963
Deferred tax liability (net)	9	-	414,508
TOTAL		2,692,139,868	1,061,133,496
APPLICATION OF FUNDS			
Fixed assets			
Gross block	7	50,486,886	28,326,621
Less: Accumulated depreciation		13,574,259	2,888,633
Net block		36,912,627	25,437,988
Capital work-in-progress		10,791	-
		36,923,418	25,437,988
Investments	8	586,967,158	47,756,680
Deferred tax assets (net)	9	1,072,033	-
Current assets, loans and advances			
Inventories	10	2,331,357,762	495,494,182
Sundry debtors	11	560,055,397	526,157,023
Cash and bank balances	12	45,093,830	24,452,663
Loans and advances	13	1,192,945,200	667,421,637
		4,129,452,189	1,713,525,505
Less: Current liabilities and provisions			
Current liabilities	14	1,846,422,867	713,331,693
Provisions	15	215,852,063	14,160,044
		2,062,274,930	727,491,737
Net current assets		2,067,177,259	986,033,768
Miscellaneous expenditure	16	-	1,905,060
TOTAL		2,692,139,868	1,061,133,496
Significant accounting policies	2		
Notes to the accounts	23 – 40		

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 Bhuta Shah & Co
Chartered Accountants

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner

S. J. Parmar
Partner

Minaxi P. Satra
Chairman

Praful N. Satra
Managing Director

Vicky Kundaliya
Company Secretary

Membership No: 042070
Mumbai, August 29, 2008

Membership No: 103424

Mumbai, August 29, 2008

PROFIT AND LOSS ACCOUNT for the year ended 31st March 2008		(Currency: INR)	
	Schedule	31.03. 2008	31.03.2007
Income			
Sales	17	1,942,327,089	661,878,813
Other income	18	129,398,612	2,591,914
TOTAL		2,071,725,701	664,470,727
Expenditure			
Construction and purchase cost	19	1,314,769,839	535,719,550
Personnel expenses	20	34,748,353	2,853,329
Administrative expenses	21	68,286,869	22,306,840
Financial expenses	22	86,495,194	2,768,161
Depreciation	7	8,416,950	2,886,210
TOTAL		1,512,717,205	566,534,090
Net profit before tax		559,008,496	97,936,637
Less : Provision for current tax			
- current year		188,338,000	34,300,000
- earlier year credit		(5,338,744)	940,129
Deferred tax (credit)/charge		(1,450,782)	414,508
Fringe benefit tax		137,824	43,812
Net profit after tax		377,322,198	62,238,188
Add : Profit brought forward from previous year		57,407,743	10,977,482
Add: Net profit after tax for the period 1 April 2006 to 31 st March 2007 on account of amalgamation of erstwhile Om Housing Company Private Limited (refer schedule 32).		18,992,514	-
Profit available for appropriation		453,722,455	73,215,670
Appropriation			
Transferred to general reserve		150,000,000	6,223,819
Proposed dividend on preference shares		12,748,274	-
Tax on proposed dividend on preference shares		2,166,569	-
Proposed dividend on equity shares		15,535,800	-
Tax on proposed dividend on equity shares		2,640,309	-
Interim dividend paid on equity shares		2,918,750	8,401,750
Tax on interim dividend paid on equity shares		496,042	1,182,358
Balance carried forward to Balance sheet		267,216,711	57,407,743
		453,722,455	73,215,670
Basic and Diluted Earnings per share (F.V. of Rs. 2/- per share)	23	2.38	1.42
Significant accounting policies	2		
Notes to the accounts	23 - 40		

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 Bhuta Shah & Co
Chartered Accountants

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner

S. J. Parmar
Partner

Minaxi P. Satra
Chairman

Praful N. Satra
Managing Director

Vicky Kundaliya
Company Secretary

Membership No: 042070
Mumbai, August 29, 2008

Membership No: 103424

Mumbai, August 29, 2008

Cash flow statement for the year ended 31 st March 2008		(Currency: INR)
	31.03. 2008	31.03.2007
A CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before tax	559,008,496	97,936,637
<u>Adjusted for:</u>		
Depreciation	8,416,950	2,886,210
Miscellaneous expenditure written off	537,385	447,335
Loss on sale of investments	9,013,111	-
Share in profit of partnership firm	(56,856,893)	-
Dividend income	(14,603,900)	-
Income tax refund	(9,411)	-
Interest on income tax refund	(12,056)	-
Interest income	(28,682,588)	-
Financial expenses	86,495,194	2,872,719
	4,297,792	6,206,264
Operating profit before working capital changes	563,306,288	104,142,901
(Increase) / decrease in working capital		
Inventories	(894,312,241)	(274,563,477)
Sundry debtors	(33,898,374)	(425,171,080)
Loans and advances	(58,951,504)	(507,687,915)
Current liabilities and provisions	517,886,147	541,394,155
	(469,275,972)	(666,028,317)
Cash generated from / (used in) operations	94,030,316	(561,885,416)
Taxes paid (net of refund)	(19,399,221)	(33,711,060)
Net cash generated from / (used in) operating activities - A	74,631,095	(595,596,476)
B CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of fixed assets including capital work in progress	(16,517,281)	(27,448,037)
Purchase of investments	(2,525,368)	(47,756,680)
Investment in subsidiary and associates	(633,754,557)	-
Proceeds from sale of investments	17,582,842	-
Return of capital from partnership firm	69,043,107	-
Profit on trading in securities	1,589,829	-
Dividend received	14,603,900	-
Share in profit from partnership firm	56,856,893	-
Interest received	28,682,588	-
Net cash (used in) investing activities - B	(464,438,047)	(75,204,717)

C CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds from issuance of share capital	-	141,800,000
Proceeds from long term borrowings	396,412,000	421,457,000
Repayment of long term borrowings	(89,440,121)	(423,484)
Proceeds from short term borrowings (net)	125,926,052	139,472,363
Dividend and dividend distribution tax paid	-	(7,552,833)
Interim dividend and dividend distribution tax on interim dividend paid	(6,464,399)	(6,251,990)
Miscellaneous expenditure	-	(1,299,755)
Share issue expenses adjusted in securities premium account	(1,549,055)	-
Financial expenses	(79,842,176)	(2,412,019)
Net cash generated from financing activities - C	345,042,301	684,789,282
Net (decrease) / increase in Cash and cash equivalents (A+B+C)	(44,764,651)	13,988,089
Cash and cash equivalents, beginning of year	24,452,663	10,464,574
Add : Cash and cash equivalents acquired on amalgamation (refer schedule 32)	65,405,818	-
Cash and cash equivalents, end of year (refer schedule 12)	45,093,830	24,452,663

Note: Cash and cash equivalents include restricted cash of Rs 282,511/0/- (2007: Rs Nil)

As per our report attached.

For B S R & Associates
Chartered Accountants

For Bhuta Shah & Co
Chartered Accountants

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner

Membership No: 042070
Mumbai, August 29, 2008

S. J. Parmar
Partner

Membership No: 103424

Minaxi P. Satra
Chairman

Praful N. Satra
Managing Director

Vicky Kundaliya
Company Secretary

Mumbai, August 29, 2008

Schedules to the financial statements for the year ended 31 March, 2008

(Currency: INR)

1. Background

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

During the 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 April 16, 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 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. 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 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.

2.4 Fixed assets and depreciation/amortization

Fixed assets are stated at cost less accumulated depreciation 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.

Schedules to the financial statements (continued) for the year ended 31 March, 2008

(Currency: INR)

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 amortised 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 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.

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 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.

Schedules to the financial statements (continued) for the year ended 31 March, 2008

(Currency: INR)

(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 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.

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.

2.10 Taxation

Income tax expense comprises current income tax, fringe benefit tax (i.e. amount of tax for the period determined in accordance with the income tax law) 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 recognised 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.

Schedules to the financial statements (continued) for the year ended 31 March, 2008

(Currency: INR)

2.13 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.

2.14 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 financial statements (Continued) as at 31 st March 2008		(Currency: INR)
	31.03. 2008	31.03.2007
3 SHARE CAPITAL		
Authorised capital:		
210,000,000 (2007: 32,000,000) equity shares of Rs 2/- (2007: Rs 10/-) each	420,000,000	320,000,000
8,000,000 (2007: 8,000,000) 8% cumulative redeemable preference shares of Rs 10/- (2007: Rs 10/-) each	80,000,000	80,000,000
	500,000,000	400,000,000
Issued, subscribed and paid up:		
155,358,000 (2007: 2,918,750) equity shares of Rs 2 (2007: Rs 10) each, fully paid up	310,716,000	29,187,500
7,400,000 (2007: Nil) 8% cumulative redeemable preference shares of Rs 10/- (2007: Rs NIL) each, fully paid up	74,000,000	-
Note :		
Of the above :		
(i) 37,192,250 (2007: Nil) equity shares of Rs 2/- each and 7,400,000 (2007: Nil) 8% cumulative redeemable preference shares were issued pursuant to the order of the Honourable High Court, Bombay , 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 (2007: Nil) 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) Nil (2007 : 177,250) equity shares were issued on preferential allotment basis at a premium of Rs 790 per share.		
(v) The 8% cumulative redeemable preference shares are redeemable at par on 3 February 2011.		
	384,716,000	29,187,500
4 RESERVES AND SURPLUS		
Securities premium account		
Balance as per last balance sheet	160,555,000	20,527,500
Add: Received during the year	-	140,027,500
Less: Share issue expenses	3,690,448	-
Less: Utilised for issue of bonus shares	156,864,552	-
	-	160,555,000
General reserve		
Balance as per last balance sheet	8,515,782	2,291,963
Add: Transferred from profit and loss account	150,000,000	6,223,819
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	8,515,782
Reserve on amalgamation		
Balance as per last balance sheet	-	-
Add: Transferred on amalgamation of erstwhile Om Housing Company Private Limited (Refer schedule 32)	21,796,437	-
	21,796,437	-

Schedules to the financial statements (Continued) as at 31 st March 2008		(Currency: INR)
	31.03. 2008	31.03.2007
Profit and loss account	267,216,711	57,407,743
	397,180,036	226,478,525
5 SECURED LOANS		
From banks		
Term loan from Union Bank of India	-	46,917,698
Term loan from Indian Bank	367,421,235	374,576,516
Term loan from Syndicate Bank	243,751,307	-
Vehicle loans	2,907,779	-
From others		
Term loan from Housing and Urban Development Corporation Limited (HUDCO)	610,000,000	-
Vehicle loan	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 HUDCO is secured against equitable mortgage of Vashi project properties and all present and future construction and development work thereon.		
(iv) All the above term loans are secured by personal guarantees of promoter Directors of the Company.		
(v) Vehicle loans are secured by hypothecation of the respective vehicles purchased.		
	1,231,200,581	421,494,214
6 UNSECURED LOANS		
Inter corporate loans		
From subsidiary	5,574,526	32,334,111
From others	582,542,479	351,224,638
Loans from directors	37,701,246	-
Loans from shareholders*	53,225,000	-
	679,043,251	383,558,749
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 subsequent to year end.		

Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

7 FIXED ASSETS

	GROSS BLOCK					DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 1.04. 2007	Transferred on amalgamation (refer schedule 32)	Additions	Deletions/ Disposals	As at 31.03.2008	As at 1.04. 2007	Transferred on amalgamation (refer schedule 32)	For the year	As at 31.03.2008	As at 31.03.2008	As at 1.04. 2007
Leasehold improvements	21,444,944	-	642,863	-	22,087,807	1,968,378	-	5,155,029	7,123,407	14,964,400	19,476,566
Plant and machinery	-	-	3,501,585	-	3,501,585	-	-	264,393	264,393	3,237,192	-
Computer	2,481,416	-	340,550	-	2,821,966	523,362	-	823,315	1,346,677	1,475,289	1,958,054
Furniture and fittings	1,172,037	-	361,091	-	1,533,128	141,953	-	539,506	681,459	851,669	1,030,084
Office equipment	3,179,056	-	900,446	-	4,079,502	245,827	-	442,764	688,591	3,390,911	2,933,229
Temporary structures	-	-	135,725	-	135,725	-	-	135,725	135,725	-	-
Vehicles	49,168	4,826,500	11,451,505	-	16,327,173	9,113	1,447,950	1,876,944	3,334,007	12,993,166	40,055
Total	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	25,437,988
2007	878,584	-	28,289,485	841,448	28,326,621	2,423	-	2,886,210	2,888,633	25,437,988	

Notes:

- (i) Depreciation for the year includes Rs 820,726 (2007: Rs Nil) transferred to inventory.
 (ii) Depreciation for the year includes Rs 342,381 (2007: Rs Nil) which pertains to earlier years.

Schedules to the financial statements (Continued) as at 31 st March 2008		(Currency: INR)
	31.03. 2008	31.03.2007
8 INVESTMENTS		
Long term		
Trade investments (quoted)		
19,529 (2007: Nil) equity shares of Asian Tea Export Limited of Rs 10 each fully paid up [Market value Rs 628,834 (2007: Rs Nil)]	746,268	-
Nil (2007: 480,576) equity shares of Zenith Birla (India) Limited of Rs 10 each, fully paid up [Market value Rs Nil (2007: Rs 15,042,029)]	-	26,431,680
Trade investments (unquoted)		
In subsidiaries		
10,000 (2007: Nil) equity shares of Satra Buildcon Private Limited of Rs 10 each, fully paid up	100,000	-
10,000 (2007: Nil) equity shares of Satra Estate Development Private Limited of Rs 10 each, fully paid up	100,000	-
10,000 (2007: Nil) equity shares of Satra Infrastructure & Land Developers Private Limited of Rs 10 each, fully paid up	100,000	-
10,000 (2007: Nil) equity shares of Satra Lifestyles Private Limited of Rs 10 each, fully paid up	100,000	-
14,603,900 (2007: Nil) equity shares of Satra Property Developers Private Limited of Rs 10 each, fully paid up	585,616,450	-
In partnership firm		
Sunbeam Builders & Developers (retired during the year)	-	21,325,000
In associates		
15,944 (2007: Nil) equity shares of Shravan Developers Private Limited of Rs 10 each, fully paid up*	159,440	-
2,000 (2007: Nil) equity shares of C. Bhansali Developers Private Limited of Rs 10 each, fully paid up	20,000	-
Other investment (unquoted)		
250 (2007: Nil) equity share of Cosmos Co-operative Bank Limited of Rs 100 each, fully paid up*	25,000	-
*The Company acquired these investments pursuant to amalgamation of erstwhile Om Housing Company Private Limited. Also refer schedule 37 for details of investments bought and sold during the year		
	586,967,158	47,756,680
Aggregate amount of unquoted investments	586,220,890	21,325,000
Aggregate cost of quoted investments	746,268	26,431,680
Aggregate market value of quoted investments	628,834	15,042,029
9 DEFERRED TAX ASSETS / LIABILITY (NET)		
Deferred tax assets		
- On depreciation	932,168	-
- On provision for employee benefits allowable on a payment basis under the Income Tax Act, 1961	139,865	-
	1,072,033	-

Schedules to the financial statements (Continued) as at 31 st March 2008		(Currency: INR)
	31.03. 2008	31.03.2007
Deferred tax liability		
- On depreciation	-	414,508
Net deferred tax assets / (liability)	1,072,033	(414,508)
10 INVENTORIES		
Material at site	7,478,658	3,757,300
Construction work-in-progress	2,323,879,104	491,736,883
	2,331,357,762	495,494,183
11 SUNDRY DEBTORS (unsecured and considered good)		
Debts outstanding for a period exceeding six months	211,325,675	153,799,237
Other debts *	348,729,722	372,357,786
* includes Rs 4,800,000 (2007: Rs Nil) due from the Managing Director. Maximum amount outstanding during the year Rs 69,800,000 (2007: Rs Nil)		
	560,055,397	526,157,023
12 CASH AND BANK BALANCES		
Cash on hand	2,494,573	5,542,337
Cheques on hand	1,800,000	-
With scheduled banks		
- in current account	40,768,757	11,010,326
- in deposit account	30,500	7,900,000
	45,093,830	24,452,663
13 LOANS AND ADVANCES (Unsecured and considered good)		
Advances recoverable in cash or kind or for value to be received *	416,379,702	307,507,791
Advance paid to directors	-	357,604,000
[maximum amount outstanding during the year Rs 436,008,000 (2007: Rs 357,604,000)]		
Advance tax and tax deducted at source [net of provision Rs 39,956,737 (2007: Rs Nil)]	761,410	104,666
Advance paid for property and transferable development rights	764,234,047	-
Prepaid expenses	5,233,644	-
Deposits **	6,336,397	2,205,180
* includes Rs 131,653,227 (2007: Rs Nil) advances to a Company in which director is a director or member ** includes Rs 2,150,000 (2007: Rs 2,150,000) rent deposit given to the Managing Director. Maximum amount outstanding during the year Rs 2,150,000 (2007: Rs 2,150,000).		
	1,192,945,200	667,421,637
14 CURRENT LIABILITIES		
Advance received against property and transferable development rights	1,651,056,143	528,585,056
Sundry creditors (Refer Schedule 31) [includes Rs 3,490,200 (2007: Rs 3,490,200) due to a subsidiary]	173,995,468	177,914,423
Other liabilities	14,435,727	3,500,096
Interim dividend	-	2,918,750

Schedules to the financial statements (Continued) as at 31 st March 2008		(Currency: INR)
	31.03. 2008	31.03.2007
Dividend tax on interim dividend	-	413,368
Investor education and protection fund - Unclaimed dividend	282,511	-
Interest accrued but not due	6,653,018	-
	1,846,422,867	713,331,693
15 PROVISIONS		
Provision for taxation [net of advance tax and tax deducted at source Rs 6,006,561 (2007: Rs 20,183,560)]	182,331,439	14,116,440
Provision for fringe benefit tax	18,183	43,604
Provision for gratuity	411,489	-
Proposed dividend on preference shares	12,748,274	-
Tax on proposed dividend on preference shares	2,166,569	-
Proposed dividend on equity shares	15,535,800	-
Tax on proposed dividend on equity shares	2,640,309	-
	215,852,063	14,160,044
16 MISCELLANEOUS EXPENDITURE		
Balance as per last balance sheet	1,905,060	1,052,640
Add: incurred during the year	-	1,299,755
Add: Transferred on amalgamation of erstwhile Om Housing Company Private Limited (refer schedule 32)	773,721	-
Less: written-off during the year	537,385	447,335
Less: adjusted in securities premium account	2,141,396	-
	-	1,905,060
17 SALES		
Revenue from construction projects	658,219,179	411,448,521
Sale of traded properties	536,300,000	40,500,000
Sale of traded transferable development rights	747,807,910	209,930,292
	1,942,327,089	661,878,813

Schedules to the financial statements (Continued) as at 31 st March 2008		(Currency: INR)
	31.03. 2008	31.03.2007
18 OTHER INCOME		
Income from investments		
Trade investments		
Dividend from subsidiary	14,603,900	-
Share in profit of partnership firm	56,856,893	-
Interest received from partnership firm	2,185,427	-
	73,646,220	-
Other investments		
Gain on investments (net)	-	2,256,649
	-	2,256,649
Interest received [tax deducted at source Rs.6,002,932 (2007: Rs. Nil)]	26,497,161	-
Income from awards/compensation	27,200,000	-
Income tax refund	9,411	-
Interest on income tax refund	12,056	-
Excess provision written back	-	145,037
Miscellaneous income	2,033,764	190,228
	129,398,612	2,591,914
19 CONSTRUCTION AND PURCHASE COST		
Opening stock		
Construction work-in-progress	491,736,883	203,055,990
Material at site	3,757,300	2,080,715
Transfer from Om Housing Company Private Limited on amalgamation (Refer schedule 32)	940,730,612	-
	(A) 1,436,224,795	205,136,705
Incurred during the year		
Development rights / land cost	457,047,468	281,905,227
Professional and legal fees	17,665,815	9,097,285
Civil, electrical and contracting	665,868,358	258,338,201
Administrative and other expenses	5,888,936	1,556,672
Borrowing costs	118,980,302	53,518,172
	(B) 1,265,450,879	604,415,557
Less: Closing stock		
Material at site	7,478,658	3,757,300
Construction work-in-progress	2,323,879,104	491,736,882
	(C) 2,331,357,762	495,494,182
Cost of construction	(D= A+B-C) 370,317,912	314,058,080
Opening stock of flats	-	15,794,000
Cost incurred during the year	-	7,712,120
	-	23,506,120
Less : Closing stock of flats	-	-
	(E) -	23,506,120
Purchase of traded transferable development rights	(F) 641,566,800	188,154,720

Schedules to the financial statements (Continued) as at 31 st March 2008		(Currency: INR)	
		31.03. 2008	31.03.2007
Purchase of traded property	(G)	302,885,127	10,000,630
Cost of purchase	(H=E+F+G)	944,451,927	221,661,470
Construction and purchase cost	(D+H)	1,314,769,839	535,719,550
20 PERSONNEL EXPENSES			
Salaries, wages and bonus		33,575,439	2,795,829
Contributions to provident and other funds		765,060	-
Staff welfare expenses		101,570	57,500
Gratuity		306,284	-
		34,748,353	2,853,329
21 ADMINISTRATIVE AND OTHER EXPENSES			
Advertisement		8,359,883	3,734,899
Brokerage		17,426,060	1,349,040
Electricity		871,166	394,650
Rent		14,228,700	10,750,000
Repair and maintainance			
- machinery		71,588	-
- others		711,778	-
Insurance		158,048	13,753
Rates and taxes		2,726,722	1,915,522
Loss on sale of investments (net)		9,013,111	-
Auditors' remuneration (inclusive of service tax)			
- Statutory audit fees		800,565	168,360
- Taxation matters		64,607	56,120
- Other services		505,620	-
- Out of pocket expenses		46,312	-
Directors' sitting fees		349,750	-
Travelling expenses		1,658,374	964,740
Printing and stationery		1,369,676	627,296
Profession and legal fees		7,282,850	967,053
Miscellaneous expenditure written-off (including for earlier years Rs 537,385 (2007: Rs Nil))		537,385	447,335
Miscellaneous expenses		2,104,674	918,072
		68,286,869	22,306,840
22 FINANCIAL EXPENSES			
Interest on term loan		117,676,477	10,274,134
Interest on other loans *		80,202,812	43,798,280
* includes Rs 4,014,299 (2007: Rs Nil) interest paid/payable to managing director			
Finance and bank charges		7,596,207	2,213,919
		205,475,496	56,286,333
Less: interest transferred to construction work in progress		118,980,302	53,518,172
		86,495,194	2,768,161

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

NOTES TO THE ACCOUNTS

23. Earning per share

Particulars	31.03. 2008	31.03.2007
Net profit after tax	377,322,198	62,238,188
Preference dividend (including taxes thereon)	6,926,104	-
Net profit after tax attributable to equity shareholders (A)	370,396,094	62,238,188
Number of equity shares at the beginning of the year*	118,165,750	41,122,500
Equity shares issued during the year	**37,192,250	***2,658,750
Number of equity shares outstanding at the end of the year	155,358,000	43,781,250
Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (B)	155,358,000	43,781,250
Basic and diluted earnings (in rupees) per share of face value Rs. 2/- (A)/(B)	2.38	1.42

* Pursuant to sub-division of equity shares and issue of bonus shares during the year, the number of shares outstanding during the years ended 31st March 2007 and 31st 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 the year 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).

*** Pursuant to sub-division of equity shares and issue of bonus shares during the year, the 177,250 equity shares issued during the year ended 31st March 2007 at face value of Rs 10/- each has been adjusted to reflect the change as prescribed by Accounting Standard 20 – Earnings per share.

24. Contingencies and commitments

Particulars	31.03. 2008	31.03.2007
Bank guarantees given on behalf of a subsidiary	600,000,000	-

25. Capital commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. Nil (2007 : Rs. Nil)

26. Segment reporting

The Company is operating in the real estate and construction industry and has only domestic sales. 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.

27. Managerial remuneration

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

Particulars	31.03. 2008	31.03.2007
Salary	2,565,000	1,575,000
Commission to managing director	26,800,322	-
	29,365,322	1,575,000

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

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 Companies Act, 1956:

Particulars	31.03. 2008
Profit before tax as per the profit and loss account	559,008,496
Add :	
Managing and other director's remuneration and commission	29,365,322
Director's sitting fees	349,750
Loss on sale of investment (net)	9,013,111
Depreciation as provided in the books	8,416,950
	606,153,629
Less:	
Depreciation as computed under Sec 350 of the Act	8,416,950
Profit before tax as per Section 349 of the Act	597,736,679
Maximum remuneration paid / payable to directors @ 10% on the above	54,339,698
Restricted to	29,365,322

Computation of net profit under Section 349 of the Companies Act, 1956 is not given for the previous year as no commission was payable in the previous year.

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 2008 is as follows:

Lease Payments	31.03. 2008	31.03.2007
Not later than one year	12,900,000	12,900,000
Later than one year but not later than 5 years	30,590,000	43,490,000
Later than 5 years	-	-
Payment of lease rentals during the year	12,900,000	10,750,000

- 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 69,446 (net of taxes Rs 35,759) have been adjusted to the general reserve.

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	31.03. 2008
	Liability at the beginning of the year	105,205
	Interest cost	8,416
	Current service cost	130,269
	Benefit paid	-
	Actuarial (gain) / loss on obligations	167,599
	Liability at the end of the period	411,489

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

II	Amount recognised in the balance sheet	31.03. 2008
	Liability at the end of the year	411,489
	Fair value of plan assets at the end of the year	-
	Difference	411,489
	Amount recognised in the balance sheet	411,489
III	Expenses recognised in the profit and loss account	31.03. 2008
	Current service cost	130,269
	Interest cost	8,416
	Expected return on plan assets	-
	Net actuarial (gain) / loss to be recognised	167,599
	Expense recognised in the profit and loss account	306,284
IV	Balance sheet reconciliation	31.03. 2008
	Opening net liability	105,205
	Expense as above	306,284
	Employers contribution paid	-
	Amount recognised in the balance sheet	411,489
V	Actuarial assumptions :	
	Discount rate	8.00%
	Rate of return on plan assets	8.00%
	Salary escalation	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 and compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable.

The disclosures for the previous year has not been given as the Accounting Standard 15 (revised 2005) on 'Employee Benefits' came into effect from the current year.

30. Related party disclosures

A Parties where control exists:

- I. Praful N Satra - Managing Director (also a key managerial personnel)
Minaxi P Satra – Chairman (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)

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 (w.e.f 26 March 2007)
 Sun Beam Builders and Developers (w.e.f. 31 January 2007 and up to 7 March 2008)

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

II. Joint Venturers

Prime Property Development Corporation Limited (w.e.f. 30 May 2006)

Prime Down Town Estate Private Limited (Formerly known as Bharat Shah Estate Private Limited) (w.e.f. 30 May 2006)

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

Om Housing Company Private Limited (up to 31 March 2007)

Prime Multi Tiles Trading Private Limited (w.e.f. 13 June 2005)

Satra Infrastructure Development Private Limited (w.e.f. 16 March 2007)

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 (w.e.f. 31 October 2002)

Sweety Developers (w.e.f. 1 April 2006)

IV. Key Managerial Personnel

Vijay N Satra – Whole time Director (w.e.f. 1 February 2008)

Rajan P Shah – Whole time Directors

Chandrakant M Kothari - Whole time Directors (upto 6 June 2007)

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

30 Related party disclosures (Continued)

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

Sr. No.	Particulars	Subsidiaries		Associates/ Joint Venturers		Entities over which key managerial personnel or their relatives exercises significant Influence		Key Managerial Personnel and their relative		Total	
		31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007
	Transactions during the year:										
1	Loans taken	-	250,875	-	-	101,550,000	624,230,000	35,124,333	-	136,674,333	624,480,875
2	Loans given	80,320	-	529,373,196	-	272,646	-	-	-	529,726,162	-
3	Interest Income	-	-	13,817,669	-	-	-	-	-	13,817,669	-
4	Dividend received	14,603,900	-	-	-	-	-	-	-	14,603,900	-
5	Share in profit of partnership firm	-	-	56,856,893	-	-	-	-	-	56,856,893	-
6	Interest expense	2,797,164	7,392,000	-	-	1,835,766	25,975,487	4,406,230	-	9,039,160	33,367,487
7	Receiving of services	-	4,500,000	-	-	-	2,025,000	14,228,700	10,750,000	14,228,700	17,275,000
8	Purchase of goods	-	-	-	-	-	3,860,805	-	-	-	3,860,805
9	Sale of flats	-	-	-	-	-	-	71,800,000	-	71,800,000	-
10	Reimbursement received	-	-	3,398,325	6,035,748	-	-	-	-	3,398,325	6,035,748
11	Reimbursement paid	-	-	25,828,906	22,834,814	-	-	-	-	25,828,906	22,834,814
12	Issue of shares on amalgamation:										
A	Equity	-	-	-	-	-	-	61,100,000	-	61,100,000	-
B	Preference	-	-	-	-	-	-	70,000,000	-	70,000,000	-
13	Managerial remuneration	-	-	-	-	-	-	29,365,322	1,575,000	29,365,322	1,575,000
14	Directors sitting fees	-	-	-	-	-	-	86,500	-	86,500	-
15	Advance received against property	-	-	-	-	10,100,000	5,000,000	-	-	10,100,000	5,000,000
16	Advance paid towards property	-	-	85,000,000	15,000,000	-	-	-	-	85,000,000	15,000,000
17	Deposits placed	-	-	-	-	-	-	-	2,150,000	-	2,150,000
18	Investments purchased	400,000	-	45,712,120	21,325,000	-	-	436,008,000	-	482,120,120	21,325,000
19	Investments sold	-	-	125,900,000	-	-	-	-	-	125,900,000	-
	Outstanding balances receivable:										
1	Loans	-	-	131,653,227	-	-	-	-	-	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

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

30 Related party disclosures (Continued)

Sr. No.	Particulars	Subsidiaries		Associates/ Joint Venturers		Entities over which key Managerial personnel or their relatives exercises significant influence		Key Managerial Personnel		Total	
		31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007
	Outstanding balances payable:										
1	Loans	5,574,526	42,334,111	-	-	79,167	184,951,886	37,701,246	-	43,354,939	227,285,997
2	Sundry creditors	3,490,200	3,490,200	7,286,990	13,317,484	-	2,792,589	-	-	10,777,190	19,600,273
3	Remuneration payable	-	-	-	-	-	-	18,092,635	-	18,092,635	-
4	Advances paid towards property	-	-	100,000,000	15,000,000	-	-	-	357,604,000	100,000,000	372,604,000
5	Advance received against property	-	-	-	-	15,100,000	5,000,000	-	-	15,100,000	5,000,000

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

30 Related party disclosures (Continued)

Details of material related party transactions:

Sr. No.	Particulars	31.03. 2008	31.03.2007
1	Loans taken		
	Satra Infrastructure Development Private Limited	64,000,000	-
	Om Housing Company Private Limited	-	624,230,000
	Praful N. Satra	31,958,919	-
	Satra Land Development Private Ltd	14,000,000	
	Satra Novelties Private Limited	15,050,000	
2	Loans given		
	C.Bhansali Developers Private Limited	76,000,000	-
	Shravan Developers Private Limited	453,373,196	-
3	Interest income		
	Sun-Beam Builders & Developers	2,185,427	-
	C.Bhansali Developers Private Limited	7,682,629	-
	Shravan Developers Private Limited	3,949,613	
4	Dividend received		
	Satra Property Developers Private Limited	14,603,900	-
5	Share in profit of partnership firm		
	Sun-Beam Builders & Developers	56,856,893	-
6	Interest expense		
	Satra Property Developers Private Limited	2,797,164	7,392,000
	Satra Infrastructure Development Private Limited	1,100,610	-
	Om Housing Company Private Limited	-	25,975,487
	Praful N. Satra	4,014,299	-
7	Receiving of services		
	Satra Property Developers Private Limited	-	4,500,000
	Sweety Developers	-	2,025,000
	Praful N. Satra	14,228,700	10,750,000
8	Purchase of goods		
	Prime Multi-tiles Trading Private Limited	-	3,860,805
9	Sale of flats		
	Praful N. Satra	71,800,000	-
10	Reimbursement received		
	Prime Property Development Corporation Limited	3,398,325	6,035,748
11	Reimbursement paid		
	Prime Property Development Corporation Limited	25,828,906	22,834,814
12	Issue of shares on Amalgamation		
A	Equity		
	Praful N. Satra	43,550,000	-
	Minaxi P. Satra	17,550,000	-

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

30 Related party disclosures (Continued)

Sr. No.	Particulars	31.03. 2008	31.03.2007
B	Preference		
	Praful N. Satra	45,000,000	-
	Minaxi P. Satra	25,000,000	-
13	Managerial remuneration		
	Praful N. Satra	28,463,655	1,050,000
	Rajan P. Shah	647,500	262,500
	Chandrakant M. Kothari	54,167	262,500
14	Directors sitting fees		
	Minaxi P. Satra	43,250	-
	Vijay N. Satra	43,250	-
15	Advance received against property		
	Savla Realtors and Developers Private Limited	10,100,000	5,000,000
16	Advance paid towards property		
	Prime Down Town Estates Private Limited (Bharat Shah Estate Private Limited)	85,000,000	15,000,000
17	Deposits placed		
	Praful N. Satra	-	2,150,000
18	Investments purchased		
	Sun-Beam Builders & Developers	45,532,680	21,325,000
	Minaxi P. Satra	165,104,000	-
	Praful N. Satra	270,904,000	-
19	Investments sold		
	Sun-Beam Builders & Developers	125,900,000	-
	Outstanding balances receivable		
1	Loans		
	C.Bhansali Developers Private Limited	81,941,744	-
	Shravan Developers Private Limited	49,711,483	-
2	Sundry debtors		
	Praful N. Satra	4,800,000	-
3	Deposits		
	Praful N. Satra	2,150,000	2,150,000
	Outstanding balances payables		
1	Loans		
	Satra Property Developers Private Limited	5,574,526	42,334,111
	Om Housing Company Private Limited	-	184,951,886
	Praful N. Satra	34,218,397	-

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

30 Related party disclosures (Continued)

Sr. No.	Particulars	31.03. 2008	31.03.2007
2	Sundry creditors Prime Down Town Estates Private Limited (Bharat Shah Estate Private Limited) Satra Property Developers Private Limited Prime Multi-tiles Trading Private Limited Prime Property Development Corporation Limited	- 3,490,200 - 7,286,990	10,000,000 3,490,200 2,792,589 3,317,484
3	Remuneration Payable Praful N. Satra	17,835,890	-
4	Advances paid towards property Prime Down Town Estates Private Limited (Bharat Shah Estate Private Limited) Minaxi P. Satra Praful N. Satra	100,000,000 - -	15,000,000 165,104,000 192,500,000
5	Advance received against property Savla Realtors & Developers Private Limited.	15,100,000	5,000,000

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.

	31.03. 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 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 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.

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

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
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

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. Expenditure in foreign currency

Particulars	31.03. 2008	31.03.2007
Foreign travelling	163,200	299,050
Purchase of fixed asset	-	248,690
Construction material	3,439,438	-
Professional fees	661,494	-
	4,254,132	547,740

35. Earnings in foreign currency – Rs Nil (2007: Rs Nil)

36. 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	
		31.03. 2008	31.03.2007	31.03. 2008	31.03.2007
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	-

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

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	
		31.03. 2008	31.03.2007	31.03. 2008	31.03.2007
1	C Bhansali Developers Private Limited	81,941,744	-	81,941,744	-
2	Shravan Developers Private Limited	49,711,483	-	166,200,893	-

iii Particulars of loans and advances where there is no repayment schedule:

Name of the Company		Balance as at		Maximum Outstanding during the year	
		31.03. 2008	31.03.2007	31.03. 2008	31.03.2007
1	Zamkudi Garments Private Limited	42,590	-	42,590	-
2	Arjun Realtors Private Limited	16,793,723	-	16,793,723	-
3	Cine Line Exports Private Limited	10,270,051	-	16,078,608	-
4	Harsh Kaushal Developers	-	-	113,458,305	-
5	Orchid Hotels Private Limited	10,769,797	-	10,769,797	-

37. 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
Satra Property Developers Private Limited	14,603,900	585,616,450	-	-
Aridhi Hitec Limited	240	2,099	240	2,255
Zenith Birla (I) Limited	-	-	480,576	15,862,439
Asian Tea Limited	69,552	2,498,269	50,023	1,718,148
C. Bhansali Developers Private Limited	2,000	20,000	-	-
Satra Buildcon Private Limited	10,000	100,000	-	-
Satra Infrastructure & Land Developers Private Limited	10,000	100,000	-	-
Satra Lifestyles Private Limited	10,000	100,000	-	-
Satra Estate Development Private Limited	10,000	100,000	-	-
Cosmos Co-operative Bank Limited	250	25,000	-	-
Sunbeam Builders & Developers	-	47,718,107	-	69,043,107
		636,279,925		86,625,949

38. 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%

The Company's share of the asset, liabilities, income and expenditure of the significant joint venture (under jointly controlled operation) are as follows:

Amount in respect to Prime down town Joint Venture Balance Sheet	31.03. 2008	31.03.2007
Inventories	133,344,200	100,618,725
Cash and bank	513,915	(107,254)
Current liabilities and provision	136,804,282	142,974,411
Loans and advances	100,000,000	15,000,000

Schedules to the financial statements (continued) for the year ended 31st March, 2008

(Currency: INR)

39. 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 has been utilised for acquisition of land at Calicut forming part of construction work in progress and Rs 18,200,000 has been invested on account of capital with partnership firm M/S Sun Beam Builders & Developers.
40. **Prior year comparatives**
Pursuant to the amalgamation of Om Housing Company Private Limited, the figures of the current year are not strictly comparable to those of the previous year. 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

Minaxi P. Satra
Chairman
Mumbai, August 29, 2008

Praful N. Satra
Managing Director

Vicky M. Kundaliya
Company Secretary

Satra Properties (India) Limited

(Currency: INR)

Balance sheet abstract and Company's general business profile

I Registration Details

Registration Number

0	3	0	0	8	3		
3	1	0	3	2	0	0	8

 State Code

1	1
---	---

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

Public Issue

			N	I	L
2	0	7	1	4	4

 Rights Issue

			N	I	L
			N	I	L

Bonus Issue

			N	I	L
			N	I	L

 Private Placement

			N	I	L
			N	I	L

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

Total Liabilities

4	7	5	4	4	1	5
---	---	---	---	---	---	---

 Total Assets

4	7	5	4	4	1	5
---	---	---	---	---	---	---

Sources of Funds

- Paidup Capital

	3	8	4	7	1	6
	3	9	7	1	8	0
1	2	3	1	2	0	1
	6	7	9	0	4	3

Reserves & Surplus
Secured Loans
Unsecured Loans

Application of Funds

- Net Fixed Assets

		3	6	9	2	3
	5	8	6	9	6	7
2	0	6	7	1	7	7
				N	I	L
			1	0	7	2

Investments
Net Current Assets
Accumulated Losses
Net Deferred tax Asset

IV Performance of the Company (Amount in Rs Thousands)

Turnover

2	0	7	1	7	2	6
1	5	1	2	7	1	7

 Profit Before Tax

+					
5	5	9	0	0	8
3	7	7	3	2	2

Total Expenditure

2	0	7	1	7	2	6
1	5	1	2	7	1	7

 Profit after Tax

+					
3	7	7	3	2	2

Earning per share (in Rupees)

	2	.	3	8
--	---	---	---	---

 Dividend Rate #

				1	5
--	--	--	--	---	---

includes interim dividend of Re 1 per share on face value of Rs 10 each paid during the year

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

Item Code No (ITC)

						N	.	A						
												N	.	A

Product Description

For and on behalf of the Board of Directors

Minaxi P. Satra
Chairman

Praful N. Satra
Managing Director

Vicky M. Kundaliya
Company Secretary

Mumbai, August 29, 2008

NOTES

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DIRECTORS' REPORT

To
The Members,
SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Your Directors are pleased to present the 8th Annual Report and the Audited Accounts for the Financial Year ended March 31, 2008.

1) FINANCIALS HIGHLIGHTS

The Financial Performance of the Company for the Financial Year ended March 31, 2008 is summarized below:

(Currency: INR)

FINANCIAL HIGHLIGHTS		
Particulars	31.03. 2008	31.03.2007
Profit / (Loss) before taxation	1792.09	330.15
Less: Provision for taxation		
- Current Year	643.09	126.00
- Earlier Years	8.65	2.44
Deferred tax	0.03	(2.57)
Fringe Benefit Tax		
- Current Year	0.06	0.45
- Earlier Years	----	0.23
Net Profit After Taxation	1140.26	203.60
Add / (Less): Profit/(Loss) b/f from previous years	81.90	50.10
Less: Appropriations		
Transfer to General Reserve	----	5.09
Proposed Dividend	146.04	146.03
Tax on Proposed Dividend	24.82	20.68
Balance Profit / (Loss) c/f to Balance Sheet	1051.30	81.90

2) DIVIDEND:

Considering the turnaround performance in the business for the financial year 2007-2008 and a satisfactory level of the available surplus, your Directors recommend a dividend of 10 % per share, i.e. Re. 1/- per share on 1,46,03,900 number of equity shares of Rs. 10/- each, subject to approval of the members of the Company.

3) WHOLLY OWNED SUBSIDIARY COMPANY

Your company has become 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. The Composition of the Audit Committee is as follows:

Sr. No.	Name	Designation	Position in Committee
1.	Shri. Vidyadhar D. Khadilkar	Independent Director	Chairman
2.	Shri Rajan P. Shah	Director	Member
3.	Shri Chandrakant M. Kothari	Executive Director	Member

4) OPERATIONS:

Your Company has registered a Sales Turnover of Rs. 38.77 Crores, a decrease of 5% over previous year's Rs. 41.04 Crores. The Net Profit before Tax of the Company has increased to Rs. 17.92 Crores, an increase of 442% over previous year's Rs. 3.30 crores.

DREAMS THE MALL BHANDUP, MUMBAI

The project involves construction of a retail mall with multiplex, food court, amusement park and parking space for 650 cars at the basement level. The said Project is likely to be completed in the Fiscal 2008-09.

5) DIRECTORS:

Since your Company has become the Subsidiary of the Public Limited Company from this year onwards, according to the provisions of the Companies Act 1956, Mr. Praful N. Satra and Mrs. Minaxi P. Satra Directors of your Company retire in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

6) FIXED DEPOSITS:

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

7) INSURANCE:

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

8) 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 accounts for the financial year ended 31st March, 2008, the applicable standards have been followed and there has been no material departure.
- 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 financial year ended 31st March, 2008 on a going concern basis.

9) AUDITORS' REPORT:

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

10) AUDITORS:

M/s Bhuta Shah & Co., Chartered Accountants, the Auditors of the Company retires 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 limit under section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

11) 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.

12) 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.

13) APPRECIATION:

The Board of Directors expresses 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 M. Kothari
Executive Director

Mr. Praful N. Satra
Non- Executive Director
Mumbai, July 7 2008

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 2008 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion the Balance Sheet and Profit and Loss Account 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, 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 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 2008;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date;
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

S. J. Parmar
Partner
Membership No. 103424
Mumbai, July 7 2008

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, 2008.

1. 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.
2. a. The Management has conducted physical verification of inventory 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 is generally maintaining proper records of inventory. The discrepancies noticed on physical verification were not material having regard to the size of the Company and have been properly dealt with in the books of accounts.
3. a. According to information and explanation given to us, the Company has granted unsecured loans to two companies listed in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 20,26,51,015 and outstanding amount at the end of the year is Rs. 16,58,91,430/-.
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 payable on demand.
- d. In respect of the said loans, the same are repayable 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 two directors covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 4,71,42,393/- and outstanding amount at the end of the year is Rs. 2,27,55,908/-.
- 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 receivable on demand.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been observed in the internal controls.
5. 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.
6. 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.

7. 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.
8. 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.
9.
 - 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 including Income Tax and other statutory dues applicable to it with appropriate authorities. 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 Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise duty and Cess which have not been deposited on account of any dispute.
10. 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.
11. According to information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
12. 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.
13. 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.
14. 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.

15. According to information and explanations given to us, the Company has given guarantee for loans taken by its Holding Company from a bank, the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
16. According to the information and explanation given to us and the records examined, the Company has not availed any term loan during the year.
17. On the basis of information and explanation given to us and on the basis of overall examination of the Cash Flow of the Company and its balance sheet, we report that no funds raised on short-term basis have been used for long-term investment.
18. During the year, the Company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures and hence, the clause 4(xix) of the Order is not applicable to the company.
20. 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.
21. 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, July 7, 2008

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

BALANCE SHEET as at 31st March 2008

(Currency: INR)

	Schedule	31.03. 2008	31.03.2007
SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS			
Share capital	1	146,039,000	146,039,000
Reserves and surplus	2	331,897,891	235,024,035
LOAN FUNDS			
Secured loans	3	483,585,292	320,703,847
Unsecured loans	4	22,755,908	137,177,357
Deferred tax liability (net)	5	69,928	100,349
TOTAL SOURCES OF FUND		984,348,019	839,044,588
APPLICATION OF FUNDS			
Fixed assets	6		
Gross block		19,065,842	19,028,808
Less: Accumulated depreciation		6,124,981	3,963,464
Net block		12,940,861	15,065,344
Investments	7	106,370	35,000
Current assets, loans and advances			
Inventories	8	347,836,364	406,843,672
Sundry debtors	9	334,083,960	315,805,449
Cash and bank balances	10	28,582,075	141,230,431
Loans and advances	11	458,618,551	67,209,769
		1,169,120,950	931,089,321
Less : Current liabilities & provisions	12	197,820,162	107,145,077
Net current assets		971,300,788	823,944,244
TOTAL APPLICATION OF FUND		984,348,019	839,044,588
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, July 7, 2008

Chandrakant M. Kothari
Executive Director

Praful N. Satra
Non -Executive Director

Mumbai, July 7, 2008

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED				
PROFIT AND LOSS ACCOUNT for the year ended 31 st March 2008				
(Currency: INR)				
Schedule		31.03. 2008	31.03.2007	
INCOME				
Sales and services	13	387,727,349	410,486,138	
Other income	14	16,841,493	10,783,338	
TOTAL	(A)	404,568,842	421,269,476	
Expenditure				
Construction and purchase cost	15	155,691,979	333,080,515	
Personnel expenses	16	2,652,507	1,026,901	
Administrative expenses	17	4,207,266	6,544,053	
Selling and distribution expenses	18	11,716,521	2,422,767	
Financial expenses	19	48,929,495	42,669,928	
Depreciation	6	2,161,517	2,509,915	
TOTAL	(B)	225,359,285	388,254,079	
NET PROFIT BEFORE TAX (A-B)		179,209,557	33,015,397	
Less: Provision for Tax				
- current year		64,308,495	12,600,000	
- earlier year		864,709	244,112	
Deferred tax		3,736	(257,092)	
Fringe benefit tax				
- current year		6,595	44,715	
- earlier year		-	22,731	
NET PROFIT AFTER TAX		114,026,022	20,360,931	
Add: Profit brought forward from previous year		8,190,625	5,010,893	
Profit available for appropriation		122,216,647	25,371,824	
Less : Appropriation				
Transferred to General Reserve		-	509,023	
Proposed dividend		14,603,900	14,603,900	
Tax on proposed dividend		2,481,933	2,068,277	
Balance carried forward to Balance Sheet		105,130,814	8,190,624	
Earning Per Share (EPS) Face value of Share Rs. 10/- each		7.81	1.39	

As per our report attached.

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

S.J. Parmar
Partner
Membership No. 103424
Mumbai, July 7, 2008

For Satra Property Developers Private Limited

Chandrakant M. Kothari
Executive Director

Praful N. Satra
Non -Executive Director

Mumbai, July 7, 2008

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED
Cash flow statement for the year ended 31st March 2008

(Currency: INR)

	31.03. 2008	31.03.2007
A CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before tax	179,209,557	33,015,398
<u>Adjusted for:</u>		
Depreciation	2,161,517	2,509,915
Miscellaneous expenditure written off	-	-
Profit on Sale of Security	(501,240)	-
Interest income	(15,826,410)	(10,736,889)
Dividend Recd		(2,500)
Financial expenses	48,929,495	42,714,030
	34,763,362	34,484,556
Operating profit before working capital changes	213,972,919	67,499,954
Increase / Decrease in Working Capital		
Inventories	59,007,309	(98,123,734)
Sundry debtors	(18,278,511)	77,688,035
Loans and advances	(391,486,028)	22,622,568
Current liabilities and provisions	56,823,851	3,158,125
	(293,933,379)	5,344,994
Cash generated from operations	(79,960,460)	72,844,948
Taxes paid	(31,351,809)	(16,250,855)
Net cash from operating activities A	(111,312,269)	56,594,093
B CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of fixed assets including capital work in progress	(37,034)	(309,521)
Purchase of investments	(71,370)	-
Proceeds from sale of investments	-	-
Profit on trading in securities	501,240	-
Dividend received	-	2,500
Interest received	15,826,410	8,327,530
Net cash used in investing activities B	16,219,246	8,020,509

Cash flow statement for the year ended 31st March 2008		(Currency: INR)
	31.03. 2008	31.03.2007
C CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds from issuance of share capital	-	-
Proceeds Refunded out of Share Application	-	(10,000,000)
Proceeds from long term borrowings	598,100,000	127,000,000
Repayment of long term borrowings	(440,703,847)	(114,098,876)
Proceeds from short term borrowings (net)	(114,421,449)	39,694,363
Dividend and dividend distribution tax paid	(17,085,833)	(15,764,983)
Miscellaneous expenditure	-	-
Financial expenses	(43,444,203)	(41,639,496)
Net cash generated from financing activities C	(17,555,332)	(14,808,992)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(112,648,355)	49,805,610
Cash and cash equivalents, beginning of year	141,230,431	91,424,821
Cash and cash equivalents, end of year	28,582,076	141,230,431

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, July 7, 2008

Chandrakant M. Kothari
Executive Director

Praful N. Satra
Non -Executive Director

Mumbai, July 7, 2008

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

	31.03. 2008	31.03.2007
SCHEDULE - 1 : SHARE CAPITAL		
Authorised capital:		
15,000,000 (P Y : 15,000,000) equity shares of Rs. 10(P Y: 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 (P Y: Rs.10) each fully paid up	146,039,000	146,039,000
TOTAL	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 in 2006-07.		
(2) Of the above 6,750,000 shares were issued on Preferential basis at a premium of Rs.30/- per share in 2005-06.		
SCHEDULE - 2 : RESERVES AND SURPLUS		
Share Premium		
Balance as per last balance sheet	225,840,000	202,500,000
Add : Received during the year	-	23,340,000
	225,840,000	225,840,000
General Reserve		
Balance as per last balance sheet	993,411	484,388
Add: Transferred from Profit and Loss account	-	509,023
Less: Adjustment for employee benefits provision net of taxes	66,334	-
	927,077	993,411
Profit and loss account	105,130,814	8,190,624
TOTAL	331,897,891	235,024,035

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

	31.03. 2008	31.03.2007
SCHEDULE - 3 : SECURED LOANS		
From Term Loans from Banks		
Allahabad Bank	483,585,292	-
ICICI Bank	-	607,666
ICICI Bank	-	730,863
Syndicate Bank	-	138,515,784
Union Bank of India	-	153,802,931
Union Bank of India against Fixed Deposit	-	27,046,603
TOTAL	483,585,292	320,703,847
Note :		
(1) Term loan from Allahabad Bank is secured against receivables of the sold and unsold portion of 'Dreams the Mall', Bhandup project and registered mortgage of the entire unsold area of the said mall and personal guarantee of directors and corporate guarantee.		
SCHEDULE - 4 : UNSECURED LOANS		
Inter corporate loans	-	90,000,000
Loan from directors	22,755,908	47,177,357
TOTAL	22,755,908	137,177,357
SCHEDULE - 5 : DEFERRED TAX LIABILITY (NET)		
Deferred tax liability		
- On depreciation	109,676	100,349
- On provision for employee benefits allowable on a payment basis under the Income Tax Act, 1961	(39,748)	-
Net deferred tax asset / (liability)	69,928	100,349

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED										
Schedules to the financial statements (Continued) as at 31st March 2008										
(Currency: INR)										
SCHEDULE - 6 : FIXED ASSET										
Particulars	Rate	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2007	Additions	Deletions/ disposals	As at 31.03.2008	As at 01.04.2007	For the Period	As at 31.03.2008	As at 31.03.2008	As at 01.04.2007
Computer & Printer	40.00%	162,019	-	-	162,019	73,807	35,285	109,092	52,927	88,212
Office Equipment	13.90%	117,006	2,750	-	119,756	21,091	13,706	34,797	84,959	95,915
Plant & Machinery	13.91%	17,309,303	-	-	17,309,303	3,385,657	1,936,779	5,322,436	11,986,867	13,923,646
Telephone & Fax Machine	13.91%	34,363	34,284	-	68,647	8,629	7,085	15,714	52,933	25,734
Furniture & Fixture	18.10%	1,406,117	-	-	1,406,117	474,280	168,662	642,942	763,175	931,837
Total		19,028,808	37,034	-	19,065,842	3,963,464	2,161,517	6,124,981	12,940,861	15,065,344
Previous Year Total		18,719,287	309,521	-	19,028,808	1,453,549	2,509,915	3,963,464	15,065,344	17,265,738

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

	31.03. 2008	31.03.2007
SCHEDULE - 7 : INVESTMENTS		
<u>Long term</u>		
<u>Non Trade investments (Quoted)</u>		
15 (P Y : Nil) equity shares of Reliance Power Limited of Rs.10 each fully paid up [Market value Rs.4,763 (P Y : Rs. Nil)]	6,750	-
718 (P Y : Nil) Equity shares of SEL Manufacturing Company Limited of Rs.10 each fully paid up [Market value Rs.229,401 (P Y : Nil)]	64,620	-
<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
TOTAL	106,370	35,000
SCHEDULE - 8 : INVENTORIES (At Cost)		
(As taken, valued and certified by the Management)		
Construction work in progress	347,834,104	406,602,162
Stock of shares	2,260	241,510
TOTAL	347,836,364	406,843,672
SCHEDULE - 9 : SUNDRY DEBTORS		
(unsecured - considered good)		
Debts outstanding for a period exceeding six months*	264,953,949	220,008,515
Others	69,130,011	95,796,934
TOTAL	334,083,960	315,805,449
* includes Rs.3,490,000 (P Y : Rs.3,490,000) due from holding company Maximum outstanding during the year Rs.3,490,000 (P Y : Rs.3,490,000)		
SCHEDULE - 10 : CASH AND BANK BALANCES		
Cash on hand	582,596	3,199,367
Cheque on hand	-	1,900,000
With scheduled banks		
- in current account	17,909,449	96,107,228
- in deposit account	10,000,000	40,000,000
With other banks		
- Development Credit Bank in current account	90,030	23,836
TOTAL	28,582,075	141,230,431

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED
Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

	31.03. 2008	31.03.2007
SCHEDULE - 11 : LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received	438,263,606	54,209,181
Advance paid for property	19,700,000	12,200,000
Prepaid expenses	615,139	760,782
Deposits	39,806	39,806
TOTAL	458,618,551	67,209,769
SCHEDULE 12 : CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Advance received against units	9,288,516	13,513,716
Other liabilities	321,995	1,715,029
Sundry creditors	133,453,881	71,028,245
Proposed dividend	14,603,900	14,603,900
Dividend tax	2,481,933	2,068,277
A	160,150,225	102,929,167
PROVISIONS		
For taxation (net of tax payments)	37,551,632	4,171,195
For fringe benefit tax (net of tax payments)	1,365	44,715
For gratuity	116,940	-
B	37,669,937	4,215,910
TOTAL (A +B)	197,820,162	107,145,077
SCHEDULE 13 : SALES AND SERVICES		
Income from construction project	386,933,478	385,173,878
Sale of property	-	19,800,000
RMC Plant hire charges	793,871	5,512,260
[TDS Rs.145,655 (P Y : Rs.1,119,446)]		
TOTAL	387,727,349	410,486,138

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED
Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

	31.03. 2008	31.03.2007
SCHEDULE 14 :OTHER INCOME		
Interest received from fixed deposit	2,114,022	2,050,758
[Tax deducted at source Rs.503,979 (P Y : Rs.460,191)]		
Miscellaneous income	16,905	-
Interest received on loan	13,712,388	8,686,131
[Tax deducted at source Rs.3,107,229 (P Y : Rs.1,949,168)]		
Dividend Income	-	2,500
Gain on investments	501,240	43,949
Brokerage income	496,938	-
TOTAL	16,841,493	10,783,338
SCHEDULE 15 :CONSTRUCTION AND PURCHASE COST		
Opening Stock		
Work in progress	406,602,162	484,005,301
Material at site	-	-
(A)	406,602,162	484,005,301
Development rights / land cost	-	
Professional and legal fees	1,794,928	8,618,849
Civil, electrical and contracting	92,647,000	217,929,700
Administrative and other expenses	59,083	2,850,901
Borrowing cost	2,422,910	2,665,085
Selling and marketing expenses	-	5,604,289
(B)	96,923,921	237,668,824
Less: Closing Stock		
Work in progress	347,834,104	403,398,610
Material at site	-	-
(C)	347,834,104	403,398,610
Cost of construction	(D= A+B-C) 155,691,979	318,275,515
Purchase of property	-	14,805,000
Construction and purchase cost	(F=D+E) 155,691,979	333,080,515
SCHEDULE 16 :PERSONNEL EXPENSES		
Salaries	2,349,592	990,754
Directors' remuneration	250,000	-
Staff welfare expenses	36,466	36,147
Gratuity	16,449	-
TOTAL	2,652,507	1,026,901

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED
Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

	31.03. 2008	31.03.2007
SCHEDULE 17 : ADMINISTRATIVE EXPENSES		
Insurance	950,542	581,441
Conveyance and travelling expenses	23,258	488,984
Profession and legal fees	1,234,439	-
Printing and stationery	323,953	-
Telephone, Postage and courier	49,344	66,287
Stamp duty	1,000,000	-
Stamping and legal fees	20,380	1,300
Donation	215,500	5,244,501
Balance written off	41,387	(128,670)
Computer expenses	15,000	18,671
<u>Auditor's remuneration</u>		
- Statutory audit fees	168,780	168,360
- Taxation matter	56,180	50,508
- Others	25,281	5,612
Miscellaneous Expenses	83,222	47,059
TOTAL	4,207,266	6,544,053
SCHEDULE 18 :SELLING AND DISTRIBUTION EXPENSES		
Advertisement Expenses	2,807,106	-
Brokerage for Sales	6,402,914	-
Business Promotion Expenses	-	375,000
Telephone Expenses	36,901	55,613
Exibhition Expenses	2,469,600	1,992,154
TOTAL	11,716,521	2,422,767
SCHEDULE 19 :FINANCIAL EXPENSES		
Interest on ICICI	38,275	330,661
Interest on Loan	7,341,872	13,473,748
Interest on Term Loan	40,737,536	28,753,519
Finance and bank charges	811,812	112,000
TOTAL	48,929,495	42,669,928

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

SCHEDULE -20:

I. SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Convention:

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

2. Use of Estimates

The preparations of financial statements in conformity with Generally Accepted Accounting Principles requires that 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 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.

3. Fixed Assets:

Tangible Assets - Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes purchase price and all other directly attributable costs to bring the assets to its working condition for the intended use.

4. Depreciation:

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.

5. Impairment of Assets

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 assets or a group of assets. If such recoverable amount of the asset or the recoverable amount of 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.

6. 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 recognize a decline, other than of a temporary nature.

7. Inventories:

Building material and consumable stores are valued at lower of cost or net realizable value.

Land is valued at cost, which is determined on average method. Cost includes cost of acquisition and all related costs.

Construction work in progress is valued at cost. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads related to the projects under construction.

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

Completed real estate project for sale is valued at lower of cost or net realisable value. Cost includes cost of materials, construction, services and other related overheads.

8. Revenue Recognition:

- i) 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.

- ii) 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.
- iii) 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.
- iv) Revenue on account of contract variations, claims and incentives are recognized upon determination or settlement of the contract.

9. Borrowing Cost:

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

10. Retirement Benefits:

- i) The provisions of the Provident Fund Act, 1952 are not applicable to the Company.
- ii) The company has made provisions for gratuity payable as per Actuarial Valuation Report

11. Taxation:

- i) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961.
- ii) Provision of fringe benefit tax (FBT) has been recognized on the basis of harmonious contextual interpretation of the provisions of Income Tax Act, 1961.
- iii) Deferred tax on timing differences between taxable and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as at the balance sheet date. Deferred tax asset on unabsorbed tax losses and unabsorbed depreciation are recognized only when there is a reasonable certainty of their realisation.

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

12. 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. When the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset only when reimbursement is virtually certain.

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.

II NOTES TO ACCOUNTS:

1. 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.
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.
3. Contingent Liability as at Balance Sheet date were as follows:
Guarantee: The Company has given Corporate Guarantee to the Housing and Urban Development Corporation Limited with respect to loan availed by Satra Properties (India) Limited of Rs.100 Crore.
4. Foreign Exchange Earnings and Outgoings during the year is Rs. Nil. (Previous year Rs. Nil).
5. 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).
6. 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.
7. The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the Current Year.
8. 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. Provision for deferred tax liability :

(Amount in Rupees)

Items of Timing Difference	Accumulated Deferred Tax Assets/(Liability) as at 01.04.07	(Charge)/Credit During the year	Balance Assets/(Liability) as at 31.03.08
W. D. V. of assets	(1,00,349)	30,421	(69,928)
Previous Year	(3,57,441)	2,57,092	(1,00,349)

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

10. 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' issued by Central Government. Pursuant to the adoption, the transitional obligations as required by the standard amounting to Rs 66,334/- (net of taxes Rs 34,157/-) have been adjusted to the general Reserve

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	31.03.08
	Liability at the beginning of the year	100,491
	Interest Cost	8,039
	Current Service Cost	76,848
	Benefit Paid	-
	Actuarial (gain) / loss on obligations	(68,439)
	Liability at the end of the period	1,16,940
II	Fair Value of Plan Asset	31.03.08
	Fair Value of Plan Asset at the beginning of the year	-
	Expected Return on Plan Assets	-
	Contributions	-
	Benefit Paid	-
	Actuarial gain/(loss) on Plan Assets	-
	Fair Value of Plan Assets at the end of the Period	-
	Total Actuarial Gain/(Loss) To Be Recognised	68,349
III	Actual Return on Plan Assets	31.03.08
	Expected Return on Plan Asset	-
	Actuarial gain / (loss) on Plan Assets	-
	Actuarial Return on Plan Asset	-
IV	Amount Recognised in the Balance Sheet	31.03.08
	Liability at the end of the year	116,940
	Fair Value of Plan Assets at the end of the year	-
	Difference	116,940
	Amount Recognised in the Balance Sheet	116,940
V	Expenses Recognised in the Income Statement	31.03.08
	Current Service Cost	76,848
	Interest Cost	8,039
	Expected Return on Plan Assets	-
	Net Actuarial (gain) / loss To be Recognised	(68,349)
	Expense Recognised in Profit & Loss	16,449
VI	Balance Sheet Reconciliation	31.03.08
	Opening Net Liability	1,00,491
	Expense as above	16,449
	Employers Contribution paid	-
	Amount Recognised in the Balance Sheet	116,940

VII	Actuarial Assumptions :	
	Discount Rate	8.00%
	Rate of Return on Plan Assets	8.00%
	Salary Escalation	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 disclosures for the previous year has not been given as the accounting standard 15 (revised 2005) on 'Employee Benefits' came into effect from the current year.

11. Disclosure Of Details Of Joint Venture As Per AS- 27 For The Year Ended 31st March, 2008

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 the assets, liabilities, income and expenditure of the significant Joint Venture are as Follows:

PARTICULARS	UPTO 31.03.2008
Inventories	340,353,631
Deposits	39,806
Debtors	329,822,930
Cash and bank balances	16,886,008
Current liabilities and provision	142,888,894
Loans (liability)	506,341,200
Income	1,251,020,401
Expenses	1,005,953,665

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 the Company	Balance as at		Maximum Outstanding	
	2008	2007	2008	2007
Satra Properties (India) Ltd	55,74,526	4,23,34,111	4,23,34,111	6,61,50,802

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

Name of the Company	Balance as at		Maximum Outstanding	
	2008	2007	2008	2007
BKC Developers Pvt Ltd	16,03,16,904	1,18,75,070	16,03,16,904	1,18,75,070

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

13. Related Party Disclosures:

I. HOLDING COMPANY		
1	Satra Properties (India) Limited	
II. Fellow Subsidiary		
1	Satra Buildcon Private Limited	
2	Satra Estate Development Private Limited	
3	Satra Infrastructure and Land Developers Private Limited	
4	Satra Lifestyles Private Limited	
III. Associates / Joint Venture		
1	C.Bhansali Developers Private Limited	
2	Shravan Developers Private Limited	
3	Sun Beam Builders & Developers	
4	Housing Development & Infrastructure Limited	
5	BKC Developers Private Limited	
IV. Entities over which key managerial personnel or their relatives exercises significant influence		
1	Om Housing Co. Pvt Ltd. (till 24/08/2007)	
2	Satra Property Development Private Limited	
3	Savla Realtors and Developers Private Limited	
V. Key Managerial Personnel		
1	Chandrakant M. Kothari	Whole Time Director (w.e.f. 01/10/2007)
2	Praful N. Satra	Non Executive Director
3	Minaxi P. Satra	Non Executive Director
VI. Relatives of Key Managerial Personnel		
Board of Directors details		
1	Chandrakant M. Kothari	Whole Time Director (w.e.f. 01/10/2007)
2	Praful N. Satra	Non Executive Director
3	Minaxi P. Satra	Non Executive Director
4	Rajan P. Shah	Non Executive Director
5	Vidyadhar Khadilkar	Independent Director

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED
Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

Related Party Transactions during the year are as under :-

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	
		31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007
1	Loans taken / converted										
a)	Minaxi Satra	-	-	-	-	-	-	-	10,771,606	-	10,771,606
b)	Praful Satra	-	-	-	-	-	-	8,768,332	40,790,544	8,768,332	40,790,544
		-	-	-	-	-	-	8,768,332	51,562,150	8,768,332	51,562,150
2	Loans Repaid (inclusive of net interest)										
a)	Minaxi Satra	-	-	-	-	-	-	10,000,000	10,000,000	10,000,000	10,000,000
b)	Praful Satra	-	-	-	-	-	-	25,629,000	101,091,890	25,629,000	101,091,890
		-	-	-	-	-	-	35,629,000	111,091,890	35,629,000	111,091,890
3	Loans Given / converted										
a)	Om Housing Co. Pvt Ltd.	-	-	-	-	-	5,000,000			-	5,000,000
b)	Satra Properties (India) Limited	-	250,875	-	-					-	250,875
c)	BKC Developers Pvt. Ltd.					140,000,000	675,000			140,000,000	675,000
		-	250,875	-	-	140,000,000	5,675,000	-	-	140,000,000	5,925,875

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED
Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

4	Loans Refunded (inclusive of interest)										
a)	Om Housing Co. Pvt. Ltd.	-	-	-	-	-	10,000,000	-	-	-	10,000,000
b)	Satra Properties (India) Limited	38,922,910	25,250,000	-	-	-	-	-	-	38,922,910	25,250,000
c)	BKC Developers Pvt. Ltd.										
		38,922,910	25,250,000	-	-	-	10,000,000	-	-	38,922,910	35,250,000
5	Interest Income										
a)	Satra Properties (India) Limited	2,797,164	7,392,000	-	-	-	-	-	-	2,797,164	7,392,000
b)	BKC Developers Pvt. Ltd.	-	-	-	-	10,915,224	1,294,131	-	-	10,915,224	1,294,131
		2,797,164	7,392,000	-	-	10,915,224	1,294,131	-	-	13,712,388	8,686,131
6	Proposed Dividend										
	Satra Properties(India) Limited	14,603,900	-	-	-	-	-	-	-	14,603,900	-
		14,603,900	-	-	-	-	-	-	-	14,603,900	-
7	Hire Charges Income										
a)	Satra Properties (India) Limited	-	4,500,000	-	-	-	-	-	-	-	4,500,000
		-	4,500,000	-	-	-	-	-	-	-	4,500,000
8	Interest Expense										
a)	Minaxi Satra	-	-	-	-	-	381,390	761,125	381,390	761,125	
b)	Praful Satra	-	-	-	-	-	2,448,154	9,628,721	2,448,154	9,628,721	
		-	-	-	-	-	2,829,544	10,389,846	2,829,544	10,389,846	
9	Re-imbursement of Construction Charges booked										
	Housing Development & Improvement (India) Limited	-	-	85,000,000	215,000,000	-	-	-	-	85,000,000	215,000,000

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED
Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

		-	-	85,000,000	215,000,000	-	-	-	-	85,000,000	215,000,000
10	Re-imbursement of Construction Charges paid Housing Development & Improvement (India) Limited	-	-	50,000,000	170,000,000	-	-	-	-	50,000,000	170,000,000
11	Directors Remuneration										
a)	Praful N. Satra	-	-	-	-	-	-	-	753,700	-	753,700
b)	Chandrakant M. Kothari	-	-	-	-	-	-	250,000	-	250,000	-
		-	-	-	-	-	-	250,000	753,700	250,000	753,700
12	Advance Recd against Shops Refunded Savla Realtors & Dev. P. Ltd.	-	-	-	-	-	3,500,000	-	-	-	3,500,000
		-	-	-	-	-	3,500,000	-	-	-	3,500,000
13	Advance Paid Satra Property Development Private Limited - Labour Contractor	-	-	-	-	140,000,000	-	-	-	140,000,000	-
		-	-	-	-	140,000,000	-	-	-	140,000,000	-
14	Sale of Shops Praful Satra	-	-	-	-	-	-	420,750	3,251,250	420,750	3,251,250
		-	-	-	-	-	-	420,750	3,251,250	420,750	3,251,250

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED
Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

15	Outstanding Balances Receivable/ deposits										
i)	Loans alongwith the net interest										
a)	Satra Properties (India) Limited	5,574,526	42,334,111	-	-	-	-	-	-	5,574,526	42,334,111
b)	BKC Developers Pvt. Ltd.	-	-	-	-	160,316,904	11,875,070	-	-	160,316,904	11,875,070
		5,574,526	42,334,111	-	-	160,316,904	11,875,070	-	-	165,891,430	54,209,181
ii)	Sundry Debtors										
a)	Praful Satra - Sale of flat	-	-	-	-	-	-	3,522,000	3,101,250	3,522,000	3,101,250
b)	Satra Properties (India) Limited	3,490,200	3,490,200	-	-	-	-	-	-	3,490,200	3,490,200
		3,490,200	3,490,200	-	-	-	-	3,522,000	3,101,250	7,012,200	6,591,450
16	Outstanding Balances Payables										
i)	Loans alongwith the net interest										
a)	Minaxi Satra – Loan	-	-	-	-	-	-	3,120,940	12,792,331	3,120,940	12,792,331
b)	Praful Satra	-	-	-	-	-	-	19,634,968	34,385,026	19,634,968	34,385,026
		-	-	-	-	-	-	22,755,908	47,177,357	22,755,908	47,177,357
ii)	Sundry Creditors										
	Housing Development & Infrastructure Limited	-	-	125,000,000	90,000,000	-	-	-	-	125,000,000	90,000,000
		-	-	125,000,000	90,000,000	-	-	-	-	125,000,000	90,000,000

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED
Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

Summary of Related Party transactions during the year are as under :-

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	
		31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007
1	Loans taken / converted	-	-	-	-	-	-	8,768,332	51,562,150	8,768,332	51,562,150
2	Loans Repaid (inclusive of net interest)	-	-	-	-	-	-	35,629,000	111,091,890	35,629,000	111,091,890
3	Loans given / converted	-	250,875	-	-	140,000,000	5,675,000	-	-	140,000,000	5,925,875
4	Loans Refunded(inclusive of net interest)	38,922,910	25,250,000	-	-	-	10,000,000	-	-	38,922,910	35,250,000
5	Interest Income	2,797,164	7,392,000	-	-	10,915,224	1,294,131	-	-	13,712,388	8,686,131
6	Proposed Dividend Paid	14,603,900	-	-	-	-	-	-	-	14,603,900	-
7	Hire Charges Income	-	4,500,000	-	-	-	-	-	-	-	4,500,000
8	Interest Expense	-	-	-	-	-	-	2,829,544	10,389,846	2,829,544	10,389,846
9	Re-imbursement of Construction Charges Booked	-	-	85,000,000	215,000,000	-	-	-	-	85,000,000	215,000,000
10	Re-imbursement of Construction Charges Paid	-	-	50,000,000	170,000,000	-	-	-	-	50,000,000	170,000,000
11	Directors Remuneration	-	-	-	-	-	-	250,000	753,700	250,000	753,700
12	Advance Recd against Shops refunded	-	-	-	-	-	3,500,000	-	-	-	3,500,000
13	Advance Paid	-	-	-	-	140,000,000	-	-	-	140,000,000	-
14	Sale of Shops	-	-	-	-	-	-	420,750	3,251,250	420,750	3,251,250

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED
Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

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	
		31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007	31.03. 2008	31.03.2007
15	Outstanding Bal.Receivable/Deposits										
i)	Loans alongwith the net interest	5,574,526	42,334,111	-	-	160,316,904	11,875,070	-	-	165,891,430	54,209,181
ii)	Sundry Debtors	3,490,200	3,490,200	-	-	-	-	3,522,000	3,101,250	7,012,200	6,591,450
		9,064,726	45,824,311	-	-	160,316,904	11,875,070	3,522,000	3,101,250	172,903,630	60,800,631
16	Outstanding Balances Payables										
i)	Loans alongwith the net interest	-	-	-	-	-	-	22,755,908	47,177,357	22,755,908	47,177,357
ii)	Sundry Creditors	-	-	125,000,000	90,000,000	-	-	-	-	125,000,000	90,000,000
		-	-	125,000,000	90,000,000	-	-	22,755,908	47,177,357	147,755,908	137,177,357

SATRA PROPERTY DEVELOPERS PRIVATE LIMITED

Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

14. 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
Reliance Power Limited	15	6,750	-	-
SEL Manufacturing Company Limited	718	64,620	-	-
	-	71,320	-	-

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

For Satra Property Developers Private Limited

S.J. Parmar
Partner
Membership No. 103424
Mumbai, July 7, 2008

Chandrakant M. Kothari
Whole-time Director

Praful N. Satra
Non - Executive Director

Satra Property Developers Private Limited

(Currency: Indian Rupee)

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration Number	1	2	6	2	6	0			
Balance Sheet Date	3	1	0	3	2	0	0	8	

State Code	1	1
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II Capital Raised during the year (Amount in Rs Thousands)

Issue of Shares				N	I	L
Bonus Issue				N	I	L

Rights Issue				N	I	L
Private Placement				N	I	L

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

Total Liabilities	9	8	4	3	4	8	.	0	2
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Total Assets	9	8	4	3	4	8	.	0	2
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Sources of Funds

Paidup Capital	1	4	6	0	3	9	.	0	0
Reserves & Surplus	3	3	1	8	9	7	.	8	9
Secured Loans	4	8	3	5	8	5	.	2	9
Unsecured Loans		2	2	7	5	5	.	9	1
Net Deferred tax Asset					6	9	.	9	3

Application of Funds

Net Fixed Assets		1	2	9	4	0	.	8	6
Investments				1	0	6	.	3	7
Net Current Assets	9	7	1	3	0	0	.	7	9
Accumulated Losses							N	I	L

IV Performance of the Company (Amount in Rs Thousands)

Turnover	4	0	4	5	6	8	.	8	4
Total Expenditure	2	2	5	3	5	9	.	2	9

	+/-								
Profit Before Tax	1	7	9	2	0	9	.	5	6
Profit after Tax	1	1	4	0	2	6	.	0	2

Earning per share (in Rupees)				7	.	8	1
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Dividend Rate #					1	.	0	0
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V Generic Names of Three Principal Products / Services of Company (as per monetary term)

Item Code No (ITC)										N	.	A																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
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For and on behalf of the Board of Directors

Chandrakant M. Kothari
Whole-time Director
Mumbai, July 7, 2008

Praful N. Satra
Non -Executive Director

DIRECTORS' REPORT

To
The Members,
SATRA ESTATE DEVELOPMENT PRIVATE LIMITED

Your Directors are pleased to present the 1st Annual Report and the Audited Accounts for the period ended March 31, 2008.

1) FINANCIAL HIGHLIGHTS

(Currency: INR)

FINANCIAL RESULTS	
Particulars	31.03.2008
Profit / (loss) before taxation	(22,125)
Less: Provision for Taxation	
- Current year	----
- Earlier year	----
Deferred Tax	----
Fringe Benefit Tax	
- Current year	----
- Earlier year	----
Net Profit After Taxation	(22,125)
Add / (Less) : Profit / (Loss) b / f from previous years	----
<u>Less: Appropriation</u>	
Transfer to General Reserve	----
Proposed Dividend	----
Tax on proposed Dividend	----
Balance Profit / (Loss) c/f Balance sheet	(22,125)

Your Company has been incorporated on October 23, 2007 and as such Previous Year figures are not given.

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

Since it is the first year of incorporation, your Company has not yet commenced its operations.

4) Directors:

Mr. Praful N. Satra, Mrs. Minaxi P. Satra and Mr. Rajan P. Shah, the First Directors of the Company, appointed through Articles of Association, retire in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

5) Fixed Deposits:

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

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 accounts for the period ended 31st March, 2008 the applicable standards have been followed and there has 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 period and of the profit or loss of the Company for the period 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 period ended 31st March, 2008 on a going concern basis.

7) Auditors' Report:

The observation 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 limit 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 **Minaxi P. Satra**
Director Director
Mumbai, April 25, 2008.

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 M/s. Satra Estate Development Private Limited as at 31st March 2008 and the Profit and Loss Account and the Cash Flow Statement of the Company for the period 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 above, we report that:
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;
 - (i) 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;
 - (ii) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iii) in our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards

referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

- (iv) on the basis of the written representations received from the Directors as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as Director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956; and
- (v) 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 2008;
 - (b) in the case of the Profit and Loss Account, of the loss for the period ended on that date;
 - (c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

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

S. J. Parmar
Partner
Membership No. 103424
Mumbai, April 25, 2008.

Annexure to the Auditors' 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 period ended 31st March, 2008.

1. The Company is engaged in the business of civil construction and dealing in real estate. The Company has been incorporated on 23rd October 2007. Considering no business activity have been carried out during the period 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 period 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 period 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 clause (vii) of para 4 of the Order is not applicable for the current period.
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 period.
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 period.
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 period.

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

S. J. Parmar
Partner
Membership No 103424
Mumbai, April 25, 2008

SATRA ESTATE DEVELOPMENT PRIVATE LIMITED		
BALANCE SHEET as at 31 st March 2008		
		(Currency: INR)
	Schedule	31.03.2008
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	1	100,000
TOTAL		100,000
APPLICATION OF FUNDS		
Current Assets, Loans And Advances		
Cash and Bank Balance	2	89,111
Less : Current Liabilities & Provisions	3	11,236
Net Current Assets		77,875
Miscellaneous Expenses (To the extent not written off or adjusted)	4	-
Profit & Loss Account		22,125
TOTAL		100,000

Significant accounting policy and notes to accounts

6

As per our report of even date

For M/s Bhuta Shah & Co.
Chartered Accountants

For Satra Estate Development Private Limited

S. J. Parmar
Partner
Membership No: 103424
Mumbai, April 25, 2008.

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008.

SATRA ESTATE DEVELOPMENT PRIVATE LIMITED		
PROFIT AND LOSS ACCOUNT for the period 31 st March 2008		
		(Currency: INR)
Schedule		31.03.2008
INCOME		-
TOTAL 'A'		-
EXPENDITURE		
Administrative Expenses	5	22,125
TOTAL 'B'		22,125
Net Profit / (Loss) Before Tax (A-B)		(22,125)
<u>Less: Provision for tax</u>		
Current Tax		-
Balance Profit /(Loss) Carried to Balance Sheet		(22,125)
Basic / Diluted EPS		(2.21)

As per our report of even date
For M/s Bhuta Shah & Co.
Chartered Accountants

For Satra Estate Development Private Limited

S. J. Parmar
Partner
Membership No: 103424
Mumbai, April 25, 2008.

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008.

SATRA ESTATE DEVELOPMENT PRIVATE LIMITED		
Cash flow statement for the period 31st March 2008		(Currency: INR)
		31.03.2008
<u>Cash flow from Operating activities</u>		
Net profit/(Loss) before taxation		(22,125)
Adjustment for :		
Miscellaneous Expenditure W/off		10,080
Operating profit/(Loss) before working capital changes		(12,045)
Adjustment for Working Capital changes:		-
Increase / (Decrease) in Current Liabilities		11,236
Net cash from Operating activities	A	(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		-
Cash and cash equivalents at the end of period		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.

For M/s Bhuta Shah & Co.
Chartered Accountants

For Satra Estate Development Private Limited

S. J. Parmar
Partner
Membership No: 103424
Mumbai, April 25, 2008.

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008.

SATRA ESTATE DEVELOPMENT PRIVATE LIMITED	
Schedules to the financial statements (Continued) as at 31 st March 2008	
(Currency: INR)	
	31.03.2008
SCHEDULE 1: SHARE CAPITAL	
<u>Authorised Share Capital</u>	
10,000 Equity Shares of Rs.10/- Each	100,000
TOTAL	100,000
Issued, Subscribed and Paid up Capital	
10,000 Equity Shares of Rs.10/- Each fully paid up	100,000
TOTAL	100,000
SCHEDULE 2: CASH AND BANK BALANCE	
Cash in hand	10,000
Balances in current account with Scheduled Banks	4,510
Balances in current account with Other Banks	74,601
TOTAL	89,111
SCHEDULE 3: CURRENT LIABILITIES AND PROVISIONS	
Provision For Expenses	11,236
TOTAL	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	686
Sundry Expenses	123
Preliminary Expenses Written off	10,080
<u>Auditor's Remuneration</u>	
Statutory Audit Fees	11,236
TOTAL	22,125

SATRA ESTATE DEVELOPMENT PRIVATE LIMITED

Schedules annexed to and forming part of Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the period ended on that date.

SCHEDULE 6:

I. SIGNIFICANT ACCOUNTING POLICIES:

1. 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 The Indian Companies Act, 1956.

2. 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.

3. Taxation:

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.

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.

4. Provision and Contingent Liabilities:

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

5. Miscellaneous expenditure

Preliminary expenses are written off 100% in the Current period.

II. NOTES TO ACCOUNTS:

1. The Company is engaged in the business of civil construction and dealing in real estate business. The Company has been incorporated on 23rd October 2007 and the accounts pertain to the period 23/10/2007 to 31/03/2008 (161 Days).

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		31.03.2008
a)	<u>Information as to Capacity</u>	
	Licensed	Not Applicable
	Installed	Not 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. Sundry debtors, creditors and advances are subject to confirmation.

6. 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:

Sr. No.	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	C. Bhansali Developers Private Limited	Associate Company of Holding Company
7	Shravan Developers Private Limited	Associate Company of Holding Company
8	BKC Developers Private Limited	Associate Company of Holding Company
9	Sunbeam Builders and Developers	Promoter Group Concern

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

c) Transactions entered with related parties:

Name of Associate Companies / Concern	Nature of transaction	Amount (Rs.)
Satra Properties (India) Limited	Loan taken and repaid	20,080/-

Signature to schedule 1 to 6

As per our report of even date

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

For Satra Estate Development Private Limited

S. J. Parmar
Partner
Membership No. 103424
Mumbai, April 25, 2008.

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008.

Satra Estate Development Private Limited

(Currency: INR)

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration Number
Balance Sheet Date

1	7	5	3	1	8				
3	1	0	3	2	0	0	0	8	

State Code

1	1
---	---

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

Issue of Shares
Bonus Issue

			1	0	0
			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
					7	8
				N	I	L
				N	I	L

IV Performance of the Company (Amount in Rs Thousands)

Turnover
Total Expenditure

				N	I	L
					2	2

Profit Before Tax
Profit after Tax

+/-

-					2	2
-					2	2

Earning per share (in Rupees)

-	2	.	2	1
---	---	---	---	---

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, April 25, 2008.

Minaxi P. Satra
Director

DIRECTORS' REPORT

To
The Members,
SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED

Your Directors are pleased to present the 1st Annual Report and the Audited Accounts for the period ended March 31, 2008.

1) Financial Highlights

(Currency: INR)

FINANCIAL RESULTS	
Particulars	31.03.2008
Profit / (loss) before taxation	(22,125)
Less: Provision for Taxation	
- Current year	----
- Earlier year	----
Deferred Tax	----
Fringe Benefit Tax	
- Current year	----
- Earlier year	----
Net Profit After Taxation	(22,125)
Add / (Less) : Profit / (Loss) b / f from previous years	----
<u>Less: Appropriation</u>	
Transfer to General Reserve	----
Proposed Dividend	----
Tax on proposed Dividend	----
Balance Profit / (Loss) c/f Balance sheet	(22,125)

Your Company has been incorporated on 19th October, 2007 and as such Previous Year figures are not given.

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

Since it is the first year of incorporation, your Company has not yet commenced its operations.

4) Directors:

Mr. Praful N. Satra, Mrs. Minaxi P. Satra and Mr. Rajan P. Shah, the First Directors of the Company, appointed through Articles of Association, retire in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

5) Fixed Deposits:

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

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 accounts for the period ended 31st March, 2008 the applicable standards have been followed and there has 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 period and of the profit or loss of the Company for the period 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 period ended 31st March, 2008 on a going concern basis.

7) Auditors' Report:

The observation 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 limit 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 Minaxi P. Satra
Director Director
Mumbai, April 25, 2008.

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 AND LAND DEVELOPERS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of M/s. Satra Infrastructure And Land Developers Private Limited as at 31st March 2008 and the Profit and Loss Account and the Cash Flow Statement of the Company for the period 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 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion the Balance Sheet and Profit and Loss Account 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, 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 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 2008;
 - (b) in the case of the Profit and Loss Account, of the loss for the period ended on that date;
 - (c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

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

**S. J. Parmar
Partner**

**Membership No. 103424
Mumbai, April 25, 2008.**

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 period ended 31st March, 2008.

1. The Company is engaged in the business of civil construction and dealing in real estate. The Company has been incorporated on 19th October 2007. Considering no business activity have been carried out during the period 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 period 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 period 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 clause (vii) of para 4 of the Order is not applicable for the current period.
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 period.
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 period.
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 period.

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

S. J. Parmar
Partner
Membership No 103424
Mumbai, April 25, 2008.

SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED		
BALANCE SHEET as at 31 st March 2008		
		(Currency: INR)
	Schedule	31.03.2008
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	1	100,000
TOTAL		100,000
APPLICATION OF FUNDS		
Current Assets, Loans And Advances		
Cash and Bank Balance	2	89,111
		89,111
Less : Current Liabilities & Provisions	3	11,236
Net Current Assets		77,875
Miscellaneous Expenses	4	-
(To the extent not written off or adjusted)		
Profit & Loss Account		22,125
TOTAL		100,000
Significant accounting policy and notes to accounts	6	
As per our report of even date		
For M/s Bhuta Shah & Co. Chartered Accountants	For Satra Infrastructure And Land Developers Pvt. Ltd.	
S. J. Parmar Partner Membership No: 103424 Mumbai, April 25, 2008	Praful N. Satra Director	Minaxi P. Satra Director Mumbai, April 25, 2008

SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED
PROFIT AND LOSS ACCOUNT for the period 31st March 2008

(Currency: INR)

	Schedule	31.03.2008
INCOME		-
TOTAL 'A'		-
EXPENDITURE		
Administrative Expenses	5	22,125
TOTAL 'B'		22,125
Net Profit / (Loss) Before Tax (A-B)		(22,125)
<u>Less: Provision for tax</u>		
Current Tax		-
Balance Profit /(Loss) Carried to Balance Sheet		(22,125)
Basic / Diluted EPS		(2.21)
As per our report of even date		
For M/s Bhuta Shah & Co. Chartered Accountants		For Satra Infrastructure And Land Developers Pvt. Ltd.
S. J. Parmar Partner Membership No: 103424 Mumbai, April 25, 2008	Praful N. Satra Director	Minaxi P. Satra Director Mumbai, April 25, 2008

SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED

Cash flow statement for the period ended 31st March 2008

(Currency: INR)

		31.03.2008
<u>Cash flow from Operating activities</u>		
Net profit/(Loss) before taxation		(22,125)
Adjustment for :		
Miscellaneous Expenditure W/off		10,080
Operating profit/(Loss) before working capital changes		(12,045)
Adjustment for Working Capital changes:		
Increase / (Decrease) in Current Liabilities		11,236
Net cash from Operating activities	A	(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		-
Cash and cash equivalents at the end of period		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.

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

For Satra Infrastructure And Land Developers Pvt. Ltd.

S. J. Parmar
Partner
Membership No: 103424
Mumbai, April 25, 2008

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008

SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED
Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

	31.03.2008
SCHEDULE 1: SHARE CAPITAL	
<u>Authorised Share Capital</u>	
10,000 Equity Shares of Rs.10/- Each	100,000
TOTAL	100,000
Issued, Subscribed and Paid up Capital	
10,000 Equity Shares of Rs.10/- Each fully paid up	100,000
TOTAL	100,000
SCHEDULE 2: CASH AND BANK BALANCE	
Cash in hand	10,000
Balances in current account with Scheduled Banks	4,510
Balances in current account with Other Banks	74,601
TOTAL	89,111
SCHEDULE 3: CURRENT LIABILITIES AND PROVISIONS	
Provision For Expenses	11,236
TOTAL	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	686
Sundry Expenses	123
Preliminary Expenses Written off	10,080
<u>Auditor's Remuneration</u>	
Statutory Audit Fees	11,236
TOTAL	22,125

SATRA INFRASTRUCTURE AND LAND DEVELOPERS PRIVATE LIMITED

Schedules annexed to and forming part of Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the period ended on that date.

SCHEDULE 6:

I. SIGNIFICANT ACCOUNTING POLICIES:

1. 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 The Indian Companies Act, 1956.

2. 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.

3. Taxation:

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.

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.

4. Provision and Contingent Liabilities:

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

5. Miscellaneous expenditure

Preliminary expenses are written off 100% in the Current period.

II. NOTES TO ACCOUNTS:

1. The Company is engaged in the business of civil construction and dealing in real estate business. The Company has been incorporated on 19th October 2007 and the accounts pertain to the period 19/10/2007 to 31/03/2008 (165 Days).

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		31.03.2008
a)	<u>Information as to Capacity</u>	
	Licensed	Not Applicable
	Installed	Not 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. Sundry debtors, creditors and advances are subject to confirmation.

6. **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:

Sr. No.	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 Estate Development Private Limited	Fellow Subsidiary Company
5	Satra Lifestyles Private Limited	Fellow Subsidiary Company
6	C. Bhansali Developers Private Limited	Associate Company of Holding Company
7	Shravan Developers Private Limited	Associate Company of Holding Company
8	BKC Developers Private Limited	Associate Company of Holding Company
9	Sunbeam Builders and Developers	Promoter Group Concern

b) Key Management Personnel:

Sr. No.	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

c) Transactions entered with related parties:

Name of Associate Companies / Concern	Nature of transaction	Amount
Satra Properties (India) Limited	Loan taken and repaid	20,080/-

Signature to schedule 1 to 6

As per our report of even date

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

For Satra Infrastructure And Land Developers Private Ltd.

S. J. Parmar
Partner
Membership No. 103424
Mumbai, April 25, 2008

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008

DIRECTORS' REPORT

To
The Members,
SATRA BUILDCON PRIVATE LIMITED

Your Directors are pleased to present the 1st Annual Report and the Audited Accounts for the period ended March 31, 2008.

1) Financial Highlights

(Currency in INR)

FINANCIAL RESULTS	
Particulars	31.03.2008
Profit / (loss) before taxation	(22,210)
Less: Provision for Taxation	
- Current year	----
- Earlier year	----
Deferred Tax	----
Fringe Benefit Tax	
- Current year	----
- Earlier year	----
Net Profit After Taxation	(22,210)
Add / (Less) : Profit / (Loss) b / f from previous years	----
<u>Less: Appropriation</u>	
Transfer to General Reserve	----
Proposed Dividend	----
Tax on proposed Dividend	----
Balance Profit / (Loss) c/f Balance sheet	(22,210)

Your Company has been incorporated on 18th October, 2007 and as such previous year figures are not given.

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

Since it is the first year of incorporation, your Company has not yet commenced its operations.

4) Directors:

Mr. Praful N. Satra, Mrs. Minaxi P. Satra and Mr. Rajan P. Shah, the First Directors of the Company, appointed through Articles of Association, retire in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

5) Fixed Deposits:

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

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 accounts for the period ended 31st March, 2008 the applicable standards have been followed and there has 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 period and of the profit or loss of the Company for the period 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 period ended 31st March, 2008 on a going concern basis.

7) Auditors' Report:

The observation 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 limit 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 Minaxi P. Satra
Director Director
Mumbai, April 25, 2008.

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

AUDITORS' 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 2008 and the Profit and Loss Account and the Cash Flow Statement of the Company for the period 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 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion the Balance Sheet and Profit and Loss Account 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, 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 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 2008;
 - b. in the case of the Profit and Loss Account, of the Loss for the period ended on that date;
 - c. in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

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

S. J. Parmar
Partner
Membership No. 103424
Mumbai, April 25, 2008.

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 period ended 31st March, 2008.

1. The Company is engaged in the business of civil construction and dealing in real estate. The Company has been incorporated on 18th October 2007. Considering no business activity have been carried out during the period paragraph number 4(i), (ii), (viii), (x), (xiii) and (xx) of the Order are not applicable for the current period.
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 period 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 period 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 stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees fifty lakhs and accordingly clause (vii) in respect of internal audit, of para 4 of the Order is not applicable for the current period.
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 period 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 period.
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 period.
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 period.

For M/s. Bhuta Shah & Co.

S. J. Parmar
Partner

Membership No 103424
Mumbai, April 25, 2008.

SATRA BUILDCON PRIVATE LIMITED		
BALANCE SHEET as at 31st March 2008		
(Currency: INR)		(Currency: 31.03. 2008)
	Schedule	31.03. 2008
Shareholders' Funds		
Share Capital	1	100,000
TOTAL		100,000
APPLICATION OF FUNDS		
Current Assets, Loans And Advances		
Cash and Bank Balance	2	89,026
		89,026
Less : Current Liabilities & Provisions	3	11,236
Net Current Assets		77,790
Miscellaneous Expenses	4	-
(To the extent not written off or adjusted)		
Profit & Loss Account		22,210
TOTAL		100,000

Significant accounting policy and notes to accounts

6

As per our report of even date

For M/s Bhuta Shah & Co.

Chartered Accountants

For Satra Buildcon Private Limited

S. J. Parmar

Partner

Membership No: 103424

Mumbai, April 25, 2008.

Praful N. Satra

Director

Minaxi P. Satra

Director

Mumbai, April 25, 2008.

SATRA BUILDCON PRIVATE LIMITED		
PROFIT AND LOSS ACCOUNT for the period ended 31 st March 2008		
		(Currency: INR)
	Schedule	31.03. 2008
INCOME		-
TOTAL 'A'		-
EXPENDITURE		
Administrative Expenses	5	22,210
TOTAL 'B'		22,210
Net Profit / (Loss) Before Tax (A-B)		(22,210)
<u>Less: Provision for tax</u>		
Current Tax		-
Balance Profit /(Loss) Carried to Balance Sheet		(22,210)
Basic / Diluted EPS		(2.22)

As per our report of even date
For M/s Bhuta Shah & Co.
Chartered Accountants

For Satra Buildcon Private Limited

S. J. Parmar
Partner
Membership No: 103424
Mumbai, April 25, 2008.

Praful N. Satra Minaxi P. Satra
Director Director

Mumbai, April 25, 2008.

SATRA BUILDCON PRIVATE LIMITED		
Cash flow statement for the period ended 31 st March 2008		
		(Currency: INR)
		31.03.2008
<u>Cash flow from Operating activities</u>		
Net profit/(Loss) before taxation		(22,210)
Adjustment for :		
Miscellaneous Expenditure W/off		10,080
Operating profit/(Loss) before working capital changes		(12,130)
Adjustment for Working Capital changes:		
Increase / (Decrease) in Current Liabilities		11,236
Net cash from Operating activities	A	(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	89,026
Cash and cash equivalents at the beginning of period		-
Cash and cash equivalents at the end of period		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.

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

For Satra Buildcon Private Limited

S. J. Parmar
Partner
Membership No: 103424
Mumbai, April 25, 2008.

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008.

SATRA BUILDCON PRIVATE LIMITED

Schedules to the financial statements (Continued) as at 31st March 2008

(Currency: INR)

	31.08.2008
SCHEDULE 1: SHARE CAPITAL	
<u>Authorised Share Capital</u>	
10,000 Equity Shares of Rs.10/- Each	100,000
TOTAL	100,000
Issued, Subscribed and Paid up Capital	
10,000 Equity Shares of Rs.10/- Each fully paid up	100,000
TOTAL	100,000
SCHEDULE 2: CASH AND BANK BALANCE	
Cash in hand	10,000
Balances in current account with Scheduled Banks	4,510
Balances in current account with Other Banks	74,516
TOTAL	89,026
SCHEDULE 3: CURRENT LIABILITIES AND PROVISIONS	
Provision For Expenses	11,236
TOTAL	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	827
Sundry Expenses	67
Preliminary Expenses Written off	10,080
<u>Auditor's Remuneration</u>	
Statutory Audit Fees	11,236
TOTAL	22,210

SATRA BUILDCON PRIVATE LIMITED

Schedules annexed to and forming part of Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the period ended on that date.

SCHEDULE 6:

I. SIGNIFICANT ACCOUNTING POLICIES:

1. 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.

2. 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

3. Taxation:

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.

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.

4. Provision and Contingent Liabilities:

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

5. Miscellaneous expenditure

Preliminary expenses are written off 100% in the Current period.

II. NOTES TO ACCOUNTS:

1. The Company is engaged in the business of civil construction and dealing in real estate business. The Company has been incorporated on 18th October 2007 and the accounts pertain to the period 18/10/2007 to 31/03/2008 (166 Days).

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		31.03.2008
a)	<u>Information as to Capacity</u>	
	Licensed	Not Applicable
	Installed	Not 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. Sundry debtors, creditors and advances are subject to confirmation.

6. 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

Sr. No.	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	C. Bhansali Developers Private Limited	Associate Company of Holding Company
7	Shravan Developers Private Limited	Associate Company of Holding Company
8	BKC Developers Private Limited	Associate Company of Holding Company
9	Sunbeam Builders and developers	Promoter Group Concern

b) Key Management Personnel:

Sr. No.	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

c) Transactions entered with related parties:

Name of Associate Companies / Concern	Nature of transaction	Amount
Satra Properties (India) Limited	Loan taken and repaid	20,080/-

Signature to schedule 1 to 6

As per our report of even date

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

For Satra Buildcon Private Limited

S. J. Parmar
Partner
Membership No. 103424
Mumbai, April 25, 2008.

Praful N Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008.

Satra Buildcon Private Limited

(Currency: INR)

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration Number

1	7	5	1	7	2
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Balance Sheet Date

3	1	0	3	2	0	0	8
---	---	---	---	---	---	---	---

State Code

1	1
---	---

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

Issue of Shares

			1	0	0
--	--	--	---	---	---

Bonus Issue

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

Rights 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
--	--	--	--	---	---	---

Sources of Funds

Paidup Capital

				1	0	0
--	--	--	--	---	---	---

Reserves & Surplus

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

Secured Loans

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

Unsecured Loans

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

Application of Funds

Net Fixed Assets

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

Investments

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

Net Current Assets

					7	8
--	--	--	--	--	---	---

Accumulated Losses

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

Net Deferred tax Asset

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

IV Performance of the Company (Amount in Rs Thousands)

Turnover

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

Total Expenditure

					2	2
--	--	--	--	--	---	---

Profit Before Tax

+/-

-

					2	2
--	--	--	--	--	---	---

Profit after Tax

-

					2	2
--	--	--	--	--	---	---

Earning per share (in Rupees)

-	2	.	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)

						N	.	A
--	--	--	--	--	--	---	---	---

Product Description

									N	.	A
--	--	--	--	--	--	--	--	--	---	---	---

For and on behalf of the Board of Directors

Praful N. Satra

Director

Mumbai, April 25, 2008.

Minaxi P. Satra

Director

DIRECTORS' REPORT

To
The Members,
SATRA LIFESTYLES PRIVATE LIMITED

Your Directors are pleased to present the 1st Annual Report and the Audited Accounts for the period ended March 31, 2008.

1) Financial Highlights

(Currency: INR)

FINANCIAL RESULTS	
Particulars	31.03.2008
Profit / (loss) before taxation	(22,136)
Less: Provision for Taxation	
- Current year	----
- Earlier year	----
Deferred Tax	----
Fringe Benefit Tax	
- Current year	----
- Earlier year	----
Net Profit After Taxation	(22,136)
Add / (Less) : Profit / (Loss) b / f from previous years	----
<u>Less: Appropriation</u>	
Transfer to General Reserve	----
Proposed Dividend	----
Tax on proposed Dividend	----
Balance Profit / (Loss) c/f Balance sheet	(22,136)

Your Company has been incorporated on 19th October, 2007 and as such Previous Year figures are not given.

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

Since it is the first year after incorporation, your Company has not yet commenced its operations.

4) Directors:

Mr. Praful N. Satra, Mrs. Minaxi P. Satra and Mr. Rajan P. Shah, the First Directors of the Company, appointed through Articles of Association, retire in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

5) Fixed Deposits:

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

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 accounts for the period ended 31st March, 2008 the applicable standards have been followed and there has 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 period and of the profit or loss of the Company for the period 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 period ended 31st March, 2008 on a going concern basis.

7) Auditors' Report:

The observation 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 limit 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 **Minaxi P. Satra**
Director Director
Mumbai, 25th April, 2008.

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 M/s. Satra Lifestyles Private Limited as at 31st March 2008 and the Profit and Loss Account and the Cash Flow Statement of the Company for the period 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 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - iv) in our opinion the Balance Sheet and Profit and Loss Account 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, 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 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:
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008;
 - (b) in the case of the Profit and Loss Account, of the loss for the period ended on that date;
 - (c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

**For and on behalf of M/s. Bhuta Shah & Co.,
Chartered Accountants**

S. J. Parmar
Partner
Membership No. 103424
Mumbai, April 25, 2008

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 period ended 31st March, 2008.

1. The Company is engaged in the business of Lifestyles products. The Company has been incorporated on 19th October 2007. Considering no business activity have been carried out during the period 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 period 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 period 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 clause (vii) of para 4 of the Order is not applicable for the current period.
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 period.
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 period.
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 period.

For and behalf of M/s. Bhuta Shah & Co.
Chartered Accountants

S. J. Parmar
Partner
Membership No 103424
Mumbai, April 25, 2008.

SATRA LIFESTYLES PRIVATE LIMITED		
BALANCE SHEET as at 31 st March 2008		(Currency: INR)
	Schedule	31.03.2008
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	1	100,000
TOTAL		100,000
APPLICATION OF FUNDS		
Current Assets, Loans And Advances		
Cash and Bank Balance	2	89,100
		89,100
Less : Current Liabilities & Provisions	3	11,236
Net Current Assets		77,864
Miscellaneous Expenses	4	-
(To the extent not written off or adjusted)		
Profit & Loss Account		22,136
TOTAL		100,000

Significant accounting policy and notes to accounts

6

As per our report of even date

For M/s Bhuta Shah & Co.
Chartered Accountants

For and on behalf of Board of Directors

S. J. Parmar
Partner
Membership No: 103424
Mumbai, April 25, 2008

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008

SATRA LIFESTYLES PRIVATE LIMITED		
PROFIT AND LOSS ACCOUNT for the period ended 31 st March 2008		
		(Currency: INR)
Schedule	31.03.2008	
INCOME		-
TOTAL 'A'		-
EXPENDITURE		
Administrative Expenses	5	22,136
TOTAL 'B'		22,136
Net Profit / (Loss) Before Tax (A-B)		(22,136)
<u>Less: Provision for tax</u>		
Current Tax		-
Balance Profit /(Loss) Carried to Balance Sheet		(22,136)
Basic / Diluted EPS		(2.21)

As per our report of even date

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

For Satra Lifestyles Private Limited

S. J. Parmar
Partner
Membership No: 103424
Mumbai, April 25, 2008

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008

SATRA LIFESTYLES PRIVATE LIMITED		
Cash flow statement for the period ended 31 st March 2008		(Currency: INR)
		31.03.2008
<u>Cash flow from Operating activities</u>		
Net profit/(Loss) before taxation		(22,136)
Adjustment for :		
Miscellaneous Expenditure W/off		10,080
Operating profit/(Loss) before working capital changes		(12,056)
Adjustment for Working Capital changes:		
Increase / (Decrease) in Current Liabilities		11,236
Net cash from Operating activities	A	(820)
<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	89,100
Cash and cash equivalents at the beginning of period		-
Cash and cash equivalents at the end of period		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.

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

For Satra Lifestyles Private Limited

S. J. Parmar
Partner
Membership No: 103424
Mumbai, April 25, 2008

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008

SATRA LIFESTYLES PRIVATE LIMITED	
Schedules to the financial statements (Continued) as at 31 st March 2008	
(Currency: INR)	
	31.03.2008
SCHEDULE 1: SHARE CAPITAL	
<u>Authorised Share Capital</u>	
10,000 Equity Shares of Rs.10/- Each	100,000
TOTAL	100,000
Issued, Subscribed and Paid up Capital	
10,000 Equity Shares of Rs.10/- Each fully paid up	100,000
TOTAL	100,000
SCHEDULE 2: CASH AND BANK BALANCE	
Cash in hand	10,000
Balances in current account with Scheduled Banks	4,510
Balances in current account with Other Banks	74,590
TOTAL	89,100
SCHEDULE 3: CURRENT LIABILITIES AND PROVISIONS	
Provision For Expenses	11,236
TOTAL	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	686
Sundry Expenses	134
Preliminary Expenses Written off	10,080
<u>Auditor's Remuneration</u>	
Statutory Audit Fees	11,236
TOTAL	22,136

SATRA LIFESTYLES PRIVATE LIMITED

Schedules annexed to and forming part of Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the period ended on that date.

SCHEDULE 6:

I. SIGNIFICANT ACCOUNTING POLICIES:

1. 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 The Indian Companies Act, 1956.

2. 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.

3. Taxation:

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.

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.

4. Provision and Contingent Liabilities:

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

5. Miscellaneous expenditure:

Preliminary expenses are written off 100% in the Current period.

II. NOTES TO ACCOUNTS:

1. The Company is engaged in the business of lifestyle products business. The company has been incorporated on 19th October 2007 and the accounts pertain to the period 19/10/2007 to 31/03/2008 (165 Days).

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	31.03.2008
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	
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. Sundry debtors, creditors and advances are subject to confirmation.

6. **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:

Sr. No.	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 Estate Development Private Limited	Fellow Subsidiary Company
5	Satra Infrastructure And Land Developers Private Limited	Fellow Subsidiary Company
6	C. Bhansali Developers Private Limited	Associate Company of Holding Company
7	Shravan Developers Private Limited	Associate Company of Holding Company
8	BKC Developers Private Limited	Associate Company of Holding Company
9	Sunbeam Builders and Developers	Promoter Group Concern

b) Key Management Personnel:

Sr. No.	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

c) Transactions entered with related parties:

Name of Associate Companies / Concern	Nature of transaction	Amount in Rupees
Satra Properties (India) Limited	Loan taken and repaid	20,080/-

Signature to schedule 1 to 6

As per our report of even date

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

For Satra Lifestyles Private Limited

S. J. Parmar
Partner
Membership No. 103424
Mumbai, April 25, 2008

Praful N. Satra
Director

Minaxi P. Satra
Director

Mumbai, April 25, 2008

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	8
---	---	---	---	---	---	---	---

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

Issue of Shares

			1	0	0
--	--	--	---	---	---

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
--	--	--	--	---	---	---

Sources of Funds

Paidup Capital

				1	0	0
--	--	--	--	---	---	---

Reserves & Surplus

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

Secured Loans

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

Unsecured Loans

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

Application of Funds

Net Fixed Assets

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

Investments

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

Net Current Assets

					7	8
--	--	--	--	--	---	---

Accumulated Losses

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

Net Deferred tax Asset

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

IV Performance of the Company (Amount in Rs Thousands)

Turnover

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

Total Expenditure

					2	2
--	--	--	--	--	---	---

Profit Before Tax

+/-

-

					2	2
--	--	--	--	--	---	---

Profit after Tax

-

					2	2
--	--	--	--	--	---	---

Earning per share (in Rupees)

-	2	.	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)

						N	.	A
--	--	--	--	--	--	---	---	---

Product Description

									N	.	A
--	--	--	--	--	--	--	--	--	---	---	---

For and on behalf of the Board of Directors

Praful N. Satra

Director

Mumbai, April 25, 2008

Minaxi P. Satra

Director

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 2008, 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 and of an associate for the year ended 31 March 2008 have been audited by one of the joint auditors, M/s. Bhuta Shah & Co. The attached consolidated financial statements include assets of Rs 1,182,524,529 as at 31 March 2008, revenues of Rs 404,568,842 and cash outflows amounting to Rs 112,292,007 for the year ended on that date in respect of the aforementioned subsidiaries and Group's share of loss of Rs 22,678 in respect of the aforementioned associate 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 56,801,893 for the year ended on 31 March 2008. 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 approved 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, Accounting Standard 23 – Accounting for Investment in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interest in Joint Ventures 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.

Based on our audit as aforesaid and on consideration of the unaudited financial statements approved by the respective Board of Directors as mentioned above of the components, 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 2008;
- b. in the case of the consolidated profit and loss account, of the consolidated profit 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 B S R & Associates
Chartered Accountants

Bhavesh Dhupelia
Partner
Membership No.: 042070
Mumbai, August 29, 2008

For M/s Bhuta Shah & Co
Chartered Accountants

S J Parmar
Partner
Membership No.: 103424
Mumbai, August 29, 2008

CONSOLIDATED BALANCE SHEET as at 31st March, 2008		(Currency: INR)
	Schedule	31.03.2008
SOURCES OF FUNDS		
Shareholders' funds		
Share capital	3	384,716,000
Reserves and surplus	4	434,137,733
		818,853,733
Loan funds		
Secured loans	5	1,714,785,873
Unsecured loans	6	696,224,633
		2,411,010,506
TOTAL		3,229,864,239
APPLICATION OF FUNDS		
Fixed assets		
Goodwill		162,749,536
Less: Amortisation		32,549,907
		130,199,629
Gross block	7	69,552,728
Less: Accumulated depreciation		19,699,240
Net block		49,853,488
Capital work-in-progress		10,791
		180,063,908
Investments	8	979,400
Deferred tax asset (net)	9	1,002,105
Current assets, loans and advances		
Inventories	10	2,679,194,126
Sundry debtors	11	890,649,157
Cash and bank balances	12	74,032,254
Loans and advances	13	1,645,989,223
		5,289,864,759
Less: Current liabilities and provisions		
Current liabilities	14	1,986,042,000
Provisions	15	256,003,933
		2,242,045,933
Net current assets		3,047,818,826
Miscellaneous expenditure (to the extent not written off or adjusted)	16	-
TOTAL		3,229,864,239
Significant accounting policies	2	
Notes to the accounts	23 – 36	

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, August 29, 2008

S. J. Parmar
Partner
Membership No: 103424

Minaxi P. Satra
Chairman

Praful N. Satra
Managing Director

Vicky Kundaliya
Company Secretary

Mumbai, August 29, 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 st March, 2008		(Currency: INR)
	Schedule	31.03.2008
Income		
Sales and services	17	2,295,632,531
Other income	18	71,449,913
TOTAL		2,367,082,444
Expenditure		
Construction and purchase cost	19	1,463,275,165
Personnel expenses	20	37,219,095
Administrative and other expenses	21	83,414,200
Financial expenses	22	129,026,098
Depreciation	7	10,399,737
Goodwill amortised		32,549,907
TOTAL		1,755,884,203
Profit before tax		611,198,241
Less : Provision for current tax		
- current year		245,046,495
- earlier year credit		(4,474,035)
Deferred tax credit		(1,448,398)
Fringe benefit tax		144,007
Profit after tax		371,930,172
Share of profit in associates		56,779,215
Minority interest		(11,881,225)
Net profit after tax		416,828,162
Add : Profit brought forward from previous year		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 Pvt Ltd (refer schedule 32)		18,992,514
Amount available for appropriation		493,228,419
APPROPRIATIONS		
Transferred to general reserve		150,000,000
Proposed dividend on preference shares		12,748,274
Tax on proposed dividend on preference shares		2,166,569
Proposed dividend on equity shares		15,535,800
Tax on proposed dividend on equity shares		2,640,309
Interim dividend paid on equity shares		2,918,750

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2008 (Currency: INR)		
	Schedule	31.03.2008
Tax on interim dividend paid on equity shares		496,042
Tax on proposed dividend of subsidiary		2,481,933
Balance carried forward to Balance sheet		304,240,742
		493,228,419
Basic and diluted earnings per share (face value of Rs 2 per share)	23	2.64
Significant accounting policies	2	
Notes to the accounts	23 – 36	

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, August 29, 2008

S. J. Parmar

Partner

Membership No: 103424

Minaxi P. Satra

Chairman

Mumbai, August 29, 2008

Praful N. Satra

Managing Director

Vicky Kundaliya

Company Secretary

Consolidated Cash Flow Statement for the year ended 31 st March, 2008		(Currency: INR)
		31.03. 2008
A	CASH FLOWS FROM OPERATING ACTIVITIES :	
Profit before tax		611,198,241
Adjusted for:		
Depreciation		10,399,737
Miscellaneous expenditure written off		577,705
Loss on sale of investments		9,013,111
Profit on Trading on Securities		(334,160)
Income tax refund		(9,411)
Interest income		(41,346,679)
Interest on income tax refund		(12,056)
Financial expenses		129,026,098
Share issue expenses adjusted in securities premium account		(1,549,055)
Goodwill amortised		32,549,907
		138,315,197
Operating profit before working capital changes		749,513,438
(Increase) / decrease in working capital		
Inventories		(831,105,343)
Sundry debtors		(57,472,067)
Loans and advances		(451,236,210)
Current liabilities and provisions		569,856,546
		(769,957,074)
Cash (used in) operations		(20,443,636)
Taxes paid		(50,623,649)
Net cash (used in) operating activities -	A	(71,067,285)
B	CASH FLOWS FROM INVESTING ACTIVITIES :	
Purchase of fixed assets including capital work in progress		(16,553,398)
Purchase of investments		(2,596,738)
Investment in subsidiary and associates		(633,354,557)
Proceeds from sale of investments		17,582,842
Return of capital from partnership firm		69,043,107
Profit on trading in securities		1,923,989
Share in profit from partnership firm		56,856,893
Interest received		41,346,679
Net cash (used in) investing activities -	B	(465,751,183)

Consolidated Cash Flow Statement for the year ended 31 st March, 2008		(Currency: INR)
C		31.03. 2008
CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds from issuance of share capital		-
Proceeds from long term borrowings		994,512,000
Repayment of long term borrowings		(497,375,994)
Proceeds from short term borrowings (net)		20,225,576
Dividend and dividend distribution tax paid		(2,481,933)
Interim dividend and dividend distribution tax on interim dividend paid		(6,464,399)
Miscellaneous expenditure		(40,320)
Financial expenses		(116,887,788)
Net cash generated from financing activities -		391,487,142
Net increase / (decrease) in cash and cash equivalents		(145,331,326)
Cash and cash equivalents, beginning of year		24,452,663
Add : Cash and cash equivalents acquired on amalgamation (refer schedule 32)		65,405,818
Add: Cash and cash equivalents acquired on take over of subsidiary		129,505,099
Cash and cash equivalents, end of year (refer schedule 12)		74,032,254
<p>Note: Cash and cash equivalent include restricted cash of Rupees 282,511.</p> <p>Note: Prior year figures have been reclassified, restated wherever necessary to conform to the current year's presentation.</p> <p>As per our report attached.</p>		
For B S R & Associates Chartered Accountants Bhavesh Dhupelia Partner Membership No: 042070 Mumbai, August 29, 2008		For and on behalf of the Board of Directors <div> S. J. Parmar Partner Membership No: 103424 </div> <div> Minaxi P. Satra Chairman </div> <div> Praful N. Satra Managing Director </div> <div> Vicky Kundaliya Company Secretary </div>

Schedules to the Consolidated Financial Statements for the period ended 31 March, 2008

(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 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).

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. 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.
- c. 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.
- d. 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" prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards. 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.
- e. Goodwill on consolidation is amortised over a period of 5 years from the date of acquisition/investment.
- f. 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 2008
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%

Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March, 2008

(Currency: INR)

The list of associate companies considered in the consolidated financial statements is as under:

Name of the Company	Country of Incorporation	% holding 2008
Shravan Developers Private Limited	India	35%
C. Bhansali Developers Private Limited	India	20%
BKC Developers Private Limited	India	35%
Sunbeam Builders & Developers (partnership firm)	India	44%

The Company has during the year retired from Sunbeam Builders & Developers.

Investments other than in Subsidiaries and Associates are accounted as per Accounting Standard 13 – “Accounting for Investments” prescribed in the Companies (Accounting Standards) Rules, 2006, issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards.

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. 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

Fixed assets are stated at cost less accumulated depreciation 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.

Schedules to the Consolidated Financial Statements(Continued) for the year ended 31 March, 2008

(Currency: INR)

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.

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 inventories.

Material at site comprise 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 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

Schedules to the Consolidated Financial Statements(Continued) for the year ended 31 March, 2008

(Currency: INR)

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.

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, fringe benefit tax (i.e. amount of tax for the period determined in accordance with the income tax law) 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 earnings per share 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 31st March, 2008 (Currency: INR)

	31.03. 2008
3 SHARE CAPITAL	
Authorised capital:	
210,000,000 equity shares of Rs 2 each	42,00,00,000
8,000,000 8% cumulative redeemable preference shares of Rs 10 each	80,000,000
	50,00,00,000
Issued, subscribed and paid up:	
155,358,000 equity shares of Rs 2 each fully paid up	310,716,000
7,400,000 8% cumulative redeemable preference shares of Rs 10 each fully paid up	74,000,000
Note : Of the above	
(i) 37,192,250 equity shares of Rs 2 each and 7,400,000 8% cumulative redeemable preference shares were issued pursuant to the order of the Honorable 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 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 having face value of 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
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	8,515,782
Add: Transferred from profit and loss account	150,000,000
Less: Adjustment for employee benefits provision net of deferred tax (Refer schedule 29)	135,780
Less: Utilised for issue of bonus shares	50,279,448
	108,100,554
Reserve on amalgamation	
Balance as per last balance sheet	-
Add: Transferred on amalgamation of erstwhile Om Housing Company Private Limited (Refer schedule 32)	21,796,437
	21,796,437
Profit and loss account	304,240,742
	434,137,733

Schedules to the consolidated financial statements (Continued) as at 31st March, 2008 (Currency: INR)

		31.03. 2008
5 SECURED LOANS		
From banks		
Term loan from Indian Bank		367,421,235
Term loan from Syndicate Bank		243,751,307
Term loan from Allahabad Bank		483,585,292
Vehicle loans		2,907,779
From others		
Term loan from Housing and Urban Development Corporation Limited (HUDCO)		610,000,000
Vehicle loan		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 Allahabad bank is secured against receivables of the sold and unsold portion of 'Dreams the Mall', Bhandup project and registered mortgage of the entire unsold area of the said mall and corporate guarantee of the Company.		
(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) All the above term loans are secured by personal guarantees of promoter Directors of the Company.		
(v) Vehicle loans are secured by hypothecation of the respective vehicles purchased.		
		1,714,785,873
6 UNSECURED LOANS		
Inter corporate loans		582,542,479
Loans from directors		60,457,154
Loans from shareholders*		53,225,000
		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 subsequent to year end.		

Schedules to the consolidated financial statements (Continued) as at 31st March, 2008

(Currency: INR)

7 FIXED ASSETS

	GROSS BLOCK					DEPRECIATION/AMORTISATION				NET BLOCK
	As at 1.04.2007	Transferred on amalgamation (refer schedule 32)	Additions	Deletions/ Disposals	As at 31.03. 2008	As at 1.04.2007	Transferred on amalgamation	For the year	As at 31.03 2008	As at 31.03.2008
Leasehold improvements	21,444,944	-	642,863	-	22,087,807	1,968,378	-	5,155,029	7,123,407	14,964,400
Plant and machinery	17,309,303	-	3,501,585	-	20,810,888	3,385,657	-	2,201,172	5,586,829	15,224,059
Computer	2,643,435	-	340,550	-	2,983,985	597,169	-	858,600	1,455,769	1,528,216
Furniture and fittings	2,578,154	-	361,091	-	2,939,245	616,233	-	708,168	1,324,401	1,614,844
Office equipment	3,330,425	-	937,480	-	4,267,905	275,547	-	463,555	739,102	3,528,803
Temporary structures	-	-	135,725	-	135,725	-	-	135,725	135,725	-
Vehicles	49,168	4,826,500	11,451,505	-	16,327,173	9,113	1,447,950	1,876,944	3,334,007	12,993,166
Total	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 820,726 transferred to inventory.

(ii) Depreciation for the year includes Rs 342,381 pertaining to earlier years.

(iii) Depreciation of a Subsidiary for the month of April excluded in the profit and loss account Rs 1,78,730.

Schedules to the consolidated financial statements (Continued) as at 31st March, 2008 (Currency: INR)

	31.03. 2008
8 INVESTMENTS	
Long term	
Non-trade investments (quoted)	
19,529 equity shares of Asian Tea Export Limited of Rs 10 each fully paid up	746,268
[Market value Rs 628,834]	
15 equity shares of Reliance Power Limited of Rs 10 each fully paid up	6,750
[Market value Rs 4,763]	
718 equity shares of SEL Manufacturing Company Limited of Rs 10 each fully paid up [Market value Rs 229,401]	64,620
Trade investments (unquoted)	
In associates	
15,944 equity shares of Shravan Developers Private Limited of Rs 10 each fully paid up*	136,762
2,000 equity shares of C. Bhansali Developers Private Limited of Rs 10 each, fully paid up	-
3,500 equity shares of BKC Developers Private Limited of Rs 10 each, fully paid up	-
Other investment (unquoted)	
250 equity share of Cosmos Co-operative Bank Limited of Rs 100 each fully paid up*	25,000
*The Company acquired these investments pursuant to amalgamation of erstwhile Om Housing Company Private Limited.	
Also refer schedule 33 for details of investments bought and sold during the year	
	979,400
Aggregate amount of unquoted investments	161,762
Aggregate cost of quoted investments	817,638
Aggregate market value of quoted investments	862,998
9 DEFERRED TAX ASSETS (NET)	
- On depreciation	822,492
- On provision for employee benefits allowable on a payment basis under the Income Tax Act, 1961	179,613
Net deferred tax assets	1,002,105
10 INVENTORIES	
Material at site	7,478,658
Construction work in progress	2,671,713,208
Stock of shares	2,260
	2,679,194,126

Schedules to the consolidated financial statements (Continued) as at 31st March, 2008 (Currency: INR)

	31.03. 2008
11 SUNDRY DEBTORS (unsecured and considered good) Debts outstanding for a period exceeding six months Other debts * * includes Rs 4,800,000 due from managing director maximum outstanding during the year Rs 69,800,000	472,789,424 417,859,733 890,649,157
12 CASH AND BANK BALANCES Cash on hand Cheques on hand With scheduled banks - in current account - in deposit account With other banks - Development Credit Bank in current account	3,117,169 1,800,000 58,994,555 10,030,500 90,030 74,032,254
13 LOANS AND ADVANCES (Unsecured and considered good) Advances recoverable in cash or kind or for value to be received * Advance tax and tax deducted at source [net of provision Rs 39,956,737] Advance paid for property and transferrable development rights Prepaid expenses Deposits ** * includes Rs 131,653,227 advances to a Company in which director is a director or member ** includes Rs 2,150,000 rent deposit given to director, maximum outstanding during the year Rs 2,150,000.	849,068,781 761,410 783,934,047 5,848,783 6,376,203 1,645,989,223
14 CURRENT LIABILITIES Advance received against units and transferrable development rights Sundry creditors (Refer Schedule 31) Other liabilities Investor education and protection fund - Unclaimed dividend Interest accrued but not due	1,660,344,659 304,004,090 14,757,722 282,511 6,653,018 1,986,042,000

Schedules to the consolidated financial statements (Continued) as at 31st March, 2008 (Currency: INR)

	31.03. 2008
15 PROVISIONS	
Provision for taxation [net of advance tax and tax deducted at source Rs 6,006,561]	219,883,071
Provision for fringe benefit tax	19,548
Provision for gratuity	528,429
Proposed dividend on preference shares	12,748,274
Tax on proposed dividend on preference shares	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
	256,003,933
16 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	
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	773,721
Less : written-off during the year	577,705
Less: adjusted in securities premium account	2,141,396
	-
17 SALES AND SERVICES	
Revenue from construction projects	1,010,969,406
Sale of traded properties	536,300,000
Sale of traded transferable development rights	747,807,910
RMC Plant hire charges	555,215
	2,295,632,531

Schedules to the consolidated financial statements (Continued) as at 31st March, 2008

(Currency: INR)

		31.03.2008
18	OTHER INCOME	
	Income from investments	
	Trade investments	
	Interest received from partnership firm	2,185,427
		2,185,427
	Other investments	
	Gain on investments (net)	334,160
		334,160
	Interest received [tax deducted at source Rs 9,614,140]	39,161,252
	Income from awards/compensation	27,200,000
	Income tax refund	9,411
	Interest on income tax refund	12,056
	Miscellaneous income	2,547,607
		71,449,913
19	CONSTRUCTION AND PURCHASE COST	
	Opening Stock	
	Construction work-in-progress	763,872,841
	Material at site	3,757,300
	Transfer from Om Housing Company Private Limited on amalgamation (Refer schedule 32)	940,730,612
		(A) 1,708,360,753
	Incurred during the year	
	Development rights / land cost	457,047,468
	Professional and legal fees	19,460,743
	Civil, electrical and contracting	747,206,691
	Administrative and other expenses	5,948,019
	Borrowing costs	121,403,212
		(B) 1,351,066,133
	Less: Closing Stock	
	Material at site	7,478,658
	Construction work-in-progress	2,533,124,989
		(C) 2,540,603,647
	Cost of construction	(D= A+B-C) 518,823,238
	Purchase of traded transferable development rights	(E) 641,566,800
	Purchase of property	(F) 302,885,127
	Cost of purchase	(G=D+E+F) 944,451,927
	Construction and purchase cost	(D+G) 1,463,275,165

Schedules to the consolidated financial statements (Continued) as at 31st March, 2008

(Currency: INR)

		31.03.2008
20	PERSONNEL EXPENSES	
	Salaries, wages and bonus	35,996,349
	Contributions to provident and other funds	765,060
	Staff welfare expenses	134,953
	Gratuity	322,733
		37,219,095
21	ADMINISTRATIVE AND OTHER EXPENSES	
	Advertisement	10,789,878
	Brokerage	23,524,441
	Electricity	871,166
	Rent	14,228,700
	Repair and maintainance	-
	- machinery	71,588
	- others	711,778
	Insurance	1,015,776
	Rates and taxes	2,726,722
	Loss on sale of investments (net)	9,013,111
	Auditors' remuneration (inclusive of service tax)	-
	- Statutory audit fees	1,014,289
	- Taxation matters	120,787
	- Other services	530,901
	- Out of pocket expenses	46,312
	Director's sitting fees	349,750
	Travelling expenses	1,658,374
	Printing and stationery	1,677,270
	Profession and legal fees	9,464,842
	Miscellaneous expenditure written-off (including for earlier years Rs 537,385)	577,705
	Miscellaneous expenses	5,020,811
		83,414,200
22	FINANCIAL EXPENSES	
	Interest on term loan	155,856,363
	Interest on other loans *	83,741,990
	Finance and bank charges	10,830,958
	* includes Rs 4,014,299 interest paid/payable to managing director	250,429,310
	Less: interest transferred to construction work-in-progress	121,403,212
		129,026,098

Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March, 2008

(Currency: INR)

23 Earning per share

Particulars	31.03.2008
Net profit after tax	416,828,162
Preference dividend (including taxes thereon)	6,926,104
Net profit after tax attributable to equity shareholders (A)	409,902,058
Number of equity shares at the beginning of the year*	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
Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (B)	155,358,000
Basic and diluted earnings (in rupees) per share of face value Rs 2 (A)/(B)	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 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

	31.03.2008
Claims against the Company not acknowledged as debt	-
	-

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 mainly domestic sales. 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, these 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:

	31.03.2008
Salary	2,815,000
Commission to managing director	26,800,322
	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, 2008
(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 2008 is as follows:

Lease Payments	31.03.2008
Not later than one year	12,900,000
Later than one year but not later than 5 years	30,500,000
Later than 5 years	-
Payment of lease rentals during the year	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.

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	31.03.2008
Liability at the beginning of the year	205,696
Interest cost	16,455
Current service cost	207,117
Benefit paid	-
Actuarial (gain) / loss on obligations	99,160
Liability at the end of the period	528,429

II Amount Recognised in the Balance Sheet	31.03.2008
Liability at the end of the year	528,429
Fair value of plan assets at the end of the year	-
Difference	528,429
Amount Recognised in the Balance Sheet	528,429

III Expenses Recognised in the Income Statement	31.03.2008
Current service cost	207,117
Interest cost	16,455
Expected return on plan assets	-
Net actuarial (gain) / loss to be recognised	99,160
Expense recognised in profit and loss account	322,733

Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March, 2008

(Currency: INR)

IV	Balance Sheet Reconciliation	31.03.2008
	Opening net liability	205,696
	Expense as above	322,733
	Employers contribution paid	-
	Amount recognised in the balance sheet	528,429

V	Actuarial Assumptions :	
	Discount rate	8.00%
	Rate of return on plan assets	8.00%
	Salary escalation	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 and compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable.

30. Related party disclosures

A Parties where control exist:

- I. Praful N Satra - Managing Director (also a key managerial personnel)
- II. Minaxi P Satra – Chairman (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 (w.e.f 26 March 2007)
- Sun Beam Builders and Developers (w.e.f. 31 January 2007 and upto 7 March 2006)
- BKC Developers Private Limited (Formerly known as Swift Tank Systems (India) Private Limited) (w.e.f. 30 April 2007)

II. Joint Venturers

- Prime Property Development Corporation Limited (w.e.f. 30 May 2006)
- Prime Down Town Estate Private Limited (Formerly known as Bharat Shah Estate Private Limited) (w.e.f. 30 May 2006)
- Housing Development and Infrastructure Limited (w.e.f 30 April 2007)

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

- Om Housing Company Private Limited (upto 31 March 2007)
- Prime Multi Tiles Trading Private Limited (w.e.f. 13 June 2005)
- Satra Infrastructure Development Private Limited (w.e.f. 16 March 2007)
- 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 (w.e.f. 31 October 2002)
- Sweety Developers (w.e.f. 1 April, 2006)

IV. Key Managerial Personnel

- Vijay N Satra – Wholtime Director (w.e.f. 1 February 2008)
- Rajan P Shah – Whole time Directors
- Chandrakant M Kothari – Wholtime Directors (upto 6 June 2007)

Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March, 2008

(Currency: INR)

30 Related party disclosures (continued)

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

Sr. No.	Particulars	Associates/ Joint Venturers	Entities over which key managerial personnel or their relatives exercises significant influence	Key Managerial Personnel and their relative	Total
Transactions during the year:					
1	Loans taken	-	255,895,000	43,892,665	299,787,665
2	Loans given	529,373,196	140,272,646	-	669,645,842
3	Interest Income	13,817,669	10,915,224	-	24,732,893
4	Share in profit of partnership firm	56,856,893	-	-	56,856,893
5	Interest expense	-	24,501,030	7,235,774	31,736,804
6	Other expense	-	-	14,228,700	14,228,700
7	Sale of property	-	-	72,220,750	72,220,750
8	Reimbursement received	3,398,325	-	-	3,398,325
9	Reimbursement paid	110,828,906	-	-	110,828,906
10	Issue of shares on amalgamation:				
A.	Equity	-	-	61,100,000	61,100,000
B.	Preference	-	-	70,000,000	70,000,000
11	Managerial remuneration	-	-	29,615,322	29,365,322
12	Directors sitting fees	-	-	86,500	86,500
13	Advance received against property	-	10,100,000	-	10,100,000
14	Advance paid towards property	85,000,000	-	-	85,000,000
15	Advance paid towards labour contract	-	140,000,000	-	140,000,000
16	Investments purchased	45,712,120	-	436,008,000	481,720,120
17	Investments sold	125,900,000	-	-	125,900,000
Outstanding balances receivable:					
1	Loans	131,653,227	160,316,904	-	291,970,131
2	Sundry debtors	-	-	8,322,000	8,322,000
3	Deposits	-	-	2,150,000	2,150,000
Outstanding balances payable:					
1	Loans	-	272,477,781	60,457,154	332,934,935
2	Sundry creditors	132,286,990	-	401,745	132,688,735
3	Advances paid towards property	100,000,000	-	-	100,000,000
4	Advance received against property	-	15,100,000	-	15,100,000
5	Remuneration payable	-	-	18,092,635	18,092,635

Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March, 2008
(Currency: INR)

30 Related party disclosures (continued)

Details of material related party transactions:

Sr. No.	Particulars	31.03.2008
1	Loans taken	
	Satra Infrastructure Development Private Limited	64,000,000
	BKC Developers Private Limited (Formerly known as Swift Tank Systems (India) Private Limited)	154,345,000
	Praful N. Satra	40,727,241
2	Loans given	
	BKC Developers Private Limited (Formerly known as Swift Tank Systems (India) Private Limited)	140,000,000
	C.Bhansali Developers Private Limited	76,000,000
	Shravan Developers Private Limited	453,373,196
3	Interest income	
	BKC Developers Private Limited (Formerly known as Swift Tank Systems (India) Private Limited)	10,915,224
	C.Bhansali Developers Private Limited	7,682,629
	Shravan Developers Private Limited	3,949,613
4	Share in profit of partnership firm	
	Sun-Beam Builders & Developers	56,856,893
5	Interest expense	
	BKC Developers Private Limited (formerly known as Swiftank Systems (India) Private Limited)	22,665,264
	Praful N. Satra	6,462,453
6	Receiving of services	
	Praful N. Satra	14,228,700
7	Sale of flats	
	Praful N. Satra	72,220,750
8	Reimbursement received	
	Prime Property Development Corporation Limited	3,398,325
9	Reimbursement paid	
	Housing Development and Infrastructure Limited	85,000,000
	Prime Property Development Corporation Limited	25,828,906
10	Issue of shares	
A	Equity	
	Praful N. Satra	43,550,000
	Minaxi P. Satra	17,550,000
B	Preference	
	Praful N. Satra	45,000,000
	Minaxi P. Satra	25,000,000

Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March, 2008

(Currency: INR)

30 Related party disclosures (continued)

Sr. No.	Particulars	31.03.2008
11	Managerial remuneration Praful N. Satra	28,463,655
12	Directors sitting fees Minaxi P. Satra	43,250
	Vijay N. Satra	43,250
13	Advance received against property Savla Realtors and Developers Private Limited	10,100,000
14	Advance paid towards property Prime Down Town Estates Private Limited (Bharat Shah Estate Private Limited)	85,000,000
15	Advance paid towards labour contract Satra Property Development Private Limited	140,000,000
16	Investments purchased Minaxi P. Satra	165,104,000
	Praful N. Satra	270,904,000
17	Investments sold Sun-Beam Builders & Developers	125,900,000
	Outstanding balances receivable	
1	Loans C.Bhansali Developers Private Limited	81,941,744
	BKC Developers Private Limited (Formerly known as Swift Tank Systems (India) Private Limited)	160,316,904
2	Sundry debtors Praful N. Satra	8,322,000
3	Deposits Praful N. Satra	2,150,000
	Outstanding balances payables:	
1	Loans Minaxi Satra	6,603,789
	Praful N. Satra	53,853,365
	BKC Developers Private Limited (Formerly known as Swift Tank Systems (India) Private Limited)	272,398,614
2	Sundry creditors Housing Development and Infrastructure Limited	125,000,000
3	Remuneration Payable Praful N. Satra	17,835,890
4	Advances paid towards property Prime Down Town Estates Private Limited (Bharat Shah Estate Private Limited)	100,000,000
5	Advance received against property Savla Realtors & Developers Private Limited. Ltd	15,100,000

Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March, 2008

(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.

	31.03.2008
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, 2008

(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. 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
Satra Property Developers Private Limited	14,603,900	585,616,450	-	-
Aridhi Hitec Limited	240	2,099	240	2,255
Zenith Birla (I) Limited	-	-	480,576	15,862,439
Asian Tea Limited	69,552	2,498,269	50,023	1,718,148
C. Bhansali Developers Private Limited	2,000	20,000	-	-
Cosmos Co-operative Bank Limited	250	25,000	-	-
Sunbeam Builders & Developers	-	47,718,107	-	69,043,107
Reliance Power Limited	15	6,750	-	-
SEL Manufacturing Company Limited	718	64,620	-	-
		635,951,295		86,625,949

34. 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%

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

Amount in respect to Prime down town Joint Venture Balance Sheet	31.03.2008
Inventories	133,344,200
Cash and bank	513,915
Current liabilities and provisions	136,804,282
Loans and advances	100,000,000

Schedules to the Consolidated Financial Statements (Continued) for the year ended 31 March, 2008

(Currency: INR)

34. Investment in joint ventures (Continued)

Amount in respect to Dreams the mall, Bhandup Joint Venture Balance Sheet	31.03.2008
Inventories	340,353,631
Cash and bank	16,886,008
Current liabilities and provisions	142,888,893
Loans (liability)	506,341,200
Sundry Debtors	329,822,930
Deposits	39,806
Profit and loss statement	
Incomes	1,251,020,401
Expenses	1,005,953,665

35. 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 has been utilised for acquisition of land at Calicut forming part of construction work in progress and Rs 18,200,000 has been invested on account of capital with partnership firm M/s Sun Beam Builders & Developers.

36. Prior year comparatives

Comparative figures of the previous year have not been disclosed as this is the first year of presentation of consolidated financial statements.

For and on behalf of the Board of Directors

Minaxi P. Satra
Chairman

Praful N. Satra
Managing Director

Vicky Kundaliya
Company Secretary

Mumbai, August 29, 2008

STATEMENT PURSUANT TO SECTION 212 (1)(E) OF THE COMPANIES ACT, 1956, RELATING TO THE COMPANY'S INTEREST IN SUBSIDIARY COMPANIES						
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)
1	The Financial year of the Subsidiary Companies ended on	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
2	Date from which it became Subsidiary Companies	July 2, 2007	October 18, 2007	October 23, 2007	October 19, 2007	October 19, 2007
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.
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.
5	Extent of the interest of Holding Company at the end of the financial year of the Subsidiary Companies	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, 2008	114,026,022	(22,210)	(22,125)	(22,125)	(22,136)
	ii. For the previous F. Y.(s) of the Subsidiary Companies since it became the Holding Company's Subsidiaries.	NIL	NIL	NIL	NIL	NIL
B	Dealt with in Holding Company's accounts:					
	i. For the current F. Y. ended March 31, 2008		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
For and on behalf of the Board of Directors						
Mrs. Minaxi P. Satra Chairperson Mumbai, August 29, 2008		Mr. Praful N. Satra Managing Director	Mr. Vicky M. Kundaliya Company Secretary			

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 25th Annual General Meeting of the Company held on Monday, September 29, 2008, at 5.00 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 **25TH ANNUAL GENERAL MEETING** of the Company to be held on Monday, September 29, 2008, at 5.00 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 _____ 2008. 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.